

Analysis of Consumption Behavior of Students Majoring in Economic Development that Use Social Media (Instagram)

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Abstract. Instagram is one of the popular social networking services used as an online business medium. The purpose of this research is to find out how the consumption behavior of students in the Development Economics using social media Instagram. This research uses a qualitative approach, type of Phenomenological research methods. The subjects of this research are the students of Economic Development Department Faculty of Economics, State University of Malang year of 2015 that are Instagram users. Data collection techniques conducted by researchers as the main actors in this study are interview and observation methods. Triangulation used in this research is Triangulation Data Source and Method. The results of the study are: (1) Consumption of students majoring in development economics only tends to the consumption of goods and services (2) The consumption behavior of students majoring in development economics is still influenced by the social environment of peers. (3). The consumption behavior of the students of the development economics department is also influenced by the change of age, the development of life cycle, lifestyle, personality, and self-concept. (4) Student consumption planning majoring in development economics is decent, (5) Allocation of student pocket money tends to the allocation of consumption to fulfill primary needs, (6) Students majoring in development economics often use social media Instagram, (7) Motives of students majoring in development economics in using social media Instagram is to obtain information and social interaction, (8) students majoring in development economics are still looking for consideration from peers related to the selection of goods to be consumed.

Keywords: Instagram; Consumption Behavior; Rationality.

1 Introduction

Science and technology develop rapidly nowadays. According to the Indonesian Central Bureau of Statistics (BPS), the economic development of Indonesia in the first quarter of 2017 is 5.01%. From the analysis of the number, it could be seen that the economic development of Indonesia is supported by some sectors, one of which is the information and communication that grow 9.01%. The growth is made probable due to the rising number of internet users who also do online transaction so that the information and communication sector also grow. The

highest growth of production is also coming from the sector of information and communication in the amount of 9.01%.

This data proves that Indonesia sees the rapid development of information and communication. Since the dawn of the internet in Indonesia at the end of 1989, it takes 20 years to make people access the internet for their virtual needs. Since the population of Indonesia keeps growing, the number of internet users also rises. The number of internet users in Indonesia always rises. Nowadays, the Indonesian internet users are 100 million people, fifty times larger than the number in the early of 2000's as shown by Lazada Survey (Marketeters, 24th of February 2016). This survey also reports that most Indonesians enjoys smartphone more than television.

Research conducted by Bella Harum (2017:2) explains the emerging use of social media unfolds a new brand e-commerce called social commerce (s-commerce). S-commerce is the fusion of e-commerce and the social networking services that facilitate the commerce of goods and services via the internet. The e-commerce business becomes one of the potential digital businesses that attracts the people of online retail. The government of Indonesia has begun to manage electronic retail in Indonesia by The Draft of Governmental Regulation (RPP) on e-commerce. Pacquette in Bella Harum (2017:4) states that online marketers and retailers could make use of social networking services to reach the consumers in a new way to shop.

One of the social network services that gets popular as the medium for online business is Instagram. Instagram is an application that could be downloaded to smartphones. It is a social networking service that enables its users to take photo or video, to apply digital filter, and to share it with friends. Instagram has reached more than 1 million downloads all over the world. One of the characteristics of Instagram is privacy. Should the users don't want any people can see their feeds, they can lock their account up so only people who are given access can see the feeds. As Instagram is a photo and video-based social media, it has many features for instant editing. Another characteristic of Instagram is it shows the number of following and followers of an account. Instagram users can follow any account they like. Instagram can also be connected to other social media services so when users upload a photo, it would be shared automatically with the feeds of other selected social media services. Based on those characteristics, the writers decide to select Instagram as the subject of research.

On Instagram, information about culinary can be found quickly. By typing keyword culinary in the search box, users can find some accounts that share information about culinary. Having interaction with favorite movie stars also can be possible on Instagram. Following the account of stars, we can see what contents they share. We can observe their daily activities. Instagram also has some interesting features that attract people, such as decorative filters that can make a photo or a video more interesting. Instagram also has the feature Direct Message (DM). This feature enables the users to chat with others. One of the newest features on Instagram is the Multiple Photos. This feature enables the users to upload 10 photos at once and attach videos on them. The other newest feature is Boomerang. This enables the users to create a moving photo in GIF. The latest feature is Instagram Live. This enables the users to have a live broadcast or to watch the others live broadcast. The users can interact by giving comments.

