

# **CHAPTER I**

## **INTRODUCTION**

### **1.1. Background**

The development of science and technology give big impact on the advance of business world. Nowadays, businesses have extended their marketing focus on online. In the old days, they should allocate a large amount of funds for promotion. Now, they can cut their marketing budget since marketing activities can be done through the help of the Internet. It is not surprisingly that e-commerce or online business has achieved its rapid growth in the last decade. One of the issues that becomes a central concern for marketing department is impulse buying, both offline and online. The impulse buying tendency may occur at any time and everywhere as customers see advertisement on television, billboard, and website and or when visiting stores. Impulse buying described as sudden, compelling, hedonically certain purchasing behavior that lacks of deliberation of all available information and choice alternatives which leads customer to make unplanned purchase (Shen & Khalifa, 2012, p.1; Parboteeah et al, 2009; Rook 1987). Impulse buying has got cognitive and affective aspects. The cognitive aspects such as perceived usefulness, lack of deliberation and of planning, meanwhile affective aspect such as feelings of pleasure, excitement, compulsion, lack of control and probable regret. Consumers with this impulse buying behavior do not plan to buy certain product; they just purchases goods on the spur of the moment.

In online business, the quality of the website plays an important role in encouraging impulse buys. The website characteristics divided into two, which is task relevant cues (TR) and mood relevant (MR) cues. The cues such as the ease of use, ease of navigation, knowledgeable as well as pleasure web design are some ways to attract visitors who are the potential customers. It can be explained that the identification of web features is further instrumental concept analysis on online impulse buying behavior that promotes and urges customers to buy impulsively. All of the website characteristics influence consumers to buy impulsively, particularly their cognitive and affective reaction (George & Yaoyuneyong, 2010). As soon as the cognition gets influenced, it will then has an impact on the customers' perceived usefulness and affective reaction has impact on customers' perceived enjoyment which in turn lead to impulse buying behavior.

There is a significant effect of the affective environment on individual response. Feelings of pleasure and enjoyment when surfing a website will have an impact on valuation which in turn encourage impulsive buying. The visitors who are interested in a website would be likely to stay longer and explore the website. When they find out interesting offers combined with superb web design that pleases them, they will be enticed to make impulse purchases. In this case, mood is a significant determinant of impulse buying as emotional feeling that arises from the experience during online interaction and transaction had a strong implication for the next action tendency (Shen & Khalifa, 2012).

There is theoretical concept to study this phenomenaon is psychological environment theory to know the stimulus, organism and response of online consumer. The theory will be the guidance to know the urge of consumers' online buying impulsively.

The researcher has decided to single out fashion product as the object to be analyzed, as the statistical data of Indonesian Trade Research and Development Agency show that fashion industry has been one of the biggest parts in Indonesia's creative sector, fashion industry is worthy to be further researched.

### **1.2.Problem Identification**

Based on the background, this study investigates website characteristics that affect customer's cognitive and affective response in online impulse buying, especially for fashion product which makes use of website as the selling instrument.

### **1.3.Problem Formulation**

1. Do TR cues have a significant effect on perceived usefulness?
2. Do MR cues have a significant cant effect on perceived usefulness?
3. Do MR cues have a significant effect on the feeling of enjoyment (ENJ)?
4. Do TR cues have a significant effect on the feeling of enjoyment (ENJ)?
5. Do perceived usefulness will have a positive effect on ENJ?
6. Do perceived enjoyment will have a positive effect on the impulsive urge to buy?

#### **1.4.Purpose of Research**

The research is aimed to know the role of website characteristics in influencing customer's cognitive and affective response which rise customer's urge and in the end trigger the online impulse buying behavior.

#### **1.5.Scope of Research**

The present research focuses on people who ever bought fashion products through website. This research is conducted in Yogyakarta, Indonesia. The scope is on fashion industry. The population and sample of the research is those who live in Yogyakarta, Indonesia.

#### **1.6.Research Objective**

1. To explain whether TR cues have a significant effect on perceived usefulness
2. To explain whether TR cues have a significant cant effect on perceived usefulness
3. To explain whether MR cues have a significant effect on the feeling of enjoyment (ENJ)
4. To explain whether TR cues have a significant effect on the feeling of enjoyment (ENJ)
5. To explain whether perceived usefulness will have a positive effect on ENJ
6. To explain whether perceived enjoyment will have a positive effect on the impulsive urge to buy

## **1.7. Research Contribution**

Theoretical and Practical

This research provides benefits theoretically and practically. Theoretically, it would make a significant contribution to the field of management, especially marketing. Furthermore, it can be reference for other researchers to conduct further research on online impulse buying. Practically, manufacturers, retailers and companies may take advantage of the research findings. This research can be a reference in decision making associated with powerful web design combined with promotion strategies for the purpose of bigger market share and profitability.

## **1.8. Systematical Writing**

Systematic thesis consists of five chapters, in which each chapter consists of several sections. The systematical formulations of this thesis are as follows:

1. First chapter: Introduction

This chapter provides introduction, which consists of background of the research, problem identification, problem formulation, purpose of research, scope of research, research objectives, research contributions and systematical writing,

2. Second chapter: Literature Review

This chapter provides theoretical foundation of psychological environment theory, website characteristics, cognitive and affective response and impulse buying.

3. Third chapter: Research Methodology:

This chapter explains the models and method used in this research, population and sample, sampling technique, the variable of the study and the testing method used.

4. Fourth chapter: Data Analysis and Discussion:

This chapter shows data analysis and discussion of the results obtained from statistical calculations using theoretical concepts and interpretation of research on theories that already exist.

5. Fifth chapter: Conclusion and Recommendation

This chapter consists of the research conclusions from the results of the analysis and calculation of data obtained from the research. Also, the weakness of the research will be explained.

