



# Consumer Innovativeness and Shopping Style: A Study on Consumer Shopping Behavior in the Greater Jakarta Area

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## ABSTRACT

The objective of this research is to analyze the relationship between consumer innovativeness and consumer's shopping styles in the department store in Jakarta. To test the Construct of this research, the Reliability is measured by Cronbach alpha and Confirmatory Factor Analysis was used to test the validity. Furtherm, the hypotheses testing was employed Simple Linear Regression. The result suggests that the cognitive innovativeness has significantly and positively influencing quality consciousness, price consciousness, and confusion by overchoice. On the other hand, the results suggest that the sensory innovativeness has significantly and positively affecting brand consciousness, fashion consciousness, recreational orientation, impulsiveness, and habitual/brand loyal. Conclusions- The results also indicates that cognitive innovativeness has the most influence towards price consciousness, in which sensory innovativeness has the most influence towards brand consciousness. Keywords consumer innovativeness, decision making style, department store.

**Keywords:** Consumer Innovativeness, Sensory Innovativeness, Cognitive Innovativeness, Shopping Style, Brand Consciousness, Consumer Shopping Behavior.

## 1. Introduction

Consumer innovativeness may be defined as personality traits that reflect a willingness to change (Hurt *et al.*, 1977). There is a weakness in defining innovativeness as a single trait when explaining consumers' innovative behaviours (Hirunyawipada and Paswan, 2006), and recent studies divide consumer innovativeness into two parts; cognitive innovativeness and sensory innovativeness. Those studies differentiate between differing aspects of consumer innovativeness so as to better explain the consumers' innovative behaviours, which is explained by Venkatraman and Price (1990). By definition, cognitive innovativeness is the tendency to prefer to gain new experiences with the intention of stimulating the mind (senses). Eventhough many researchers are attracted to shedding light on this differing nature of consumer innovativeness, there is however a few empirical research about the shopping pattern of consumers who belong to these two types of consumer innovativeness.

The objective of this research is to analyze the relationship between consumer innovativeness and consumers' shopping styles in department stores in Jakarta. Additionally, the benefit of this research for Indonesian department stores is that managers of department stores can develop marketing strategies and marketing communication towards its respective consumers more efficiently by knowing what the consumers' innate innovation types are, in which each type of consumer innovativeness (cognitive innovativeness and sensory innovativeness) will lead to different styles of shopping. The differing nature of shopping styles based on type of consumer innovativeness leads to different marketing strategies to

target those consumers, and managers should benefit by this research by understanding each type of consumer innovativeness.

Another benefit of this research is that managers may be able to better segment their target markets. One example is that managers by analyzing the type of its respective consumer innovativeness (cognitive innovators or sensory innovators) can appeal to one particular type of consumer innovativeness by making product designs that appeal to them. The example of designing product forms to attract one particular type of consumer innovativeness is another advantage of this research. Furthermore, not only managers working in department stores in Jakarta will benefit, but also academics and the general public. Since the youth market in Indonesia, especially in Jakarta, provides a big opportunity for marketers, this research gives valuable knowledge to this growing market segment.

The remainder of the paper proceeds as follows. First, the researcher discusses the consumer decision making styles and consumer innovativeness, followed by a discussion on the relationship between consumer decision making styles and consumer innovativeness to develop hypotheses. Second, the researcher addresses the issue of the research method used and sources of data, followed by the results, implications, and limitations of the research.

## **2. Consumer Decision Making Styles in Shopping**

The consumer decision making styles consists of three dimensional patterns (Sproles and Kendall, 1986): the lifestyle approach (Gehrt and Carter, 1992); the psychological (attribute) approach (Sproles and Kendall, 1986); and the typology (general consumer types) approach (Westbrook and Black, 1985). Additionally, the dimensional are related to the right time to decide, the amount of information to be collected, the time spent on searching, the amount to be paid, brand consciousness, and product quality (Sinkovics *et al.*, 2010). The psychological approach has the most explanatory power, as this approach maps out affective and cognitive orientation within the decision making process (Lysonski *et al.*, 1996). The weakness of these three dimensional patterns is that they provide different results and findings since they are based on different concepts and operationalization of shopping orientation construct. Assessing and examining these approaches, Sproles and Kendall (1986) combined them with some additional traits to make a consumer decision making styles (CDMS) list, which is also called the CSI (Park *et al.*, 2010). CSI stands for Consumer Style Inventory. The use of CSI is the basis of this research, CSI is fairly consistent over time and consistent with the different decision making contexts. The CSI measured the decision making styles of consumers with eight dimensions, namely: quality consciousness, price and value consciousness, confusion due to overchoice, impulsive and careless tendencies, brand consciousness, novelty/fashion consciousness, recreational and hedonistic orientation, and brand loyalty or habitual shopping. Those eight dimensions are actually the very basic nature of consumer decision making, and each of them describes a substantial mental approach to consumption (Sproles and Kendall, 1986).

