



Understanding Impulsive Buying for Fashion Products in Generation Z

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Abstract. Impulsive buying is unplanned, arouses passion, lack of deliberation, and more unbearable buying behaviour. Many things affect impulsive buying behaviour, but what will be understood in this research are brand image, price, mental budgeting, and self-control. Generation Z has its characteristics in shopping patterns. The present study aims to provide a more integrated picture of impulsive buying behaviour for fashion products, especially in Generation Z. The following article combines three studies while presenting each study's unique results. However, discussions and conclusions are based on the results of the three studies.

Keywords: Impulsive buying behaviour · generation Z · fashion products · brand image · price · mental budgeting · self-control

1 Introduction

The level of competition in the retail business in modern life is currently higher along with the development of social life. A survey from Francis & Hoefel [1] on retail sales shows an annual increase in sales. Total retail sales worldwide in 2017 showed US\$ 22.97 trillion, in 2018 US\$ 23.96 trillion, and in 2019 US\$ 25.04. This significant increase makes retail businesses more attractive to watch. This condition inevitably triggers fierce competition among businesspeople to maintain their existence. In Indonesia, major retailers have sprung up since around 2000, both nationally and internationally. The relatively large population provides its appeal as a potential market for businesspeople. National Retail Sales in Indonesia increased from US\$ 350 billion in 2017 to US\$ 396 billion in 2019, with a growth rate of 4.5% (Mordor Intelligence with sources from the World Bank, World Economic Forum, and International Monetary Fund). The fashion industry is included in the wrong type of retail business.

Fashion is one of the past decade's rare economic success stories. Over that period, the industry has grown at 5.5 percent annually, according to the McKinsey Global Fashion Index, to be now worth an estimated US\$ 2.4 trillion. The fashion industry is an inseparable part of a person's lifestyle in expressing himself. Fashion is also an indicator of one's socioeconomic level. Fashion is currently growing and developing rapidly in line with economic globalization. The same conditions occur in Indonesia. Consumers in Indonesia actively follow world's fashion trends. The fashion industry in Indonesia

is ranked second as the highest contributor of 18.01 percent in creative economies, with a GDP growth rate of 4.05 percent, according to The Creative Economy Agency. This figure correlates with increased demand from fashion consumers (Bekraf in Jakarta Post, Wed, October 2, 2019).

1.1 Impulsive Buying

In general, impulsive buying is a shopping activity without any plan before. Verplanken & Herabadi [2] and Foroughi et.al. [3] stated that impulsive buying is mainly related to sudden and unplanned purchases, which begin simultaneously. According to Foroughi et.al. [3], impulsive buying is described as arousing, lack of deliberate, and more unbearable buying behaviour than planned buying. According Foroughi et.al. [3], impulsive buying is a sudden, interesting, and hedonically complex buying behaviour, where the impulsive buying decision process stage includes wise consideration, alternative information and choices. [3] explained that impulsive buying involves emotional activation, low cognitive control, and spontaneous behaviour that can attract consumers when they are near exciting objects.

According to Verplanken & Herabadi [2], several factors can trigger impulsive purchases: situational factors, personal factors, and the marketing environment. Moreover, Kacen & Lee [4] said that external factors influence impulsive buying behaviour in addition to culture. Age, gender, and allowance can also affect one's tendency to make impulsive buying. Wood [5] and Lin & Lin [6] found that age factors influence impulsive purchases. 18–39 years old is the age range vulnerable to making impulsive purchases, whereas the tendency decreases after that age range. Generation Z is those born between 1995 and 2010 (retrieved from www.mckinsey.com), which is the successor of the millennial generation, and has a characteristic in its consumption patterns.

