

# **CHAPTER I**

## **INTRODUCTION**

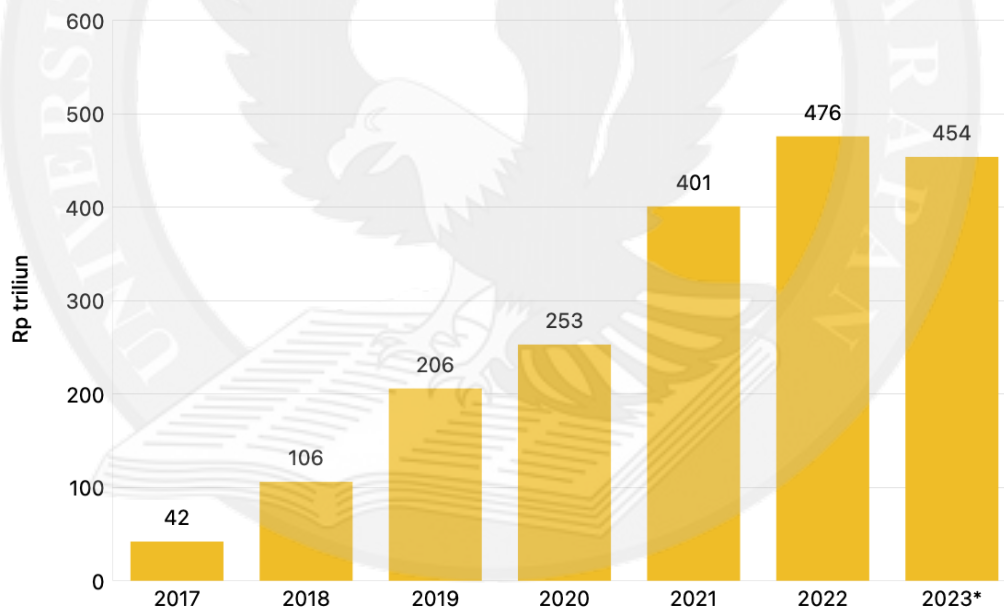
### **1.1 Background of the Study**

The rapid growth of the internet has altered shopping experiences, transitioning purchasing experiences from primarily physical stores to digital platforms. In the past, individuals had to visit physical stores to engage with products and make transactions. The emergence of e-commerce has given individuals the convenience of shopping from home, providing unmatched access to an extensive range of products and services. With the evolution of the era and technological advances, impulse buying has become prevalent in e-commerce (Permana & Adelina, 2020). The Big Five is currently one of the theories prevalent for assessing an individual's personality (Astutik et al., 2020). Numerous research have contended that the Big Five personality traits offer a comprehensive perspective on an individual's personality traits (Lubis et al., 2022).

According to Azwari and Lina (2021), impulse buying is a behavior that occurs when an individual has no plans to make a purchase. Impulse buying is predominantly emotional rather than rational, leading individuals to have a sense of loss of control during an impulsive buy (Mahindra, 2018, as cited in Astutik et al., 2020). Adiyuniarsih et al. (2023) state that impulse buying is the tendency for customers to buy products and services without prior consideration. A decision involving an impulsive buy is typically prompted by feelings and emotions. Impulse buying frequently occurs

when an individual experiences an overwhelming urgency that they usually cannot resist. According to Harahap and Amanah (2022), impulse buying is an irrational, rapid, and unexpected purchase, characterized by conflicting thoughts and emotional urges. This emotional urge pertains to the presence of strong emotions manifested through impulse buying, disregarding negative consequences, deriving gratification, and experiencing cognitive dissonance (Rook, 1987 as cited in Harahap & Amanah, 2022).

