



Understanding The Role of Materialism on The Relationship Between Advertising and Compulsive Buying

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Abstract

This study is to examine the effect of Advertising on compulsive purchasing and materialism as mediating variables in Purwokerto. Using the snowball sampling technique, 450 samples were gathered from various areas of the city of Purwokerto, Indonesia. This research employs PLS. The advertising was statistically significant at 5% and had a positive link with materialism in Purwokerto, Indonesia, according to the findings. Similarly, materialism was found to be statistically significant and favourable in 95% of compulsive buyers. materialism influences the connection between advertising and compulsive purchasing. The study suggests that it is essential to prioritize these elements.

INTRODUCTION

Mobile social media is changing the way people live and how businesses advertise. People and marketing campaigns are moving from personal computers (PCs) to mobile devices because they can be used for social interaction and communication anytime and anywhere (Miltgen, Cases, & Russel, 2019). Practically every media source is overloaded with advertising messages, businesses seek novel approaches to reach their audiences. Social media have proven to be interactive channels rife with opportunities for enhanced audiovisual presentation of products and services, giving users greater control over their advertising experiences and providing more appealing and sophisticated forms of digital advertising than traditional mass media (Li & Lo, 2015). Different features of new advertising formats, like Instagram Stories, could help a social media advertising campaign be more successful. But new advertising with more interactive features won't help advertisers if it doesn't attract customers and work better than other social media advertising

formats (Beanche, Flavián, & Pérez-Rueda, 2017).

As a means of achieving consumer happiness, advertising is utilized not just to raise sales but also to elicit emotion. An increasing number of e-commerce purchasers compels advertisers to engage in online advertising. Customers' good emotions help them to make fewer complex judgments and spend more money (Asrinta, 2018). Individuals with a high materialism score can employ the function of emotion as a tactic. Marketers consider materialistic consumers as more susceptible to persuasion; thus, they view materialism as a moderator of consumer behavior (Chang, Wong, & Chu, 2018). Marketing does not create or originate desires but rather surfaces them: materialism was ingrained in the human condition long before the advent of the advertising industry. (O'Shaughnessy & O'Shaughnessy, 2002).

Indonesia itself reported that in three years since 2018 the number of improvements in income inequality has increased respectively. The percentage share of spending from the 40% lo-

west and 40% middle groups increased. In contrast, the population in the 20% highest spending group decreased during the same time period (Statistik, 2021). It can be indicated that Indonesian consumers are more prosperous. As a result, they place a higher value on material possessions, believing that they can provide the greatest source of satisfaction and happiness in life (Bek, 1985), unfortunately, this situation could lead consumers affected by the dark side of consumer behavior such as addiction as compulsive buying (Piotr, 2019). Research by Jennifer and Kim. K. P. (2004) shows that compulsive buying is positively related to perceived social status in relation to buying, and thus is positively associated to materialism. People who experience materialism seek social visibility and enhance their social image, and this reflects in the fashion clothing they choose (Meenakshi & Arpita, 2013). Additionally, The core characteristics of offline and online compulsive buying are identical: uncontrollable impulse to buy; loss of control over purchasing behaviors; and continued overbuying despite negative effects on personal, social, or professional activities (Dittmar, 2004) Furthermore, research has linked obsessive online shopping, particularly among women, to a host of psychological and social issues (guilt, social strife, etc.). (Díez, et al., 2018).

This study investigated the role of materialism between advertising and compulsive purchasing. Prior research has focused on how materialism influences and is affected as independent or dependent variables, and only a small amount of attention has been paid to the role of materialism as a mediator between advertising and compulsive buying. The study of the materialism and compulsive buying study is also still less in Indonesia.

LITERATURE VIEW

The main goal of advertising is to get people to buy their products. The study about advertising and compulsive buying was previously conducted by (Kwak, Zinkhan, & Deorme, 2002), the study assumes that there is a positive correlation between advertising and compulsive buying, unfortunately, the result is a contrast to what research expects. Contrastly, the research by (Piotr, 2019) revealed that Stronger materialistic values influence their increased propensity for compulsive buying. A theory social comparison by stated that (Festinger, 1954), Individuals are fundamentally motivated to evaluate their own thoughts and talents in relation to those of others. These comparisons may be upward or downward

in nature. Comparisons with 'better' people result in negative self-evaluations, whereas comparisons with 'worse' others result in self-improvement. Since the majority of advertising content consists of idealized visuals, exposure to such advertisements might lead to negative comparisons and an increased desire to acquire the promoted material things (Lee, Lennon, & Rudd, 2000), the condition could lead consumers to be more compulsive remind that compulsive buyer characterized low self-esteem (d'Astous, 1990).