2 Literature Review and Hypotheses

2.1 1st Research

2.1.1 Brand Image

Well-known brands will occupy a larger portion of consumers' minds. Companies will make their product strategies and brand image more familiar to consumers. The brand image leads to perceptions that are expected to emerge and be communicated to consumers. According to Wulansari & Seminar [7], a relationship exists between brand image and impulsive buying. The existence of a good brand image in memory has value in the eyes of consumers and can create satisfaction that impacts impulsive purchases. Joo Park et.al. [8] stated that impulsive buying occurs in goods classified as expensive for the upper-middle class, such as fashion goods, especially clothing. The rapid development in the fashion world and the positive emotions it evokes affect impulsive buying behaviour. The increasingly crowded market conditions make consumers purchase based on brand image compared to other characteristics. Based on this explanation, the hypothesis proposed is:

H1: There is a relationship between brand image and impulsive buying.

2.1.2 Price

In order for a product to succeed in a market, producers must determine a pricing strategy. The price of a product is the main determining factor for market demand. Therefore, in setting prices, producers must set a price that can satisfy consumer desires. Price flexibility is needed to increase sales volume and maintain market share. Price is one factor that makes consumers impulsive in making purchases. The research results from Herukalpiko et.al. [9] showed that price policy has a positive and significant influence on consumers' impulsive buying behaviour. Nye & Hillyard [10] found a weak relationship between impulsive consumption and personal financial well-being.

Price is an important aspect of purchasing. The company uses a combination of prices as a promotional tool, such as discounts, buying one get one, and special prices, to stimulate consumers to buy products. Research from Herukalpiko et.al. [9] proved that price policy has a significant influence on consumers' impulsive buying behaviour, with a coefficient of determination of 36.4%. Low prices or various price promotions offered will turn these products into impulse goods. This happens because the price is a factor that influences impulsive buying. Low-price products can suddenly make consumers feel they have spent less money than planned. Then the hypothesis proposed in this study is:

H2: There is a relationship between price and impulsive buying.

2.2 2nd Research

2.2.1 Self-Control

Impulsive buying can be controlled if consumers have strong self-control. Successful self-control strategies often provide clear goals and easy monitoring of one's behaviour [11]. So, good self-control can reduce or prevent impulsive buying. According to McCullough & Willoughby [12], self-control is when people engage in behaviours designed to counter or override excessive responses, such as behavioural tendencies, emotions, or motivation. Chaplin stated that self-control is the ability to guide one's behaviour and suppress or block impulses or impulsive behaviour.

Teenagers have the most important universal interests, namely recreational and personal interests. Both interests can be one of the factors that encourage late adolescents or early adults to do impulsive buying. Wood [5] revealed that personal characteristics like age influence impulsive buying. Impulsive buying will increase between the age of 18 to 39 and decrease after that. According to Hurlock [13], self-control is an individual's ability to read the situation and the environment and control and regulate behaviour to fit the situation and conditions to present themselves in socialization. So someone who has self-control is not easily influenced by the surrounding environment. People with good self-control will be able to hold back and consider the long-term consequences when buying liked or desired goods. Then the proposed hypothesis is:

H3: There is a relationship between self-control and impulsive buying.

2.2.2 Mental Budgeting

Mental budgeting is a way to control expenditure [14]. With mental budgeting, expenditures can be controlled and evaluated for whatever budget is issued. Thaler [15] matched mental budgeting with the accounting processes used by companies and the cognitive processes used by individuals. That study defined mental budgeting as a set of cognitive operations individuals use to record and evaluate financial behaviour. It forms an economic concept that states that individuals divide their current and future assets into separate and non-transferable parts.

Foroughi et.al. [3] stated that impulsive buying could arise when someone forgets to buy an item that is not recorded in the budget book, so when they are already in the store, the consumer will immediately decide to buy it. A consumer with a budget who has made a regular shopping list should be able to control his impulses, resulting in low impulsive buying. If one's mental budgeting is good and neat, impulsive buying behaviour will not occur. In this case, it means consumers are not consistent with the shopping list that has been made or with a neatly arranged budget. De Groot & van Raaij [16] revealed that mental budgeting, which is the management of expenditure, requires budgeting, making a budgetary reserve, giving compensation after spending too much on the budget and treating money as a specific designation (non-functional). Thus, the mental budgeting strategy will produce healthier financial behaviour and avoid impulsive behaviour. Based on the above thought, the hypothesis proposed is:

H4: There is a relationship between mental budgeting and impulsive buying.

