FACTORS THAT FORMED PURCHASING DECISION ON HARESRET ART CONSUMER

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ABSTRACT

Haresret Art is a company based on creative industries. The objectives of this research are the factors that shape consumer purchase decisions on Haresret Art. Samples taken in this study were 76 respondents from the population of consumers who ever bought a product Haresret Art by simple random sampling technique Variables used in this study are the cultural factors, social factors, personal factors, psychological factors, and situational factors. Data analysis method used in this research is the confirmatory factor analysis second order (CFA-Second Order) by using PLS (Partial Least Square).
CFA analysis results with PLS stated that cultural factors, social factors, personal factors, psychological factors, and situational factors forms consumer purchasing decisions on Haresret Art with personal factors as the most influential factor in formed consumer purchasing decisions.

Keywords: Cultural Factors, Social Factors, Personal Factors, Psychological Factors, Situational Factors, Purchase Decision

INTRODUCTION

Creative industry still remains as a potential to be managed, and Indonesia possesses wide variety of culture and tradition, as well as huge potential to be a source of creativity. In addition, the development of the lifestyle of the people who have a more modern lifestyle support the development of creative industries. The contribution of the sub-sectors of the creative economy is dominated by Fashion and Handcraft with 43.02% and 25.12% respectively, followed by Advertising (7.18%), Music (5.30%) and Publishing and Printing (4.86%).

Haresret Art is a company that manufactures scrapbooks with unique design and high quality. Scrapbook itself is an art of attaching photos or images on a paper as a medium and scrapbooking activity has become a lifestyle in the United States about 20 years ago. Meanwhile, in Asia, scrapbooking has developed in the last six years and became a trend for one to gift for special moments among young people, especially high school students and private universities in Surabaya. The price of scrapbook Haresret Art is cheaper compared to competitors. But with the price offered, the numbers of sales remains fluctuate, hence unable to achieve the sales target. *Give away* promotional discounts vouchers were distributed also do not show any impact of sales. Therefore, Haresret try to endorse and optimize social media in order to increase sales. Sales then declined in June. In suspicion toe to lack of promotion, Haresret tried to give a 10%

discount for a second purchase voucher as well as joining art exhibition. As a result, however, no significant sales improvement.

In terms of pricing and promotions that have been shown, both of these cannot be used as a factor in consumer purchasing decisions on Haresret Art scrapbook due missed sales target despite of lower price compared to competitors. Just as the campaign was conducted, suggesting that promotion can increase sales, some campaigns succeed and some did not. As an example, without any promotion in March, April and May sales increased and stable. On the other hand, during promotion period, sales raised less.

Seeing the importance of analyzing the factors of consumer purchasing decisions in the purchase of Haresret Artproducts, the title of which was appointed for this study is **"Factors that Formed Purchasing Decision on Haresret Art Consumer"**.

LITERATURE REVIEW

Purchasing decisions is the stage where the buyer has determined his or her choice and make a purchase of product, as well as to consume it (Suharno and Sutarso, 2010: 96). Every company struggles to offer products that can meet the needs of consumers. As a matter of fact, consumers are different from one individual to another. Therefore, it is vitally important for companies to understand the factors that influence consumer behavior for purchase (Sunyoto 2015: 13).

According to Kotler and Keller (2012: 151) the factors that influence buying decisions are: (1) cultures, which consists of cultures, sub-cultures and social classes; (2) social, consisting of the reference group, family, and the role and status; (3) personality, consisting of age and life cycle stage, occupation, economic circumstances, lifestyle, and personality and self-concept; and (4) psychological condition, which consists of motivation, perception, learning and beliefs and attitudes. Another factor, according McKechine (Sangadji and Sopiah, 2013: 26) is a situational factors that consist of facilities and infrastructure conditions, products usage upon purchase.

The previous study conducted by Sulistyawati (2012) titled "Analysis of Behavior on Consumer Product Purchase Behavior on The Craft Shop (Art Shop) Sukmawati Sub District, Gianyar, Bali". This research aimed to determine: (1) factors considered by consumers in purchasing decisions handicraft products; (2) factors that have the most dominant influence in purchasing decisions of craft products. From the factor analysis test, there are three factors that influence consumer behavior in purchasing decisions of craft products. Those are: social factor, cultural factor, and personal factor.

Research conducted by Endang (2012), entitled "Factors Affecting Consumer Behavior on Purchasing Decision Towards Cooking Oil In Surabaya With Methods of Structural Equation Modeling (SEM) Approach" aimed to determine the factors that influence consumer behavior towards purchasing decisions of cooking oil in Surabaya. The result indicated that the most dominant factors were cultural, social, personal, and psychological influence consumer purchasing decisions by psychological factors.

