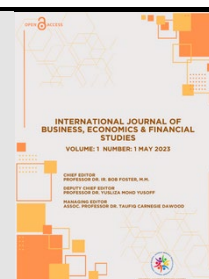Content lists available at Indonesia Academia Research Society

International Journal of Business, Economics & Financial Studies

Journal homepage: https://ejournals.indoacademia-society.com/index.php/ijbefs

Original Article

Check for updates

The Effect of Utilitarian and Hedonic Values on Consumption Behavior in Online Purchase of Fashion Sneakers among Generation Z

Viola De Yusa [a],*, Mahrinasari, MS [a] and Satria Bangsawan [a]

[a]   Faculty of Economics and Business, Lampung University, 35145 Bandar Lampung, Indonesia; mahrina.sari@feb.unila.ac.id (M.S.); satria.bangsawan@feb.unila.ac.id (S.B.)

*   Correspondence: viola.d.yusa@gmail.com (V.D.Y.)

Abstract

Today, the contemporary world offers a wide range of fashion products such as apparel, accessories, luggage, and shoes in Indonesia. All shoe firms try to make excellent items, which becomes a huge draw for Generation Z called internet generation. This study investigates the effect of utilitarian and hedonic values on Generation Z purchase of fashion sneakers. It was a quantitative review that used the causality technique and a total of 200 people who wore sneakers were selected as the participants. Data were then analyzed using SmartPLS and a measurement model technique (outer model). The results showed that utilitarian and hedonic values significantly affect Generation Z online purchasing of sneakers. This indicates that the two variables cause people to behave consumptively, starting with viewing artists or acquaintances, affiliations and associations, as well as others.

1. Introduction

Currently, the contemporary world offers a wide range of fashion products such as apparel, accessories, luggage, and shoes in Indonesia. All shoe firm tries to make excellent items and this becomes a huge draw for Generation Z called Internet generation (Pakpahan et al., 2021) explained that Generation Z is the age group born between 1995 and 2010. Meanwhile, the millennial era is defined as the period from 1977 to 1994, where new technologies arise and penetrate daily life (Adriansyah et al., 2019). Bank of America report (BofA) showed that Generation Z tends to be the "most difficult age ever". According to the data, 50%, 31%, 16%, and 2% of shoppers are from the generations of Millennial, Z, X, and Baby Boomers with the age of 25-34, 15-24, 35-44, and 45 years and over, respectively. The participants having about 38%, 22%, and 15% of expenditure came from SSE C2, SSE A and B, and SSE C1, respectively.

A total of 88% of Generation Z prefer to be engaged on social media since they have a fear of losing out on souls, are highly enthusiastic, and are up to speed with online trends. They also feel at ease on social media platforms such as Facebook, Instagram, TikTok, and others. In

Indonesia, online shopping behavior is dominated by Generation Z because 72% of them actively purchase goods through markets or e-commerce sites consisting of Shopee, Tokopedia, Lazada, or other marketplaces (Ginee, 2021).

Purchasing products to preserve people's looks is one of the several consumption behaviors that are common among Generation Z. Furthermore, youth buy, wear, or try on an item because they want to emulate a celebrity. The word sneakers were coined since its wearing makes people's steps sound and appear stealthy. This product is becoming more popular among Indonesian youth because it is part of one's outfit.

Sneakers which were originally used for sports, particularly basketball, are also worn to walk around the mall, hang out with friends, and leave for work. Students, workplace professionals, entrepreneurs, and others tend to be part of the users of this item. There is no age barrier to wearing sneakers because it is appropriate for everyone who wants to seem young and fashionable. This product is extremely easy to mix and match with any clothing. In Indonesia, there is a shift in footwear preferences since most of them are interested in

sneakers. The study by Andrey explained that the rate at which youth demand this item increases from 50% to 70% in the country. Furthermore, the sneaker buyer's personality is more utopian because they are seeking the unique one with high quality. Youth are no more wealthy since they are hesitant to purchase expensive items. This set of people immediately buys the shoe when they see the price at Rp. 1.8 million. The amount of slick partnerships between shoemakers and celebrities is another factor that contributes to the popularity of sneakers. As a result, this tendency will not be readily reversed (Hasibuan, 2018). Sneakers are no longer a luxury item but a necessity for maintaining one's appearance. (Philip, 2019) emphasized that someone who buys an item for enjoyment is known as consumption behavior or consumerism.

