

## **Chapter 1**

### **INTRODUCTION**

#### **1. 1 Research Background**

Money has been seen as a major key of economic activities in all over the world. Business may not be able to be proceeded without cash, and the influence of money has become the essence of every transaction, although some business transactions may not involve money in it.

Money definitely plays the most important role in buying-selling activities in the market. Understanding money attitudes is important because it shapes human behavior, especially purchasing behavior (Durvasula and Lysonsky, 2010). Consumers who possess money the most will be assumed to hold a bigger power in the market due to their wider option in purchasing things. The prestige held by the consumers will also depend on the possession of money, which will influence the purchasing behavior, purchasing power, and purchasing ability of the consumers. For a concrete example, rich people may act differently compared to less-fortuned people, apparently showed in their purchasing ability, purchasing power, and purchasing behavior. Furthermore, the attitudes toward money may influence performance in work. This is possible because pursuing money become the main purpose in order to fulfil the need of consumer. We cannot put aside the fact that we cannot purchase anything without money in nowadays life.

According to the article written by Durvasula and Lysonsky (2010), who observed the behavior of young consumers in China, young consumers in China

are mostly driven into a condition where they feel more powerful and more prestigious by possessing money in a lot of amount. The Chinese consumer also in the category of consumer who may feel anxious when it is regarding about money. In contrary, they are not affected by the distrust dimension where the consumer may feel uneasy to spend money. They are hardly to keep their money in order to show the prestige and power they currently have. This attitudes clearly show the possitive relation with the result that the consumers are affected by the power-prestige and anxiety dimension.

In Indonesia, consumers usually tend to purchase things in order to show how capable they are in acquiring goods from the market. In general, young people in Indonesia mostly spend their money to fulfill their needs based on current lifestyle. Things that mostly purchased by young consumers in Indonesia are things to generate their general leisure such as gadget stuffs or clothings. It is quite interesting to observe the possibilities whether there are any similarities between young consumers in Indonesia and young consumers in China. External factor that may influence the attitude in purchashing behavior would be economic condition in the related country. Young consumers in China may be able to have such an attitude of purchasing behavior which then lead them into attitude that maintain power and prestige due to the radical change as the forces of industrialization and modernization transform its society. These factors then lead them into a better condition in term of money that enable the people to be materialist and possibly vanity. This condition enables the young consumers to show off, how powerful they are in purchasing power.

Contrast with the economic booming in China, Indonesia still face the problem in improving and developing the economic condition. This current condition may influence the purchasing behavior of young consumers in Indonesia. Obviously, materialism cannot be done in Indonesia as shown in China, especially by those from lower economic level. But still, such purchasing behavior exist in the market. This research intend to find out what factors that may influence those purchasing behavior.

Thus, based on the explanation about the study that will be done, the thesis is titled **“The Influences of Money Attitudes toward Materialism and Achievement Vanity-view Among Indonesian Young consumers”**.

## **1. 2 Problem Statement**

According to the explanation of the Research Background, the main purpose of this paper are:

1. How does power-prestige influence the achievement vanity view?
2. How do power-prestige, distrust, and anxiety influence materialism?

## **1. 3 Research Scope**

This research focuses on the attitude of young consumers aged between 15 to 24 years old (United Nation Youth Agenda, 2010).

## **1. 4 Research Objectives**

The intention of this research has several objectives, which are:

1. To observe the behavior and attitude due to the possession of money.
2. To observe whether materialism are affected by money attitudes.

### **1. 5 Research Benefits**

Potential Contribution:

- Academic

The result of this reseach will help the researcher to understand well about the comparison of young consumers' attitude in treating money in their possession in China and what is shown in Indonesia. According to the origin article, materialism in China is affected by power-prestige and anxiety dimension. Researcher will be able to find the behavior of young Indonesian consumer to be used for further consumer behavior research.

- Managerial

The results of this paper may provide additional information to understand about the behavior of Indonesian young customers related to money possession.

- The Development of the Theory

The results of this study can be used as a reference to do further research about the attitude of young consumers in Indonesia toward the possession money, especially in Yogyakarta.

### **1. 6 Thesis Structure**

This research is divided into 5 chapters, which are:

## Chapter 1. Introduction

This chapter consists of the background of the research, problem statement scope of the research, objectives of the research, and the benefit of the research.

## Chapter 2. Theoretical Background and Previous Research

## Chapter 3. Research Methodology

This chapter consists of the calculation and analysis of raw data that found during the research. The data will be considered and spread well before being calculated to find the hypothesis.

## Chapter 4. Data Analysis

This chapter consists of analysis data that has been calculated at the previous chapter, and being observed to find the conclusion.

## Chapter 5. Conclusions and Implications

This chapter consists of conclusion, managerial implication, limitation of the research, and suggestion for further research.