Abstract
Nowadays, Indonesia shopping patterns have significantly changed. E-commerce continues to grow rapidly as online shopping has become increasingly attractive. Online shopping saves time and offers convenience. This study was conducted in order to assess the impact of utilitarian and hedonic values on purchasing from online stores in Indonesia. The focus of the assessment was on five dimensions of hedonism and utilitarianism, which are: usefulness, enjoyment, ease of use, trustworthiness, and distribution channel (settlement). A total of 484 respondents were randomly asked to be participants. A questionnaire was the research instrument used to survey the participants for data gathering. The data was then analyzed using Structural Equation Modeling (SEM). Among the indicators tested, it was found that usefulness, enjoyment, ease of use, and distribution channel impacted hedonic values and utilitarian values significantly. Trustworthiness was the dimension that was not significant. For this study, the hypothesis was made that usefulness and enjoyment positively impacted
impulsiveness. It can be concluded that whether due to utilitarian, hedonic, or impulsive motives, it will not be a problem. Indonesian shoppers will make purchases thru online shopping even if they have different motivations and purposes.

**Keywords:** Online shopping; Digital marketing; Utilitarian value; Hedonic value.

**Resumo**
Hoje em dia, os padrões de compra da Indonésia mudaram significativamente. O comércio eletrônico continua a crescer rapidamente à medida que as compras online se tornam cada vez mais atraentes. As compras online economizam tempo e oferecem conveniência. Este estudo foi realizado a fim de avaliar o impacto dos valores utilitários e hedônicos nas compras em lojas online na Indonésia. O foco da avaliação foi em cinco dimensões do hedonismo e utilitarismo, quais sejam: utilidade, prazer, facilidade de uso, confiabilidade e canal de distribuição (assentamento). Um total de 484 entrevistados foram convidados aleatoriamente para serem participantes. Um questionário foi o instrumento de pesquisa utilizado para levantar os participantes para a coleta de dados. Os dados foram então analisados usando Modelagem de Equações Estruturais (SEM). Dentre os indicadores testados, verificou-se que utilidade, prazer, facilidade de uso e canal de distribuição impactaram significativamente os valores hedônicos e utilitários. A confiabilidade foi a dimensão que não foi significativa. Para este estudo, foi feita a hipótese de que a utilidade e o prazer impactam positivamente a impulsividade. Pode-se concluir que, seja por motivos utilitários, hedônicos ou impulsivos, não será um problema. Os compradores indonésios farão compras por meio de compras online, mesmo que tenham motivações e propósitos diferentes.

**Palavras-chave:** Compras online; Marketing digital; Valor utilitário; Valor hedônico.

**Resumen**
Hoy en día, los patrones de compra de Indonesia han cambiado significativamente. El comercio electrónico continúa creciendo rápidamente a medida que las compras en línea se han vuelto cada vez más atractivas. Las compras en línea ahorran tiempo y ofrecen comodidad. Este estudio se realizó con el fin de evaluar el impacto de los valores utilitarios y hedónicos en las compras en tiendas en línea en Indonesia. El enfoque de la evaluación estuvo en cinco dimensiones del hedonismo y el utilitarismo, que son: utilidad, disfrute, facilidad de uso, confiabilidad y canal de distribución (asentamiento). Se pidió aleatoriamente a un total de 484 encuestados que participaran. Un cuestionario fue el instrumento de investigación utilizado para encuestar a los participantes para la recopilación
de datos. Luego, los datos se analizaron mediante el modelado de ecuaciones estructurales (SEM). Entre los indicadores probados, se encontró que la utilidad, el disfrute, la facilidad de uso y el canal de distribución impactaron significativamente los valores hedónicos y utilitarios. La confiabilidad fue la dimensión que no fue significativa. Para este estudio se planteó la hipótesis de que la utilidad y el disfrute impactaban positivamente en la impulsividad. Se puede concluir que ya sea por motivos utilitarios, hedónicos o impulsivos, no será un problema. Los compradores indonesios realizarán compras a través de compras en línea, incluso si tienen diferentes motivaciones y propósitos.

