

Analysis of Consumer Behavior Affecting Consumer Willingness to Buy in 7-Eleven Convenience Store

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Abstract The emerging of new retail stores in Indonesia has brought new competition to the current market competition. The object of this research is 7-Eleven. This research analyzes the relationship between variables of consumer behavior and willingness to buy. This research is purposed to find the relationship between the consumer behavior variables (cultural factor, social factor, personal factor and psychological factor) to the consumer willingness to buy a product in 7-Eleven convenience store. The scope and limitation of this study rounds in the 7-Eleven convenience store in Jatiwaringin, Jakarta with total samples 110 of 150 population average. Data was analyzed by using quantitative analysis. The interpretation of this research shows that the variables and dimensions of consumer behavior has a relationship with the consumer's willingness to buy a product in 7-Eleven Jatiwaringin, Jakarta, even so, there are some variables that has a relationship but not affecting the willingness to buy significantly. The variables that is mostly affecting the willingness to buy in this research shows that social factors giving more affect more that any variables among the consumer behavior variables. The coefficient of determination (R^2) is 1 0.405 40.5% of the variation that occurs in the willingness to buy is described by all of the independent variables, cultural factor, social factor, personal factor, psychological factor, while the remaining 100% - 40.5% = 59.5% are explained by other variables which is not described in this research.

Keywords Consumer Behavior, Cultural Factor, Social Factor, Personal Factor, Psychological Factor

1. Introduction

Based on the rapid development of 7 eleven convenience store in the past 2 years, even in the new market competition and competing in with a same product in the market while selling the product with a higher prices comparing to the local stores , the researcher is interested to know deeper regarding their strategy of surviving and developing, especially in the strategy of promoting their product and

services to the market which leads to customer motivation to come and shop there. 7 Eleven manages to survives in the market competing with local stores by selling a same product as their competitor, they are even selling those product in a higher price basis than the local store even so, they make a big success in competing with the locals. In sum up, the researcher is interested to make a research and figuring out why consumer wants to spend and shop to buy in 7-Eleven convenience stores. This research is discussing about the relationship between the strategy implementation of 7 - eleven in winning the consumer behavior to the willingness of customer to come and buy and shop at the convenience store. In order to understand how a company may survive, since 7 eleven manages to survive and showing potential growth in these past two years in the new market, from a consumer behavior point of view, the researcher would like to define the problem such as;

1. "Is there any relationship between consumer behavior towards the willingness of consumer to buy and shop in 7-Eleven convenience store in Jatiwaringin, Jakarta, Indonesia?"
2. "What variables of consumer behavior that mostly influence the willingness of consumer to buy and shop in 7-Eleven convenience store Jatiwaringin Jakarta, Indonesia?"

2. Research Model and Hypothesis

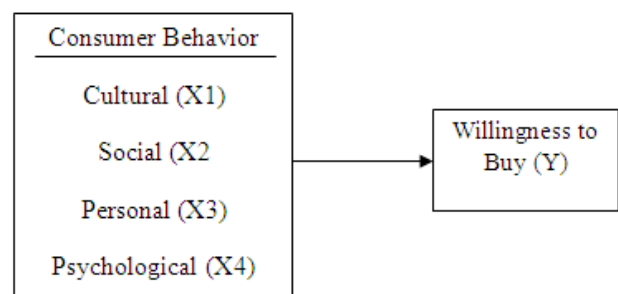


Figure 1. Research Framework

From the diagram of framework above, it is drawn how

the researcher will do the research by comparing several variables of dependent and independent. By adapting the theory of Phillip Kotler and Gary Armstrong (2008) that define the characteristic influence consumer behavior, the researcher decides to divide the consumer behavior into 4 specific variables; culture, social, personal and psychological. By defining the variables of consumer behavior and relates them to the object of research (respondents) in 7-Eleven Jatiwaringin, Jakarta, the researcher would like to see whether the willingness of Consumer to buy in that convenience store will be influenced by the factors of consumer behavior. The 4 variables will be investigated during the research.