The following is the value of e-commerce transactions in Indonesia from year 2017 to 2023:



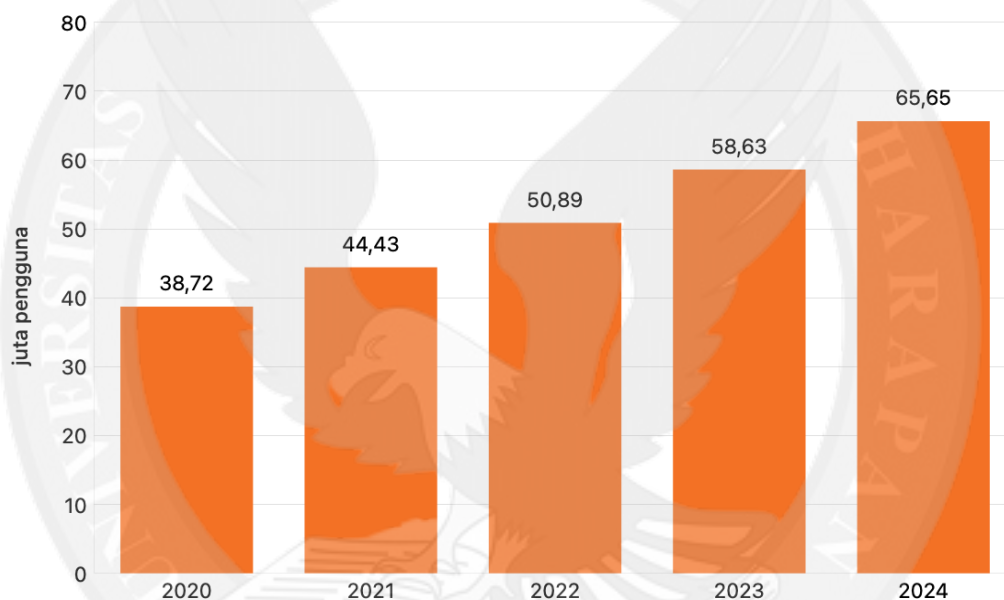
**Figure 1.1 Value of E-Commerce Transactions in Indonesia (2017-2023)**

Source: Ahdiat (2024)

The e-commerce trend in Indonesia has grown stronger in recent years, evidenced by the rising transaction value. This has been documented in the Cashing in

on the Digital Boom report published by the Mandiri Institute (2024). The data from the Mandiri Institute reports that in the year 2017, the value of e-commerce transactions in Indonesia amounted to approximately IDR 42 trillion. Subsequently, the value steadily increased, ending in an anticipated IDR 454 trillion in 2023.

The following is the number of e-commerce users in Indonesia from year 2020 to 2024:



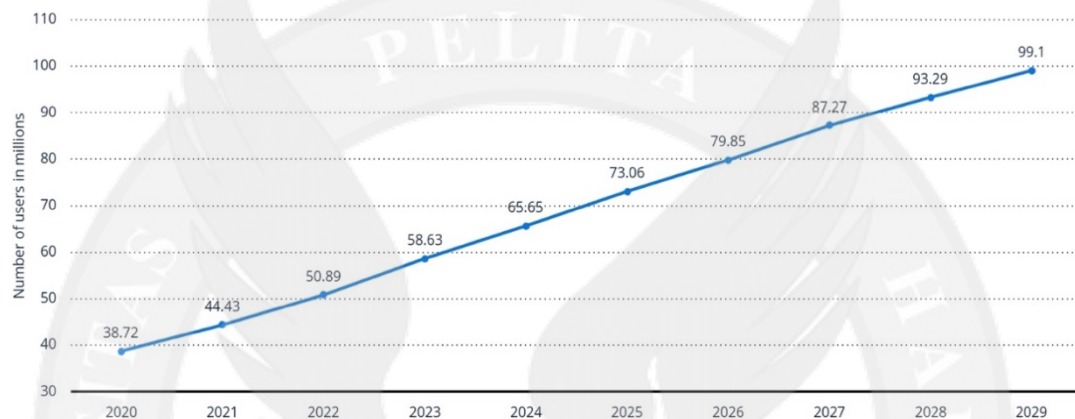
**Figure 1.2 Number of e-commerce users in Indonesia from year 2020-2024**