**Palabras clave:** Compras en línea; Publicidad digital; Valor utilitario; Valor hedónico.

1. Introduction

Nowadays, Indonesia shopping pattern has significantly changed. In recent years, E-commerce continues to grow rapidly. This is cause by the development of information technology and high number of Indonesian population. The increase of e-commerce transaction can cause by the increase of Smartphone user. Compared to another country, about 50% of Indonesian has either Smartphone or tablet. By an affordable price around $72-$150 people can easily buy new Smartphone with good specification. The large amount of Smartphone owner is related to the amount of online penetration in Indonesia. Online store in Indonesia have rapidly changed due to heavy market structure and consumer shopping pattern.

Main reason why people tend to choose online shopping is because they do not need to go outside or direct shopping. The increase of online shopping becomes more attractive by penetration in modern times. It saves more time and offers convenience (Alba et al., 1997) reduces the costs which otherwise would have been occurred on searching the stuff offers a cheaper price than brick-and-mortar store and constantly being perceived as secured for online transactions, apart from reduced cost of online due to mass diffusion.

Previous study describes consumers as either “problem solvers” or in terms of consumers seeking “fun, fantasy, arousal, sensory stimulation, and enjoyment (Hirschman & Holbrook, 1982). This dichotomy has been represented in retail context by the themes of shopping as work versus the festive more enjoyable perspective on shopping as fun. Clearly many motivations exist as shopping goals (Westbrook & Black, 1985). In Contrast, utilitarian is concerned with purchasing products in an efficient and manner to achieve their goals with minimum of irritation. In contrast, a consumer noted, “I enjoy looking around and imagining
what one day, I would actually have money to buy, shopping is an adventure. This “adventure” reflects shopping’s potential entertainment and the enjoyment resulting from the fun and play arising from the experience versus the achievement of any perspectives end goal (Hirschman & Holbrook, 1982).

Usually, a Consumer choice was driven by utilitarian and hedonic considerations. For example, consumers’ consideration when they purchase new car, they may care about utilitarian features (e.g., gas mileage) as well as hedonic attributes (e.g., sporty design (Dhar & Wertenbroch, 2000). Hedonic stuffs provide more experiential consumption, fun, pleasure, and excitement (e.g. designer clothes, sports cars, luxury watches, etc.) (Dhar & Wertenbroch, 2000), while utilitarian stuffs are primarily instrumental and functional (microwaves, minivans, personal computers, etc. (Hirschman & Holbrook, 1982).

Naturally, people are motivated to enjoy themselves. However, having fun also raises such issues as guilt and need for justification. Therefore, people more likely consume hedonic stuffs when the decision context flexibly allows them to justify the consumption (Okada, 2005). This study examines how hedonic versus utilitarian can be consisted of various type purchase situations, depending on the decision context. Hedonism and utilitarianism are not necessarily two points of a dimensional scale (Voss, Spangenberg, & Grohmann, 2003). Different products can be high or low by hedonic and utilitarian attributes (Crowley, Spangenberg, & Hughes, 1992). This research takes a more holistic approach and conceptualizes hedonism and utilitarianism as summary constructs.

Based on the background above, this study aim to examine various factors that affect consumer purchase in online store and how the factors affect both of utilitarian and hedonic dimensions, especially from the image of online store. By gaining online and offline survey in Indonesia with various background of citizen, this study tried to find out which attributes consider as the most important for utilitarian and hedonic value of online shopping process.

2. Research Framework

Five Variable of Utilitarian and Hedonic Value
Based on the Figure 1, five variable measurements of hedonism and utilitarianism are adopting the developed scale by (Van der Heijden & Verhagen, 2004). Five dimensions consist of usefulness, enjoyment, ease of use, trustworthiness, and settlement (distribution channel). Those five dimensions are measure to seek for inter-relations by both hedonism and utilitarianism.