Multiple Regression Analysis

Multiple Regression Analysis, usually used in the research where there are more two or more independent variables are hypothesized to influence one or more dependent variable. Multiple regression is regression with two or more independent variables on the right-hand side of the equation. For prediction, Multiple regression lets us use more than one factor to make a prediction. While for explanation, multiple regression let us separate causal factors, analyzing each other's influence the variables, in this case the influence of consumer behavior to willingness to buy, (Samuel L. Baker ;2006). The equation model for this research is :

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$$

Hypothesis Testing

a. F Test

F test is a statistical test in which the test has an F-Distribution under the null hypothesis; it is a significant testing in purpose to find whether the independent variables have a significant influence to the dependent variable. Basically, F-Test is used to know all independent variable (X) influence toward the dependent variable (Y) according to Sugiyono (2007)

The step in conducting F test in this research are :

1. Determining Hypothesis Formulation
 - H0: $\mu = 0$, meaning that the variables X1, X2, X3, X4 had no significant relationship to Y variables simultaneously.
 - H1 at least one $\beta_1 \neq 0$, which means that the variables X1, X2, X3 have a significant relationship to Y variables simultaneously.
2. Determining the degree of confidence of 95% ($\alpha = 0.05$)
3. Determine the significance
 - The value of significance (p value) < 0.05 then H0 is rejected and Ha accepted.
 - The value of significance (p value) > 0.05 then H0 is accepted and Ha rejected.
4. Making inferences/conclusion
 - When (p value) < 0.05 then H0 is rejected and Ha

accepted. This means that the independent variable simultaneously (shared) affect the dependent variable.

- When (p value) > 0.05 then H0 is accepted and Ha rejected. This means that the independent variable simultaneously (together) does not affect the dependent variable.

b. T Test

T test is defined as a statistical examination of two population means. A two-sample t-test examines whether two samples are different and is commonly used when the variances of two normal distributions are unknown and when an experiment uses a small sample size. In short, T-Test is used to know each independent variable (X) influence toward the dependent variable (Y).

The step in conducting T test in this research is:

1. Hypothesis formulation
 - H0 : $\mu = 0$ mean that partially the independent variables (X1, X2, X3, X4) do not have significant influence on the dependent variable (Y).
 - Ha : $\mu \neq 0$ mean that partially the independent variables (X1, X2, X3, X4) have significant influence on the dependent variable (Y).
2. Determining the degree of confidence of 95% ($\alpha = 0.05$)
3. Determine the significance
 - The value of significance (p value) < 0.05 then H0 is rejected and Ha accepted.
 - The value of significance (p value) > 0.05 then H0 is accepted and Ha rejected.
4. Making inferences/conclusion
 - When (p value) < 0.05 then H0 is rejected and Ha accepted. This means that the independent variable partially affect the dependent variable.
 - When (p value) > 0.05 then H0 is accepted and rejected. This means that the independent variable partially not affect the dependent variable.

c. Coefficient of Multiple Determination (R^2)

Coefficient of multiple determination or R^2 is defined as the proportion of "variability" (measured by the sum of squares) in a data set accounted for by a multiple regression model (Steel and Torrie, 1960, pg. 187, 287). This interpretation is usually presented at the conclusion of a multiple regression analysis. R^2 is also defined as the sample squared correlation coefficient between the response variable and its corresponding predicted value from the regression model (Cohen et al., 2003). Coefficient of determination can show a measure of how the regression line approximates the observed data points. The value lies between 0 and 1. The closer it is to 1, the better is the linear relationship between the response variable and predictors. The closer it is to 0, the worse is the linear relationship. The correlation coefficient of 0 indicates no linear relationship between variables, although nonlinear relationship may exist.

3. Literature Review and Key Concepts

Characteristic Influence Consumer Behavior

Kotler & Armstrong (2004) define the characteristic that influence the consumer behavior, they define cultural, social, personal and psychological are strongly influencing the consumer behavior.

a. Cultural Factors

In cultural factors divide the cultural itself in to three specific variables, they assuming that marketers needs to understand the role played by the buyer's culture, subculture and social classes.