H1: Advertisement Affecting Compulsive Buying

It's commonly believed that advertising makes people more materialistic (Bandura, 1973), Multiple content analyses have determined that there is a global trend of increasing materialism in advertising across all forms of media (Pollay, 1986). The links between advertising exposure and rising materialism among consumers have been widely accepted. (Moschis & Moore, 1982) did a longitudinal survey of teenagers. They came to the conclusion that advertising on TV made people more materialistic, especially when parents didn't talk to their kids about how much stuff they had. Then, (Buijzen & Valkenburg, 2003) did a cross-sectional survey of elementary school children in Europe. They found that the amount of television advertising children saw was related to how materialistic they were. Surveys show that advertising has long-term effects, and studies using experimental methods have shown that advertising has short-term effects on materialism as well.

H2: Advertisement Affecting Materialism

The idea of being materialistic has typically been linked to the notion that possessing the most material goods possible is the pinnacle of achievement. The most fundamental interpretation of materialism is that it is a value orientation that influences people's needs, choices, psychological well-being, and the way they behave in social settings (Chang & Arkin, 2002) Similarly, Compulsive buying can be regarded as a compensatory activity aiming at mood repair and identity enhancement, or as compensation for a lack of life achievement (Piotr, 2019). Additionally, It is important to note that materialism is associated with low self-esteem, unhappiness with one's life, low subjective well-being, and poor psychosocial adjustment (Kasser, 2002), same with compulsive buying relates with lower level of self-esteem (Hanley, 1992). Materialism and Compulsive are strongly related; persons who seek self-definition and happiness through material possessions are

more prone to indulge in compulsive shopping (Dittmar, 2005).

H3: Materialism Affecting Compulsive Buying

Previous studies have established the theoretical foundation for materialism's mediating effect on obsessive behavior (Islam, Wei, Sheikh, Hamid, & Azam, 2017), (Nga, Yong, & Selappan, 2011). Adults' materialism and compulsive shopping have been extensively linked to sociocultural issues such as peer pressure, media celebrity endorsements, and television advertising. (Dittmar, 2005), (Manchanda, 2010). A research finding by (Islam, Wei, Sheikh, Hamid, & Azam, 2017) revealed that Peer groups, media celebrities, and TV ads are the main reasons why young adults in Pakistan are materialistic and buy things they don't need. Materialism was the link between the variables in the study, which were sociological factors, and compulsive buying.

H4: Materialism Mediating Advertising and Compulsive Buying.

METHODS

The sample of this study consists of 450 female students of Harpan Bangsa University, Purwokerto; the range of age is 18-25, the age that most teenagers are aware of doing shopping online or offline, and most students have the experience of shopping offline and offline. Data were collected using offline and online questionnaires. The samples were gathered through the use of the snowball sampling method. There were two applications of the snowball sampling method in this study. First, it was used as an informal way to collect data from the target population (Hendrick, Blanken, & Adriaans, 1992). Second, it is frequently used for qualitative research, mainly questionnaire where it might be connected as a progressively formal approach for concluding a populace of people who have been hard to list using plummeting techniques, for example, family reviews (Snijders, 1992).

Compulsive buying could be defined as a subset of compulsive consumption behaviour, but it has a broader scope because it is also one of the primary causes that could prompt someone to respond to negative events or emotions (O'Guinn & Faber, 1989).

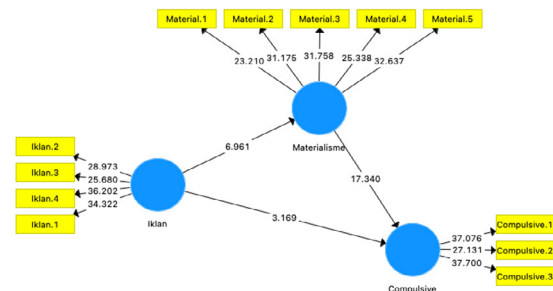
In this study, the clinical screener for compulsive buying developed by (Ronald & O'Guinn, 1992) was modified for use. This scale was chosen because it has been utilized extensively in numerous consumer behaviour studies.

Early research by (Bek R, 1985) has defined materialism as worldly possession as matter rather than personality. Materialism can define as the individual who pursues happiness where ownership is the symbol of success (Richins & Dawson, 1992).

In this study researcher used a three-dimension measurement by (Richins & Dawson, 1992), stating that success, centrality, and happiness are the three main factors to comprise materialism.

Advertising is a critical marketing factor in directly communicating plans to consumers (Vallette-Florence, Guizani, & Merunka, 2011). Advertising are important for informing consumers about the availability of a product, raising public awareness of a retailer's marketing activities, encouraging visits to the retailer, and increasing customer loyalty (Bagozzi, 1998).