3 Research Method

The method used in this research is a cross-sectional design. Data were obtained using quantitative data with correlational descriptive analysis. In general, the population of this study is consumers of fashion products taken from students using the convenience sampling method.

3.1 1st Research

The respondents obtained were 150 people aged 18–21 years. The measuring instrument used in an impulsive buying questionnaire was based on Rook's theory [17] with dimensions of spontaneity, strength, compulsion, stimulation, attraction and stimulation, and ignoring the consequences. Brand image is measured using Shimp theory with attributes, benefits, and overall evaluation dimensions [18]. Prices were measured using the theory of [19] with perceived price and reference price dimensions. Validity was measured by the CVR test through expert judgment. Reliability test with the Cronbach Alpha technique (requirement alpha value > 0.7). Data were analysed using the Spearman correlation test.

3.2 2nd Research

The respondents obtained were 203 people aged 18–23 years. The measuring instrument used was the impulsive Buying Tendency Scale (IBT) from [2], with cognitive and affective dimensions. The CITC range is 0.177–0.647, including 11 items, so the total items used were 9. Cronbach's Alpha coefficient was 0.821. Self-control was measured using the Brief Self-Control Scale from Tangney, Baumeister, and Boone (2004), consisting of 5 aspects: self-discipline, deliberate/non-impulsive, healthy habits, work ethics, and reliability. CITC range was 0.096–0.617; no items were dropped, resulting in a total of 13 items. Cronbach's Alpha Coefficient was 0.721. The mental budgeting scale measuring instrument from [20] has 4 aspects: making a reservation, non-functional, budgeting, and compensating. CITC range was 0.193–0.519, and no items were dropped, so the total items used were 10. Cronbach's Alpha Coefficient was 0.721. Data were analyzed by the Kendall correlation test.

3.3 3rd Research

The respondents obtained were 115 H&M consumers aged 19–24 years. The measuring instrument used was impulsive Buying Tendency Scale (IBT) from [2], with cognitive and affective dimensions. The CITC range was 0.280–0.756, so 2 items were dropped because the CITC value was < 0.3 . The total items used was 15. The Alpha Cronbach coefficient was 0.80. The mental budgeting scale from [20] has 4 aspects: making reservations, non-functional, budgeting, and compensating, with a total item of 10. The CITC range was 0.290–0.512. Items with a value < 0.3 were dropped, so the total items used were 8. Cronbach's Alpha Coefficient was 0.727. Both measuring instruments were distributed online. Data were analyzed using Pearson bivariate correlation techniques.

4 Results and Discussion

4.1 Result

4.1.1 Result of 1st Research

The CITC impulsive buying range is 0.304–0.581, Cronbach's Alpha coefficient is 0.779. The CITC brand image range is 0.306–0.537, Alpha Cronbach coefficient is 0.686 (inadequate). The CITC price range is 0.340–0.630, Cronbach's alpha coefficient is 0.690 (inadequate). Conclusion: The measuring instrument is valid, but not reliable (Table 1).

Table 1. The Results of Non-Parametric Hypothesis Testing

Dependent	Independent	Spearman Significance Correlation	Spearman (p)
Impulsive Buying	Brand Image	0.015	0.851
Impulsive Buying	Price	-0.179	0.028

Table 2. The Results of Non-Parametric Hypothesis Testing

Dependent	Independent	Correlation Coefficient Kendall	Sig. (2-tailed)
Impulsive Buying	Mental Budgeting	-0.038	0.443
Impulsive Buying	Self-control	-0.034	0.490

Table 3. The Results of Parametric Hypothesis Testing

Dependent	Independent	Pearson Correlation Coefficient	p
Impulsive Buying	Mental Budgeting	0.377	0.000

4.1.2 Result of 2nd Research

The population was overseas students, with 33.4% did not have additional income, while 66.5% had additional income from permanent work, side jobs, and entrepreneurship; 27.1% did entrepreneurship, such as selling pulses, online shop resellers, or helping parent companies. Those who did side jobs were 25.1%, and those who did side jobs and entrepreneurship were 12.3%. 75.9% spent their money on fashion (clothes, t-shirts, hem, sweaters, jackets, shoes, sandals), traveling, and hobbies (games, accessories, electronics, sports), while the rest was for culinary, body care, and book (Table 2).