1) Usefulness

Usefulness determines individual behavioral intention to use an information system (IS), which has been linked to subsequent behavior (F. D. Davis, Bagozzi, & Warshaw, 1989; Sheppard, Hartwick, & Warshaw, 1988) suggests that individuals accept information technology if they believe in positive performance. Moreover, Davis, Wang, & Lindridge (2008) asserted that “whether consumers prefer to use or not an application to the extent they believe it will help them to perform their job better”. This indicates a positive relationship between usefulness and online store purchase in technology adoption settings. Specifically, usefulness in this setting describes how well an online store provides useful information to an online shopper and how this facilitates online transactions.

H1: There is a positive influence of usefulness on utilitarian value
H2: There is a positive influence of usefulness on hedonic value

2) Enjoyment

Many hedonic consumption activities, such as shopping at mall, taking vacation, eating at restaurant, etc., are usually shared with others. This leads to the question of how is the feeling of sharing a hedonic activity (versus experiencing it alone) influences enjoyment from it. Enjoyment means that an online shopper perceives fun, pleasure and attractiveness in online shopping (M. Y. Chen & Teng, 2013).

This satisfaction can be expressed in terms of “feeling of joy, elation, pleasure” and that associated with individual’s act in purchasing through online shopping. In South East Asia, it is found that enjoyment have a positive impact on online shopping users in Singapore. Hence, this study further expects that:
H3: There is a positive influence of enjoyment on hedonic value
H4: There is a positive influence of enjoyment on impulsiveness

3) Ease of use

Ease-of-use defined as the extent which an online shopper perceives the website as easy to use, and need minimum amount of effort (i.e., time and energy) is necessary to learn the website (M. Y. Chen & Teng, 2013). In other words, these barriers reduces the perception on ease of use of online shopping, therein, allowing online shopper to develop negative attitude. In turn, this leads to online shopper’s unwillingness to engage by online shopping.
H5: There is a positive influence of ease of use on utilitarian value
H6: There is a positive influence of ease of use on hedonic value

4) Trustworthy

Trustworthy is the extent to which buyers believe that the selling organization is honest (Doney, Cannon, & Mullen, 1998). Trustworthy is a valued asset and sellers usually tried to avoid getting a bad trust issue. It is very important for customer to assure their personal data are safe.
H7: There is a positive influence of trustworthy on utilitarian value
H8: There is a positive influence of trustworthy on hedonic value
5) Distribution Channel (settlement)

The image of settlement performance has been defined as a choice in distributing channel options, accuracy of distribution, and speed of distribution for the products and services offered through online store. Outstanding settlement performance indicates the ability of an online store to meet its obligations for individual transactions (Culnan & Armstrong, 1999).

H9: There is a positive influence of Distribution Channel (settlement) on utilitarian value

H10: There is a positive influence of Distribution Channel (settlement) on hedonic value

6) Utilitarian and Hedonic Value

When consumer consider the perceived value consumers in the online shopping, according to Chang & Tseng, consumers will perceive two types of value in online shopping. First is utilitarian value, which is an overall assessment of functional benefits and sacrifices (Overby & Lee, 2006). Utilitarian value is related to a consumer's perception about whether a purchase task is deliberant and efficient or whether a purchase fulfills the customer's needs (Z. Chen & Dubinsky, 2003).

Second is hedonic value, which is an overall assessment of experiential benefits and sacrifices (Overby & Lee, 2006) and focuses on the entertaining or emotional benefits the online shop brings (Forsythe, Liu, Shannon, & Gardner, 2006).

H11: Utilitarian value positively gives impact to online purchase
H12: Hedonic value positively gives impact to online purchase

Both utilitarian and hedonic value influence behavioral intentions in form of customer share (Z. Chen & Dubinsky, 2003). (Overby & Lee, 2006) and (Childers, Carr, Peck, & Carson, 2001) are confirmed that both of utilitarian and hedonic values influence consumer preference.

7) Impulsiveness

Impulsive purchase represents a specific form of “unplanned purchase” behavior (POPAI/DuPont consumer buying habits study – supermarkets., 1977) that is frequently accompanied by consumers’ aroused mood state (Robert & Rossiter, 1982). An impulsive
purchase has been defined as “a purchase decision made in-store with no explicit recognition of a need for such a purchase prior to entry into the store” (Abratt & Goodey, 1990).

