

External Environment and Individual Confidence Influence on Purchase Decisions

Rahmatullah^{1*}, Inanna², Nurul Afiah Anwar³, Andi Naila Quin Azisah Alisyahbana⁴, Andika Isma⁵

^{1,2,3,4,5} Fakultas Ekonomi dan Bisnis Universitas Negeri Makassar

Email: rahmatullah@unm.ac.id; inanna@unm.ac.id; nurulafiah651@gmail.com;

nailaquinn@gmail.com; andika.isma@unm.ac.id

**Corresponding Author*

(Received: 11 May 2022; Revised: 29 July 2022; Published: 22 September 2022)

ABSTRACT

This study aims to determine the influence of the individual's external environment and self-confidence on student purchasing decisions. This type of research is quantitative research using a descriptive correlation approach with data collection techniques through questionnaires. The data analysis technique used is multiple regression analysis with partial test (t test), simultaneous (F test), coefficient of determination test (R²), and partial determination coefficient test (r²). The results showed that the individual's external environment and self-confidence simultaneously had a significant effect on students' purchasing decisions. Partially, the individual external environment has a significant effect on purchasing decisions, as well as the self-confidence variable partially has a significant effect on purchasing decisions

Keywords: External environment, confidence; buying decision

INTRODUCTION

Today's business development has been colored by various kinds of competition in all fields. Seeing these conditions causes business people to be increasingly required to have the right strategy in meeting sales volume targets (Betz, 2016; Naidoo & Gasparatos, 2018). According to (Kotler & Keller, 2009) in increasing competition, each company must be able to win the competition by displaying the best products and can meet the tastes of consumers who are always evolving and different. Extensive knowledge and information about consumers is a useful tool for management to develop effective marketing strategies (Teng & Wang, 2015; Chaffey & Ellis-Chadwick, 2019). Facing this situation, the company must be able to establish a strategic concept that is suitable to face competition, whether it is following the ongoing marketing trend, or staying with the existing paradigm (Kotler & Keller, 2009).

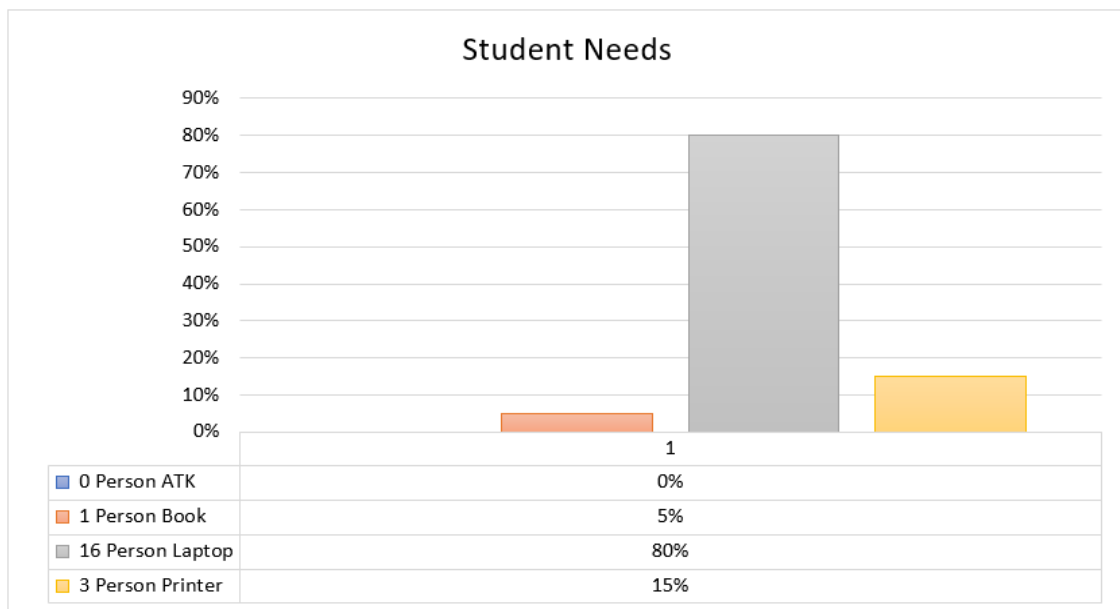
Purchasing decisions are an approach to solving problems in human activities to buy goods or services in fulfilling their wants and needs which consist of the introduction of needs and desires, information search, evaluation of purchasing alternatives, purchase decisions, and behavior after purchase (Devi et al., 2015). There are several factors that influence consumers in deciding to buy an item or product (Kumar & Ghodeswar, 2015; Martinho et al., 2015; Suleman & Zuniarti, 2019; Nam et al., 2017). Internal factors, which consist of: psychology, motivation,