4.1.3 Result of 3rd Research

The population was students who shop at H&M. The frequency distribution of impulsive buying moves from the medium category (40.9%) to the high (45.2%), with the dominant affective aspect being moderate (2.6%) to the high (97.4%) compared to the cognitive aspect that moves from moderate level (46%) towards high (25.2%). The frequency distribution of mental budgeting moves from moderate (27%) to high (71.4%). The analysis per dimension found that making reservations had the largest portion (12.2%) in the medium to the high level (87.8%). Followed by the compensate aspect (moderate 32.2%, and high 59.1 while the non-fungibility aspect ranges from the moderate level (61.7%) to low (38.2%) (Table 3).

4.2 Discussion

The frequency distribution of impulsive buying moves from moderate (28.9%) to high (38.8%), which illustrates that the tendency to impulsive buying is relatively high. The frequency distribution of brand image moves from moderate (36.8%) to high (33.8%), which illustrates that most respondents have high visions, beliefs, assumptions, and perceptions of a brand image on fashion products. The frequency distribution of prices moves from moderate (44.1%) to high (14.7%), which means that the level of concern for the price that must be paid to get a fashion product also tends to be high.

From the results of hypothesis testing, it can be concluded that brand image is not related to impulsive buying ($r = 0.015 < 0.851$). This shows that the average respondent in impulsive buying behaviour does not base on brand characteristics of fashion products or the brand image of fashion products purchased does not affect the appearance of impulsive buying behaviour. The results of this study indicate that, in general, both fashion products with well-known brands or having a high image in the eyes of consumers will not influence respondents to make impulsive buying, even though most respondents have considerable trust, assumptions, and perceptions of brand image. Hypothesis test results also show that the price has a significant negative correlation with impulsive buying ($r = -0.179 > p = 0.028$). The higher the price, the lower the tendency to impulsive buying, and vice versa. High prices become an obstacle as well as control of impulsive buying, while low prices will increase the occurrence of impulsive buying. [9] revealed that low prices or price strategies in promotion might turn those products into impulse goods. Price is a factor that influences impulsive behaviour. [9] also stated that price influences impulsive behaviour. Low-price products can suddenly make consumers feel they have spent less money than planned. Although most respondents have strong visions, beliefs, assumptions, and perceptions of the brand image of fashion products, this is not enough to make them impulsive buying. Generation Z, the successor of the millennial generation, has a characteristic in its consumption patterns. This generation tends to believe less in advertising and communication as they expect more authentic and trustable brands. They generally believe more in testimonials from peer groups or influencers who are currently popular. They will depend more on the influencers they like with similar values and interests, so these people will encourage them to purchase (retrieved from www.business2community.com). The price factor is more important in encouraging impulsive buying than the brand image. This generation is very realistic and pragmatic, not influenced by brand strength but instead being realistic by looking at its purchasing power. Their way of looking at the world is more realistic than Gen Y or Millennials (born 1980–1994), who are idealistic and self-oriented.

Another thing that can be considered related to this result is looking at the condition of respondents who are not yet working, so they do not have their income. In general, they still rely on pocket money from their parents and do not yet have complete freedom in using the money obtained. The price factor becomes very important in their spending patterns with limited conditions.