Source: Ahdiat (2024)

The number of e-commerce consumers engaging in online buying and selling services in Indonesia has risen in recent years. As per the Ministry of Trade's Data and Information System Center (PDSI Kemendag), there were around 38 million e-commerce users nationwide in 2020. The number subsequently increased, with projections estimating it to reach 65 million users by 2024. According to this data, the

number of e-commerce users in Indonesia has increased by approximately 69% from 2020 to 2024.

The following represents the number of e-commerce users in Indonesia from 2020 to 2029:

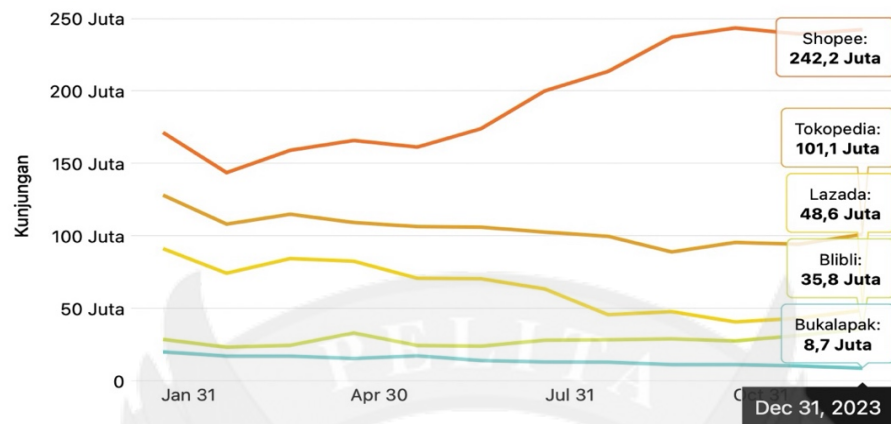


**Figure 1.3 The Number of e-commerce users in Indonesia (2020-2029)**

Source: Kementerian Perdagangan Republik Indonesia (2024)

According to Kementerian Perdagangan (2024), the amount of e-commerce users in Indonesia has consistently grown since 2020, reaching 58.63 million users in 2023. The number of e-commerce users in Indonesia is projected to rise, reaching 99.1 million users by 2029.

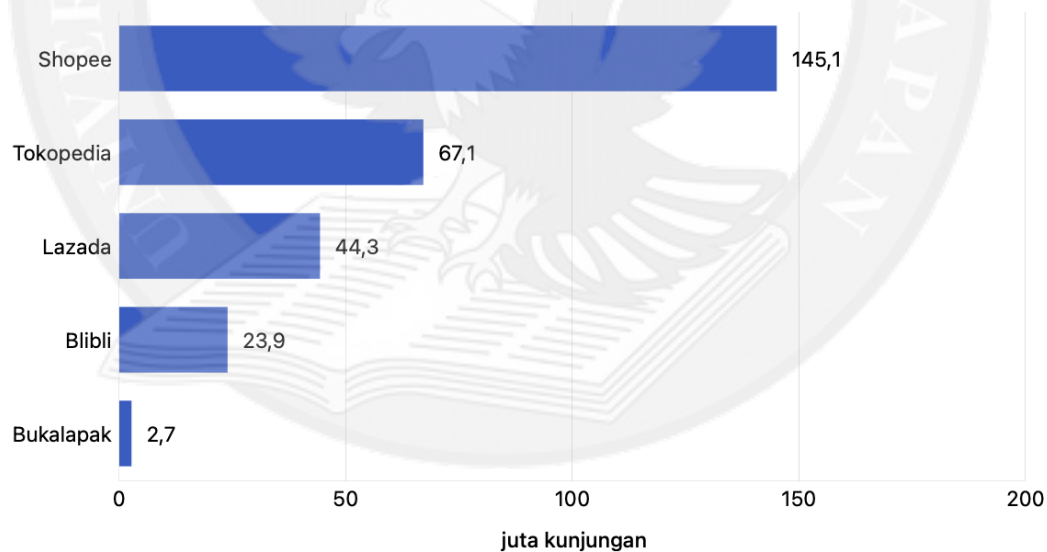
The following is a comparison of Shopee web visits between December 2023 and December 2024:



**Figure 1.4 Shopee web visits as of December 31, 2023**

Source: Annur (2024)

According to Similarweb data, Shopee emerged as the most visited e-commerce platform in the marketplace industry in Indonesia during 2023. As of December 2023, Shopee had 242.2 million visits to its website.



**Figure 1.5 Shopee web visits as of December 31, 2024**

Source: Ahdiat (2025)

Semrush data indicates that the Shopee Indonesia website (Shopee.co.id)

garnered 145.1 million visits globally in December 2024. This indicates a decrease in Shopee website visits from 2023 to 2024, reflecting a loss in consumer engagement throughout this period of time.

Shopee is an e-commerce site owned by SEA Group, formerly known as Garena, and was established by Forrest Li in 2009. The company, which is headquartered in Singapore, has extended its operations to other countries, namely Malaysia, Thailand, Taiwan, Indonesia, Vietnam, and the Philippines. Shopee is currently directed by Chris Feng, a former employee of Rocket Internet who formed Zalora and Lazada (Sari & Kusuma, 2023).

The Big Five model of personality, frequently known as the Five Factor model or by acronym *OCEAN* (Campbell et al., 2023), comprises the traits of openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism, which are regarded as the fundamental dimensions of personality (Costa & McCrae, 2008, as cited in Agbaria & Mokh, 2021). According to Ezeakabekwe and Nwankwo (2020), The Big Five personality traits define the consistent behavioral patterns displayed by individuals with specific personality characteristics. An individual can possess all five of the Big Five Personality traits, exhibiting higher scores in one or more traits while demonstrating lower scores in others (Putra et al., 2022).

According to Ningrum and Widanti (2023), openness to experience signifies individuals who are more imaginative and cultural typically possess a great curiosity, originality, vast knowledge, intelligence, and artistic sensitivity. Individuals that score high in this personality trait are inclined to pursue innovative ideas and pursue

novel strategies (Ayob et al., 2022).

The research by Ningrum and Widanti (2023), involving 200 respondents from Bengkulu University demonstrates that the overall findings classify the respondents' openness to experience as high. Similarly, the study by Barus et al. (2024), involving a sample of 387 undergraduate university students in Indonesia, indicates that their results of the hypothesis test align with the descriptive statistical data, categorizing openness to experience as high.

Pertiwi and Eva (2020) ran a study of 120 new students at Universitas Negeri Malang, Indonesia, revealing that openness was the most common trait among the Big Five personality dimensions.

A pre-survey conducted by the writer with 30 participants from Medan analyzed the distribution of the Big Five personality traits, comprising openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism, using yes/no questions. The results indicated that a substantial majority of respondents demonstrated a high level of openness, with 29 respondents (96.7%) responding affirmatively and 1 respondent (3.3%) responding negatively.

Openness may correlate with a tendency to make purchases on e-commerce platforms (Siallagan, 2023). According to Ningrum and Widanti (2023), individuals exhibiting strong openness to experience, characterized by imagination, cultural awareness, curiosity, originality, broad knowledge, intelligence, and artistic sensitivity, exhibit a greater propensity for impulse buying behavior.

Based on a study by Puspasari and Wahyudi (2020), the association between



openness to experience and impulse buying is positive. Huang et al. (2024) also discovered that openness to experience positively influences consumers' impulse buying behavior in e-commerce.