perception, attitude, lifestyle, personality, and learning. While external factors, which consist of; social environment. Both of these factors are factors that influence consumers in buying behavior or in making purchasing decisions. Included in these external factors are how parents set an example for children in using their money to shop for their needs (Rahmatullah et al., 2020; Inanna et al., 2020); (Fatimah et al., 2020).

External factors are from the family environment and reference groups. According to (Shin et al., 2017). Consumptive behavior is influenced by internal and external factors. Where the reactions of others, comparisons with others, one's role and identification of a person are factors that influence self-concept. When a person has a weak self-concept and self-control, it will be difficult to control the behavior that is within himself so that he behaves consumptively in order to be accepted and appreciated by the surrounding environment. The purchasing decision-making process in the family begins with the negotiation stage which describes where members put forward arguments for and against various choices, evaluate the suggested alternatives and which will produce decision conclusions that represent the number of suggestions that have been successfully made by each family member.

The results of the initial research conducted by researchers on UNM postgraduate students from the 2018 Social Sciences Education study program with specificity from History Education, Civics, History Education, Social Studies Education to Elementary Schools, Integrated Social Studies Education, and Sociology Education. This can be seen in Table 1 as follows:

Image 1. Research Preliminary Data Graph



Source: Data Processing, 2021

Based on table 1, it can be seen from 20 respondents, as many as 16 respondents or 80% who stated that one of the items that required extra expenses both in terms of purchasing goods and maintenance that could support the lecture process was the purchase of a laptop/computer, 3 respondents or 15 % who choose printers, 1 respondent or 5% who choose books, and 0 respondents who choose office stationery where the average cost incurred from purchasing these items is Rp. 500.000,00 - Rp. 7,000,000.00. So it can be concluded that among lecture supporting media such as office stationery, books, and printers, laptops are considered the most influential and needed supporting media in facilitating and facilitating work in the office and the lecture process by considering several things such as in terms of price, quality, quantity, ease of operation, model, and long-term use, which is not obtained in other media supporting lectures

According to (Zhang & Dong, 2020) defines external factors are factors that exist outside the individual consumer in the form of reference groups, social class, culture and family. Several factors from the environment (external) that affect the buying decision-making process.

External Environment

According to (Azis & Musa, 2011) that the external environment is a process of strengthening the attitude of each individual in articulating the sources of information obtained in analyzing the observed objects such as; 1) Cultural aspects related to beliefs, values and views on choosing something. 2) social class which is the ability in terms of economic and social status, lifestyle in justifying something. 3) family and friends, which are the closest group of individuals who have the ability to form attitudes.

Based on the definition of (Joshi & Rahman, 2015) external factors are factors that exist outside the individual consumer in the form of a reference group, social class, culture and family. Several factors from the environment (external) that influence the buying decision-making process, namely (1) culture (2) social class (3) demographics (4) group influence, and (5) family.

Confidence

The personality of each individual is certainly different and cannot be used as only one benchmark, namely one of self-confidence, the belief that results from the decomposition of one's personality. High self-confidence is useful for analysis in making decisions in choosing a product. Self-confidence arises as a result of a person's belief and attitude towards his own ability by accepting it as it is in two ways, both positively and negatively, which is formed and learned through the learning process of the learning process with the aim of his own happiness. According to (Muralidharan et al., 2016) Self-confidence is the basic capital of a human being in fulfilling his own needs. A person who has the need for freedom of thought and feeling will grow into a person with self-confidence.

