

Antecedent Factors of Self-Gifting Behavior and Its Influence toward Post-Purchase Regret of the Millennial Generation

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Abstract—With the shifting trend from gifting behavior to self-gifting behavior, retailers are faced with a new challenge to win their consumers' heart, especially Millennial consumers. Additionally, the growing landscape in a retail environment and the more options that consumers face when shopping may result in a dissatisfied feeling with their buying, and trigger the regret feeling afterward. This study aims to analyze the antecedent factors that drive a consumer to perform self-gifting behavior, and the influence of self-gifting behavior performed towards post-purchase regret. As previous studies found, hedonic shopping traits and indulgence are the drives of self-gifting behavior performance on consumers. With 292 respondents chosen using purposive sampling to join this study, and by using Structural Equation Modelling (SEM) technique for analysis, this study proves that there are strong and positive relationships between two antecedent factors mentioned above towards the four categories of self-gifting behavior, except hedonic shopping traits toward celebratory self-gift. This study also revealed that the four categories of self-gift behavior do not have a positive impact towards post-purchase regret of Millennial consumers. However, indulgence has a positive influence towards post-purchase regret of Millennial consumers.

Index Terms—consumer behavior, self-gifting, post-purchase regret, retail, millennials

I. INTRODUCTION

Nowadays, gifting behavior is not always performed inter-personally (from one to another) but also from a person to a person itself (intra-personally). This behavior is also known as self-gifting behavior. 24% of United States' Millennial consumers perform this behavior especially when holiday festivities are on the way (Mintel Press Team, 2017). The reasons why this behavior is on the rise are holiday season triggering retail to do a sales fever, self-gift is the most common and acceptable campaign among other self-esteem and self-love in our society, and also the vulnerable mentality the consumers have so they tend to perform this behavior (Yarrow, 2012).

Indonesia's retail environment is considered to be one with outstanding growth. According to The 2017 Global Retail Development Index launched by AT Kearney, Indonesia is on the 8th position as the most attractive country to be

considered as a place to invest on retail business, above Peru and below Morocco. With the development of investment infrastructure, there are more foreign retailers opening their store in Indonesia such as LC Waikiki from Turkey, Central Group from Thailand, Lotte Group from South Korea and also Aeon Group from Japan (AT Kearney, 2017).

According to Bushra and Bilal, there is a rapid change in the retail marketplace, especially in emerging markets [1]. With the various options a consumer faces in the store, this phenomenon will lead to fatigue and confusion of consumers when they want to shop. Consumers feel anxious about their choice and they tend to compare the item they already chose with the one they should have chosen. When consumers feel they should pick a better item than the one they bought, this will lead to a regret that consumers feel. This behavior is known as post-purchase regret.

With the growing population of Millennial consumers and how they will change the face of business landscape with the way they decide their purchase, this study aims to find the antecedent factors driving Millennial consumers towards four categories of self-gifting behavior as a previous study already did. Secondly, this study wants to know the influences of those self-gifting behavior towards post-purchase regret, and how the antecedent factors observed relate to post-purchase regret.

II. LITERATURE REVIEW

A. Hedonic Shopping Traits

Previous study on shopping traits shows that if a shopping value only focuses on studying an object, the price and functional utility an object has, this will lead to a very narrow study if we want to consider all the value inside the consumers' self (Hirschman and Holbrook, 1982; Babin et al., 1994). Shopping activity is often explained as a fulfillment of several needs, utilitarian needs that aim to acquire a product and focus on task fulfillment (Bloch and Richins, 1983; Babin et al., 1994) and hedonic needs that are built by the experience a consumer feel in the moment (Bloch and Bruce, 1984; Babin et al., 1994).

Holbrook and Hirschman (1982) defined hedonic shopping traits as a shopping value that results from happiness and excitement. Hence, these traits reflect the potential of entertainment worthiness and emotions on shopping (Bellenger, Steinberg and Stanton, 1976; Babin et al., 1994). Additionally, hedonic shopping traits represent the experiential paradigm in consumer behavior research (Blackwell et al., 2000; [2]).

Rehman et al. (2017) explained that most of the time, sales promotion is used by marketers to boost their sales faster. According to Blattberg and Neslin (1993) in Rehman et al. (2017), sales promotion can give several benefits to consumers. Not only for utilitarian benefits like financial saving, Babin et al (1994) in Hirschman and Holbrook (1982) also argued that this kind of promotion can also benefit consumers from hedonic aspects, such as giving entertainment and inspiration.