The frequency distribution of impulsive buying in the second study moves from the medium category (36.9%) to high (49.3%), which can be interpreted that the impulsive buying behaviour carried out by respondents is relatively high. The frequency distribution of mental budgeting moves from the medium category (23.2%) to the high (62.6%), which can be interpreted as most respondents making their budget planning to be controlled. The frequency distribution of self-control moves from the medium category (37.4%) to the high (37.5%), meaning that most respondents can control themselves, especially in shopping. This study also shows that subjects with high or low mental budgeting and self-control are unrelated to their impulsive buying activities. Subjects with high or low mental budgeting do not influence the level of impulsive buying. The same thing applies to self-control. Subjects with high or low self-control do not influence the

high or low of impulsive buying. Negative correlations indicate that the higher the mental budgeting, the lower the impulsive buying, and vice versa. The same applies to self-control, i.e., the higher the self-control, the lower the impulsive buying and vice versa. Nevertheless, the insignificant correlation means that this relationship is only tentative. [17] stated that impulsive buying characteristics are spontaneity, unexpected purchases, encouraging consumers to buy right away, and directly responding to a visually stimulated point of sale. The strength of compulsion and the intensity makes the consumer compelled to put everything aside, act immediately, and make a purchase. Emotions characterized by uncontrolled sensations also accompany excitement and stimulation, the sudden desire to buy. Some people make purchases not based on their needs anymore but because they fulfil their desires and arise in themselves. Though the subject has tried to control his finances through mental budgeting, he still buys impulsively. Although self-control is quite adequate, it is still inferior to the “temptation” of consumptive culture and the attractiveness of products offered through promotion, as well as peer group influence, especially on generation Z, who are at the stage of adolescent development. Adolescents aged 12–23 years are marked by a lack of self-control, including the growing consumerist culture; failure of self-control can cause impulsive buying, especially in products that attract consumers. Stilley et.al. [21] found that if someone has a planned budget, it is not sure that the budget results follow what is spent. There will be expenditure items outside the budget, resulting in the prepared budget’s swelling.

From mental budgeting, what correlates is non-functionality, namely the inability to manage its budget, difficulty, or confusion to distinguish where the money is for daily spending and what is for personal needs with $r = 0.184$; and compensate ($r = -0.106$). Subjects will try to manage their spending budget by dividing it according to needs. When respondents make monthly purchases using a shopping list, there are times when they replace items needed with personal items they want. This causes them to feel confused about separating the budget for their needs and funds to fulfil their desires (non-function). As a result, respondents will find ways to replace funds spent by using their savings or asking for additional funds from parents. Mental budgeting patterns carried out more set aside a portion of the budget to be stored or prepared to prevent unplanned purchases. The money will be issued during emergencies or for urgent needs. The subject will try to maintain a balance so that there is no excessive consumption (over-consume) and the subject’s expenditure does not result in savings/savings out of his money. The higher the level of impulsive buying, the higher the effort to offset the expenditure so that there is no excessive consumption (compensate). Most students will overcome boredom due to their college activities by visiting the mall. Initially, there was no plan to buy anything because the motivation to go to the shopping center was to spend spare time and eliminate boredom. However, when they see an exciting product in the mall, they will most likely decide to buy it.

5 Conclusion

- a. Students representing generation Z do not see the brand when making impulsive purchases but are more concerned with price.
- b. From the frequency distribution: respondents representing generation Z have enough confidence, assumptions, and perceptions of the brand image of clothing products. However, they do not base their purchasing decisions on this aspect. So the formation of their prestige is not based on the brand symbol used.
- c. price becomes a very calculated factor and has a negative correlation. This means that the higher the price, the lower the desire to buy impulsively and vice versa. Then the price promotion is very effective for this market. Stores that offer one-get-one promotions or big discounts are the target of attention that the millennial market will highly consider.
- d. Affective and cognitive women make more impulsive purchases than men.
- e. Neither self-control nor mental budgeting relates to impulsive buying in overseas students representing generation Z.
- f. Self-discipline and individual appraisal of one's ability to do long-term designs to achieve certain targets related to impulsive buying.
- g. There is a positive relationship between impulsive buying and mental budgeting, which means that even though consumers already have or make a good spending budget, consumers will still carry out impulsive buying behaviour. The tighter the expenditure budget, the higher the impulsive buying.
- h. Limitations: measuring tools used for brand image and price are less reliable, so the results can not represent the phenomenon. It is recommended to revise the measuring instrument or use another measuring instrument.
- i. For generation Z, as a consumer, making a shopping list accompanied by clear and detailed expenditure records is recommended.

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