Part of the reason for using CSI is that those eight decision making styles relate more to the dual traits of consumer innovativeness, in which consumer innovativeness is then categorized into cognitive innovativeness and sensory innovativeness. Where, for example price and quality consciousness relate to cognitive innovativeness.

### **2.1. Consumer Innovativeness**

The personality traits that reflect the willingness to change are called consumer innovativeness (Hurt *et al.*, 1977). A single dimension to explain what consumer innovativeness is does not yield satisfactory results, as the definition does not completely explain the consumer's innovative behavior (Hirunyawipada and Paswan, 2006). In addition, recent studies divide the consumer innovativeness into two parts, which are cognitive innovativeness and sensory innovativeness. The explanation and relationship of both types of consumer innovativeness with its respective consumer decision making styles will be described below.

#### **2.1.1. Cognitive Innovativeness**

Cognitive innovativeness is based on the notion that the global innovativeness trait is not a single construct (Park *et al.*, 2010). It means that the global innovativeness is multidimensional, consisting of sensory innovativeness and cognitive innovativeness (Venkatraman and Price, 1990). Cognitive innovativeness has received a great deal of attention in decision-making literature (Ahmed *et al.*, 2012). The simple definition of cognitive style is related to how people process the information, in which

cognitive consumers are defined as individuals who seek, organize, understand, process, and evaluate information (Messick, 1984; Hayes and Allinson, 1998).

The relationship between cognitive innovativeness and decision making style was first coined by Churchman (1961) and (Ackhoff, 1962). The nature of cognitive innovativeness is related to how consumers stimulate their minds. Consumers stimulate their minds by seeking new experiences or making decisions. The pleasure to think, to solve a problem, to puzzle over problems, and mental exertion are characteristic of cognitive innovators. Another characteristic of cognitive innovators is that they react better to the objective and factual message appeals in the ads when assessing the tangible product attributes and features than when assessing evaluative ads which are more subjective and emotional in assessing intangible product aspects (Venkatraman and Price, 1990). The more emotional and subjective message appeals in the ads do not affect much in the minds of cognitive innovators. Hence, it can be concluded that cognitive innovators are more influenced by and have greater confidence in factual advertisements compared with evaluative advertisements (Venkatraman and Price, 1990).

Consumers who have a tendency to enjoy thinking, solving problems, and puzzling over issues are categorized as cognitive innovators. Moreover, a relationship exists between cognitive innovativeness and consumers' decision making styles.

One of the eight shopping styles in the CSI is quality consciousness (perfectionism), which is characterized by consumers seeking a product at the highest level possible. This consumer shopping style is also characterized by the systematic comparing of one product to another and a careful attitude when shopping (Park *et al.*, 2010).

Another shopping style is price or value consciousness, which is characterized by consumers paying a lot of attention to product prices and value for money. These consumers are likely to be more selective in order to get the best value for their money, and are very likely to be a comparison shopper (Park *et al.*, 2010).

The last shopping style that has a relationship with cognitive innovativeness is confusion by overchoice, which means that consumers are confused by the many brands and stores available, leading to difficulty in deciding what to buy due to information overload (Park *et al.*, 2010).

By looking at the three shopping styles related to cognitive innovativeness, one can see that the characteristics of each shopping style are essentially the same. These consumers are thinkers, and rely on their cognitive ability to make decisions. They are inclined to spend time shopping for the best choice, best quality, and best value. They are not dependent on affective orientation and hesitate to make decisions when they do not have confidence in the available choices (Park *et al.*, 2010).

### 2.1.2. Sensory Innovativeness

Sensory innovators are characterized by an easy going attitude towards life. They take risks, enjoy novelty, are prone to dreaming, and do activities that give them pleasure without too much thinking (Zuckerman, 1979). Unlike cognitive innovators, sensory innovators use visual, rather than verbal, strategies when processing information, and grade lower on the need for cognition, which means they are less likely to use their thinking processes such as organizing and evaluating the information exposed to them (Venkatraman and Price, 1990). One finding made by Zuckerman (1979) is that sensory innovators are sensation seekers, which means that they are impulsive in nature, and inclined to act impulsively while denying the need for carefully evaluating products (Mittelstaedt *et al.*, 1976). Consumers categorized as highly sensory innovative have a tendency to use rules or heuristics planted in their memory (Bettman and Zins, 1977; Sternberg and Grigorenko, 1997). When evaluating and deciding among many brands or products, they do not use a very rigid thinking process, which means they are not time-consuming consumers. They tend to rely on their memory when evaluating a product and are prone to repeat aspects of past behavior if that behavior has already worked out for them.