B. Indulgence

Kivetz and Simonson defined indulgence as a way to give someone more attention through gift-giving, gratification and someone's desires due to lack of self-control [3]. Indulgence is closely related with luxury and hedonic value that involves on luxurious item shopping. The previous study conducted by Mukhopadhyay and Johar explained that indulgence often shows up due to lack of self-control from the consumer in order to restrain themselves from consuming the specific item [4]. This behavior may also show up more frequently when there is a restraint that has clear objectives so the consumer will feel a lot easier to have a justification to execute an indulgence act.

C. Self-gifting

Atalay and Meloy (2011) defined self-gifting as a process built on product and service purchase where consumption is internally related, exclusively personal, pleasure-oriented, and excluded from an immediate need. Usually, self-gift is a purchase that occurs when someone wants to "be nice to oneself", "relieve stress" and "give an incentive" where the circumstances of "attainment of a goal" is desired (Mick and DeMoss, 1990; Mick et al., 1992; [5]).

According to Mick and DeMoss (1990), there are four motivations on why consumers perform self-gifting behavior. First is hedonic self-gifting. This behavior occurs when a consumer wants to be nice to his/herself. Although most research focuses on the buying of the luxurious item, most consumers that perform this behavior are more likely to buy an everyday item that are image-related such as clothes, make-up, shoes or accessories (Heath et al., 2011) [5]. When a consumer has achieved a goal or has accomplished an objective, the consumer tends to feel that they deserve a reward (Heath et al., 2011; [5]). This kind of self-gifting is known as reward self-gifting. When a consumer is feeling down or sad and they want to cheer themselves up, they would likely perform a therapeutic self-gifting (Sherry, 1983; Mick dan DeMoss, 1990; Howland, 2010; Heath et al., 2011). Finally, when a consumer is on a celebration of their birthday or anniversary,

they would likely to perform a celebratory self-gifting (Heath et al., 2011).

D. Post-purchase regret

Regret is a more or less painful judgment and state of feeling sorry for misfortunes, limitations, losses, shortcomings, transgressions, or mistakes (Landman, 1993; Bui et al., 2011). Bui et al. (2011) explained that when consumers reflect on and evaluate the decisions they have encountered, comparisons are made between the experienced outcomes and the outcomes that would have occurred under a different choice. This may happen in the contemporary society where there are more unlimited and various options that a consumer may choose in their decision-making process (Simpson et al., 2008; Shankar et al., 2006; Bui et al., 2011).

E. Millennials generation

As Bucuta stated, Millennials are those who are born in 1980-2000 [6]. This generation is also known as the generation who grew up with technology most of the time. Millennials are the generation who made a mutualism symbiosis with technology and they perceive technology to be as important as foods and clothes they consume and wear (Huntley, 2006; [6]). This generation also can be defined as the generation who expect quick answers to their problems. This can be happened due to the rise of the search engines, such as Google, that could provide quick answers for any problem a Millennial is facing.

1) Millennials Decision Making: When it comes to consumer decision making, there are three aspects that marketers should be concern with, especially regarding Millennial consumers. First, Millennials seek freedom when it comes to buying things. This is involved with the sense of control of the things that Millennials are buying. Millennials see the buying process as a form of socialization among their social group. Finally, Millennials see that shopping is a form of hedonism and recreational activity (Muhammad and Ng, 2002; [6]). This view may cause Millennials to be more flexible when they buy things that are very expensive or very cheap, as long as the things are stylish and cool in front of their social group (Parment, 2013; [6]).

III. RESEARCH METHODOLOGY

A. Pre-test and Main Test

This study used conclusive research design in order to know the relationships between the variables. Furthermore, this conclusive study categorized as a descriptive conclusive study which aims to describe a topic in general. Because the data collection this study is only held in a specific time period and only happened one time, this study can be categorized as a cross-sectional study.

An initial study was held for 35 respondents to check the reliability and validity. Using SPSS 22, the results show that the study may be executed for the broader sample group. The variables tested were valid and reliable.