However, the hypothesis test result from the study conducted by Indrajaya and Mahesha (2022) on 100 respondents from DKI Jakarta show that openness to experience does not significantly correlate with online impulse buying. They indicate that individuals with high intellectual curiosity and those who pursue novel experiences do not necessarily engage more in online impulse buying.

Conscientiousness refers to the extent of self-discipline in organizing and planning. This trait is associated with organization, awareness, goal-orientation, and cognition. Individuals with a high trait score is systematic, purpose-driven, calm, and highly organized (Bhrambhata, 2023).

The research by Widyawati et al. (2022) on inpatient nurses at RSNU Tuban in 2021, involving 48 of 54 respondents, demonstrated that less than half of the participants displayed a conscientious personality type, with 17 individuals (35.4%) categorized accordingly. Likewise, the study by Pertiwi and Eva (2020) including 120 new students at Universitas Negeri Malang, Indonesia, indicates that conscientiousness is predominantly classified as high.

The pre-survey indicated that 60% (18 respondents) demonstrated high levels of conscientiousness, indicative of robust organizational and goal-oriented activities, whereas 40% (12 respondents) were classified to be low in this trait.

Individuals with high conscientiousness typically exhibit greater self-control,



compliance with shopping strategies or financial plans, and the capacity to resist impulse buying decisions (Indrajaya & Mahesha, 2022). Conscientiousness can be defined as having the ability to control any form of impulsivity. Conversely, individuals with low conscientiousness may be more prone to impulsivity in making purchasing decisions (Tamara, 2024).

According to the study by Indrajaya and Mahesha (2022) among 100 respondents aged over 22 from DKI Jakarta who have been using a website, conscientiousness has a positive effect on online impulse buying. Similarly, the study by Ahmed et al. (2023) discovered that conscientiousness has a significant and positive effect on impulse buying.

However, the research by Puspasari and Wahyudi (2020) on 157 female students at the Islamic University of Bandung reveals that conscientiousness is negatively correlated with impulse buying.

Extraversion denotes the inclination to pursue social stimulation (Pflügner et al., 2021). According to Jie et al. (2024), extraversion is characterized by sociability, energy, and cheerfulness. An extroverted individual will pursue interactions to satisfy their social stimulation.

The study conducted by Pertiwi and Eva (2020) comprising 120 new students at Universitas Negeri Malang, Indonesia, indicates that extraversion is predominantly classified as high among them.

Fitri et al. (2024) discovered that 78% of the 263 kindergarten teachers in Semarang are high in extraversion. In the pre-survey, the majority of participants

(56.7%, or 17 respondents) were classified as high in extraversion, indicating sociable and outgoing tendencies. The remaining 43.3% (13 participants) were classified as low in extraversion, all having two years of work experience, demonstrated a high tendency towards extraversion.

A research conducted by Helmi et al. (2023) indicates that consumers that engage in online shopping in Indonesia assert that they are friendly and enjoy social interactions.

According to Indrajaya and Mahesha (2022), extraversion is positively correlated with online impulse buying, indicating that higher extraversion correlates with a greater likelihood of impulse purchases. Extraverts are more inclined to indulge in impulse buying than individuals with lesser scores of this trait (Ramadhani et al., 2020). Research by Huang et al., (2024) reveals that extraversion positively influences consumers' impulsive buying behavior in e-commerce. A research by Rizki et al. (2022) extraversion has significant impact towards the impulsive buying behavior.

However, the study by Ahmed et al. (2023) including 94 young online users across different regions of Jakarta reveals that extraversion has insignificant impact towards impulse buying behavior.

According to Bhrambhattach (2023), agreeableness fosters kindness, generosity, and trust. Individuals that excel in this trait exhibit cooperation and empathy. Agreeableness is exhibited through characteristics such as compassion, conflict avoidance, and trustfulness. Individuals possessing an agreeable trait are significantly more inclined to adapt to circumstances and exhibit likability (Lubis et al., 2022).