Research conducted by Diansyah (2012) titled "Analysis of Factors Influencing Consumer Behavior in Purchasing Nuriah Rattan Products in Pontianak City" aims to examine the cultural, social, personal, psychological, whether it has a real impact on consumer behavior in purchasing rattan products or not. The result was cultural, social, personal, and psychological are influencing consumer purchasing decisions. Cultural factor is the most dominant factor.

Research conducted by Halina (2013) titled "Analysis of Factors Affecting Consumer Purchase Decision on Indomie Instant Noodle Products" aimed to determine whether among cultural, social, personal and psychological may influence purchasing decisions made or not. The result

is a cultural, social, personal, and psychological influence consumer purchasing decisions and cultural factor is the most dominant factor.

The study conducted by Nguyen and Nutrition (2014), entitled "Factors that influence consumer purchasing decisions of Private Label Food Products: A case study of ICA Basic" aimed to identify and analyze the factors that influence consumer purchasing decisions with private label food products. The result is demographic factor, social and personal influence consumer purchasing decisions. However, on food products, demographics (age, gender, occupation) are the most important factor.

RESEARCH METHODS

This research is conducted using quantitative method. Quantitative research method is an approach to an objective research, covering quantitative data collection and analysis, as well as the application of statistical method (Silalahi, 2012: 76). Samples were taken by simple random sampling technique. Samples were taken randomly from the population without regard to demographic issue that exists within the population (Sugiyono, 2014: 152). Samples were taken using the slovin formula with the total of 76 samples collected.

This study uses a model of confirmatory factor analysis (CFA Confirmatory Factor Analysis) second order by applying PLS (Partial Least Square) due to sample used is less than 100. There are latent variables and indicator variables in the confirmatory factor analysis. Latent variable is a variable that can not be measured directly, while the indicator variables are variables that can be measured directly.

Confirmatory factor analysis is one of the multivariate analysis method that aims to confirm a number of variable indicators that make up the common factor based on the foundation of existing theories. Confirmatory factor analysis (CFA) model is a second order measurement model in which the main factor is measured by a number of factors, which are measured by several indicators (Dachlan, 2014: 408).

The model used is the first order reflective and formative latent constructs in the second order. In analyzing the second order CFA, it is advisable to use repeated indicators approach, also called hierarchical component model (Latan and Ghozali, 2012: 119). By using repeated indicators approach, therefore each latent construct indicator to be used as an indicator of second order constructs.

 a.   First Phase Test

Testing of the first phase will be carried out onfirst order reflective indicators by using convergent validity test (factor loading, AVE and communality), discriminant validity (cross loading), reliability (Cronbach's alpha and composite reability) and hypothesis reflective indicators test by using outer loading test.

1) Convergent Validity and Discrimination

Test validity in this study utilizes Smart PLS 2.0 M3, using convergent and discriminant validity test. Convergent validity related to the principle that the gauges (manifest variables) of a construct should correlate highly. Discriminant validity relates to the principle that the gauges (manifest variables) distinct constructs should not be highly correlated (Latan and Ghozali, 2012: 78).

Table 1. Rule of Thumb of Reflective Outer Model Validity

Validity	Parameter	Rule of Thumb
Convergent Validity	*Factor Loading*	>0,7
	AVE	>0,5
	Communality	>0,5
Discriminent Validity	*Cross Loading*	>0,7

Source: Latan dan Ghozali (2012:81)

Table 1 shows that the validity of the outer reflective models is measured by looking at the value of loading at which the convergent validity where the right value is value loading> 0.7 for confirmatory research, the value of Average Variance Extracted (AVE) and the value of communality must be> 0.5, and the value of good cross loading > 0.7.

2) Reliability

Reliability test in this study was conducted by using Smart PLS 2.0 M3. The reliability of the outer model measured by Cronbach's Alpha. Reliability test performed to prove the accuracy, consistency, and precision of instruments to measure the construct (Latan and Ghozali, 2012: 79).

Table 2. Rule of Thumb of Reflective Outer Model Reliability

Parameter	Rule of Thumb
Cronbach's Alpha	>0,7
Composite Reliability	>0,7

Source: Latan dan Ghozali (2012:81)

Table 2 shows the measurement reliability where Cronbach's Alpha determined greater than 0.7. Measurement reliability that utilizes composite reliability (ρc) were used to evaluate the internal consistency for the latent variable is above the standard value. The level of good composite reliability (ρc) is $\geq$ 0.7. The second rule of thumb above isfor confirmatory research.

3) Hypothesis Reflective Indicator Test

Hypothesis testing using a reflective outer loading indicator test. If the t-statistic has a value greater than t-table (t-table = 1.96 with a value of 5% or alpha = 0.05), the measurement model is acceptable.

 b.   Second Phase Test

Tests will be performed on stage two latent constructs formative second order by using t-statistics through resampling methods (bootstrapping). Bootstrapping is based resampling method of data given in return for the data in completing the statistical measure of a set of samples with the expectation that they represent the population data.