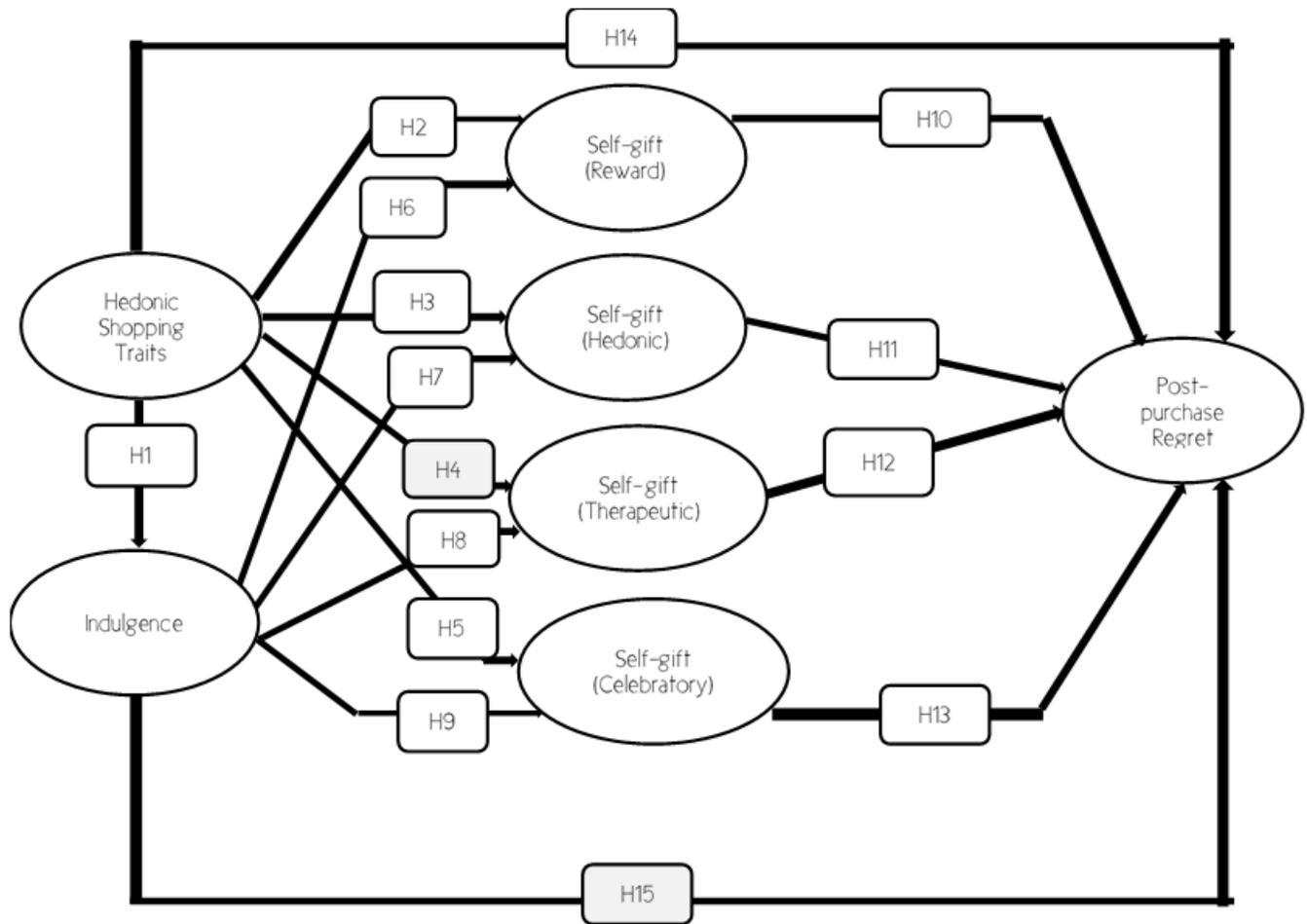


Fig. 1. Conceptual model.

Using purposive sampling to gather the respondents from 18-38 years old across Indonesia, this study was executed through online media such as Twitter, Line, Whatsapp, and Instagram. The online questionnaire was spread around March until April 2018. Aside from the age range criteria, respondents must fulfill some criteria such as having an experience for shopping in a sales event for themselves, and regretting the purchase.

The questionnaire itself has 34 statements that need to be given a score with Likert-scale on a scale of 1 to 5 to show how many respondents agree or disagree to the statements given. 1 shows that the respondent highly disagrees with the statement while 5 shows that respondent highly agrees with the statement given by the author. The 34 statements came from the questionnaire in the previous study held by Clarke and Mortimer [5]. Aside from that, there are also multiple-choice questions and dichotomous questions for respondent profiling and the screening question.