Culture

Culture is the most basic cause of a person's wants and behavior. Human behavior is largely learned. Growing up in a society a child learns basic values, perceptions, wants, and behaviors from the family and other important institutions. Culture influence the consumer behavior through family, friends which borne into a mindset that influence a decision of a person including their buying decision. An idea of values that people poses are different from one group of society to another, a cultural shift (consumer's concern) becomes a great point influence the demands of consumers in the society.

Subculture

Kotler & Armstrong define subculture as a smaller parts of a culture, or groups of people with shared value systems based on common life experiences and situation. It includes nationalities, religions, racial groups, and geographical regions. In this context noted four of such important subculture groups including Hispanics, African American, Asian and Mature Consumers. Hispanics Markets is a type that is loyal to a brand, hispanic consumers tend to buy more branded, higher quality products. They tend to make shopping a family affair and children have a big say in what brands they buy. Hispanics are very brand loyal and they favor companies who show special interest to in them. African American are also strongly motivated by quality and selection. Brands are more important, and the consumers of African American seem to enjoy shopping more than other groups. These consumers are also the most fashion conscious of the ethnic groups.

Social Class

The added that social class is not determined by a single factor, such as income, but is measured as a combination of occupation, income, education, wealth and other variables.

b. Social Factors

In social factors divide the factors into several specific parts, such as consumer's small group, family and social roles and status.

Groups

Groups that have a direct influence and to which a person belongs are called membership groups. In contrast reference group serve as direct or indirect points of comparison or

reference in forming a person's attitudes or behavior. People often are influenced by reference group to which they do not belong. Reference groups expose a person to new behaviors and lifestyles, influence the person's attitudes and self-concept, and create pressures to conform that may influence the person's product and brand choices.

Family

Family is the most important consumer buying organization in society and it has been researched extensively. Husband-Wife involvement varies widely by product category and by stage in buying process. Children may have a strong influence on family buying decision for everything from cellphone to restaurants to cars. Buying decision of consumers are influenced by family's decision, especially in Asian where its culture to respect the elders and taking their family a s their priority above all.

Roles and Status

A person belongs to many groups family, clubs and organization, the person's position in each group can be defined in terms of both role and status. A role consists of the activities people are expected to perform according to the person around them. Each role carries status reflecting the general esteem given to it by society. People usually choose products appropriate to their roles and status.

c. Personal Factors

A buyer decisions also are influenced by personal characteristics as the buyer's age and life cycle stage, occupation, economic situation, lifestyle, and personality and self-concept.

Age and Life-Cycle Stage

Taste in food, clothes, furniture, and recreation are often age related. Buying is also shaped by the stage of the family life cycle - the stages through which families might pass as they mature over time. Traditional family life cycle stage includes young singles and married couples with children.

Occupation

They added that blue-collar workers tend to buy more rugged work clothes, whereas executive buy more business suits. Occupation of a consumer itself determines their buying behavior by the style they do at their working environment.

Economic Situation

Economic situation will influence product choice, marketers of income-sensitive goods watch trends in personal income, savings, and interest rates. It is obvious that an economic level of a consumer will determine their choice of buying as they adjust their purchase power with the goods and services.

Lifestyle

Lifestyle is a person's pattern of living as expressed in this or her psychographics. It involves measuring consumers interest which leads to buying behavior. Lifestyle captures something more than the person's social class or personality. It profiles a person's whole pattern of acting and interchanging consumer values and how they influence buying behavior.

Personality and Self-Concept

Personality refers to the unique psychological characteristic that leads to relatively consistent and lasting responses to one's own environment. Personality is usually described in terms of trait such as self-confidence, dominance, etc. An idea that brands also have personalities and that consumers are likely to choose brands with personalities that match their own. A brand personality is the specific mix of human traits that may be attributed to a particular brand.

d. Psychological Factors

A person's buying behavior choices are further influenced by four major psychological factors: Motivation, Perception, Learning, and Beliefs and.

Motivation

A Person has many needs at a given time. A motive or a drive is a need that is sufficiently pressing to direct the person to seek satisfaction of need. Freud's theory suggest that a person buying decisions are influenced by subconscious motives that even the buyer may not fully understand. A person tries to satisfy the most important need first. When that need is satisfied, it will stop being a motivator and the person will then try to satisfy the next most important need.