Buying decision

Purchasing decisions according to (Devi et al., 2015) are a problem-solving approach to human activities to buy goods or services in fulfilling their wants and needs which consist of the introduction of needs and desires, information search, evaluation of purchasing alternatives, purchase decisions, and purchase decisions. behavior after purchase. according to (Armstrong & Kotler, 2001) there are four main factors that influence consumer behavior in buying, namely Cultural Factors, Social Factors, Personal Factors, and Psychological Factors. According to (Cerri

et al., 2018) of the various factors that influence consumers in purchasing a product or service, usually consumers always consider the quality, price and products that are already known by the public Before consumers decide to buy, usually consumers through several stages first, namely: problem recognition, information search, evaluation of alternatives, decision to buy or not, and post-purchase behavior.

METHOD

The approach used in this study is a quantitative approach. The population of this research is all students of the 2018 Social Sciences Education Study Program, Postgraduate of Universitas Negeri Makassar. Collecting data using proportionate sampling technique, where as for some of the criteria needed are as follows:

- a) Status as a Student of Social Studies Education Study Program Force 2018 Postgraduate UNM
- b) Work only as IRT (Housewife)
- c) Profession as a student who has no family but already has a job

Based on these criteria, the authors obtained a sample of 38 students consisting of 20 respondents who had jobs and 18 respondents who worked as IRT, then the researcher distributed questionnaires through an online form to respondents. In the questionnaire, the researcher assigns a number or weight to the question/statement items using a Likert scale.

RESULTS AND DISCUSSION

Normality test

asymp value. Sig. (2-tailed) the individual external environment variable is 0,200, for the self-confidence variable is 0,200, for the purchase decision variable is 0.200. From the results of the normality test, it can be seen that asymp. Sig. greater than 0,05 so it can be concluded that the data is normally distributed.

Table 1. Normality Test

Normality Test Asymp value. Sig.(2-tailed)	Individual external environment variables.	The self-confidence variable is equal to.	The purchase decision variable is equal to.	Information
	0,200	0,200	0,200	normally distributed

Linearity Test

Score deviation from linearity The individual external environment variable on purchasing decisions is 0,549, for the variable of confidence in purchasing decisions is 0,539. From the results

of the linearity test, it can be seen that the deviation from linearity is greater than 0,05 so it can be concluded that the data has a linear relationship.

Table 2. Linearity Test

Linearity Test Deviation value from linearity	individual external environmental variables of purchasing decisions	confidence in purchasing decisions	Information
	0,549	0,539	data has a linear relationship.

Multiple Regression Test

From the regression equation $Y = 17,116 + 0,135 X_1 + 0,751 X_2$ showsthat:

1. The constant is 17.116. If the individual external environment variable and self-confidence have a value of 0, then the purchase decision is worth 17,116.
2. If the self-confidence variable has a fixed value and the individual external environment variable increases by one unit, then the purchase decision will increase by 0,135.
3. If the individual external environment variable has a fixed value and the self-confidence variable increases by one unit, then the purchase decision will increase by 0,751.

Table 3. T test (Partial)

Model	Standardized Coefficients	t	Sig.
1 (Constant)		12,142	.000
Individual External Environment	.330	2,097	.043
Confidence	.855	9,887	.000

a. Dependent Variable: Purchase Decision

Table 4. T test (Partial)

Model	Standardized Coefficients	t	Sig.
1 (Constant)		12,142	.000
Individual External Environment	.330	2,097	.043
Confidence	.855	9,887	.000

b. Dependent Variable: Purchase Decision

Based on the results of the t-test obtained, it shows that the independent variable, namely the individual external environment variable on the dependent variable, has a significance value of less than 0,05.