Pertiwi and Eva (2020) report that agreeableness among 120 new students at Universitas Negeri Malang, Indonesia is generally categorized as low.

Rahmawati (2020) performed a study with 723 Senior High School students from five cities within the Jakarta Capital Special Region. The findings indicated that most respondents demonstrated a moderate level of agreeableness, with 521 students (72%) in the category.

The pre-survey evaluated agreeableness, revealing that 76.7% (23 respondents) exhibited higher levels of kindness, cooperativeness, and empathy. Conversely, 23.3% (7 respondents) were classified as having low agreeableness.

Rizki et al. (2022) states that agreeableness is a personality trait characterized by a tendency to agree with the opinions and recommendations of others. Individuals with this trait exhibit an inclination for compromise in social interactions. The prevalence of these characteristics suggests that individuals with high agreeableness are quickly influenced by social persuasion to purchase products, often lacking thorough deliberation and exhibiting an inclination for conformity that results in substantial impulse buying (Ramadhani et al., 2020).

Rizki et al. (2022) discovered that agreeableness has significant impact towards the impulsive buying behavior. According to Puspasari and Wahyudi (2020), the association between agreeableness and impulse buying is positive.

However, the study by Ahmed et al. (2023) reveals that agreeableness does not have significant effect on impulse buying.

Neuroticism is characterized by a disruption in emotional stability expressed through negative emotional states (Veybitha et al., 2022). Lubis et al. (2022) assert that neuroticism pertains to the emotional stability of individuals, with traits such as calmness and emotional stability (positive) anxiety, nervousness, and insecurity (negative) being strongly correlated with this trait. Individuals with low neuroticism demonstrate stability and are likely to display calmness under challenging or stressful circumstances (Campbell et al., 2023).

The study by Pertiwi and Eva (2020) shows that neuroticism among 120 new students at Universitas Negeri Malang, Indonesia, is predominantly high.

The pre-survey indicated that 73.3% (22 respondents), displayed high emotional instability, whereas 26.7% (8 participants) were classified as low in neuroticism.

According to Permana and Adelina (2020), neuroticism is a personality trait characterized by negative emotions, rendering individuals prone to anxiety, depression, sadness, and aggression. Individuals exhibiting neuroticism are prone to impulse buying behavior when they lack emotional regulation, as unstable emotions often lead to spontaneous actions devoid of thorough consideration (Rohmah et al., 2023). Moreover, individuals with emotional instability often engage in impulsive buying to seek entertainment, alleviate tension, and elicit pleasure sensations (Ahmed et al., 2023).

The study by Putri and Ningsih (2023) on 110 e-commerce users residing in West Sumatera indicates that neuroticism significantly influences an individual's

tendency for impulse buying behavior. Ahmed et al. (2023) also found that neuroticism strongly influences impulse buying behavior.

Nevertheless, the research conducted by Rizki et al. (2022) on TnT Rajut's customers concludes that neuroticism did not have any significant impact on impulse buying.

Given the background the writer has explained, the writer is interested in examining the topic of Big Five Personality and Online Impulse Buying Behavior. Hence, the study is titled **"The Influence of Big Five Personality Traits on Online Impulse Buying Behavior of Shopee Medan Customers"**.

## **1.2 Problem Limitation**

This research is limited to Online Impulse Buying Behavior among the customers in Medan who have made purchases on the e-commerce platform Shopee. The study will only examine the influence of the Big Five personality traits (Openness, Conscientiousness, Extraversion, Agreeableness, and Neuroticism) on online impulse buying behavior. Data will be gathered through a distribution of online questionnaires comprising the Big Five Inventory and the Impulse Buying questionnaire, specifically for Shopee customers located in Medan. The study will solely focus on the influence of the Big Five personality traits on Online Impulse Buying Behavior, excluding any other factors that may affect buying behavior.