Table 3. Formative Indicator Measurement Model Evaluation

Criteria	Rule of Thumb
1. Weight Signification	1. t-statistic>1.65 (*significance level = 10%*) **2. t-statistic>1.96 (*significance level = 5%*)** 3. t-statistic>2.58 (*significance level = 1%*)

Source: Latan dan Ghozali (2012:81)

Table 3 shows the rule of thumb of formative indicator measurement model evaluation. This study used significance level = 5% t-statistic value > 1.96. If the obtained value of t-statistics > 1.96, it can be concluded that the formative indicators are valid. The value of t-statistics are used to determine the level of dominance or influence in the research model construct. Significant indicates that these variables had an influence on other variables.

If the results of hypothesis testing on outer model significant, then the first order constructhas significant influence on the second order construct. This indicates that the first-order construct is the construct-forming of the second order construct (Latan and Ghozali, 2012: 133).

RESULT

From the sample of 76 people, 22.37% of respondents are men and 77.63% of the respondents are women. 30.2% of respondents in this research aged 15-20 years; 48.7% of respondents aged 21-25 years, 15.8% of respondents aged 26-30 years,and 5.3% of respondents aged over 30 years. It is concluded that the majority of consumers Haresret Art has age range between 21 and 25 years.

There were 23.7% of respondents with profession as students; 53.9% of respondents worked as a student; 11.8% of respondents work as self-employed; 6.7% of respondents work as employees; and 3.9% of respondents work as a housewife. It is concluded that the majority of consumers of Haresret Art are students. A total of 40.8% of respondents buy once; 51.3% of respondents have bought 2-3 times; and 7.9% of respondents have purchased more than 3 times. It is concluded that the majority of consumers Haresret Art has bought the product at least 2-3 times.

DISCUSSION
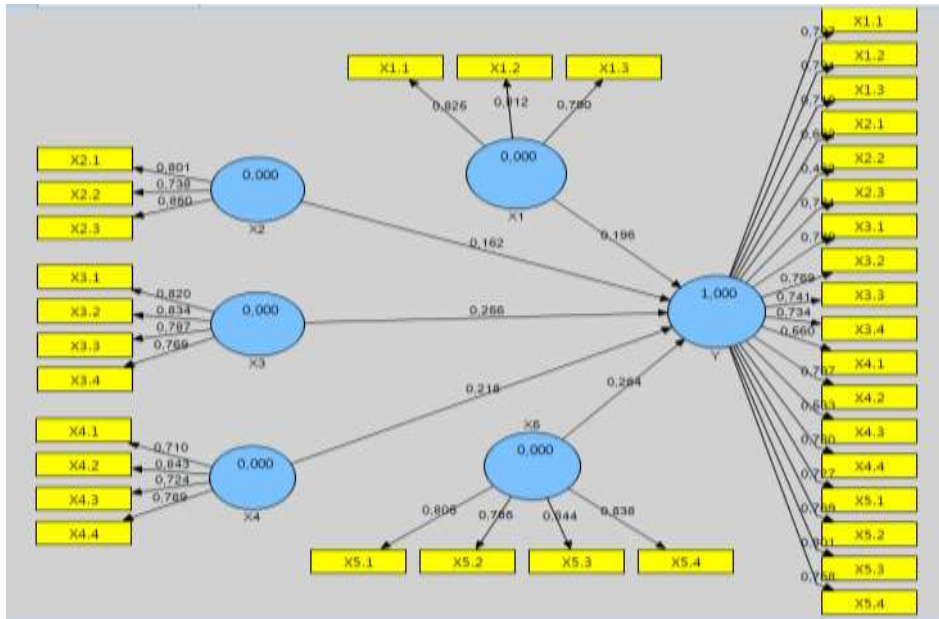
    a.   First Phase Test

Figure 1. Measurement Model using Partial Least Square (PLS)

Convergent validityouter model loading factor test on five variables, namely cultural factor (X1), social factor (X2), personal factor (X3), psychological factor (X4), and situational factor (X5) indicates that the value of the loading on each indicator owned variable has a value of ≥ 0.7 and has qualified. Convergent validity AVE outer model test shows that the AVE value for each indicator variable owned qualify with a value of ≥ 0.5. This concludes that the data can be declared valid.

Communality convergent outer model validity test on five variables indicate that the value Communality for each indicator possessed by variable qualified with a value ≥ 0.5. This concludes that the data can be declared valid. Discriminant validity testing on cross loading indicated the cross loading value on each indicator qualify with a value of ≥ 0.7. This concludes that the data being used is valid.