Figure 1. Research mode on SmartPLS



RESULT AND DISCUSSION

A value with a relationship (correlation) between an indicator and its latent variable is known as outer loading. The closer the link between an indicator and its latent variable, the greater the outer loading. The outer loading value must be greater than 0.7. While the outer loading value 0.4 is always excluded from the analytical procedure. When outer loading is greater than 0.7, 0.72 percent of an indicator's variability can be explained or absorbed by the latent variable. In general, an outer loading value between 0.4 and 0.7 may be deleted if its removal raises the composite reliability or average variance extract value.

Figure 2. presents the results of SmartPLS for the value of outer loading.

	Advertising	Compulsive	Materialisme
Advertising.2	0,830		
Advertising.3	0,813		
Advertising.4	0,840		
Compulsive.1		0,802	
Compulsive.2		0,804	
Compulsive.3		0,803	
Material.1			0,731
Material.2			0,744
Material.3			0,800
Material.4			0,744
Material.5			0,762
Advertising.1	0,846		

Based on the outer loading results in Figure 2, it is known that all outer loading values are more than 0.70, indicating that all indicators will be maintained in the subsequent analysis process.

Average variance extracted (AVE) is a me-

tric that describes (on average) how well a hidden variable or construct can explain the variation of the indicators. The greater the AVE, the more effectively a hidden variable or concept explains the variation of the indicators. $AVE > 0.5$ indicates that a latent variable or construct has absorbed more than fifty percent of the information from its indicators. Minimum allowed AVE value is 0.5, so AVE values greater than 0.5 are allowed

Figure 3. presents the SmartPLS results for the Average Variance Extracted value.

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Advertising	0,852	0,860	0,900	0,692
Compulsive	0,727	0,732	0,845	0,644
Materialisme	0,813	0,816	0,870	0,572

All AVE values are greater than 0.5, as shown in Figure 3, indicating that the latent variables of pleasure and service account for more than half of the variation across all indicators.

Composite reliability is a more relevant measure of dependability in the context of PLS-SEM than Cronbach's alpha. In addition to Cronbach's Alpha, Dillon Goldstein's rho can also be used to test for unidimensionality (single dimension) (also called composite reliability).

Dillon-rho Goldstein's is regarded as superior than Cronbach's Alpha because it takes into account the degree to which the latent variable explains the indicator block. The standard composite reliability value is > 0.70 , and Dillon-rho Goldstein's > 0.70 indicates a unidimensional indicator block. Still suitable for exploratory study is a composite reliability rating between 0.6 and 0.7.

Figure 4. presents the SmartPLS results for the Composite Reliability value.

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Advertising	0,852	0,860	0,900	0,692
Compulsive	0,727	0,732	0,845	0,644
Materialisme	0,813	0,816	0,870	0,572

In Discriminant Validity, the author compares the square root of the average variance extracted (AVE) of a latent variable to its correlation with other latent variables. This method is the Fornel-Larcker method. In this method, the value of the square root of a latent variable must be bigger than the value of its correlation with other latent variables.

Figure 5. SmartPLS Results: Fornel-Larcker Discriminant Validity

	Advertising	Compulsive	Materialisme
Advertising	0,832		
Compulsive	0,305	0,803	
Materialisme	0,302	0,632	0,756

Based on the results of the discriminant validity test (Fornel-Larcker) depicted in Figure 5, the following is known: The value of the square root of the AVE on the Advertising variable is $0.692 = 0.832$, which is greater than the correlation value between Advertising and Compulsive (0.305) and Advertising and Materialism (0.302).

The value of the square root of AVE on the variable Compulsive is 0.803, which is greater than the correlation value between Compulsive and Materialism (0.632) and that between Compulsive and Advertising (0.305).

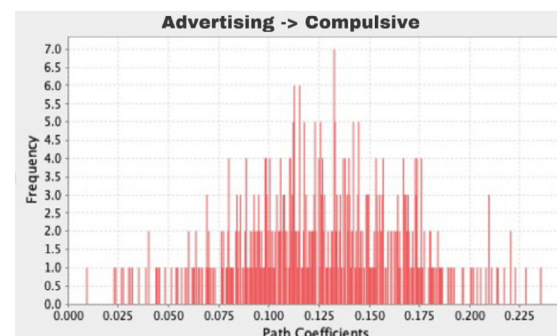
The value of the square root of AVE on the Materialism variable is $0.572 = 0.756$, which is greater than the association between Materialism and Compulsive (0.632) and Materialism and Advertising (0.302).