The study of Tirto on 1,201 respondents aged 7-21 years who live in Bandung, Denpasar, Jakarta, Surabaya, Tangerang, and Yogyakarta, Java as well as Bali Island indicated that Generation Z has a high interest in shopping for fashion products. For the first category, the male and female participants prefer using Adidas and Zara, respectively. The respondents' favorite choice for the second category is Nike, followed by Adidas, Reebok, Converse, and Van. Tirto also discovered that more than 70% of Generation Z in Java and Bali select the brand and model of fashion products they want to buy. Over time, there is a decrease in parental involvement in purchasing children's fashion products (Tirto, 2017).

The results of the study carried out in early January 2022 showed the consumption behavior of the youth between the ages of 20 and 26. According to the survey conducted on 30 teenagers in Generation Z, 96.7% of them frequently purchase fashion items. About 60% out of the 96.7% purchase shoes, while the remaining 36.7% buy clothes, jeans, and others. According to the results, 56.7% out of the 60% prefer to buy shoes more than twice every three months. The data from Social Exploration and Observing of Social online business items showed that shoes are in the top two ranks with a rate of 20.20%. Nike and Adidas capture the largest market share of this 20.20% because they were included in the exclusive brand category (branded). These two brands make billions of dollars by creating different models.

People tend to be convenient with selling or buying goods through e-commerce and online media. This type of business transaction can be carried out anywhere and at any time because it is easy to access. In this context, the ease of purchasing goods online makes people to be consumption. This transaction promotes people to shop regularly since it provides different offers such as discounts, free shipping, and lower prices when compared to stores with kiosks. Therefore, this study aims to determine whether online shopping affects the behavior of Generation Z consumers in Indonesia.

2. Literature Review

2.1. Utilitarian value

Generally, utilitarian products are unrelated to feelings or conditions since they are more important in terms of customer satisfaction and behavioral intentions (Ryu et al., 2010). The utilitarian dimension refers to a product or service that is efficient, task-based, and cost-effective. In this dimension, consumer behavior is task-oriented because they are always rational. Utilitarian value is defined as the usefulness or benefits that a person perceives concerning a product's ability to perform its functions. It is also considered as an overall evaluation of the benefits and functional, or work results (Overby & Lee, 2006). The utilitarian value such as the consideration of coffee beans, taste, presentation method, service, and price features tends to be important in terms of business transaction (Overby & Lee, 2006). According to Kim & Han, (2011), it is associated with the effectiveness and efficiency gained from using a product or service. Furthermore, (Yang & Lee, 2010) explained that utilitarian-driven consumer behavior always satisfies functional or economic needs and considers how the product can help in performing the job.

2.2. Hedonic value

Hedonic value is an inherent value based on an individual's emotional approach to fulfilling needs and obtaining abstract benefits, which leads to impulsive shopping. It includes adventure, social, concepts, roles, and gratifications (Arnold & Reynolds, 2003). According to Zhang et al., (2011), hedonic value is the reality of shopping environment stimuli since it is defined as an incentive to obtain pleasure. (Overby & Lee, 2006) described this value as an overall appraisal of events such as escape entertainment.

2.3. Consumption behavior

Consumer behavior is people's actions to unintentionally spend excessively or extravagantly for services and things that are less or even superfluous. This behavior does not benefit the perpetrators since it tends to result in a waste of money (Nainggolan, 2022). (Wibisono, 2019) also defined consumer behavior as "the human urge to purchase items that are excessive or unanticipated without limitations". In several circumstances, excessive consumption is motivated by want rather than necessity. Consumer behavior changes due to incentives to accomplish a problem, excitement, sociability, and stress reduction. According to Bucknell Bossen & Kottasz, (2020), it allows people to fulfill their need for social interaction. Facebook and Instagram users report that the platform works to provide the need for knowledge and control over others such as friends, acquaintances, and celebrities.

3. Materials and Methods

This was a quantitative causality study and data were collected using a questionnaire through Google Forms. A total of 200 people who wore sneakers were selected as the participants using non-probability with purposive sampling. Data were analyzed by employing SmartPLS and a measurement model technique (outer model). A validity test was used to verify whether a questionnaire is valid. Also, the loading factor, Average Variance Extracted (AVE), and discriminant value were used to test the validity of each question item. The structural model (inner model) is shown in the path coefficient or t-values.

