
Impulse Buying Behavior of Z's Generation in E-Commerce: Evidence from North Sulawesi Province

Melky J. Pangemanan

Student of Doctoral Program of Management Science, Economics and Business Faculty, Sam Ratulangi University

Stanss L. H. V. J. Lopian, Altje L. Tumbel, Willem J. F. Alfa Tumbuan, Imelda W. J Ogi
Lecturers of Doctoral Program of Management Science, Economics and Business Faculty, Sam Ratulangi University

Annotation: Generation Z is a generation that is familiar with activities on the internet. As a technology literate generation, Generation Z is the population that dominates the number of internet users in Indonesia. The majority of Gen Z buys their needs in marketplaces or e-commerce such as Shopee, Tokopedia, Lazada, or other marketplaces. Online shopping behavior in Indonesia can be said to be dominated by Gen Z, because of all active internet users, with Gen Z activities doing online shopping. Impulse buying is caused by a stimulus, both internal and external factors that trigger spontaneous purchases. Internal factors come from the person himself while external factors come from the attributes of the products sold and promotions carried out. The purpose of this study was to analyze the impulse buying behavior of Gen Z in North Sulawesi. This study uses a quantitative approach with a survey method, where the primary data used is obtained through the distribution of online questionnaires. Measurements in this study used a Likert scale. The selection of the sample technique used is purposive sampling with the aim that the selected respondents can meet the criteria in accordance with the research objectives. The results of the study prove that these variables have a positive effect on impulse buying. Two of these variables, namely the hedonic shopping motivation variable and visual merchandising, showed a positive and significant influence on impulse buying with a value of 0.248 and 0.426. This indicates that these two variables are the biggest influence on the behavior of Generation Z in North Sulawesi in shopping impulsively. This study concludes that the impulse behavior of bying gen Z has an effect on the e-commerce industry so that this research can be a reference and consideration for improving the quality of the e-commerce industry, and can provide strategies that are in accordance with the characteristics of generation Z.

Keywords: E-commerce, Impulse Buying Behavior, Generation Z.

Introduction

Major changes in the business world have occurred due to advances in information and communication technology. First, the emergence of a new wave of companies that base their business models on the internet. Second, the emergence of a new group of buyers, known as Generation-Z, who have different levels of expectations and responses to purchase consumption. One of the business fields that move by utilizing the internet and is often used today is online shopping business or commonly referred to as E-commerce (Abdelsalam, Salim, Alias, and Husain, 2020). E-commerce allows buying and selling transactions to be carried out online from any place (Wells, Parboteeah and Valacich, 2011). Online shopping activities in Indonesia are increasingly showing significant developments. Coupled with the Covid 19 pandemic, which limits mobility, various shopping centers such as malls have to

close their businesses for a certain period of time, this then makes many people switch to using e-commerce services for shopping. This is certainly an advantage for some e-commerce because of the increased traffic of users who shop during the pandemic (Harahap, Ferine, Irawati, Nurlaila and Amanah, 2021). Generation Z is a generation that is familiar with activities on the internet. Starting from the use of social media, to buying goods online. As a technology literate generation, Gen Z is the population that dominates the number of internet users in Indonesia (Venia, Marzuki and Yuliniar, 2021). According to data from AppAnnie, Indonesia is the country with the most Gen Z spending time on the internet. Compared to 25+ countries in the world, the average growth of Indonesian Gen Z internet users has increased by up to 40% every month. Apart from social media, the platform often used by Gen Z is an online shopping platform. As many as 72% of Gen Z buy their needs in marketplaces or e-commerce such as Shopee, Tokopedia, Lazada, or other marketplaces. Online shopping behavior in Indonesia can be said to be dominated by Gen Z, because out of 100% of internet users, 72% of them are Gen Z who are actively shopping online.

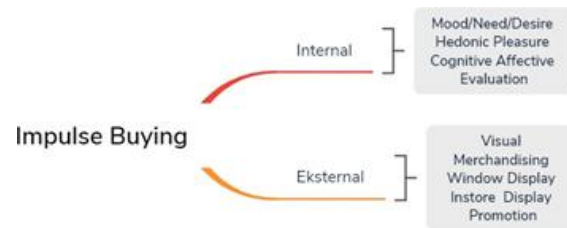
North Sulawesi is currently dominated by Generation Z according to the results of the 2020 Population Census (SP2020). Generation Z, which is the term for the successor to the millennial generation or those born between 1995 and 2010, has a proportion of 27.50 percent of the total population of North Sulawesi, which is

2.62 million. Meanwhile, according to data in 2019, North Sulawesi e-commerce players are the most e-commerce players after Yogyakarta. This shows that Generation Z in North Sulawesi has contributed to impulse buying. Consciously or not, everyone must have made an unplanned purchase of goods. This unplanned purchase is known as impulse buying. From the consumer's point of view, impulse buying can have negative implications, for example, making consumers tend to spend money excessively and make purchases that are not useful (Edy and Haryanti, 2018). On the other hand, impulse buying provides positive benefits for marketers to introduce new products. Through effective communication and appropriate promotional programs, it will influence the choice of brands that consumers buy and encourage them to shop more.