The Cronbach alphareliability test for the six variables has qualified with the value ≥ 0.7. It concluded that the data can be declared adequate and reliable. Value composite reliability for six variables qualified with values ≥ 0.7. It concluded that the data can be declared successful and reliable.

Reflective indicator hypothesis testing using outer loading after bootstrapping shows that the t-statistic has a value greater than t-table (t-table = 1.96 with alpha value = 0.05), therefore theconstruct model is valid and acceptable.
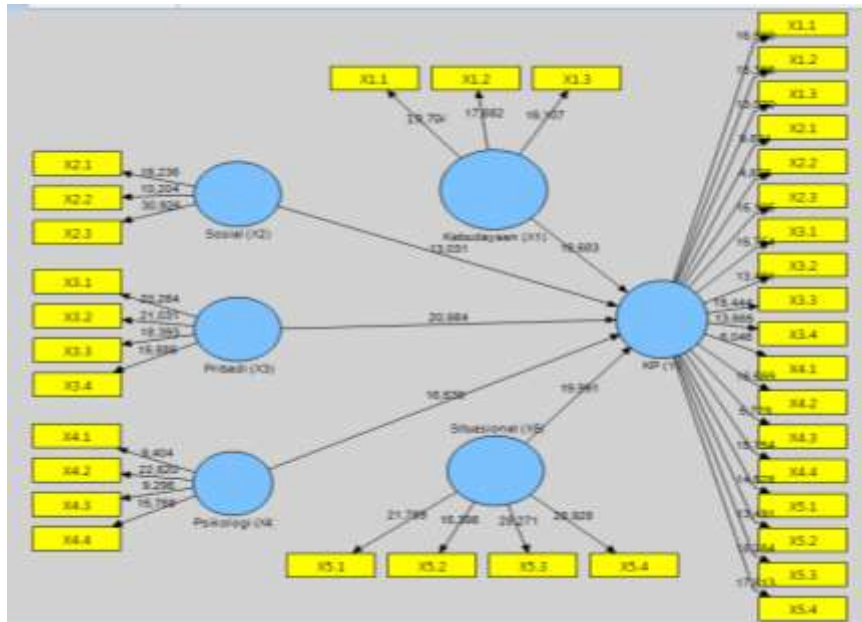
Figure 2. Bootstrapping Model in Partial Least Square (PLS)

b. Second Phase Test

Second phase test conducted on second orderformativeconstructby using t-statistics through resampling method (bootstrapping). These shows the results of coefficient path, and it can be seen that all first-order constructs expressed significantly influence the second order construct purchase decisions with t-statistic > 1.96. The order of the most influential factors is the significant personal factor, situational factor, cultural factor, psychological factor and social factor.

The conclusion from this analysis is that if the hypothesis test results on outer model is significant, then the first order constructs has significant effect on second order construct. From the test results can be seen that all first-order constructs expressed significantly influence the purchase decisions of second order construct with t-statistic> 1.96. This indicates that all of the first-order constructs are dimensional constructs that forms purchase decision construct (second order).

CONCLUSION
1. Cultural factor (X1) forms purchase decision on Haresret Art consumers (Y).
2. Social factor (X2) forms purchase decision on Haresret Art consumers (Y).
3. Personal factor (X3) forms purchase decision on Haresret Art consumers (Y).
4. Psychological factor (X4) forms purchase decision on Haresret Art consumers (Y).
5. Situational factor (X5) forms purchase decision on Haresret Art consumers (Y).

The suggestions can be applied from the results of this research to the development of Haresret Art are conducting a lot of research about cultural trends based on a wide variety of backgrounds of consumers as well as conducting research on consumer interest on the theme combined in the scrapbook. Involving others to become a referer for other people by applying giveaway voucher that can be obtained through picture repostvia social media. Expanding more

price range starting from frame size provided based on the quality of materials used. Conduct after sales service to consumers Haresret Art for the purpose of evaluation, adjustment, and development of scrapbook products. A lot of research need to be conducted in terms of the needs or desires of potential customers so that the concept of your product idea can be adapted to the trend of market. Make a testimonial column on social media so that consumers can comment on their satisfaction and it also can be valuable information to others. Perform special consideration for creating Haresret Art website so that consumers can see the description of information to be conveyed for better runderstanding and see the variety of products with clarity.

This study uses a questionnaire research instrument. Suggestions for other researchers who will conduct similar research is to use the instrument in the form of interviews or observations, which may provide more specific information in the study. The variables used in this study are cultural factor, social factor, personal factor, psychological factor, and situational factor. The next suggestions for researchers is to add the other variables in future studies that were not tested in this research, for example pricing, promotion, and quality of service as well as some of the variables that are still associated with some prior research and the theoretical basis that are often used in research.

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