After cleaning the data, 292 respondents' answers are gathered and analyzed with Lisrel 8.51 using Structural Equational Modelling (SEM) method. Most of the respondents come from the 18-24 years old female Millennial consumers who lived in

West Java, DKI Jakarta, and East Java. Most of the respondents attained bachelor degree and work as students or private sector staff.

B. Hypothesis and Conceptual Model

This study adopted a research model that was built by Clarke and Mortimer [5]. There is a difference between the study held by Clarke and Mortimer [5] and this study. Clarke and Mortimer used 18-45 years old consumers across Australia as their sample group, while this study focused on Millennial consumers ranged from 18 to 38 years old.

According to Kivetz and Simonson, indulgence can be defined as a way for the consumer to give more attention to themselves through gift-giving, gratification or desire fulfillment due to the lack of self-control [3]. Indulgence is closely related with luxurious things and hedonic value that involve purchase of prestigious items.

Purchase that has been associated with shopping experience during sales events is usually associated with the practice and belief about shopping activity and closely related to how the consumer indulge themselves [5]. Additionally, Clarke and Mortimer explained that purchase that is associated with

sales event shopping experience is usually performed by a consumer for novelty and variation seeking, and also giving surprise to the consumer [5]. Clarke and Mortimer proved it on their study that there is a significant and positive relationship between hedonic shopping traits and indulgence [5]. Thus, the hypotheses that can be built are:

H1 Hedonic shopping traits have a positive influence on indulgence

H2 Hedonic shopping traits have a positive influence on self-gift (reward)

H3 Hedonic shopping traits have a positive influence on self-gift (hedonic)

H4 Hedonic shopping traits have a positive influence on self-gift (therapeutic)

H5 Hedonic shopping traits have a positive influence on self-gift (celebratory)

Self-gifting is a product or service purchase that is internally attributed, exclusively personal, a satisfactory oriented and excluded from sudden needs (Clarke and Mortimer, 2013). According to Clarke and Mortimer, there is a significant and positive relationship between indulgence and self-gifting behavior [5]. Thus, a hypothesis that can be developed are:

H6 Indulgence has a positive influence on self-gift (reward)

H7 Indulgence has a positive influence on self-gift (hedonic)

H8 Indulgence has a positive influence on self-gift (therapeutic)

H9 Indulgence has a positive influence on self-gift (celebratory)

Consumers who perform self-gifting acts sometimes do not do not properly think about the consequences they may receive for the act they committed because they just feel that the purchase “feel so good” (Campbell, 1987; Rohatyn, 1990; [5]). The failure of considering the long-term effect on the act they committed may lead to post-purchase regret. Thus, some hypothesis that may be developed are:

H10 Self-gift (reward) has a positive influence on post-purchase regret

H11 Self-gift (hedonic) has a positive influence on post-purchase regret

H12 Self-gift (therapeutic) has a positive influence on post-purchase regret

H13 Self-gift (celebratory) has a positive influence on post-purchase regret

Aside from self-gifting act, consumers still enjoy their shopping experience and indulge themselves and still feeling regret about their purchase. Therefore:

H14 Hedonic shopping traits have a positive influence on post-purchase regret

H15 Indulgence has a positive influence on post-purchase regret

IV. RESULTS

After conducting structural equation modeling with Lisrel 8.51, the result is shown below.

A. Goodness of Fit

Aside from testing the hypothesis, this study also checks the goodness of fit of the model tested. The result is shown below:

TABLE I
STRUCTURAL GOODNESS OF FIT

The goodness of Fit Indicator	Score	Results
RMSEA	0,079	Good Fit
GFI	0,77	Marginal Fit
Standardized RMR	0,078	Marginal Fit
CFI	0,86	Marginal Fit

The goodness of fit indicators included on the measure consist of RMSEA that scored 0,079 which is categorized as a good fit. Other indicators used in the measurement are GFI, Standardized RMR, and CFI that scored as marginal fit. This is different from the study conducted by Clarke and Mortimer that shows the good fit score on most of their measurements [5]. One explanation that is plausible for the marginal fit score is due to the different sampling group, some of the questions may become irrelevant for the new sampling group that participated in the study. This can be an evaluation for future studies in this field to evaluate the questionnaire indicators or to modify the model to achieve a good fit score.