Impulse buying can occur due to several factors. One of the reasons is the psychological phenomenon of Fear of Missing Out, namely the fear of missing out on things that are popular. This phenomenon is also widely used by e-commerce because it can affect interactions, thoughts, and decision making in purchasing. The characteristics of Generation Z who always want to appear following the trend then become motivated to collect various kinds of fashion items to appear more fashionable (ERDEM and YILMAZ, 2021). The need for a variety of fashion items is what increasingly encourages Generation Z to shop at e-commerce. In addition, familiarity with social media also affects the tendency of Generation Z to make spontaneous purchases (Ting, Man, Yuan, Heng and Hong, 2019). Considering that currently many e-commerce market their products through social media. The existence of an advertising stimulus that is presented every day through social media, of course, can attract the interest of Generation Z to then make a spontaneous purchase. Consumers who often make impulse purchases have an unreflective tendency in their thinking, so that purchases made by consumers tend not to pay attention to the long-term benefits and uses of the products purchased. As a generation that tends to have unstable emotions, it makes Gen Z difficult to distinguish their needs and desires (Firamadhina and Krisnani, 2021). As a result, spontaneous purchases are sometimes unavoidable.

Impulse buying according to Churchill and Peter is caused by a stimulus both internal and external factors that trigger spontaneous purchases (Tinne, 2010). Internal factors come from the person himself while external factors come from the attributes of the products sold and

promotions carried out. Previous studies have not discussed the impulse buying factor in e-commerce, especially among Generation Z in North Sulawesi, so this study is important to discuss.



Figures 1. Factors that Affect Impulse Buying

Source: (Churcill and Peter, 1998)

The novelty of this research is to analyze empirically the evidence of Generation Z's behavior in North Sulawesi in the use of e-commerce. This study aims to identify the factors that influence Generation Z in making spontaneous purchases in e-commerce. The findings of this study are expected to contribute to helping companies, especially e-commerce businesses, in maximizing business strategies that can encourage consumers to make impulse buying.

Research Method

This research is a quantitative research with a survey method, where the primary data used is obtained through the distribution of online questionnaires with google form. Measurements in this study used a Likert scale. The selection of the sample technique used is purposive sampling with the aim that the selected respondents can meet the criteria in accordance with the research objectives. The criteria for selecting respondents were Generation Z who were born in the range of 1995 – 2010 and domiciled in North Sulawesi and have made impulse purchases at various well-known e-commerce sites in Indonesia.

The collected data is then analyzed using smart PLS software. The data analysis technique used is descriptive and inferential analysis. Descriptive analysis in this study was carried out by interpreting respondents' answers through factor loading values, while inferential analysis in this study was carried out through validity, reliability, coefficient of determination, Q-test and hypothesis testing.

Result and Discussion

Respondents in this study were Generation Z, which is a group of people who were born between 1995 and 2010 or are currently 25-10 years old who live in North Sulawesi and have made online purchases at online stores or e-commerce. The respondents are divided into several characteristics based on gender, age, and occupation. In this study, the respondents were dominated by the female generation Z, which was 90.3%. According to age, it is dominated by the age group of 22-23 years with a percentage of 66.1%. According to occupation, it is dominated by students by 33.9%. Furthermore, the answers obtained from the respondents are interpreted using the interpretation table of the respondents' values.

Tabel 1. Interpretation of Respondent Percentage Values

<i>Loading Factor</i>	<i>Interpretation</i>
0,70-1,00	Very High
0,40-0,70	High
0,20-0,40	Low
0,00-0,20	Very Low

Source: Data Process, 2022

Based on the table above, the results of the loading factor of respondents' answers to statement items related to research variables given through questionnaires can be seen as follows:

Table 2. Results of Respondents' Answers to Impulse Buying Variables

<i>Variable</i>	<i>Indicator</i>	<i>Loading Factor</i>	<i>Interpretation</i>
<i>Impulsive Purchase</i>	PI1	0.756	Very High
	PI2	0.784	Very High
	PI3	0.749	Very High
	PI4	0.715	Very High

Source: Data Process, 2022

Based on the data, it is known from the loading factor calculation, all respondents' answers to the impulse buying variable have a very high average loading factor value. This means that generation Z consumers who make spontaneous purchases on e-commerce are very high.