Table 5. F test (simultaneous)

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	301.338	2	150,669	55,385	.000b
	Residual	95,214	35	2,720		
	Total	396.553	37			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Confidence, Individual External Environment

Based on the results of the F test, the value using a significance level of = 0,05 is Sig of 0,000 less than 0,05, so this indicates that the model used to make interpretations is significant. This shows that H_0 is rejected and H_1 is accepted. Thus, the individual's external environment and self-confidence jointly influence the purchasing decisions of students of the 2018 Social Sciences education study program at the Postgraduate program of Universitas Negeri Makassar.

Table 6. Determinant Coefficient Test (R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.872a	.760	.746	1,649

Based on the table, the results of data analysis show that individual external environmental variables and self-confidence have a significant influence on purchasing decisions which have a contribution or influence value of 0,746 or 74,6%, while the remaining 25,4% is explained by other variables not mentioned in this research.

Table 7. Partial Determinant Coefficient Test (r2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Individual external environment	.330a	.109	.084	3.133
Confidence	.855a	.731	.723	1,722

Based on the table of data analysis results, it shows that individual external environmental variables have a significant influence on purchasing decisions which have a contribution or influence value of 0,109 or 10,9%, while the remaining 89,1% is explained by other variables not mentioned in this study. While the self-confidence variable has a significant influence on purchasing decisions which has a contribution or influence value of 73,1%, while the remaining 26,9% is influenced by other factors, so it can be concluded that H_2 is rejected or in other words

the dominant self-confidence variable affects Purchasing decisions for students of the 2018 Social Sciences education study program for the Postgraduate program of Universitas Negeri Makassar.

a. Partial Influence of Individual External Environment on Student Purchasing Decisions

Based on the results of hypothesis testing, the research data shows that the individual's external environment partially significantly influences students' purchasing decisions. The results of this study are in line with the results of the study (Sulistiyawati & Thoyi, A, 2010) which examines the analysis of consumer decision behavior in purchasing wooden sculpture products at a craft shop (Art Shop) Ukuwati District, Gianyar, Bali.

In line with research by (De Silva et al., 2021) found the results of research on external factors from consumers who are impulsive buying in China and the United Kingdom that consumers will always be social beings who always need and interact with others so that behavior will be influenced by people. people around them who will influence each other in behaving and acting, including in making purchasing decisions. Based on this, it can be argued that external factors or factors originating from the environment around consumers will influence consumer behavior in making purchasing decisions and even the impact can make consumers shop continuously excessively.

b. The Effect of Partial Confidence on Students' Purchasing Decisions

The results showed that there was a significant effect of self-confidence on purchasing decisions. From the results of the analysis shows that the t-count self-confidence is 2,030. $T_{count} > T_{table}$ or $9,887 > 1,68$ and significant 0,000 then H_1 is accepted and H_0 is rejected, meaning that self-confidence partially has a significant effect on student purchasing decisions. Thus, the better a person's self-confidence will directly affect purchasing decisions so that the goods to be purchased can achieve satisfaction according to the needs and desires of consumers.

The results of this study are in line with the results of research (Bahari, et al., 2018) with research on Cultural, Social, Personal, and Psychological Influences on Ecotourism Consumer Purchase Decisions. The results of the study indicate that culture, social, personal, and psychology partially influence the purchasing decisions of ecotourism consumers in Malino. In line with research from (Koklic, M. K., et al. 2019) in the title The interplay of past consumption, attitudes and personal norms in organic food buying concluded that external factors will have different influences on each consumer so that consumers have an attitude, different opinions, tastes and desires. In this study, we see an analysis that the purchase decision is a consumer's decision to buy a product after previously thinking about whether or not it is appropriate to buy the product by considering the information that he knows about the reality of the product after he witnessed it at the 2018 Social Studies education program students. Postgraduate of Universitas Negeri Makassar.

c. Influence of Individual's External Environment and Confidence Simultaneously

Based on the results of the questionnaire data processing that has been carried out, it can be seen that most of the influences from the external environment of individuals in deciding to purchase laptops for students of the Social Studies Education Study Program class of 2018 PPs UNM are in the good category. This can be seen from the research data which shows that most of

the respondents obtained information from the reference group with an actual score of 69,5% and obtained information from the family with an actual score of 70,2%. This means that there are students of the Social Sciences Education Study Program class of 2018 PPs UNM who make decisions to purchase laptops based on information obtained from reference groups where the most influential reference group environment is in the campus friend environment and the less influential are recommendations obtained from idols, or Public figures, and families and there are also those who make laptop purchase decisions not based on information obtained from reference groups and families.