According to Costa, McCrae, and Kay (1995), as cited in Kardiasa and Suhartini (2021), the indicators of each trait of The Big Five Personality Traits (X) are:

(1) Openness to experience (X1): ideas (curious), fantasy (imaginative), aesthetics (artistic), actions (wide interests), feelings (excitable), values (unconventional), (2) Conscientiousness (X2): competence (efficient), order (organized), dutifulness (not careless), achievement striving (thorough), self-discipline (not lazy), deliberation (not impulsive), (3) Extraversion (X3): gregariousness (sociable), assertiveness (forceful), activity (energetic), excitement-seeking (adventurous), positive emotions (enthusiastic), and warmth (outgoing), (4) Agreeableness (X4): trust (forgiving), straightforwardness (not demanding), altruism (warm), compliance (not stubborn), modesty (not show-off), and tender-mindedness (sympathetic), and (5) Neuroticism (X5): anxiety (tense), angry hostility (irritable), depression (not contented), self-consciousness (shy), impulsiveness (moody), and vulnerability (not self-confident).

The dependent variable of this title is Online Impulse Buying Behavior (Y), which is measured by the following indicators: (1) spontaneity, (2) power, compulsion, and intensity, (3) excitement and stimulation, and (4) disregard for consequences (Evidayanti, 2021, as cited in Azizah et al., 2022).

### **1.3 Problem Formulation**

The research questions on this study are as follows:

- a. Does Openness have partial influence on online impulse buying behavior of Shopee Medan customers?
- b. Does Conscientiousness have partial influence on online impulse buying behavior of Shopee Medan customers?



- c. Does Extraversion have partial influence on online impulse buying behavior of Shopee Medan customers?
- d. Does Agreeableness have partial influence on online impulse buying behavior of Shopee Medan customers?
- e. Does Neuroticism have partial influence on online impulse buying behavior of Shopee Medan customers?
- f. Do the Big Five Personality traits have simultaneous influence on online impulse buying behavior of Shopee Medan customers?

#### **1.4 Objectives of the Research**

Built upon the problem formulation, the objectives of this research are as follows:

- a. To examine whether Openness has partial influence on online impulse buying behavior of Shopee Medan customers.
- b. To examine whether Conscientiousness has partial influence on online impulse buying behavior of Shopee Medan customers.
- c. To examine whether Extraversion has partial influence on online impulse buying behavior of Shopee Medan customers.
- d. To examine whether Agreeableness has partial influence on online impulse buying behavior of Shopee Medan customers.
- e. To examine whether Neuroticism has partial influence on online impulse buying behavior of Shopee Medan customers.



- f. To examine whether the Big Five personality traits that have simultaneous influence on online impulse buying behavior of Shopee Medan customers.

## **1.5 Benefit of the Research**

The benefit of this research will be divided into two, which are:

### **1.5.1 Theoretical Benefit**

The results of this study are anticipated to improve comprehension of the influence of the Big Five personality traits on online impulse buying behavior. They are anticipated to enhance the current theories particularly those pertaining to The Big Five traits and online impulse buying behavior.

### **1.5.2 Practical Benefit**

The following are the practical benefit of this research:

- a. For the writer

This study deepens the writer's comprehension of the factors influencing online impulse buying behavior, specifically the Big Five, within the context of e-commerce. By examining the impact of Big Five personality traits on impulse buying, the author acquires a more profound understanding of how personality influences purchasing decisions.

- b. For Shopee E-commerce

The research findings can offer significant insights to Shopee concerning the influence of different personality types on impulse buying behavior. This knowledge may guide the development of more effective and individualized marketing strategies according

to consumer personality traits in Medan.

c. For customers

The research can enhance understanding of the influence of personality traits on shopping or buying habits, enabling customers to make better and intentional purchase choices, potentially decreasing impulsive spending and promoting more mindful consumer behavior.

d. For other researchers

This research aims to provide new references and insights regarding The Big Five Personality traits and how they influence online impulse buying behavior.