Table 3. Results of Respondents' Answers to Hedonic Shopping Motivation Variables

<i>Variable</i>	<i>Indicator</i>	<i>Loading Factor</i>	<i>Interpretation</i>
<i>Hedonic Shopping Motivation</i>	MBH1	0.830	Very High
	MBH 2	0,891	Very High
	MBH 3	0.795	Very High
	MBH 4	0.834	Very High
	MBH 5	0.768	Very High

Source: Data Process, 2022

Based on the data above, it can be seen that from the loading factor calculation, respondents' answers to lifestyle variables also show a very high average loading factor value. This means that lifestyle variables affect Generation Z in impulse buying.

Table 4. Results of Respondents' Answers to Positive Emotion Variables

<i>Variable</i>	<i>Indicator</i>	<i>Loading Factor</i>	<i>Interpretation</i>
<i>Positive Emotions</i>	MP1	0,779	Very High
	MP2	0.829	Very High
	MP3	0.714	Very High
	MP4	0.727	Very High

Based on the data above, it is known that from the loading factor calculation, respondents' answers to the positive emotion variable also show a very high average loading factor value. This means that the positive emotion variable encourages Generation Z to do impulse buying

Table 5. Results of Respondents' Answers to Cognitive/Affective Variables

<i>Variable</i>	<i>Indicator</i>	<i>Loading Factor</i>	<i>Interpretation</i>
<i>Cognitive/Affective</i>	KA1	0,835	Very High
	KA2	0.732	Very High
	KA3	0.810	Very High

Source: Data Process, 2022

Based on the data above, it is known that from the loading factor calculation, respondents' answers to the affective cognitive variable also show a very high average loading factor value. This means that affective cognitive variables encourage generation Z to do impulse buying.

Table 6. Results of Respondents' Answers to Evaluation Variables

<i>Variable</i>	<i>Indicator</i>	<i>Loading Factor</i>	<i>Interpretation</i>
<i>Evaluation</i>	EVA1	1.000	Very High

Based on the data above, it is known that from the loading factor calculation, respondents' answers to the evaluation variable also show a very high loading factor value. This means that the evaluation variable encourages generation Z to do impulse buying.

Table 7. Results of Respondents' Answers to Sales Promotion Variables

<i>Variable</i>	<i>Indicator</i>	<i>Loading Factor</i>	<i>Interpretation</i>
<i>PromotionSale</i>	PP1	0.730	Very High
	PP2	0.709	Very High
	PP3	0.774	Very High
	PP4	0.857	Very High
	PP5	0.827	Very High

Source: Data Process, 2022

Based on the data above, it is known that from the loading factor calculation, respondents' answers to the sales promotion variable also show a very high loading factor value. This means that sales promotion variables encourage generation Z to do impulse buying.

Table 8. Results of Respondents' Answers to Visual Merchandising Variables

<i>Variable</i>	<i>Indicator</i>	<i>Loading Factor</i>	<i>Interpretation</i>
<i>Visual Merchandising</i>	VM1	0.786	Very High
	VM2	0.821	Very High
	VM3	0.845	Very High

Source: Data Process, 2022

Based on the data above, it is known that from the loading factor calculation, respondents' answers to the visual merchandising variable also show a very high loading factor value. This means that the visual merchandising variable encourages generation Z to make impulse buying.

Table 9. Results of Respondents' Answers to Product Display Variables

<i>Variable</i>	<i>Indicator</i>	<i>Loading Factor</i>	<i>Interpretation</i>
<i>Display Product</i>	VM1	0.786	Very High
	VM2	0.821	Very High
	VM3	0.845	Very High

Source: Data Process, 2022

Based on the data above, it is known that from the loading factor calculation, respondents' answers to the variable display product also show a very high loading factor value. This means that the variable display product encourages generation Z to do impulse buying.

Table 10. Results of Respondents' Answers to the Store Atmosphere Variable

<i>Variable</i>	<i>Indicator</i>	<i>Loading Factor</i>	<i>Interpretation</i>
<i>Store Atmosphere</i>	SA1	0.705	Very High
	SA2	0.774	Very High
	SA3	0.910	Very High

Source: Data Process, 2022

Based on the data above, it is known that from the loading factor calculation, respondents' answers to the store atmosphere variable also show a very high loading factor value. This means that the evaluation variable encourages generation Z to do impulse buying.

