AN ANALYSIS OF THE APPLICABILITY OF THE CONSUMER STYLE INVENTORY (CSI) IN IDENTIFYING CONSUMER DECISION-MAKING STYLES OF HIGH SCHOOL STUDENTS IN YOGYAKARTA

A BACHELOR DEGREE THESIS
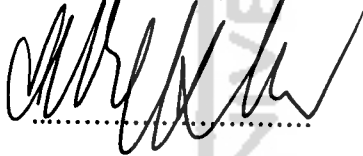
By

EDY ASRINA PUTRA

Student Number: 02311098

Defended before the Board of Examiners
on December 28, 2006
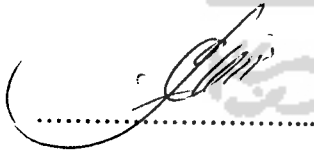and Declared Acceptable

Board of Examiners

Examiner 1:

Drs. Suwarsono, M.A

Examiner 2:

Drs. Muchsin Muthohar, MBA
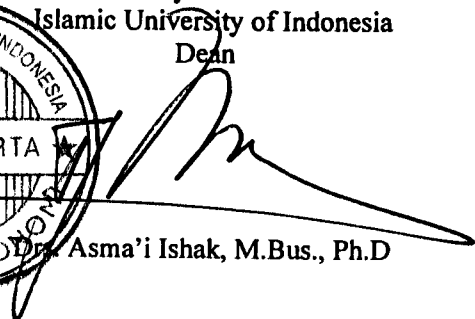
Yogyakarta, December 28, 2006
International Program
Faculty of Economics
Islamic University of Indonesia
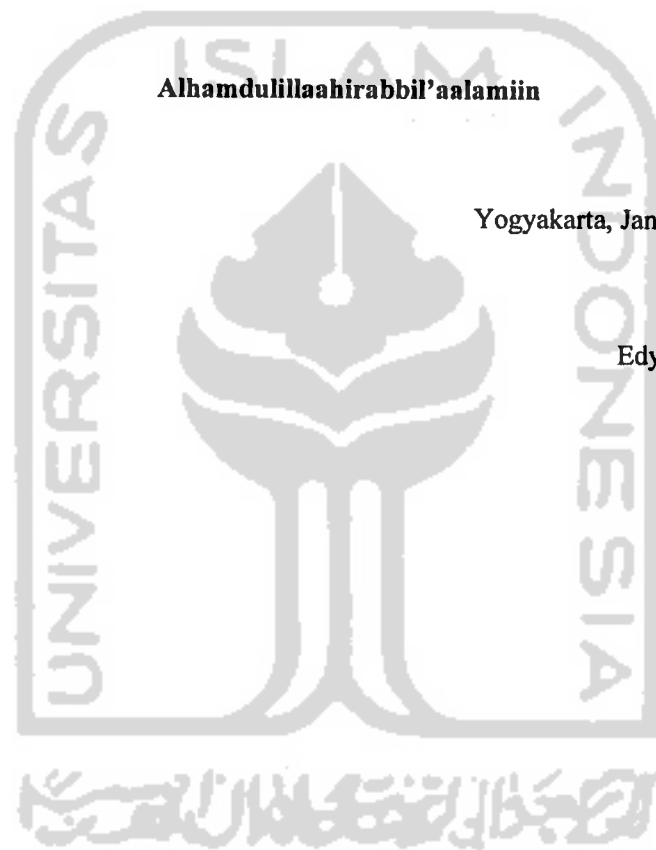Dean

Dra. Asma'i Ishak, M.Bus., Ph.D

iii

Nimas, Myrtha, Pandu, Rifki, Rina, Shanty, Taufik, Tiara, Vera, and last but not least, Yuzal. Good luck, guys!!!

Thank's to all staff and the management of International Program, to all lectures, and to everyone who deserves my appreciation.

Alhamdulillaahirabbil'aalamiin

Yogyakarta, January 24, 2007

Edy Asrina Putra

v

LIST OF FIGURES

5. Price Conscious and Value for Money Consumer.

"A consumer with particularly high consciousness of sale prices and lower prices in general" (Sproles and Sproles, 1990:137) is measured by this characteristic.

