

CHAPTER I

INTRODUCTION

1.1 Background

As know, Indonesia is a developing country that is a potential target for product marketing, both from local and international companies. In order for the company to reap success in Indonesia, it is necessary to study the unique characteristics of Indonesian consumers. The unique character in this case is consumer behavior which has its own characteristics compared to most other consumers. According to Handi Irawan (2015) who won the top brand award in 2009, Indonesian consumers have ten unique characteristics, namely short-term thinking, unplanned, likes gathering, technological stutter, context-oriented, likes foreign brands, religious, prestige, strong in subcultures, and less concerned about the environment. According to Rahmat Susanta (2015), one of the editor-in-chief of marketing magazines, most Indonesian consumers have an unplanned character. Usually like to act "last minute". When shopping, often become impulse buyers. With these characteristics the company is expected to issue a marketing strategy that can support the company.

In online business, the quality of service is different from offline stores. The goods traded also cannot be touched directly so that good service is needed that can lead to high trust. To display the items for sale, take a photo shoot using a camera with a high resolution, so the results are satisfactory. Buyers will be interested because the details of the goods are clear with a clear description of the goods including the price, size, quantity and all information that will convince the buyer (Ari 2016), Hedonic Shopping Motives will occur which is a person's desire to get a pleasure for himself which can be fulfilled by visiting online stores with various facilities that have been provided, this can also be one of the factors for impulse buying).

According to Swastha and Irawan (In Darma 2015) one-way promotion or persuasion is made to direct a person or organization to actions that create exchanges in marketers. The forms and activities of the promotion are able to inform the public and especially the Commerce Administration Students at the Bengkalis whose benefits are able to encourage sales. Because impulse buying through online shopping applications is a new phenomenon in today's teenagers, especially students in Bengkalis who are the object of this research. With the development of rapid and sophisticated technology, most students will be easily influenced by the progress of the times, where at this phase students will tend to follow the existing fashion trends. Therefore, students are considered to have a high level of consumptiveness in meeting their needs.

Students and the internet in use cannot be separated. Student participation in using the internet causes them to be able to take advantage of various facilities provided by the internet, especially in terms of shopping. Online shopping can provide various conveniences for consumers including cost savings, goods can be delivered directly to their homes, payments are made by transfer, and prices are more affordable. The use of the internet has brought many changes in the life style of students, because students do not need to wait for free time for holidays to buy goods directly in the market or at the mall in (Darma 2015)

Online Impulse buying, also known as unplanned purchase, is a person's behavior where the person does not plan something in shopping. Consumers who do impulse buying do not think about buying a particular product or brand. They immediately make a purchase because of interest in the brand or product right away. According to Rook and Fisher (2016) define impulse buying as a consumer's tendency to buy spontaneously, reflexively, suddenly, and automatically. From this definition, it can be seen that impulse buying is something natural and a fast reaction.

Engel and Blackwell (2017) suggested that impulse buying can be categorized into four categories, namely pure impulse buying, impulse buying due to memory, suggestive impulse buying, and planned impulse buying. Furthermore,

buyers who plan to buy the product but have not yet decided on the features and brands needed can also be classified as impulsive buyers.

Research such as that conducted by Ismu (2015) shows that internal factors such as hedonic shopping values and positive emotions positively and significantly affect impulse buying. The emergence of a feeling of impetus to make a purchase immediately and feelings of pleasure and satisfaction arise after making a purchase. The existence of these diverse research differences, it is necessary to conduct further research to determine the influence of internal and external factors on someone that causes them to be compelled to make unplanned purchases.

The reason The Author chose this title and research is, to find out more deeply whether the quality of online shop services affects impulse buying decisions for Commerce Administration students at Bengkalis State Politics, how is the consumer behavior of online shopping in Bengkalis student Sub District, and what factors encourage consumptive behavior of online shopping on these students.

From this description, the title of this study was chosen: " Analysis on the Effect of Service Quality and Hedonic Shopping Motives toward Online Impulse Buying on Students in Bengkalis Sub District “.

1.2 Formulation of the Problem

Based on the description of the background above, what lead to unexpected purchases and there is desire moment to have these items by students in Bengkalis. From these research problems, the following research questions can be formulated:

1. What is the effect of service quality on online impulse buying?
2. What is the effect of hedonic shopping motives on online impulsive buying?
3. What is the effect of service quality and hedonic shopping motives on online impulsive buying?

1.3 Purpose of Research

From the formulation problem above, the following research objective can be determined :

1. To determine the effect of service quality on online impulse buying.
2. To determine the effect of hedonic shopping motives on online impulse buying.
3. To determine the effect of service quality and hedonic on online impulse buying.

1.4 Significance of the Study

This research is expected to function and have benefits for several parties, including other :

1. For Researchers :
This research can increase knowledge about the factors that can potentially cause consumers to make impulse buying in online shop purchases.
2. For Marketers :
As an empirical research, this research is expected to produce useful findings for product marketers who are prone to impulse buying. The findings of this study can be used as input and consideration for marketers in developing the right marketing strategy.
3. For Academics :
The results of this study are expected to provide benefits in the form of a theoretical framework about impulse buying behavior by consumers and the factors that cause it and can later be used as consideration in conducting further research.

1.5 Scope and Limitation of the Problem

So that research does not become broader and clearer in scope, the following are limitations to the research problem:

1. This study only examines three variables to see the effect of service quality and hedonic shopping motives toward online impulse buying on students in Bengkalis Sub district.
2. The sample used as the object of research is College Students in Bengkalis Sub district as many as 120 respondents, both female and male.
3. The research sampling technique is purposive sampling technique.

1.6 Writing System

The writing of this undergraduate thesis report to be systematic and structured, it is required to prepare a systematic report. The following is the system of on undergraduate thesis report writing :

CHAPTER I : INTRODUCTION

Chapter 1 explain about title of thesis proposal, the background of the problem, the formulation of the problem, the research purpose, the research benefits, the scope and limitations of the problem and the writing system of the research.

CHAPTER II : LITERATUR RIVIEW

Chapter 2 describes the literatur review and the basis for the previous theory that will be used in the completion of the research.

CHAPTER III : METHODS AND ACCOMPLISHMENT PROCESS

Chapter 3 will explain about the location and place of the study, starting from the location, time and object of research, types and source of data, data collection teqnique, data analysis method, htypes of research, schedule and budget of result.

CHAPTER IV : RESULT AND DISCUSSION

Chapter 4 will explain about the result and discussion of the research.

CHAPTER V : CONCLUSION AND SUGGESTION

Chapter 5 will explain about the conclusion and suggestion of the research carried out.

