CHAPTER I

INTRODUCTION

1.1 Research Background

In the globalization era, almost all people of the world use social media as a place to communicate and share information with one another. Shopping online has grown ever since in terms of range of services, efficiency, safety and popularity, but through virtual,media marketing needs continual improvement if it is to meet the changing and growing needs and expectations of consumers. Fashion and shopping for clothes is suggested as one of the most popular topics of discussion among the community of online social networks memberand apparel retailers can get feedback directly from consumers while monitoring the discussion of the online social networking community (Thomas et al., 2007).While the importance of social network online communities is remarkable, to date, it is has been unknown how a social network online community influences apparel consumers' decision making.

Based on the articles that have been discussed by Hira Huiju Park and Cho (2012) "Social network online communities : information sources for apparel shopping". Attempts to propose a conceptual framework that presents the effect of members' psychological attachment dimensions and community characteristics on community commitment. The study aims to identify the influence of members' psychological attachment dimensions and online community characteristics on community commitment. A review of the literature shows that there are a lot of studies, both empirical and theoretical, community brand for apparel products that are often held by retailers who target the younger generation (Kim and Jin, 2006). Goldsmith (2002) found that experienced internet shoppers put more trust in and have a commitment to a better feeling about the services online from non-buyers, state that adopters and non-adopters have different perceptions towards online shopping, which may lead to different behaviour.

Information seekingbehavior on the decision making process of consumer information search behavior can be explained by five stages Engel - Kollat – Blackwell (EKB 1968) model of consumer behavior. The EKB model has been accepted as a dominant

comprehensive model to explain consumer behavior includes all relevant effects and outcomes (Darley et al., 2010). According to the model, the consumer goes through the five stages in the decision-making process: problem recognition, information search, alternative evaluation, implementation of the decision, and post - purchase evaluation. The consumer buying process begins when an individual recognizes his / her request for a new purchase consumer information search and evaluate possible alternatives to meet his / her needs.

In this process, consumers are looking for the best solution to solve the problem by buying the product. Sources of information including commercial, personal experience, word of mouth, and public sources (Belch, 2007). Consumers evaluate each alternative by comparing the potential benefits of product attributes, e.g. price, warranty, brand reputation, size, etc., and As one of the research objectives, we propose a psychological attachment to a member of an online shopping community (RUMAH MODE) as a determinant of commitmentthe purchasing decision."RUMAH MODE" is a fashion storespecifically for women with a product that is up to date with the existing fashion trend.

The Author chose of this research due the fact that in this era of globalization, the marketing increases the online community purchasing product. Author will analyze the effect of psychological factors towards purchasing decision. Psychological factors involves in the stages of consumer decision making. The purpose of this study was to explore the predictors of psychological factorsin social network online communities and provide implications towards purchasing decision. Especially after the emergence of the internet, the anonymity it offers has increased consumer intention to publicly share their experiences and feedback, information which other consumers consider important in making purchase decisions (e.g. Athanasopoulou, 2008; Dellarocas, 2003; Park et al., 2007; Sen and Lerman, 2007; Sun et al., 2006).

A survey suggests that 80 percent of buying decisions are made or dominated by women (Popcorn and Marigold, 2000). Since online transactions for female products (such as cosmetics, clothes, fashion accessories, etc.) are becoming more frequent and prevalent (Business Next, 2008), women now form an important consumer group in online shopping. This study thus focusses on female online shoppers. With the growing population of employed women and the prevalence of the internet, the ratio of female shoppers online has been increasing, and female shoppers now out number male shoppers online.

1.2 Research Problems

This research intended to analyze the effect psychological factors (Consciousness, Experience, Moral responsibility and Shared culture) towards purchasing decision. The specific research problem can be derived into the following :

1. Does consciousness in online social network communities have a positively effect on the purchasing decision?
2. Does experience in online social network communities have a positively effect on the purchasing decision?
3. Does moral responsibility in social network communities have a positively effect on the purchasing decision?
4. Does shared culture (ritual and tradistions) in online social network communities have a positively effect on the purchasing decision?

1.3 Research Objectives

Based on the research problem above, the purpose of this study is to analyze 'The effect of psychological factors on the purchasing decision'. The specific purposes can be derived into the following :

1. To analyze consciousness has a positively effect on the purchasing decision in online social networks.
2. To analyze experience has a positively effect on the purchasing decision in online social networks.
3. To analyze moral responsibilty has a positively effect on the purchasing decision in online social networks.
4. To analyze shared culture has a positively effect on the purchasing decision in online social networks.

1.4 Benefits of Research

The results of this research are expected to provide the following benefits.

1. Theoretical Benefits

The results of this study are expected to be able to contribute information that psychological factors have effect to the purchasing decision to buy clothing fashion product on online social network. Further studies the research can be a reference for marketing management.

2. Practical Benefits

-For store/ shooping center

Can determine policies and may provide an alternative option towards willingness to buy clothing fashion products.

-For Society

Can determine that psychological factors have effect on purchasing decisions to buy clothing fashion products by everyone in online social network.

Result of this study are also expected to be used as reference material for future research.

1.5 Contents of Research

This study reports the results consist of 5 chapters, each of which contains about:

Chapter I   : Introduction

This chapter describes the background, problem statement, research objectives, benefits of systematic research and research writing.

Chapter II   : Literature Review

This chapter provides a theoretical foundation of understanding about Psychological factors towards purchasing decision. Psychological factors determine in 4 variables: Consciousness, Experience, Moral Responsibility, and Shared Culture same as previous purchasing decision and the Research Framework.

Chapter III   : Research Method

This chapter explains clearly and in detail about the types of research, understanding of population, sample and sampling techniques, variables and definitions, data and data sources, data collection methods and data analysis methods.

Chapter IV   : Data Analysis and Discussion

This chapter describes the analysis of statistical data, the results of the test instrument, test the hypothesis, the classical assumption test and discussion.

Chapter V   : Conclusion and Recommendation

This chapter describes the conclusions and suggestion of the research