

## THE FACTORS BEHIND THE PURCHASING DECISIONS OF PIRAMID CLOTHING CUSTOMERS

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### ABSTRACT

*The purpose of the study is to analyze cultural, social and personal influences on purchasing decisions. The research is a quantitative research. Quantitative research is an objective research approach, encompassing quantitative data collection and analysis, and using statistics. This research uses Confirmatory Factor Analysis (CFA) second order model using Partial Least Square (PLS) because the sample used is less than 100 respondents. There are latent variables and indicator variables in the confirmatory factor analysis. The latent variable is a variable that can not be measured directly, whereas the indicator variable is a directly measurable variable. Cultural factors, social factors and personal factors form buying decisions on consumers Clothing Pyramid, so the research hypothesis states that the factors associated with purchase decisions on consumers Clothing Pyramid received and the formulation of the problem in this study can be answered*

**Key words:** Cultural, social, personal, purchase decision

### INTRODUCTION

The development of technology and industry has an impact on human life especially in the business world today. In addition, the number of businesses emerging both small and large companies impact on intense competition between products, especially competition derived from similar products. This causes a company that implements the concept of marketing needs to look at consumer behavior and the factors that influence buying decisions in a product marketing efforts. In the concept of marketing, one way to achieve company goals is to know what the needs and desires of consumers or target market and provide satisfaction expected more effectively and efficiently than competitors.

The type of data used to support the research process is primary data and secondary data. Primary data is data obtained through the resource by conducting a question and answer dialogue directly and guided through questions in accordance with the research focus that has been prepared. Primary data in question is the key informants and informants who use the author to obtain data. Secondary data is data obtained through several sources of information, including through books, files downloaded via the Internet and some documentation.

Based on the results of online consumer behavior research that emerged of them is from the planned purchase behavior and unplanned purchases. Consumer behavior is also influenced by motivation in making purchases based on Convenience Shoppers created by the appearance, ease of access and transaction, besides consumer behavior is also influenced by Variety Seeker

is where consumers make purchases with the encouragement by motivation desire to seek comparison.

#### **Business to Business**

Business to Business is a transaction process, where in the transaction both the seller and the buyer are business organizations (Herman and Jacob, 2010: 97). B2B which is an e-commerce contains about process of sales and purchases between companies, such as suppliers with manufacturers or manufacturers with distributors or distributors with retailers (Dumitrache, 2010: 71). B2B also has some characteristics that involve the media to get a trading partner. B2B is a media partner with transaction is a business organization, so B2B can help to get a business partner.

Organizational buyer behavior is generally done on the basis of rational considerations such as cost, product quality and service (Kotler and Keller, 2012: 204). Consumer behavior are the things that underlie consumers to make purchasing decisions. For low-involvement, the decision-making process is easy, while for high-involvement the decision-making process is done with careful consideration. Consumer purchasing behavior is influenced by cultural, social and personal factors.

Confirmatory factor analysis is one of multivariate analysis methods that aims to confirm a number of indicator variables that make up common factors. While Confirmatory Factor Analysis (CFA) second order is a model of measurement where the main factor is measured by a number of factors each measured based on several indicators

### **RESEARCH METHODS**

The research is a quantitative research. Quantitative research is an objective research approach, encompassing quantitative data collection and analysis, and using statistics (Silalahi, 2012: 76).

#### **Sample**

The sample is part of the population to be studied (Prasetyo and Jannah, 2011: 119). The number of samples used in this study were 37 samples. This is done because the number of respondents is very limited calculation then use the sampling of the total selection of respondents.

#### **Data Collection Methods and Procedures**

The data sources of this study are the main data such as the type of work status and age of the individual / company representatives, then divided into four categories namely, 15-20 years, 21-25 years, 26-30 years, and above 31 years.

Source of data is done by questionnaire method with some alternative answer circuit in the form of differential semantic scale. The differential semantic scale is a scale of attitudes that aims to measure a stimulant concept on a bipolar scale with seven steps of unity from one end to the other.

Data collection techniques in this study using questionnaires distributed to respondents. The questionnaire contains a list of statements about the variables that make up the purchase decisions of t-shirts to consumers of Clothing Pyramid. Questionnaire is prepared by taking into account the principles of questionnaire writing such as the content and purpose of the question, the language used, the type and form of the question, the length of the question, the sequence of questions, appearance and so on.

#### **Data Analysis**

This research uses *Confirmatory Factor Analysis* (CFA) second order model using *Partial Least Square* (PLS) because the sample used is less than 100 respondents. There are latent variables and indicator variables in the confirmatory factor analysis. The latent variable is a variable that can not be measured directly, whereas the indicator variable is a directly measurable variable.

The model of measurement or order model is evaluated by using convergent and discriminant validity of each indicator and composite reliability for all indicators. The purpose of model conformity testing is to assess how feasible / appropriate the model is built on the data owned / reality.

The model of measurement or outer model with reflective indicators is evaluated using convergent and discriminant validity of each indicator and composite reliability for all indicators. As for outer models with formative indicators, no validity and reliability tests are required.