4. Results and Discussions

3.1. Assessment of measurement models

The exterior (measurement) and inner (structural) models were evaluated using SmartPLS 3.0. According to Henseler et al., (2015) in Reinartz et al., (2009) and (Hair et al., 2010), partial least square (PLS) is appropriate for this study because it primarily predicts the dependent variable and existing structural theory.
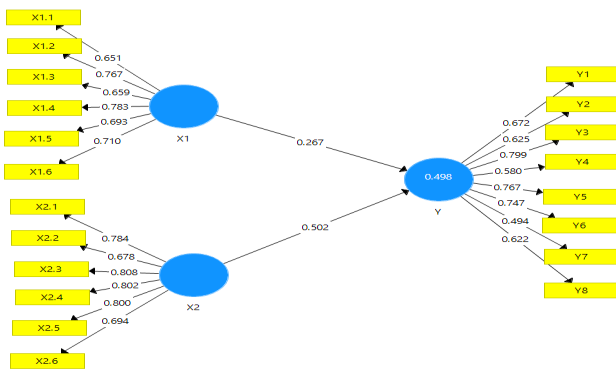

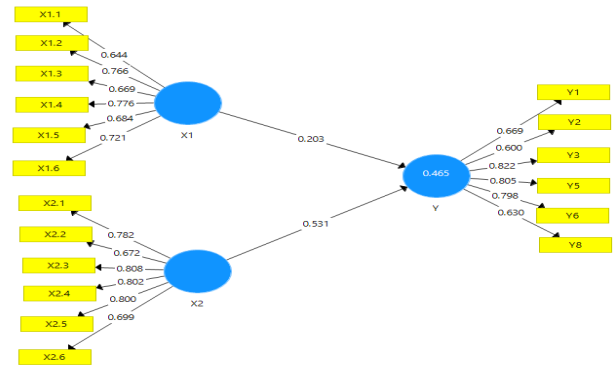**Figure 1.** Result of PLS algorithm before modification

Figure 2. Result of PLS algorithm after modification

3.2. Assessing the Outer Model or Measurement Model

To analyze the outer model, data analysis was carried out through three criteria including Convergent Validity, Discriminant Validity, and Composite Reliability. The correlation between item or component scores was used to evaluate the convergence validity of the measurement model with indicator reflections. People's reflexive value was high when it correlates with the testesd concept that is more than 0.70. However, Ghozali (2014) considered that the loading value of 0.5 to 0.6 is adequate in the early phases of constructing a measuring scale. This study used a loading factor limit of 0.50.

Table 1. Outer model measurement items

Item(s)	Loadings		Average Variance Extracted	Composite Reliability
	Before modification	After modification		
Value Utility				
X1.1	0.651	0.644		
X1.2	0.767	0.766		
X1.3	0.659	0.669	0.506	0.86
X1.4	0.783	0.776		
X1.5	0.693	0.684		
X1.6	0.710	0.721		
Hedonic Value				
X2.1	0.784	0.782		
X2.2	0.678	0.672		
X2.3	0.808	0.808	0.581	0.892
X2.4	0.802	0.802		
X2.5	0.800	0.800		
X2.6	0.694	0.699		
Consumption Behavior				
Y1	0.672	0.669		
Y2	0.625	0.600		
Y3	0.799	0.822	0.528	0.868
Y4	0.58	-		
Y5	0.767	0.805		

Y6	0.747	0.798
Y7	0.494	-
Y8	0.622	0.630

The outer model or the correlation between the concept and the variable failed to fulfill convergent validity since there were indications with a loading factor of less than 0.50. Table 1 shows that all loading factors have values greater than 0.50. Therefore, there are no constructions for all variables that are removed from the model. The suggested requirement is that the AVE value needs to be more than 0.5. As a result, the Utilitarian, Hedonic Value, and Consumption Behavior have strong discriminant validity. Each construct has a Composite Reliability score greater than 0.7, indicating that the Consistency Intervals of the three variables are reliable.

3.3. Structural Model Testing (Inner Model)

The inner model was tested to determine the link between the concept, significant value, and R-square. This structural model was assessed using R-square for the dependent construct. Table 2 shows the results of the R-square estimate by employing SmartPLS.