Perception

People can form different perceptions of the same stimulus because of three perceptual process; selective attention, selective distortion, and selective retention. Each person fits incoming information into an existing mind-set. Selective distortion describes the tendency of people to interpret information in a way that will support what they already believe. Selective distortions means that marketers must try to understand the mind sets of consumers and how these will influence interpretations of advertising and sales information. Selective retention describes that consumers are likely to remember good points made about brand they favor

and to forget good points made about competing brands.

Learning

A drive is a strong internal stimulus that calls for action. A drive becomes a motive when it is directed toward a particular stimulus effect. When consumers tend to decide which product they shall buy, they might respond to cues, cues are minor stimuli that determine when, where, and how the person responds.

Beliefs and Attitudes

Through doing and learning that people acquire beliefs and attitudes. Beliefs are a descriptive taught that a person has about something. Beliefs may be based on real knowledge, opinion, or faith and may or may not carry an emotional change. Attitude describes a person's relatively consistent evaluations, feelings and tendencies toward an object or idea. Attitudes put people into a frame of mind of liking or disliking things or moving toward or away from them. Attitudes are difficult to change, a person's attitudes fit into a pattern and change one attitude may require difficult adjustments in many others. The forces of beliefs and attitudes push a company to fit its products into existing attitudes rather than attempt to change attitudes.

4. Result and Discussion Multiple Regression Analysis

Multiple regression test analysis lets us use more than one factor to make a prediction. While for explanation, multiple regression let us separate causal factors, analyzing each other's influence the variables, in this case the influence of consumer behavior to willingness to buy. The multiple regression in this research will be tested using SPSS 18 just like other test performed before, the table 1 below shows the regression analysis of the relationship between dependent and independent variables in this research;

Table 1. Regression Analysis

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,029	,449		-,065	,949
	Cultural Factor	,048	,106	,037	,455	,650
	Social Factor	,568	,117	,443	4,834	,000
	Personal Factor	,063	,100	,053	0,634	,528
	Psychological Factor	,364	,111	,278	3,286	,001

a. Dependent Variable: Willingness To Buy

Source: Primary Data, Processed by SPSS V.18

By looking at the independent variables in this research, all of the variables cannot be measured as of units. Since the condition of variables that cannot be measured as units (doesn't have constant value), the researcher will use the standardized coefficients column indicated by the beta value column as the determinant for the coefficient regression. thus, the regression equation shall be made as follows:

$$Y = 0.037X_1 + 0.443X_2 + 0.053X_3 + 0.278X_4$$

From the above equation, it can be seen that the coefficient from the regression equation is positive, the interpretation of the equation is as follows;

F Test

F test is a statistical test in which the test has an F-Distribution under the null hypothesis; it is a significant testing in purpose to find whether the independent variables have a significant influence to the dependent variable. Basically, F-Test is used to know all independent variable (X) influence toward the dependent variable (Y). This test is conducted by comparing the value of T count from SPSS software v.18 and F table with 0.05 significance and the value of sig. If the value of F count is greater than F table (F count > F table), then the independent variables are simultaneously influence the dependent variable.

Table 2. Result of F Test

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.697	4	8.174	19.567	.000 ^a
	Residual	43.865	105	.418		
	Total	76.562	109			
a. Predictors: (Constant), X4, X1, X3, X2						
b. Dependent Variable: Y						

Source: Primary Data, Processed by SPSS V.18

From ANOVA test or F test table 2 above, it is shown that the value of F count is 19.5567 with 0.000 probability. Since the F count is 19.5567 > F table (α = 0.05) 2.48, then Ha₁ in this research is accepted and the regression model can be used to predict the customer's willingness to buy (dependent variable) or in other words, all of the independent variables, cultural factors, social factors, personal factors, and psychological factors simultaneously have significant effect into the dependent variable, customer's willingness to buy.