6. Impulsive and Careless Consumer.

It identifies "one who tends to buy at the spur of the moment and to appear unconcerned about how much he or she spends" (Sproles and Sproles, 1990:137).

7. Confused by Over-Choice Consumer.

A consumer who has this characteristic can be described as "a person perceiving too many brands and stores from which to choose and who likely experiences information overload in the market" (Sproles and Sproles, 1990:137).

8. Habitual and Brand-Loyal Consumer.

A characteristic that can be used to indicate "a consumer who repetitively chooses the same favorite brands and stores"(Sproles and Sproles, 1990:137).

The above mental characteristics can be very helpful in profiling a person's consumer style, in educating consumers regarding their specific decision-making characteristics, and in giving families guidance on financial management (Sproles and Kendall, 1986). The Consumer Style Inventory (CSI) could be a useful method to provide knowledge or information to consumers concerning their

(1986). In assessing the reliabilities of the factors, Hafstrom et al. used the Cronbach's alpha.

Hafstrom et al. (1992) found seven characteristics out of eight discovered by Sproles and Kendall (1986) were present in the Korean sample. One characteristic, which was previously unknown in the U.S sample, was found in the Korean sample. They called it "Time-Energy Conserving" that contains elements of both the brand conscious and habitual brand-loyal styles that were identified by Sproles and Kendall (1986). Hafstrom et al. found an indication of the generality of several consumer decision-making styles of young U.S. and Korean consumers. They also stated "there is a reason for cautious optimism that the CSI has elements of construct validity and has potential use across international populations" (p. 157).

New Zealand

Durvasula et al.'s study (1993) used 210 undergraduate business students of a large university in New Zealand as sample. The study was conducted to observe the applicability of the CSI in a different culture. They employed an instrument that consisted of 40 items, similar to 40 items used by Sproles and Kendall (1986). The statistical procedures were equal to those used in Sproles and Kendall's study (1986). They found eight-factor solution, which is in line with the Sproles and Kendall's findings (1986). They acknowledged that the results of the New Zealand sample compared to the American sample are not completely equivalent, but they argued, "the similarities outweigh the differences" (p. 60).

statement and question. The researcher gave assistance and guidance to the students in filling out the questionnaires.

All questionnaires were gathered and edited. Questionnaires with incomplete responses were discarded. The editing process revealed six questionnaires are discarded, and therefore, only 224 questionnaires were usable for further data analysis.

3.2.2. Secondary Data

Secondary data are "data that have been previously collected for some project other than the one at hand" (Zigmund, 2000:58). Compared to primary data, secondary data can always be gathered faster and in a less expensive way. In this research, secondary data are collected from many sources, such as journals and textbooks.

Journal articles are based on studies conducted by other researchers in the past. These past studies give guidance for researchers and help them to obtain important information concerning their research. Journal articles can also give researchers a better understanding and knowledge about the research. The journal articles used in this study are gathered from Proquest.

This study also uses many relevant textbooks in order to obtain various information concerning definitions, theories, research methods, etc. It is useful to collect information from many textbooks to enrich the researcher's understanding and knowledge. Most of the textbooks used in this research are obtained from the library of Faculty of Economics, Universitas Islam Indonesia, Yogyakarta.

classes represented each school, freshmen (1st grader) class and sophomore (2nd grader) class. The decision concerning which class to be used lies in the hand of each school. As a result, the balance between the number of female and male respondents could not be achieved.

3.7. Technique of Data Analysis

The data analysis techniques used in this study are similar to those used by Sproles and Kendall's (1986). In the first step, the researcher performs factor analysis; the principal components analysis with varimax rotation of factors is used. The objective of performing factor analysis in this study is to identify characteristics of Yogyakarta city's high school students' decision-making. Factor analysis will be explained in more detail in the validity test.

The second step, the researcher performs reliability test for each factor. The Cronbach's alpha technique is used to assess reliabilities for each factor. The researcher decided that reliabilities should not be below 0.4. Furthermore, the same level was used by Sproles and Kendall (1986). Further explanation about the Cronbach's alpha is on the reliability test.

In addition, the researcher uses Statistical Package for the Social Sciences (SPSS) 12.0 version software in analyzing the data.

3.7.1. Validity Test

Hair et al. (1998:118) define validity as "the extent to which a scale or set of measures accurately represents the concept of interest." Validity assures whether or not a scale is able to measure the intended concept (Sekaran, 2000).