Table 2. Result of coefficient determination (R-square)

Variable	R-Square	R-Square Adjusted
Consumption Behavior	0.465	0.46

Table 2 indicates the R-Square value for Utilitarian and Hedonic is 0.465, meaning these two variables explain 46.5% of the Consumption Behavior. The calculated parameter significance provides important information regarding the relationship between the variables. In the output result, the value provided serves as the basis for evaluating the hypothesis. The hypothesis testing employs a real level of 5% or an Alpha of 0.05 based on the Path Coefficients.

Table 3. Result of hypothesis testing

Path Analysis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (|O/STDEV|)	P Values
Utilitarian Value -> Consumption Behavior	0.203	0.199	0.087	2,329	0.020
Hedonic Value -> Consumption Behavior	0.531	0.54	0.075	7.048	0.000

Table 3 displays the result of hypothesis testing. The result indicates that utilitarian value affects consumption behavior among Generation Z with the regression coefficient is 0.203, standard deviation is 0.087, t-statistics is 2.329 and significant at the level of 0.05 (Sig. 0.02). It means that by assuming the utilitarian value increase 1 percent, then the consumption behavior among Generation Z increased as much as 20.3 percent. Also, this study found that hedonic value affects consumption behavior among Generation Z with the regression coefficient is 0.531, standard deviation is 0.075, t-statistics is 7.048 and significant at the level of 0.01 (Sig. 0.000). It means that by assuming the hedonic value increase 1 percent, then the consumption behavior among Generation Z increased as much as 53.1 percent.

According to (Michaud Trevinal & Stenger, 2014) hedonic and utilitarian are part of the online shopping experience. Several customers concurrently want these two variables since the total perceived value is indicated as an essential contributor to online purchasing behavior. Potential clients tend to use the internet to collect information for practical purposes (Bilgihan & Bujisic, 2015). Therefore, users assess potential future purchases and visits to social trading platforms (Jones et al., 2006). Previous studies showed a long-term link between hedonic and utilitarian values. Customers also tend to be driven to increase the amount of time they spend viewing websites.

Utilitarian and hedonic moderately influence Generation Z's online purchasing of fashion sneakers. This shows how the presence of the two variables causes people to behave consumptively, starting with viewing artists or friends, affiliations and associations, generating snapgrams, as well as the desire to have the same commodities or happiness. A hedonic lifestyle refers to someone who is extravagant or enjoys having pleasure without restrictions. However, consumption conduct is largely affected by people's internal variables such as gaining self-esteem and respect from others. The increase in confidence tends to boost the cost and brand of the products. This is consistent with (Anggraini & Santhoso, 2019) who discovered a favorable association between a hedonic lifestyle and consumption behavior in teenagers. Furthermore, the reduction in the hedonic lifestyle tends to lower people's consumption behavior.

4. Conclusions

This study has successfully identified the determinant factors that influence consumption behavior among Generation Z. utilitarian value affects consumption behavior among Generation Z. Also, this study found that hedonic value affects consumption behavior in online purchase of fashion sneakers among Generation Z.

References

Adriansyah, M. A., Munawarah, R., Aini, N., Purwati, P., & Muhliansyah, M. (2019). Pendekatan Transpersonal Sebagai Tindakan Preventif "Domino Effect" Dari Gejala Fomo (Fear Of Missing Out) Pada Remaja Milenial. *Psikostudia : Jurnal Psikologi*, 6(1), 33–40. https://doi.org/10.30872/psikostudia.v6i1.2361

Anggraini, R. T., & Santhoso, F. H. (2019). Hubungan antara Gaya Hidup Hedonis dengan Perilaku Konsumtif pada Remaja. *Gadjah Mada Journal of Psychology (GamaJoP)*, 3(3), 131–140. https://doi.org/10.22146/gamajop.44104

Arnold, M. J., & Reynolds, K. E. (2003). Hedonic shopping motivations. *Journal of Retailing*, 79(2), 77–95. https://doi.org/10.1016/S0022-4359(03)00007-1

Bilgihan, A., & Bujisic, M. (2015). The effect of website features in online relationship marketing: A case of online hotel booking. *Electronic Commerce Research and Applications*, 14(4), 222–232. https://doi.org/10.1016/j.elerap.2014.09.001

Bucknell Bossen, C., & Kottasz, R. (2020). Uses and gratifications sought by pre-adolescent and adolescent TikTok consumers. *Young Consumers*, 21(4), 463–478. https://doi.org/10.1108/YC-07-2020-1186

Ghozali, I. (2014). SEM metode alternatif dengan menggunakan Partial Least Squares (PLS). In *Semarang: Badan Penerbit Universitas Diponegoro*.