The benefits offered by Instagram are enjoyed not only by personal users, the official mass media or news broadcasters also enjoy its benefits. Online shops also use Instagram to sell their products since the growing number of Instagram users in Indonesia. A survey done by JAKPAT in 2015 discovers that 52.51% online shops in Instagram sell fashion products, 10.82% sell medical, health, and beauty products, while 7.36% sell food and beverage. Around 60% of sellers have been on Instagram for at least one year. 70.18% respondents upload their goods regularly. This triggers the consumption of Instagram users. By uploading an interesting photo

of their goods, there is a good possibility other user would view it and would be attracted to buy it. The consumption they do could involve the consumption of fashion products, electronics, food and beverage, and medical goods.

2 Research Method

This research uses phenomenology qualitative approach. Phenomenology approach is used as this research is oriented to the subjective experience or the experience that discovers a particular phenomenon. The researchers employ purposive sampling method to determine the population based on the students that use Instagram.

Next, the researchers employ snowball sampling technique to select the students that would be the informants of this research. In this research, the informants are the students of Economic Development of Economic Education Department and Economic and Development Department. The researchers interview the selected informants to gain complete and saturated data. The data collection method used is participatory observation and in-depth interview. Then the data collected are analyzed through data reduction, data presentation, and data conclusion. The data validity is checked using the triangulation of sources and methods.

3 Findings and Discussion

Findings

The consumption of the students majoring in economic development tends to the consumption of goods and services. Those involve foods, clothes, online-based transportation, printing and photocopy service, and laundry. The consumption behavior of the students of the Economic Development Department is influenced by their social environment which is their peers. Their behavior is also influenced by their age, the change in lifecycle, lifestyle, personality, and their self-concept. It can be seen that their consumption behavior nowadays is significantly different from their behavior during their freshman year.

A significant change occurs in the mindset of the students of the Economic Development Department in term of consumption as they now could think about the long-term effect of their consumption nowadays. The consumption management of the students majoring in economic development can be said as a decent one as they often create the priority scale of their consumption behavior.

For them, the priority scale could be helpful to manage and plan their consumption behavior. The allocation of their pocket money is more to their primary needs (foods and daily needs). While the secondary and tertiary needs (such as hanging out, vacation, and shopping) would be satisfied after primary needs. Some students also save their pocket money in the bank.

The students of the Economic Development Department use Instagram regularly. The students use it when they feel bored, while they wait for the next class, and they also use it when they are doing their daily activities. Instagram features they use regularly are Instagram Story, Explore, and Like. Their motives in using Instagram are to get information and to interact with their friends. Even if they already use Instagram in their consumption behavior, the students majoring in economic development still seek for peers' suggestions in term of deciding which goods they would consume.

Discussion

4.1 Consumption Behavior of The Students

In consuming, the students of Economic Development Department tend to do it rationally. This is because the consumption behavior they have is the consumption of goods and services. The students majoring in economic development could prioritize their essential needs before they get into the other needs. The goods they consume are the essential ones that include the primary, secondary, and tertiary needs. The services they consume are the online-based transportation, printing and photocopy service, and laundry. As Mankiw (1982) theorizes that the consumption is the expenditure of goods and services of the consumers that consist of three. First, non-durable goods such as foods and clothes. Second, durable goods such as cars, TV sets, electronic devices. Third, services that involve work done by individuals for consumers such as barber and doctor.

The environment surrounding also influence the consumption behavior of the students of the Economic Development Department. Students are often tempted and following the consumption behavior of their friends. This is in line with Brown (1999) arguments that the cultural peer group has three main ideas. First, there is no monolithic youth culture; youths are varied and they have various interests just like people of other ages. Second, there are clicks, noises, or other groups from where someone comes, in many levels, that influence a youth behaves. Third, the youths' autonomy when they try to develop themselves and also limit their parents' influence towards their behavior. Kinard argues that peers and parents both become the agent of models that influence youths' risky behaviors.

For instance, peers could expose a youth to cigarette, alcohol, and drugs; they could persuade a youth to use substances; they could also give support for a youth to start smoking, drinking alcohol, and using drugs. Besides, the activity of smoking done by peers has a stronger influence on a youth compared to the same activity done by parents. This is could an explanation for why students majoring in economic development follow the consumption activities of their peers.