The results of this study are in line with research (Fatimah & Hidayati, 2022) that simultaneously there is a significant influence between consumer behavior consisting of consumer cultural factors, consumer social, consumer personal, and consumer psychology on consumer purchasing decisions. Simultaneous analysis results were also carried out in a study (Choi & Johnson, 2019) with the research title Influences of environmental and hedonic motivations on intention to purchase green products: An extension of the theory of planned behavior. Sustainable Production and Consumption and (Coderoni & Perito, 2020) with the title Sustainable consumption in the circular economy. An analysis of consumers' purchase intentions for waste-to-value food, it can be concluded that in the use of several variables by being tested simultaneously there is a significant influence between consumer behavior consisting of consumer cultural factors, consumer social, consumer personal, and consumer psychology on consumer purchasing decisions.

d. Independent Variables With Dominant Influence on Purchase Decisions

Based on research data calculated for external environmental variables on purchasing decisions using the SPSS 23 for windows program, the individual external environment coefficient (r^2) = 0,109 or 10,9%. This means that the influence of the individual's external environment on purchasing decisions is 10,9%. Based on the research data, the calculation results for the self-confidence variable obtained the confidence coefficient (r^2) = 0,731 or 73,1%.

This research is also in line with research conducted by (Asna, 2010), who studied the Analysis of Consumer Behavior in Motorcycle Purchase Decisions for Students in Malang Raya. This type of research is a descriptive quantitative study with a sampling technique using the Snowball Sampling technique, designed where in its application the respondents are difficult to identify. Based on the results of the study, among the independent variables which include cultural, social, personal and economic variables, the variable that has the most dominant influence on the dependent variable is the personal variable where the personal variable includes self-confidence or self-concept with the GFI value as a measure of the feasibility of the model achieving a value of 0,972 (greater than 0,90) and a chi square value of 7,030 produces a probability value of 0,218 (greater than 0,05).

CONCLUSION

Based on the results of research and discussion, it can be concluded as follows:

1. Individual external environment and self-confidence simultaneously have a significant effect on purchasing decisions for students of the 2018 Social Sciences Education Study Program, Postgraduate of Universitas Negeri Makassar.
2. The individual external environment partially has a significant effect on purchasing decisions for 2018 Social Science Education Study Program students, Postgraduate of Universitas Negeri Makassar, as well as the self-confidence variable partially has a significant effect on purchasing decisions for 2018 Social Science Education Study Program students, Postgraduate of Universitas Negeri Makassar.
3. The self-confidence variable is the most dominant variable that has a significant effect on purchasing decisions for students of the 2018 Social Sciences Education Study Program, Postgraduate of Universitas Negeri Makassar.