H13: Hedonic value positively influences a consumer's impulsiveness.

H14: Impulsiveness positively gives impact to online purchase

3. Research Methodology

This study uses a descriptive research design selection which needs the description of respondents, research instruments, data collection procedure and statistical treatment used. This study was conducted in order to assess the impact of utilitarian value and hedonic value on purchasing by online store in Indonesia.

There is a questionnaire include a demographic questions, then asked “have the participants been doing online shopping?” if the participant never did online shopping, then the questionnaire will be closed and they cannot continue to the main question. By using Structural Equation Modeling (SEM) which is commonly accepted as a powerful technique for capturing and explaining multifaceted relationships in social science. SEM is considered as second-generation instrument for data analysis. It is a mixed methodology which consists of confirmatory factor analysis, regression, and path analysis.

For this study, the survey-questionnaire instruments used to achieve the main objective of study. Questionnaire was distributed among random Indonesian people life in Korean without any exceptions of age, income, etc.

4. Result and Discussion

Indonesian Buying Behavior

According to (Hanny, 2018) the number of online shopping purchase and sales has significantly increase in Indonesia; more people tend to do online shopping compared to previous year. Top three reasons they do online shopping are because cheap price, trusted seller, and free shipping (The Asianparent, 2017).

Due to the flexibility of online shopping in consumer, unlike direct shopping by market or shopping center (brick and mortar stores) that has open and close times, online shopping can be done anytime. Consumer can enjoy their extra time and save more time
Another reason why people tend to do online shopping is because the crazy traffic jam in Indonesia, it obtained more time to go to department store (Aron, 2017).

**Impact of online shopping in Indonesian economics**

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP (current US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$892</td>
</tr>
<tr>
<td>2012</td>
<td>$917</td>
</tr>
<tr>
<td>2013</td>
<td>$912</td>
</tr>
<tr>
<td>2014</td>
<td>$890</td>
</tr>
<tr>
<td>2015</td>
<td>$861</td>
</tr>
<tr>
<td>2016</td>
<td>$932</td>
</tr>
</tbody>
</table>


Based on the Table 1 World Bank data Indonesia, GDP has significantly increase in 2016 this also shown that income of Indonesian people has been rapidly increased. Due to high income, consumption will rise up. If the consumption increases, penetration rate of online shopping will getting higher. Governor of Bank Indonesia Agus Martowardjo explains, the potential of digital economy is very high. Currently, the numbers of online shoppers in Indonesia are around 143 million people and this increase number getting higher each year.

**Indonesia Demographic**

The demographic of online shopper have significantly increased since the number of population is large about 2.62 billion people. This population include as potential customer. Based on Asosiasi Penyelenggara Jasa Online Indonesia (APJOI) more than 50% or around 143 million people already connected by online communication at 2017 (Bohang, 2018). At 2016 around 132 million people are online user. Every year the numbers of online user in Indonesia are significantly increase.
Penetration rate and aggressiveness of e-commerce user consider as proportional to the number of online users in Indonesia (Iskandar, 2018). Impact of online is not just use to looking for information but also developing business field. Nowadays, teenager in Indonesia or usually called as millennial generation and the other age generation that uses online shopping. Central Bureau of Statistics (BPS) counting on economic growth of Indonesia at first quartile of 2017 contains around 5.01%. Economic growth of this first quartile based on year by year of several sectors, one of the sector is communications and information which has increase by 9.01%. It is happen because the increase of online user and online transactions.

Indonesian citizen has been changed their shopping behavior especially on shopping patterns, a lot of Y generation prefer to do online shopping. And it has made e-commerce or online shopping sales increase. However, most of older generation (citizen over 50 years old) citizens still use offline store (Rachman, 2017).