The change of age, self-concept, lifestyle, and personality of the students majoring in economic development also give effect on the consumption behavior. The students think that their consumption behavior is different from their activity during freshman year. A consumption item that gets different is the makeup. During freshman year, they don't need to make up so they don't buy it. As time goes by, the students get mature and it gives effects on their consumption behavior. They now could think about the long-term effect of their consumption behavior. This is supported by Kotler (2008) that theorizes that the consumption behavior of the consumers is influenced by personal factors such as age, life cycle period, occupation, economic environment, lifestyle, personality, and self-concept. Prasetijo (2005) notes that their internal factors that influence the consumption behavior of consumers such as personality, psychographics, perception, their learning, and attitude.

In consuming, the students majoring in economic development often create priority scale. It is used to decide which consumption that becomes a priority. This priority scale is not only written down but also becomes their instinctive mindset. The students use the scale in their consumption behavior as it makes them consume rationally. They would prioritize the more important ones then the rest. The consumption behavior of the students becomes more well-structured since the desire to consume tends to be uncontrollable and the desire could be managed by creating a priority scale. This is in line with the theory of Hamdan (2008) states that the characteristics of rational consumption behavior are when the consumers buy goods and services based on their needs and the price is suitable with their purchasing power.

Priority scale created by the students majoring in economic development also relates to how they allocate their pocket money to meet their needs. Their pocket money is used to meet their

primary needs such as foods and their daily needs. While other needs like secondary and tertiary needs such as hanging out, vacation, and shopping would be satisfied when the primary ones are already met. After all primary needs are already met, the students would save some amount of their pocket money.

As the result of a research conducted by Satrio (2010) “in spending the money, the students tend to be selective and careful in making the decision of their consumption behavior based on the level of needs and usefulness of the goods”. Next, another theory that supports is the one of Dusenberry that states that if the income decreases, then people won’t decrease their consumption. They would decrease their savings. If their income increases, then people would also increase their consumption at a rational level, while they would also increase their savings.

4.2 The rationality of Consumption Behavior of The Students

Based on this research findings, the students majoring in economic development use Instagram on daily basis. In their daily life, the students use Instagram for their social life. The features they commonly use are Instagram Story, Explore, and Like. The students use Instagram Story to see the activity of their friends and they also upload their daily activities on Instagram Story. The students use Explore to get information about things they like.

The students majoring in economic development who are interested in culinary would find information about it on Explore, just like the students whose interest is in sports and transportation. As the research of Dian (2016) that finds out that the pleasure is acquired when the Instagram users interact with each other, see their post, give a comment, or merely give a like on their post. Those things could build strong social interaction between users.

The motives of the students to use Instagram are more likely to find information and to interact socially. Using Instagram, the students could find more information they need. When the students need any information about the goods they need to buy, they would find it on Instagram. The students could also make a comparison of quality between the goods they are about to buy on Instagram.

Multiple Photo, one of the latest features on Instagram, that allows its user to upload up to 10 photos at once enables the students majoring in economic development to get better information about the goods they want to buy as they could see more photos. The feature could broaden the information gained by the students. Besides, Instagram also supports the development of the students’ entrepreneurship. Islamy (2015) states that the motives of people use Instagram are to find information, to interact socially, for personal identity, and for entertainment.

In consuming, besides Instagram, the students are also influenced by their peers. Some students while deciding their consumption behavior sometimes ask for a suggestion from their peers. Some students don’t ask for a suggestion. Those asking for suggestions ask about the quality, model, and the material of the goods. Kotler (2008:25) believes that the activity of the consumers is influenced by the surrounding so that the decision is influenced by both social and personal factors. The social factor such as the influence of peers is usually stronger while the personal factor like lifestyle and self-concept also has a role in making the decision.

4 Conclusion

Based on findings and discussions on the previous parts, it could be concluded that the consumption behavior of the students majoring in economic development tends to the consumption of goods and services. Their consumption behavior is influenced by their social environment which is their peers. The students are also influenced by their age, the development

of their life cycle, lifestyle, personality, and self-concept. The students' management of consumption is decent. The allocation of their pocket money is for the consumption of primary needs (foods and daily needs).

The students majoring in economic development use Instagram regularly. Instagram features they commonly use are Instagram Story, Explore, and Like. Their motives in using Instagram are to gain information and to interact socially. Although using Instagram in their consumption behavior, the students still seek for a suggestion from their peers relating to the goods they would consume.

The researchers propose some suggestions. The first one is for the students of the Economic Development Department. They are expected to create priority scale before doing the behavior so they could have the right decision. The second one is for the future researchers who are interested to conduct research about the consumption behavior. They are expected to develop research about the consumption behavior besides the Instagram-based one with a longer time span so better research could be conducted.

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