Such characteristics match the other five categories of shopping styles from the CSI. Another characteristic of sensory innovators is brand consciousness, which is the consumer's orientation toward buying well-known brands without considering the product quality and attributes. This is based on the notion that consumers focus on the popularity of the brand, which mean they are not comparison shoppers, but simply prefer brands that are well advertised or best selling (Park *et al.*, 2010).

The second shopping style that matches the characteristics of sensory innovators is novelty and fashion consciousness, which refers to the consumer seeking to get excitement and pleasure from experiencing new things through shopping (Zuckerman, 1979). Such consumers grade highly on the venturesome attitude and are more likely to purchase new products (Goldsmith, 1983).

The third shopping style in the CSI that suits the characteristic of sensory innovators is recreational and hedonistic shopping consciousness. These consumers tend to find shopping pleasant, and shop just for the fun of it, as a source of entertainment and recreation (Sproles and Kendall, 1986).

The fourth shopping style of sensory innovators is impulsive shopping. Consumers scoring high in the category of “impulsive and careless orientation” are more unlikely to put concern about the money they spend on products or about finding the “best buys”, and do not well planned their shopping activity (Park *et al.*, 2010).

The last shopping style is habitual and brand loyal orientation, is when consumers have their favorites brands and stores, and are prone to buy products or brands based on past behaviour without considering any intensive cognitive processes (Park *et al.*, 2010).

### **3. Conceptual Model**

Based on the relationship explained above, the hypotheses for each of the consumer innovativeness types and its respective consumer decision making styles can be drawn as follows :

#### **The Hypotheses on Cognitive Innovativeness:**

H1a : Cognitive innovativeness has significant influence to Quality consciousness

H1b : Cognitive innovativeness has significant influence to Price consciousness

H1c : Cognitive innovativeness has significant influence to Confused by overchoice

#### **The Hypotheses on Sensory Innovativeness:**

H2a : Sensory innovativeness has significant influence to Brand consciousness

H2b : Sensory innovativeness has significant influence to fashion consciousness

H2c : Sensory innovativeness has significant influence to Recreational orientation

H2d : Sensory innovativeness has significant influence to impulsiveness

H2e : Sensory innovativeness has significant influence to Habitual Brand Loyalty

## **4. Method**

### **4.1. Measures**

The researcher will collect data by distributing printed questionnaires to 200 department store customers, which consists of 50 printed questionnaires distributed in each department store (50 printed questionnaires each for Metro, Sogo, Centro and Debenhams customers). In addition, the respondents will be asked to return the questionnaire upon completion, and the researcher will check whether the questionnaire is completed and filled in properly or not. If there are questions that are not answered, the researcher will ask the respondents to kindly complete the remaining questions.

The language used in the questionnaire is Bahasa Indonesia, the national language of this country, because the researcher assumes the respondents will answer the questions more clearly, and not everyone in Jakarta understands English well enough to answer the questions properly. Using Bahasa Indonesia will give respondents clearer insights into what is actually being asked in the questionnaire.

The scaling method used in the questionnaire is the Likert scale, which requires respondents to indicate the extent to which they agree or disagree with the statements related to the stimulus object (Maholtra, 2012). The reason for the 6-point likert scale used in the questionnaire rather than the common 7-point likert scale is that Indonesians tend to choose neutral answers when undecided or confused. The researcher has decided to not include neutral answers (neither agree nor disagree answers) to circumvent this tendency.

### **4.2. Sample**

The number of respondents who will participate in the survey is 200 customers: 50 respondents from Metro department store, 50 from Sogo department store, 50 from Centro department store, and 50 from Debenhams department store. Furthermore, this research is managed to collect 100 respondents who are cognitive innovators and 100 who are sensory innovators.. Thirty respondents will be asked to fill in the questionnaires before the full 200 surveys are conduct Before the main study, this research has done a pre-test by involving 30 respondents.

## 5. Reliability and Validity

Cronbach alpha is a useful formula to measure the internal consistency reliability of the survey, as it indicates how well the items measuring the concept tie together as a set. The coefficient varies from 0 to 1, and a value of 0.6 is the minimum level of satisfactory internal consistency reliability (Maholtra, 2012). Each variable's reliability is measured by the researcher, to check that they are internally consistent.