**Online Shopping Day HARBOLNAS**

As the Online shopping in Indonesia has been increased, there is also the celebration of National Online Shopping Day or in Indonesia called HARBOLNAS (an abbreviation of the Indonesia phrase Hari Belanja Online Nasional), it is held annually, every 12th December. The online digital retailers seeking to entice customers with sharp markdowns and other promotions, similar to China’s popular Single’s Day or American popular online shopping day sales event Cyber Monday.

HARBOLNAS has 254 e-commerce retailers as participants at 2017. The Jakarta Post reported that e-commerce platforms generated 3.3 trillion rupiahs (US$239 million) in 2016 HARBOLNAS. The sale was increased than the previous year 2015 which only obtained around 2.1 trillion (US$152 million). based on Nielsen research data shows, the top five most popular products in HARBOLNAS were fashion and sports products, travel, cosmetics, electronic products, bill payments and top ups (mobile balance, etc).

**Questionnaire Distribution**

In the Questionnaire Distribution, the result of the descriptive statistical analysis is below:
Table 2. Descriptive Statistical Analysis.

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>man</td>
<td>228</td>
<td>47.10%</td>
</tr>
<tr>
<td></td>
<td>woman</td>
<td>256</td>
<td>52.89%</td>
</tr>
<tr>
<td>Age</td>
<td>15-18</td>
<td>70</td>
<td>14.46%</td>
</tr>
<tr>
<td></td>
<td>19-25</td>
<td>272</td>
<td>56.20%</td>
</tr>
<tr>
<td></td>
<td>26-30</td>
<td>46</td>
<td>9.50%</td>
</tr>
<tr>
<td></td>
<td>31-45</td>
<td>39</td>
<td>8.05%</td>
</tr>
<tr>
<td></td>
<td>46-51</td>
<td>23</td>
<td>4.75%</td>
</tr>
<tr>
<td></td>
<td>&gt;52</td>
<td>34</td>
<td>7.02%</td>
</tr>
<tr>
<td>Education</td>
<td>Senior high school</td>
<td>243</td>
<td>50.20%</td>
</tr>
<tr>
<td></td>
<td>College/Diploma</td>
<td>79</td>
<td>16.32%</td>
</tr>
<tr>
<td></td>
<td>Undergraduate</td>
<td>103</td>
<td>21.28%</td>
</tr>
<tr>
<td></td>
<td>Post Graduate</td>
<td>59</td>
<td>12.19%</td>
</tr>
<tr>
<td>Income</td>
<td>&lt;$300</td>
<td>345</td>
<td>71.28%</td>
</tr>
<tr>
<td></td>
<td>US$300-US$362</td>
<td>39</td>
<td>8.06%</td>
</tr>
<tr>
<td></td>
<td>US$362-US$507</td>
<td>38</td>
<td>7.85%</td>
</tr>
<tr>
<td></td>
<td>US$507-US$725</td>
<td>35</td>
<td>7.23%</td>
</tr>
<tr>
<td></td>
<td>&gt;US$725</td>
<td>27</td>
<td>5.59%</td>
</tr>
<tr>
<td>Status</td>
<td>married</td>
<td>128</td>
<td>26.45%</td>
</tr>
<tr>
<td></td>
<td>single</td>
<td>356</td>
<td>73.55%</td>
</tr>
<tr>
<td>Province</td>
<td>Jakarta</td>
<td>65</td>
<td>13.43%</td>
</tr>
<tr>
<td></td>
<td>Banten</td>
<td>22</td>
<td>4.55%</td>
</tr>
<tr>
<td></td>
<td>West Java</td>
<td>93</td>
<td>19.22%</td>
</tr>
<tr>
<td></td>
<td>Central Java</td>
<td>248</td>
<td>51.24%</td>
</tr>
<tr>
<td></td>
<td>East Java</td>
<td>22</td>
<td>4.55%</td>
</tr>
<tr>
<td></td>
<td>Yogyakarta</td>
<td>34</td>
<td>7.01%</td>
</tr>
<tr>
<td>Area</td>
<td>Urban</td>
<td>362</td>
<td>74.79%</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>122</td>
<td>25.21%</td>
</tr>
<tr>
<td>Occupation</td>
<td>Student</td>
<td>277</td>
<td>57.23%</td>
</tr>
<tr>
<td></td>
<td>Entrepreneur</td>
<td>42</td>
<td>8.68%</td>
</tr>
<tr>
<td></td>
<td>Private Employee</td>
<td>69</td>
<td>14.26%</td>
</tr>
<tr>
<td></td>
<td>Civil Servant</td>
<td>44</td>
<td>9.09%</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>52</td>
<td>10.74%</td>
</tr>
</tbody>
</table>