Test Validity is directed to test the accuracy of the instrument in measuring the latent variables to be known. A valid research instrument has high validity, otherwise a less valid instrument means it has a low validity value. The reliability test will be used to test the reliability of the research instrument. The reliability in question is the consistency of the measuring instrument, whether the measuring instrument used is reliable and remains consistent if the measurement is repeated.

### Results of Data Analysis

This study used 37 questionnaires as samples that have been distributed to respondents. This research is two kind of analysis which consist of statistical analysis and management analysis. Characteristics of respondents selected in data collection through questionnaires distribution based on Gender of Men by 34 respondents and Women of 3 respondents, Age 21 - 25 years dominant with 17 respondents, Employment as private employee of 16 respondents as the highest, and Average Purchase Amount 2 to 3 times being common to consumers.

### Data Processing Using PLS

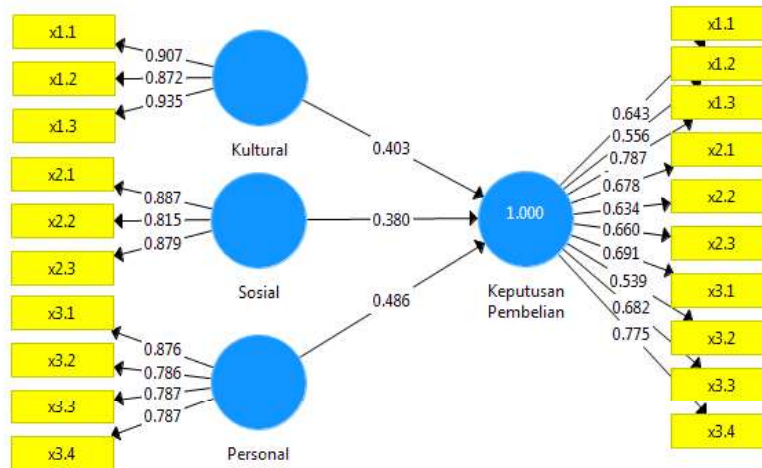


Figure 1. Evaluation of Measurement Models

Confirmation factor analysis for second order construct will be done through two levels, that is the analysis on the latent-dimensional construct to the indicators and the analysis is done from the latent construct to the dimension construct. The measurement model in this research uses first order reflective indicator and latent formative latent construct.

Analysis of the first order measurement model of reflective indicator is done by using test:

#### 1. Convergent Validity (factor loading, AVE and communalities),

- a. *Loading Factor* is the process of test results that show the loading value on each indicator must have a value  $> 0.7$  then it can be declared has been eligible.

**Table 1**

Validity of Outer Model	Results		Critical Model	Model Evaluation
	Indicator	Loading Factor		
Cultural	X1.1	0.907	> 0.7	Accepted
	X1.2	0.872		Accepted
	X1.3	0.935		Accepted
Social	X2.1	0.887	> 0.7	Accepted
	X2.2	0.815		Accepted
	X2.3	0.879		Accepted
Personal	X3.1	0.876	> 0.7	Accepted
	X3.2	0.768		Accepted
	X3.3	0.787		Accepted
	X3.4	0.788		Accepted

b. *Average Variance Extracted (AVE)* from data analysis that aims to measure the number of variants that can be captured by the construct.

**Table 2**

Variable	AVE	Critical Values	Conclusion
Cultural Factors (X1)	0.819	> 0.5	Accepted
Social Factors (X2)	0.741		Accepted
Personal Factors (X3)	0.656		Accepted
Purchase Decision (Y)	0.547		Accepted

c. *Communality* of the results of data analysis that has been done has been qualified with a value > 0.5. It states that the data used is valid.

**Table 3**

Variable	AVE	Critical Values	Conclusion
Cultural Factors (X1)	0.819	> 0.5	Accepted
Social Factors (X2)	0.741		Accepted
Personal Factors (X3)	0.656		Accepted
Purchase decision (Y)	0.547		Accepted

2. **Discriminant validity** includes the value of cross loading on each indicator has been on the variable eligible with a value > 0.7. It is seen that the cross loading value of the indicator on the corresponding latent variable has a greater value than the cross loading indicator value in the other variables.

**Table 4**

Indicator	Cultural (X1)	Social (X2)	Personal (X3)
X1.1	0.907	0.358	0.291
X1.2	0.872	0.146	0.306
X1.3	0.935	0.424	0.512
X2.1	0.263	0.887	0.483
X2.2	0.412	0.815	0.326
X2.3	0.254	0.879	0.459
X3.1	0.324	0.335	0.876
X3.2	0.112	0.294	0.786

X3.3	0.178	0.599	0.787
X3.4	0.658	0.335	0.787

3. **Reliability** is the value observed in the reliability test which includes the value of cronbach alpha and composite reliability

**Table 5**

Variables	Cronbach Alpha	Composite Reliability	Critical Value	Conclusion
Cultural Factors (X1)	0.890	0.931	> 0.7	Accepted
Social Factors (X2)	0.824	0.896		Accepted
Personal Factors (X3)	0.825	0.884		Accepted
Purchase Decision (Y)	0.860	0.889		Accepted

The higher the value of Cronbach's alpha and composite reliability, the higher the consistency of each indicator in measuring the construct.