Furthermore, the validity test, reliability test, R-Square test, Q-Square test and hypothesis testing with t-test on lifestyle variables, sales promotion and hedonic shopping motivation on impulse buying were carried out. Test the validity and reliability in this study can be seen in the following table.

Table 11. Validity Test Results

<i>Variable</i>	<i>Average Variance Extracted(AVE)</i>	<i>Composite Reliability</i>	<i>Cronbach's Alpha</i>
<i>Motivation Hedonic Shopping</i>	0.803	0.914	0.887
<i>Promotion Sale</i>	0.610	0.610	0.886
<i>Positive Emotion</i>	0.583	0.848	0.765
<i>Affective Cognitive Evaluation</i>	0.630	0.836	0.713
<i>Evaluation</i>	1.000	1.000	1.000
<i>Purchase Impulsive</i>	0.565	0.838	0.745
<i>Visual Merchandising</i>	0.669	0.858	0.755
<i>Display Product</i>	0.803	0.891	0.755
<i>Store Atmosphere</i>	0.641	0.841	0.738

Source: Data Process, 2022

Table 12. Hasil Uji R-Square

<i>Variable</i>	<i>R Square</i>	<i>R Adjusted</i>	<i>Square</i>
<i>Impulse buying</i>	0.401	0.310	

Based on table 12, it is known that the R-Square in this study is 0.401 or 40.1%. It can be concluded that the impulse buying variable is influenced by existing variables such as hedonic shopping motivation, Sales Promotion, Positive Emotions, Affective Cognitive, Evaluation, Visual Merchandising, Product Display, and Store Atmosphere. Furthermore, hypothesis testing is carried out which can be seen in table 13 below:

Table 13. T-Statistic Test Results

<i>Variable</i>	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation(STDEV)</i>	<i>T Statistics</i>	<i>P Values</i>
<i>Motivation shopping Hedonist</i>	0.248	0.250	0.125	1.979	0.048

<i>Promotion sale</i>	0.110	0.103	0.168	0.654	0.513
<i>Positive Emotion</i>	0.184		0.150	1.232	0.219
<i>Affective Cognitive</i>	0.070	0.099	0.116	0.607	0.544
<i>Evaluation</i>	0.059	0.085	0.123	0.481	0.631
<i>Visual Merchandising</i>	0.426	0.379	0.132	3.213	0.001
<i>Display Product</i>	0.036	0.012	0.111	0.324	0.746
<i>Store Atmosphere</i>	-0.182	-0.135	0.125	1.455	0.146

Source: Data Process, 2022

Based on table 13, it can be seen that the Display Product variable has a positive but not significant effect on the impulse buying variable. The same results are also shown by other variables. However, for the hedonic shopping motivation variable and visual merchandising, it shows a positive and significant influence on the impulse buying variable.

Based on hypothesis testing, it can be seen that the original value of the hedonic shopping motivation sample in this study is 0.248. This shows that hedonic shopping motivation in the form of shopping as an adventure, shopping following trends, shopping to find discounts and discounts, interacting and exchanging information, shopping can change moods and shopping for others carried out by Generation Z triggers impulse buying behavior or purchases. unplanned in e-commerce. This is in line with the assumption that Generation Z is a generation that is still easily carried away by existing trends. In addition, through hypothesis testing, it is also known that the original value of the visual merchandising sample in this study obtained a fairly high result, namely 0.426, this indicates that generation Z in North Sulawesi tends to make unplanned purchases when a product has an attractive appearance so that the intention arises to buy a product. buy the product. This means that when the products offered by e-commerce have an attractive packaging appearance, the higher the tendency for Generation Z to make impulse buying.

Based on the analysis and testing of research hypotheses, the results obtained regarding the factors that influence the occurrence of Impulse Buying among Generation Z in North Sulawesi with independent variables consisting of Hedonic Shopping Motivation, Sales Promotion, Positive Emotions, Affective Cognitive, Evaluation, Visual Merchandising, Product Display and Store Atmosphere. The results of the study prove that these variables have a positive effect on impulse buying. Two of these variables, namely the hedonic shopping motivation variable and visual merchandising, showed a positive and significant influence on impulse buying with a value of 0.248 and 0.426. This indicates that these two variables are the biggest influence on the behavior of Generation Z in North Sulawesi in shopping impulsively.