Source: Own Study

Based on the Table 2 Descriptive Statistical Analysis above, 52.89% from total respondents are female and the rest 47.10% are male. While based on the age sections, 19-25 range years old, are the majority of this research with 56.2% total respondent, second position is the range of 15-18 years old and 26-30 years old. In education section, the highest respondent percentage is Senior High School, it shown by 50.20% followed by Undergraduate 21.28%, College/Diploma 16.32%, and Post-Graduate 12.19%. For Income section the highest response is >$300, mostly respondents are student (57.23%), the percentage is 71.28%. Mostly respondents are single by 73.55% and married respondents are 26.45%. Mostly, Respondent domicile are Central Java by 51.24%. Urban respondent are 74.79% and rural people by 25.21%.
Based on the Table 3, the hypothesis relation between enjoyment and hedonic value are significantly accepted. Then, hypothesis ease of use give impact into hedonic value also accepted. Among the utilitarian value indicators, only usefulness give impact to utilitarian value and hypothesis are significantly accepted. Hedonic values are significantly giving positive influence to impulsiveness. Usefulness variable also give positive impact to impulsiveness. Between hedonic value and utilitarian value in this study, the result is utilitarian value positively give impact to Online Store Purchase.

5. Conclusion

Hypothesis of usefulness, enjoyment and ease of use give impact to hedonic value are significantly accepted. Due to, consumers motivated by hedonic values, the experience itself is important. Hedonic values can include a desire for entertainment and escapism (Babin, Darden, & Griffin, 1994; Childers et al., 2001) or the wish to find a good deal and enjoyment of hunt for a good bargain. This motivation positively influences consumers’ attitudes toward online shopping and virtual shopping technology. Based on the research above, it can be concluded that most of Indonesian uses online shopping as they feel it useful, enjoy and feel easy to operate the online shopping and they will motivate to shopping especially in hedonic stuffs. From demographic part mostly user of online shopping are woman it is make sense that 3 of variables support hedonic value because normally woman likes to shop in uncontrolled way.
Hypothesis of usefulness give positive impact to utilitarian value are significantly accept. Among all of indicators which tested to utilitarian value just usefulness that prove, it give impact to utilitarian value. Useful information provides positive value to customers which increase customer intentions to purchase. There is a positive relationship between usefulness as one of utilitarian value indicator (M. Y. Chen & Teng, 2013). Also Indonesian which gets useful benefits from using online shop tends to buy more stuff especially utilitarian stuffs.

Hedonic values positively giving an impact to impulsiveness and those hypotheses are significantly accepted. Motivated by hedonism of Indonesian people impulsiveness, they tend to buy stuffs unplanned and sudden, that causes by their desire to shop. Especially when Harbolnas (Indonesia National Online Shopping Day) held, people will buy luxurious stuffs without any plan before. They just interest with some promotions and small discount price or free shipping promotions. They will purchase a lot of thing without any further thinking. Utilitarian value, Hedonic value and Impulsiveness give impact to purchase.

Based on this study it can be concluded that by utilitarian, hedonic or impulsiveness motive it will not be a problem. Indonesian shoppers will doing purchase thru online shopping even they have different motivation and purpose. Among utilitarian, hedonic and impulsiveness are positively give impact to online shopping in Indonesia.

References


measure the perceived benefits and risks of online shopping. *Journal of Interactive Marketing*. https://doi.org/10.1002/dir.20061


**Percentage of contribution of each author in the manuscript**

Rianmahardhika Sahid Budiharseno - 40%
Narariya Dita Handani - 30%
Seo Joo Hwan -30%