24

Sekaran (2000) grouped validity tests into three broad categories: content validity, criterion-related validity, and construct validity.

In this research, content validity and construct validity are employed. Content validity, according to Sekaran (2000), ascertains that the measure includes an acceptable and representative set of items that tap the concept. Construct validity "testifies to how well the results obtained from the use of the measure fit the theories around which the test is designed" (Sekaran, 2000:208). She also explained that validity test could be established by several ways. One of those ways is through factor analysis.

In order to identify Yogyakarta city's high school students' decision-making styles, the researcher conducts factor analysis. According to Zigmund (2000:544), factor analysis is "a type of analysis used to discern the underlying dimensions or regularity in phenomena." Tabachnick and Fidell (2001:582-583) stated that the purposes of principal components analysis or factor analysis are "to summarize patterns of correlations among observed variables, to reduce a large number of observed variables to a smaller number of factors, to provide an operational definition (a regression equation) for an underlying process by using observed variables, or to test a theory about the nature of underlying processes."

The main purpose of factor analysis is to resume all information included in a large number of variables into a smaller number of factors. Factor analysis is different from the dependence techniques (such as, multiple regression, discriminant analysis, multivariate analysis of variance, etc.). In the dependence techniques, one or more variables are clearly considered as the dependent
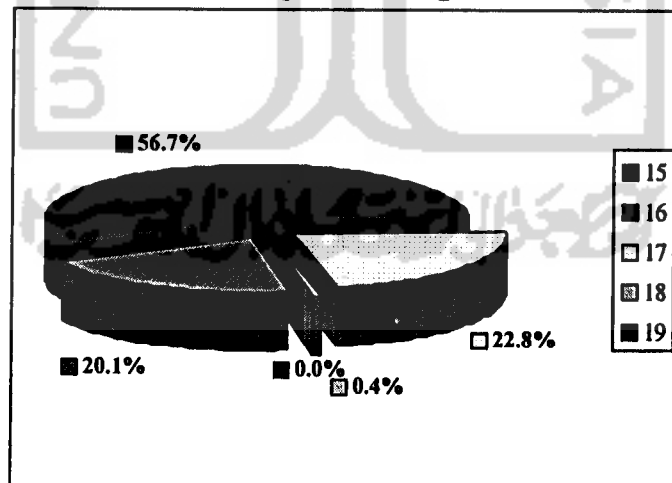
Table 4.1.
Respondents' Gender

Cluster	Number of Respondents	Percentage (%)
Male	82	36.6
Female	142	63.4
Total	**224**	**100**

Source: Survey finding

The survey found that from the total 224 students, 36.6 % are male, and
63.4% are female. The decision concerning which class to be used in data
collection lies in the hand of the schools. It resulted in the disproportion between
the number of male and female respondents. The female students dominated all
classes used in data collection.

4.2.2. Respondents' Age

Figure 4.2.
Respondents' Age

Source: Survey finding

Brand Conscious factor contains of two items that in the previous study by Sproles and Kendall (1986) loaded on "Brand Conscious", one item on "Recreational Shopping Conscious", and one item on "Impulsive" factor.

In the current study, *Price-Value Conscious* factor is considered unreliable to identify price conscious consumers, indicated by a low Cronbach's alpha (α =.24). This factor contains only two out of three items that loaded on Price-Value Conscious in Sproles and Kendall's study.

There are three newly identified characteristics in this study. These characteristics are called, *"Careful", "Time Conserving", and "Confused, Value Conscious."* Table 4.7 shows the reliabilities of these newly identified characteristics. Only *"Careful"* characteristic is considered to have a significant Cronbach's alpha (higher than .40). All three items that load on *Careful* factor in the current study, loaded on "Impulsive" factor in Sproles and Kendall's study (1986).

Time Conserving and *Confused, Value Conscious* factor have α of .35 and 3.3, respectively. Therefore, these two factors are considered as unreliable scales. Sproles and Kendall (1986) have never identified these characteristics. However, Hafstrom et al. (1992) identified a "Time-Energy Conserving" characteristic in a sample of Korean students. But the items loaded on "Time-Energy Conserving" in Hafstrom et al.'s study are totally different with the items load on "Time Conserving" factor in the current study.