4. **Hypothesis Test Indicator Reflective** by using outer loading after bootstrapping used in research.

**Table 6**

Indicator	Original Sampling (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics ( O/STERR )
X1.1 ← (X1)	0.907	0.894	0.121	7.495
X1.2 ← (X1)	0.872	0.856	0.133	6.561
X1.3 ← (X1)	0.935	0.930	0.113	8.271
X2.1 ← (X2)	0.887	0.878	0.117	7.593
X2.2 ← (X2)	0.815	0.813	0.098	8.270
X2.3 ← (X2)	0.879	0.871	0.121	7.244
X3.1 ← (X3)	0.876	0.860	0.114	7.697
X3.2 ← (X3)	0.786	0.737	0.191	4.119
X3.3 ← (X3)	0.787	0.770	0.147	5.343
X3.4 ← (X3)	0.787	0.789	0.093	9.035

t-statistics has a value greater than t-table (t-table = 1.96 with alpha value = 0.05) so that the construct model is valid and acceptable

**Second Order Measurement Model**

*Analysis of second order* measurement model of formative indicator is done on the latent construct by using t-statistics test through resampling method (*bootstrapping*). The hypothesis is acceptable if the t-statistic has a value greater than the t-table.

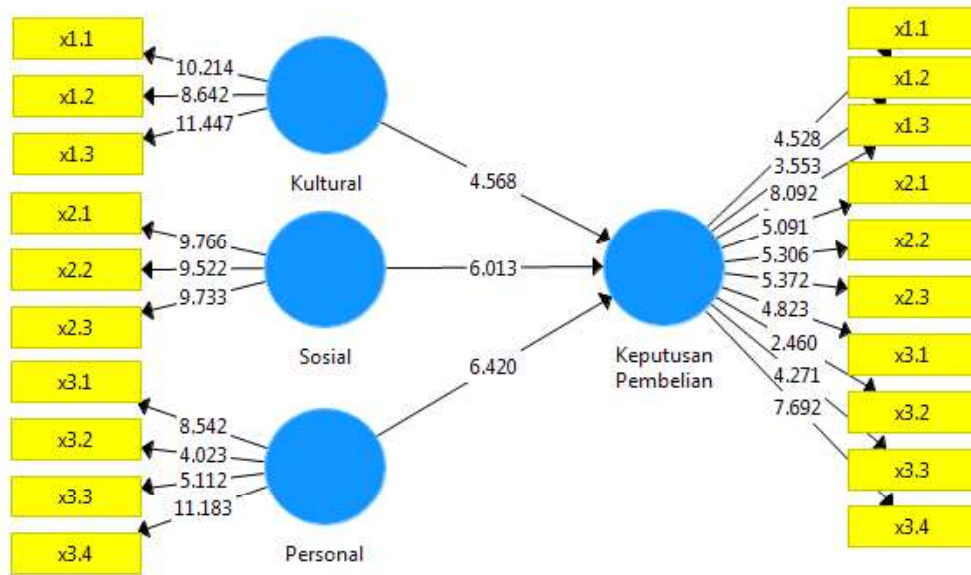


Figure 2

As for the results of hypothesis testing are seen and analyzed in the table path coefficient.

Table 7

Indicator	Original Sampling (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( $ O/STERR $ )
X1 → Y	0.403	0.402	0.088	4.593
X2 → Y	0.380	0.380	0.056	6.783
X3 → Y	0.486	0.467	0.070	6.977

The test results show that all the first order construct declared significant effect on second order construct decision construction with t-statistic > 1.96. This means that all first order constructs are the constructs of purchasing decision dimensions (second order).

## CONCLUSION

Cultural factors, social factors and personal factors form buying decisions on consumers Clothing Pyramid, so the research hypothesis states that the factors associated with purchase decisions on consumers Clothing Pyramid received and the formulation of the problem in this study can be answered.

## SUGGESTION

1. Do a lot of research in terms of needs or wishes of potential customers so that the concept of product ideas can be tailored to the trend of needs or market desires.
2. Provide innovation on the product, for example the product is made by using the grading system in terms of budget and product design so as to better answer the needs or wishes of potential consumers and consumers.
3. Create a testimonial column on social media so that consumers can comment their sense of satisfaction and it can also be information for others.

## Suggestions To Further Research

Here are suggestions that can be used for further research:

1. This study uses a research instrument in the form of questionnaires. Research instruments in the form of interviews or observations will provide more and more specific information in subsequent research.
2. The variables used in this study are the variables of cultural factors, social factors and personal factors. Therefore, certain variables can be added in subsequent research to find out other variables such as psychological factors, situational factors, promotion factors, price factors, product quality factors and some variables that are still associated with some previous research and theoretical base that is often used can be applied in subsequent research.



**Figure 3**

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