BIBLIOGRAPHY

- Armstrong, Gary., & Kotler, P. (2001). *Marketing Principles*. Translated by Damos Sihombing. Erlangga. Jakarta
- Azis, Muhammad., & Musa, CI (2011). The Influence of Individual External Environment and Quality of Education Services on Higher Education Selection Decisions in Makassar City. *Journal of Management Applications, Faculty of Economics, Makassar State University.*, 9(31).
- Bahari, AF, & Ashoer, M. (2018). Cultural, Social, Personal and Psychological Influences on Consumer Purchase Decisions for Ecotourism. *Journal of Minds: Management of Ideas And Inspiration*, 5(1), 69–78. <https://doi.org/10.24252/minds.v5i1.4839>
- Betz, F. (2016). Strategic business model. In *Strategic Thinking*. Emerald Group Publishing Limited.
- Chaffey, D., & Ellis-Chadwick, F. (2019). *Digital marketing: strategy, implementation & practice*. Pearson: UK.
- De Silva, M., Wang, P., & Kuah, ATH (2021). Why wouldn't green appeal drive purchase intention? Moderation effects of consumption values in the UK and China. *Journal of Business Research*, 122(January), 713–724. <https://doi.org/10.1016/j.jbusres.2020.01.016>
- Devi, A., Nugraha, HS, & Dewi, RS (2015). The Influence of Brand Image, Price and Lifestyle on Imitation Product Purchase Decisions. *Journal of Business Administration*, 4(1), 85–94.
- Fatimah, I., Syam, A., Rakib, M., Rahmatullah, R., & Hasan, M. (2020). Pengaruh Literasi Kewirausahaan dan Peran Orang Tua Terhadap Kesiapan Berwirausaha Mahasiswa Pendidikan Ekonomi Fakultas Ekonomi Universitas Negeri Makassar. *Indonesian Journal of Social and Educational Studies*, 1(1).
- Inanna, I., Rahmatullah, R., Haeruddin, MIM, & Marhawati, M. (2020). Silk weaving as a cultural heritage in the informal entrepreneurship education perspective. *Journal of Entrepreneurship Education*, 23(1), 1–11.

- Joshi, Y., & Rahman, Z. (2015). Factors affecting green purchase behavior and future research directions. *International Strategic Management Review*, 3(1–2), 128–143.
- Kotler, P., & Keller, KL (2009). *Marketing Management*. edition.
- Kumar, P., & Ghodeswar, B. M. (2015). Factors affecting consumers' green product purchase decisions. *Marketing Intelligence & Planning*.
- Martinho, G., Pires, A., Portela, G., & Fonseca, M. (2015). Factors affecting consumers' choices concerning sustainable packaging during product purchase and recycling. *Resources, Conservation and Recycling*, 103, 58-68.
- Muralidharan, S., Rejón-Guardia, F., & Xue, F. (2016). Understanding the green buying behavior of younger Millennials from India and the United States: A structural equation modeling approach. *Journal of International Consumer Marketing*, 28(1), 54–72. <https://doi.org/10.1080/08961530.2015.1056328>
- Naidoo, M., & Gasparatos, A. (2018). Corporate environmental sustainability in the retail sector: Drivers, strategies and performance measurement. *Journal of Cleaner Production*, 203, 125-142.
- Nam, C., Dong, H., & Lee, Y. A. (2017). Factors influencing consumers' purchase intention of green sportswear. *Fashion and Textiles*, 4(1), 1-17.
- Rahmatullah, R., Inanna, I., & Ampa, AT (2020). How Informal Education Fosters Economic Awareness in Children. *Educational Dynamics*, 15(2), 202–214. <https://doi.org/10.15294/dp.v15i2.25285>
- Shin, YH, Moon, H., Jung, SE, & Severt, K. (2017). The effect of environmental values and attitudes on consumer willingness to pay more for organic menus: A value-attitude-behavior approach. *Journal of Hospitality and Tourism Management*, 33(December), 113–121. <https://doi.org/10.1016/j.jhtm.2017.10.010>
- Suleman, D., & Zuniarti, I. (2019). Consumer decisions toward fashion product shopping in Indonesia: The effects of attitude, perception of ease of use, usefulness, and trust. *Management Dynamics in the Knowledge Economy*, 7(2), 133-146.
- Sulistiyawati, EM, & Thoyi, A, T. (2010). Analysis of Consumer Behavior in Purchasing Wooden Sculptures at the Art Shop, Sukowati District, Gianyar, Bali. *Journal of Management*, 1 no 2(1), 84–99.
- Teng, C. C., & Wang, Y. M. (2015). Decisional factors driving organic food consumption: Generation of consumer purchase intentions. *British Food Journal*.
- Zhang, X., & Dong, F. (2020). Why do consumers make green purchase decisions? Insights from a systematic review. *International Journal of Environmental Research and Public Health*, 17(18), 1–25. <https://doi.org/10.3390/ijerph17186607>