Conclusion

This study concludes that the impulse buying behavior of Gen Z in North Sulawesi is proven to have a strong influence on e-commerce. This can be seen from the factors of Hedonic Shopping Motivation, Sales Promotion, Positive Emotions, Affective Cognitive, Evaluation, Visual Merchandising, Product Display and Store Atmosphere have a positive effect on impulse buying. Two of these variables, namely the hedonic shopping motivation variable and visual merchandising, showed a positive and significant influence on impulse buying with a value of 0.248 and 0.426. This indicates that these two variables are the biggest influence on the behavior of Generation Z in North Sulawesi in shopping impulsively. Therefore, the e-commerce industry can use this research as a reference and consideration to increase the factors that influence impulse buying in generation Z so that the e-commerce industry can maximize profits and can provide strategies that are in accordance with the characteristics of generation Z. In addition, companies can consider Generation Z as the main

target market in the future because Generation Z is a potential market. Companies also need to differentiate products and maintain product quality in order to stimulate consumers, especially Generation Z, to make impulse purchases. For e-commerce users, this research can also be an additional insight into what factors influence shopping motivation. This research can also be used as a basis for further research and is expected to add several other variables, so that other factors can influence the impulse buying behavior of Generation Z e-commerce users.

References

1. Abdelsalam, S., Salim, N., Alias, R. A., and Husain, O. (2020). Understanding Online Impulse Buying Behavior in Social Commerce: A Systematic Literature Review. *IEEE Access*, 8, 89041–89058. <https://doi.org/10.1109/ACCESS.2020.2993671>
2. Angela, V., and Paramita, E. L. (2020). Pengaruh Lifestyle Dan Kualitas Produk Terhadap Keputusan Impulse Buying Konsumen Shopee Generasi Z. *Jurnal Ekobis : Ekonomi Bisnis and Manajemen*, 10(2), 248–262. <https://doi.org/10.37932/j.e.v10i2.132>
3. Edy, I. C., and Haryanti, S. S. (2018). Impulsive Buying Behavior Pada Konsumen Online. *Prosiding: The National Conferences Management and Business (NCMAB) 2018*, 362–374.
4. ERDEM, A., and YILMAZ, E. S. (2021). Investigation of Hedonic Shopping Motivation Effective in Impulse Buying Behavior of Female Consumers on Instagram. *Journal of Yaşar University*, 16(64), 1605–1623. <https://doi.org/10.19168/jyasar.892799>
5. Firamadhina, F. I. R., and Krisnani, H. (2021). PERILAKU GENERASI Z TERHADAP PENGGUNAAN
6. MEDIA SOSIAL TIKTOK: TikTok Sebagai Media Edukasi dan Aktivisme. *Share : Social Work Journal*, 10(2), 199. <https://doi.org/10.24198/share.v10i2.31443>
7. Handayani, R., Sofiandi, M., Putra, D. A. D., Valiant, R., Fauzan, R., and Hidayat, Y. F. (2021). The Effect of Hedonic Shopping Motivation on Impulse Purchase of Fashion Products in Pandemic Times (Case Study on Generation Z Consumers of Several E-Commerce in Bandung). *Review of International Geographical Education Online*, 11(3), 1571–1578. <https://doi.org/10.48047/rigeo.11.3.151>
8. Rizal, M. (2015). Analisis Faktor-Faktor yang Mempengaruhi Impulse Buying pada Indomaret di Kota Langsa. *Manajemen Dan Keuangan*, 4(2), 393–402.
9. Sundström, M., Hjelm-Lidholm, S., and Radon, A. (2019). Clicking the boredom away – Exploring impulse fashion buying behavior online. *Journal of Retailing and Consumer Services*, 47(November 2018), 150–156. <https://doi.org/10.1016/j.jretconser.2018.11.006>
10. Ting, C. M., Man, C. C., Yuan, H. Z., Heng, G. J., and Hong, Y. W. (2019). Factor that Influences Online Impulse Purchase among Generation Y in Malaysia. (August).
11. Vojvodić, K. D., Matic Šošić, M. D., and Žugić, J. D. (2018). Rethinking Impulse Buying Behaviour: Evidence From Generation Y Consumers. *EMC Review - Časopis Za Ekonomiju - APEIRON*, 15(1). <https://doi.org/10.7251/emc1801055v>
12. Wells, J. D., Parboteeah, D. V., and Valacich, J. S. (2011). Online impulse buying: Understanding the interplay between consumer impulsiveness and website quality. *Journal of the Association for Information Systems*, 12(1), 32–56. <https://doi.org/10.17705/1jais.00254>
13. Yulianto, Y., Sisko, A., and Hendriana, E. (2021). The Stimulus Of Impulse Buying Behavior On E-Commerce Shopping Festival: A Moderated-Mediated Analysis. *Journal of Business and Management Review*, 2(10), 692–714. <https://doi.org/10.47153/jbmr210.2152021>.