T Test

Table 3. T Test

Variables	T count	T table
Cultural Factor (X1)	0.455	1.6595
Social Factor (X2)	4.834	1.6595
Personal Factor (X3)	0.634	1.6595
Psychological Factor (X4)	3.286	1.6595

Source: Primary data, processed by SPSS V.18

T-Test is used to know each independent variable (X) influence toward the dependent variable (Y). In this research, the t test is used to partially determine the influence of independent variable (cultural factors, social factors, personal factors, psychological factors) towards the dependent variable (consumer's willingness to buy).

Coefficient Correlation of Multiple Determination (R²)

Table 4. Result of Coefficient Correlation of Multiple Determination Test (R²)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.654	.427	.405	.64635

Source: Primary Data, Processed by SPSS V.18

From the table 4 above, we can see that the variable cultural factor, social factor, personal factor, psychological factor, has R value of 0.654. According to table 4 which describe the criteria for the correlation between independent variables and dependent variable, it can be interpreted that independent variables has a moderate correlation with decision for 65.4%, and from the coefficient of determination that is the square of the correlation coefficient (R²) in table 4 is equal 0.405 that showed 40.5% of the variation that occurs in the willingness to buy is described by all of the independent variables, cultural factor, social factor, personal factor, psychological factor, while the remaining 100% - 40.5% = 59.5% are explained by other variables which is not described in this research.

5. Conclusions

Based on the result of analysis and the interpretation that has been done in previous chapter, it can be concluded that:

- The cultural factor (X1) variable value is 0.455 < t table (α = 0.05) for 1.6595. The result means that the regression coefficient is not significant. The customer's willingness to buy in 7-Eleven Jatiwaringin Jakarta influenced but not significant by the cultural factor, as a diversified country in Asia, cultural factors may seems diverse and people are living together in difference.
- The social factor (X2) variable value is 4.834 > t table (α = 0.05) for 1.665. The result means that the regression coefficient is significant. In terms of social factors, customer's willingness to buy is proven having a great significance to customer's social condition. The researcher finds out that based on this research, customer that are going to 7-Eleven Jatiwaringin, Jakarta and willing to buy the product there even though the price is expensive is because that they are fulfilling their social needs. 7-Eleven applying a concept in which their place could be used a place to hang-outs and chit-chats which involve

- socialization activity in their lounge.
- c. The value of t count in personal factor (X3) variable is $0.634 < t$ table ($\alpha = 0.05$) for 1.6595. The result means that the regression coefficient is not significant. In this research it is shown that personal factors is still have a relationship with willingness to buy but don't have a significance effects. As the researcher seen that many customer that are going to 7-Eleven is not limited on the age, several people that looks old are coming to have a hang outs as well in the 7-Eleven's lounge, that means that 7-Eleven provide a product that can be consumed by people in all ages diminishing their age and lifecycle.
 - d. The value of t count in psychological factor (X4) variable is $3.286 > t$ table ($\alpha = 0.05$) for 1.665. The result means that the regression coefficient is significant. The result of this research shows that psychological factors influence the customer's willingness to buy. psychological factor in the theory includes customer's motivation, perception, belief and their experience towards the product. From this research it is shown that customer of 7-Eleven Jatiwaringin, Jakarta is motivated and has their own perception about 7-Eleven compared to other convenience store.
 - e. The value of F count in F test before is 19.5567 with 0.000 probability. Since the F count is $19.5567 > F$ table ($\alpha = 0.05$) 2.48, then H_a in this research is accepted and the regression model can be used to predict the customer's willingness to buy. Therefore, the variable of consumer behavior that is tested in this research is able to measure the customer's willingness to buy. Even though there are several variable that is considered not significant to the consumer willingness to buy, the relationship between variables independent and dependent variable shows a result that the researcher would like to know. Between the variables, social factors is the most dominant factors that influence and giving a significance relationship to the customer's willingness to buy
 - f. The independent variables has a moderate correlation with students decision for 65.4%, and from the coefficient of determination that is the square of the correlation coefficient (R^2) in table 4.19 is equal 0.405 that showed 40.5% of the variation that occurs in the willingness to buy is described by all of the independent variables, cultural factor, social factor, personal factor, psychological factor, while the remaining $100\% - 40.5\% = 59.5\%$ are explained by other variables which is not described in this research.

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