Due to the fact that the square root of AVE for each latent variable is greater than the correlation value between the latent variable and other latent variables, the instrument/questionnaire has good discriminant validity according to the Fornel-Larcker method. Structural Mode Testing (Structural Mode / Inner Mode): Significance Test of Direct & Indirect Effects (Mediation)

Figure 6. Significance Test of Effect

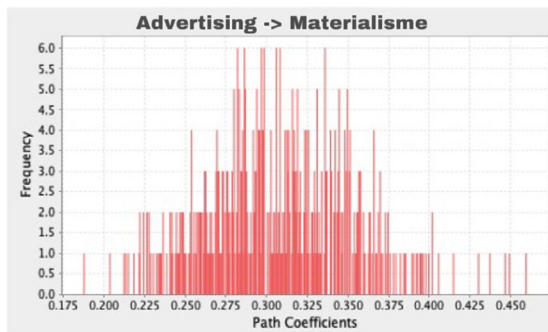
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Advertising -> Compulsive	0,126	0,124	0,040	3,154	0,002
Advertising -> Materialisme	0,302	0,305	0,045	6,694	0,000
Materialisme -> Compulsive	0,594	0,597	0,035	17,069	0,000

Figure 7. Path Coefficient Advertising to compulsive



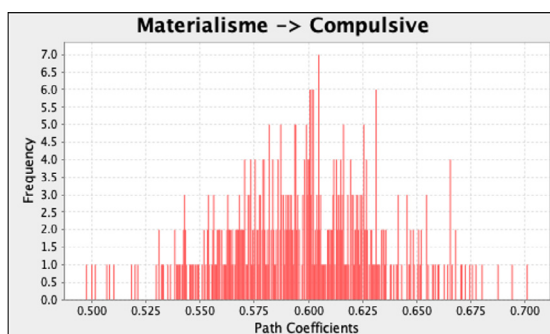
coefficient value (original sample) of Advertising on compulsive is 0.126, which is positive, which means that Advertising has a positive effect on compulsive. It is known that the P-Values = $0.002 < 0.05$, it is concluded that satisfaction has a significant effect on Compulsive. Based on these results, the results obtained by Advertising have a positive and significant effect on Compulsive (the hypothesis is accepted).

Figure 8. Path advertising to Materialism



It is known that the value of the path coefficient (original sample) of advertising to Materialism is 0.302, which is positive, which means that advertising has a positive effect on Materialism. It is known that the P-Values = $0.000 < 0.05$, it is concluded that advertising has a significant effect on Materialism. Based on these results, the results obtained that advertising has a positive and significant effect on Materialism (the hypothesis is accepted).

Figure 9. Path Coefficient Materialism to Compulsive



It is known that the path coefficient value (original sample) of Materialism to Compulsive is 0.594, which is positive, which means that Advertising has a positive effect on Compulsive. It is known that the P-Values = $0.000 < 0.05$, it is concluded that materialism has a significant effect on compulsive. Based on these results, it is obtained that Materialism has a positive and significant ef-

fect on Compulsive (the hypothesis is accepted).

Figure 10. R-Square

	R Square	R Square Adjusted
Compulsive	0,414	0,411
Materialisme	0,091	0,089

Figure 10 depicts the r-square value (coefficient of determination). The value of r-square indicates the extent to which the independent variable may explain the variation of the dependent variable. The Compulsive latent variable's r-square value is known to be 0.414, indicating that the Advertising variable can explain 41.4% of the variance of the Compulsive dependent variable.

The r-square value of the latent variable Materialism is known to be 0.091, indicating that the Advertising and Compulsive factors may explain 1% of the variation of the dependent variable Materialism.

Figure 11. Mediation Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Advertising -> Materialisme -> Compulsive	0,180	0,182	0,028	6,432	0,000

According to the results of the mediation test depicted in Figure 11, the indirect effect of service on loyalty via satisfaction is 0.180. (Original Sample column). Given that P-Values = $0.000 < 0.05$ are known, it may be concluded that Materialism mediates the connection between Advertising and Compulsive. In other words, Advertising indirectly influences Compulsive substantially through Materialism.

CONCLUSION

This study aims to add to the existing theories and literature on materialism, advertising, and compulsive purchasing. The findings indicate that advertising influences Materialism. As a result, advertising stimulates people's tendency toward materialism. This reasoning is characteristic of numerous research and papers discussing advertising that promotes the high status of users (Thirarut & Johri, 2007). The research also demonstrates that advertising influences compulsive purchasing; this conclusion is comparable to those of prior studies (Handan & Jun, 2008) which found that customers who are susceptible to advertising tend to be materialistic. Another outcome of this study demonstrates that materia-

lism influences compulsive purchasing; this finding validates prior findings that compulsive purchasing and materialism are reativey comparable (Dittmar, 2005). The final hypothesis demonstrates that materialism mediates both advertising and compulsive buying; the rationale is based on the fact that individuals with high materialism scores are susceptible to advertising and also have a predisposition to be compulsive buyers.

This study has limitations, such as sampling restrictions where respondents came from only one university, limiting the generalizability of the findings. If the researcher had taken a larger sample from the other university, the results may have been different. Another restriction is a demographic one; the respondents in the survey were from Purwokerto. In contrast, the city is less crowded than Semarang, Yogyakarta, and Jakarta, so the research findings may be more applicable to the situation in a large metropolis.

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