B. Hypothesis Testing

From the 15 hypotheses tested, there are 9 hypotheses that is significant while 6 hypotheses are not. The table II explain that there is a positive relationship between hedonic shopping traits and indulgence. This means that both variables are closely related. According to the result, hedonic self-gifting is most likely performed by a consumer who has a hedonic shopping trait within themselves compared to other self-gift categories. However, when we focus on indulgence as the driver of self-gifting behavior, therapeutic self-gifting is the most likely to be performed in self-gifting category. Thus, we can conclude that when Millennial consumers did hedonic self-gifting (when they want to give themselves a gift to feel pleasure), it is most likely driven by their high-level hedonic shopping traits. On the other hand, when Millennial consumers tend to perform therapeutic self-gifting (when they buy things for themselves to cheer them up on a bad day), it is most likely driven by their high-level indulgence. Compared to the study conducted by Clarke and Mortimer [5], there are no self-gift motives that result in post-purchase regret. However, the regret feeling the consumer felt are driven by high-level indulgence that a consumer performed at the moment.

V. DISCUSSION

This study shows that there is a positive relationship between hedonic shopping traits and indulgence. The connections between those variables may add a new insight into studying this area. However, there are some differences between this study and the one Clarke and Mortimer [5] has done. For example, there is no positive relationship between

TABLE II
HYPOTHESIS TESTING RESULT

Hypothesis	Statement	t-value	Results
H1	HedST → Indulgence	8,45	Significant, there is a positive relationship
H2	HedST → GReward	4,56	Significant, there is a positive relationship
H3	HedST → SGHedonic	5,17	Significant, there is a positive relationship
H4	HedST → SGTherapeutic	2,70	Significant, there is a positive relationship
H5	HedST → SGCelebratory	1,53	Not significant
H6	Ind → SGReward	3,24	Significant, there is a positive relationship
H7	Ind → SGHedonic	3,99	Significant, there is a positive relationship
H8	Ind → SGTherapeutic	5,74	Significant, there is a positive relationship
H9	Ind → SGCelebratory	5,85	Significant, there is a positive relationship
H10	SGReward → PPRregret	-0,17	Not significant
H11	SGHedonic → PPRregret	1,17	Not significant
H12	SGTherapeutic → PPRregret	-1,60	Not significant
H13	SGCelebratory → PPRregret	-0,70	Not significant
H14	HedonicST → PPRregret	-0,11	Not significant
H15	Indulgence → PPRregret	2,43	Significant, there is a positive relationship

hedonic shopping traits and self-gift (celebratory). The short period of sales event and the time mismatch of the special occasion being celebrated may be the cause of why Millennial consumers do not commit to self-gift behavior in the time being. Similar with Clarke and Mortimer [5], there is a positive relationship between indulgence and the four categories of self-gift behavior. As Johar and Mukhopadhyay explain, restraint for buying things may affect the easiness of consumers to indulge themselves [4]. From this study, we know that celebratory self-gifting is most likely driven by indulgence rather than hedonic shopping traits.

This study shows that Millennials are not regretting what they bought as a self-gift. This is parallel with Bucuta's study on Millennials' characteristics [6]. According to Bucuta, Millennials view shopping as a form of recreation and hedonism (Muhammad and Ng, 2002; [6]). Therefore, consumers from this generation tend to be more flexible when buying things that come from two different extremes, very cheap and very expensive, as long as the things they bought are perceived as cool and stylish (Parment, 2013; [6]). One difference that this study found is there is a positive relationship between indulgence and post-purchase regret. This phenomenon may be caused by Millennials' tendency to indulge themselves compared to other generations. This may happen due to the parenting style adopted by most parents who raised their kids between 1980 to 2000. They emphasize that every kid is special so whatever accomplishment they achieve, they need to get a reward, no matter how simple the achievement is [7]. The entitlement the kid has with this parenting style may lead to a condition when Millennials think that it is okay to be indulged.

VI. CONCLUSION

According to this study, Millennials do not regret their self-gifting behavior. This can be a new insight for marketers when they want to design a new marketing plan, especially when they want to target a Millennial audience. On the other side, marketers should pay attention to the indulgence aspect because this aspect may cause post-purchase regret among

consumers. To avoid this behavior, marketers should emphasize the cognition aspect on their promotional tools so they invite consumers to think and rethink about their decisions for the longer term. Post-purchase regret may be caused by a transactional relationship between the buyer and seller. Millennials are the type of consumers who love to engage in a brand. Thus, marketers should always emphasize the relational relationship between the buyer and seller to minimize dissatisfaction after purchasing something. A training for the salesperson so they will empathize more on their consumers may be an alternative that the retailer should consider. According to Aggarwal et. al., a salesperson who has empathy and listening skills have a more positive influence on consumer satisfaction [8].

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