Ginee. (2021). *Gen Z Hobi Shopping Dominasi Pengguna Internet di Indonesia*.

Hair, J. F., Black, W. C., & Babin, B. J. (2010). *RE Anderson Multivariate data analysis: A global perspective*. New Jersey, Pearson Prentice Hall.

Hasibuan, L. (2018). *Peminat Sneakers di Indonesia Naik 70%*.

Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1), 115–135. https://doi.org/10.1007/s11747-014-0403-8

Jones, M. A., Reynolds, K. E., & Arnold, M. J. (2006). Hedonic and utilitarian shopping value: Investigating differential effects on retail outcomes. *Journal of Business Research*, 59(9), 974–981. https://doi.org/10.1016/j.jbusres.2006.03.006

Kim, B., & Han, I. (2011). The role of utilitarian and hedonic values and their antecedents in a mobile data service environment. *Expert Systems with Applications*, 38(3), 2311–2318. https://doi.org/10.1016/j.eswa.2010.08.019

Michaud Trevinal, A., & Stenger, T. (2014). Toward a conceptualization of the online shopping experience. *Journal of Retailing and Consumer Services*, 21(3), 314–326. https://doi.org/10.1016/j.jretconser.2014.02.009

Nainggolan, H. (2022). Pengaruh literasi keuangan, kontrol diri, dan penggunaan e-money terhadap perilaku konsumtif pekerja produksi PT. Pertamina Balikpapan. *Jesya (Jurnal Ekonomi & Ekonomi Syariah)*, 5(1), 810–826. https://doi.org/10.36778/jesya.v5i1.574

Overby, J. W., & Lee, E.-J. (2006). The effects of utilitarian and hedonic online shopping value on consumer preference and intentions. *Journal of Business Research*, 59(10–11), 1160–1166. https://doi.org/10.1016/j.jbusres.2006.03.008

Pakpahan, E. Y., Adriansyah, M. A., & Putri, E. T. (2021). Pengaruh Intensitas Penggunaan Media Sosial dan Fanatisme Terhadap Perilaku Konsumtif. *Psikoborneo: Jurnal Ilmiah Psikologi*, 9(4), 727–743. https://doi.org/10.30872/psikoborneo.v9i4.6560

Philip, P. (2019). Pengaruh Gaya Hidup terhadap Keputusan Pembelian dengan Perilaku Konsumtif sebagai Variabel Intervening pada Pembelian Sneakers Branded oleh Generasi Z di Surabaya. *Agora*, 7(2), 1–6.

Reinartz, W., Haenlein, M., & Henseler, J. (2009). An empirical comparison of the efficacy of covariance-based and variance-based SEM. *International Journal of Research in Marketing*, 26(4), 332–344. https://doi.org/10.1016/j.ijresmar.2009.08.001

Ryu, K., Han, H., & Jang, S. S. (2010). Relationships among hedonic and utilitarian values, satisfaction and behavioral intentions in the fast-casual restaurant industry. *International Journal of Contemporary Hospitality Management*, 22(3), 416–432. https://doi.org/10.1108/09596111011035981

Tirto. (2017). *Fesyen Gen Z: Minggir Seleb Teve, Selebgram Panutan Kami*.

Wibisono, C. (2019). *Perilaku konsumtif mahasiswa berdasarkan sosial demografi, pengetahuan keuangan dan sikap keuangan*. 5(2), 40–51.

Yang, K., & Lee, H. (2010). Gender differences in using mobile data services: utilitarian and hedonic value approaches. *Journal of Research in Interactive Marketing*, 4(2), 142–156. https://doi.org/10.1108/17505931011051678

Zhang, Y., Sirion, C., & Combs, H. (2011). The influence of the mall environment on shopper's values and consumer behavior in China. *ASBBS Annual Conference*, 18(1), 214–224.