Confirmatory Factorial Analysis (CFA) is a useful tool for identifying the underlying dimensions. It is used to explain the relationship among set of variables (Maholtra, 2012). Confirmatory Factorial Analysis measures the validity of the research; a value of more than or equal to 0.5 indicates that the factor analysis is valid. The result of data analysis has concluded that all variables and items are reliable and valid.

## 6. Analysis and Results

Regression analysis was used to measure the effects of one independent variable towards one dependent variable. The p-value of  $< 0.05$  means that the null hypothesis is rejected. All of the hypotheses outlined above have been measured using simple linear regression, and all of the hypotheses are supported.

To briefly explain, Cognitive innovativeness is positively related to shopping styles of quality consciousness ( $b = 0.579$ ,  $p < 0.005$ ), price consciousness ( $b = 0.828$ ,  $p < 0.005$ ) and confusion by overchoice ( $b = 0.783$ ,  $p < 0.005$ ) in support of H1a, H1b, and H1c. The data also provides evidence that sensory innovativeness is positively related to brand consciousness ( $b = 0.483$ ,  $p < 0.005$ ), fashion consciousness ( $b = 0.386$ ,  $p < 0.005$ ), recreational orientation ( $b = 0.222$ ,  $p < 0.005$ ), impulsiveness ( $b = 0.331$ ,  $p < 0.005$ ), and habitual/brand loyal orientation ( $b = 0.340$ ,  $p < 0.005$ ). These support H2a, H2b, H2c, H2d, and H2e.

## 7. Conclusions and Managerial Implications

From the results of this study, it can be concluded that: 1. consumers who have a tendency towards cognitive innovativeness will influence decision-making styles of quality toward the product; 2. Consumers who have a tendency towards cognitive innovativeness will influence decision-making styles of price consciousness toward the product; 3. Consumers who have a tendency towards cognitive innovativeness are more likely to be confused by overchoice of the various products offered; 4. consumers who have a tendency towards sensory innovativeness will influence decision-making styles of brand consciousness toward the product; 5. Consumers who have a tendency towards sensory innovativeness will influence decision-making styles of fashion consciousness toward the product, 6. Consumers who have a tendency towards sensory innovativeness will influence decision-making styles of recreational orientation, 7. Consumers who have a tendency towards sensory innovativeness will influence decision-making styles of impulsiveness/careless, 8. Consumers who have a tendency towards sensory innovativeness will influence decision-making styles of habitual/brand loyalty toward the product.

This research has contributes to manager by explaining that cognitive consumers have a tendency to exhibit decision making styles of price, quality, and being confused by the overchoice of various products offered in the department store. Additionally, the higher the level of cognitive innovativeness, the more overt these tendencies become. Moreover, if managers in particular department stores want to target cognitive consumers, they have to set up a marketing strategy that will attract them. For instance, managers could focus on communicating the product benefits, attributes, quality and performance in order to attract cognitive consumers, since those factors influence their decisions the most.

As the findings of the research suggest, sensory consumers also have their own characteristics that give important insights to department store managers. Sensory consumers tend to look for particular brands and look for novelty in products. They also tend to be careless with regard to the products they buy, but are loyal to products and view shopping as recreation. These characteristics can help managers create marketing strategies that will attract sensory consumers. For instance, managers could display more innovative products or product that new to the market to attract type of sensory consumers. It can also be concluded that the higher the level of sensory innovativeness of a consumer, the more likely she or he will make decisions based on brand, novelty and fashion, more impulsive, brand loyalty, and recreational orientation.

## **8. Limitations and Future Research**

The limitations on current research are related to the scope of the research, the number of department stores surveyed, the fact that only shoppers in the fashion department will be surveyed, and the number of respondents. The description of the weaknesses of the current research and the possible solutions for future research are described below:

- First, the researcher aims to assess whether there is a correlation between consumer innovativeness and consumer decision making styles in the Jakarta region, so the scope of this research study is limited to the Jakarta region.
- Second, the researcher has chosen only four department stores (Debenhams, Sogo, Centro, and Metro) as the research object. It is possible that the relationship seen between consumer innovativeness and consumer decision making style applies only to those four department stores even though the research study has proven to be valid and reliable.
- Third, the research study only focuses on the fashion section of department stores, so the relationship shown between consumer innovativeness and consumer decision-making styles may be limited to certain customers and may not correlate to shoppers throughout the whole department store.

## **9. Recommendations for Future Research**

To address the weaknesses in this research study, the researcher would like to suggest the following:

- To broadening the scope of the research to cover a broader geographical area.
- To include different types or section of department stores..
- To increasing the number of respondents.

In conclusion, the future research will provide more insight to managers in the field of retailer industry to gain more understanding of cognitive consumers and sensory consumers concept and framework and thus will be able to develop store and marketing strategy to achieve greater market performance. .

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