Purchase Intention of Second-Hand: A Case Study of Generation Z

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Abstract. A lower price than new products. The increase in second-hand purchases cannot be separated from Generation Z consumers, who also turn out to be consumers who buy second-hand products where they started buying second-hand three years ago. Generation Z generally Women, like purchasing second-hand goods, especially clothes, with online purchases. In terms of Generation Z's purchase intentions, orientation toward low prices, the desire to appear unique, nostalgia, and trust are the determining factors for Generation Z to make second-hand purchases. Meanwhile, the bargaining factor usually done in buying and selling is not a factor for Generation Z to buy used goods.

Keywords: Consumers, Generation Z, Purchase intention, Second-hand, Used Goods

1 Introduction

A bank is an entity that raises funds and distributes them. Second-hands are products that the first user no longer uses, and the goods will be thrown away, resold, or given to others over time. Second-hand items can be found anywhere in the purchase cycle [18]. Second-hand is also known as thrift goods which lately are in great demand by the public. Various variations of second-hand that can be found are widely sold in the second-hand market, both those sold directly by the first user and through intermediaries. The types of second-hand commonly sold in the market include clothing, electronics (TV, Mobile Phone, Laptop, Computer, and others), Cars, Motorcycles, Furniture, and others that are still able to be used by the second, third, and so on users. Second-hands are not only items that have been used but can also be new items that will not be reused. For example, second-hand clothes, which are imported clothes that are sometimes not used, have labels and are the same as clothing models that are rarely found [18].

The rise of second-hand sellers encourages researchers to research factors that affect the purchase intention of second-hand but are specifically in Generation Z. Generation Z is the generation born from 1995 – 2010 [24]. Generation Z prefers conveniences that are identified with the ease of comparison of products and prices, and the ease of obtaining the right product [14].

2 Literature Review

2.1 Second-hand Purchases

Second-hand products are often synonymous with vintage products [2]. People choose to use second-hand, not throw away items that can still be used [11]. With the increasing concern for the context and development of e-commerce, the development of online commerce has made second-hand products into businesses [23].

Purchase second-hand by consumers in response to purchasing products from other consumers that are no longer wanted [22]. People concerned for the environment show a positive attitude towards purchasing second-hand products at thrift stores [19]. The purchase of second-hand provides many benefits such as protection against environmental sustainability, unique and original products, economic advantages associated with the option to buy at a low price, a pleasure to hunt for shopping items, and even ethically profit [2]. The segmentation of second-hand buyers has a varied character of motivation based on the preferred mode [6] Consumers are reducing spending at traditional fashion retailers and buying more at thrift stores [12].

The purchase of brand second-hand products will affect the next purchase in the new goods market [1]. The desire to make a second-hand purchase can be a good alternative to fast fashion consumption [22]. Consumers who buy second-hand because of fashion motivations who shop at thrift stores but with a frequency that is rarely called a rare Fashionista, Fashionable Hedonist is a character who pays attention to prices when shopping. In contrast, consumers who make frequent and critical purchases pay attention
2.2 Factors of Purchasing Second-hand

Various studies have found various literature on the factors affecting the purchase of second-hand. Price reductions, the power of suppliers, the greater value of branded goods, nostalgic pleasures, uniqueness, and convenience make clear restrictions between new goods markets and the [15]. Personal reasons for purchasing second-hand, such as the ability to bargain or a feeling of nostalgia, motivate them in determining the first step of purchasing goods used [12]. Second-hand spending is becoming a consumer habit, mainly for financial reasons [12]. Economic motivation is in the consumption of second-hand users [3].

Quality and durability are closely related to the economy and critical dimensions of carrying out second-hand spending [12]. The motivation for the desire to spend on second-hand products is economical, hedonistic, recreational, and critical [22]. Items that motivate to buy second-hand online based on price reductions, increased bargaining power, availability of goods at low prices (economic motivation), purchase of goods anywhere with less effort and time (motivation of convenience), and purchase of goods antique to evoke memories of the past, fulfilments of uniqueness, comfort, and guarantee (Ideological motivation) [15]. Buying used clothes is based on affordability, product quality, and brands [13].

The motivation for purchasing second-hand is hedonistic and recreational, including pleasure in nostalgia, the need for uniqueness, social contact, and treasure hunting [22]. Price and Product quality simultaneously positively and significantly influence the purchase decision of imported used clothing [17]. The relationship between critical and economic results between reason and financial concepts, quality, endurance, and critical and ethical consumption in purchasing second-hand [12]. The purchase of second-hand is related to the desire for uniqueness and critical consumption [12]. The motivation for spending on second-hand online comes from items, comfort, and ideological motivation [15].

2.2.1 Pricing Orientation

People with simple living habits choose to reuse resources and spend money [22]. An affordable price will provide a perception in the selection and use of goods or services [18]. Consumers wanting to get quality goods at low prices is a financial reason to make purchases in stores selling used clothing [12]. Affordable prices can make consumers interested in buying new goods according to their expectations [18]. Most of the motivation to get second-hand at a low price is to buy them in the used clothing market [11]. From an economic point of view, consumers realize that they can buy higher quality and long-lasting products at lower prices in used clothing stores than buying them in traditional markets [12].

In this study, researchers will evaluate low price factors that affect the purchase intention of second-hand in Generation Z. Evaluation of low and affordable prices include prices that are cheaper than new goods. Purchasing second-hand is cheap because, according to income, second-hand tend to be cheaper than other goods [15].

H1. Pricing Orientation has a positive effect on the purchase intention of Second-hand

2.2.2 Bargaining Ability

Consumer decision-making starts from consumer knowledge about the product to be purchased to compare alternatives to two or more products with a competitive advantage so that consumers can determine which product is suitable and decide to purchase [13]. The quality of the second-hand product will be invaluable in the price ethics purchased during the bidding process [12]. The offer of getting a lower or affordable price to buy something is part of the well-being that results in the purchase and strengthens the frugal attitude of the buyer of the goods used [12]. The factor of purchasing second-hand is directly and indirectly influenced by the intermediation of the bargaining power hunting mediation [3]. In this study, researchers will evaluate low price factors that affect the purchase intention of second-hand in Generation Z. Evaluation of low and affordable prices include prices that are cheaper than new goods. Purchasing second-hand is cheap because, according to income, second-hand tend to be cheaper than other goods [15].

In this study, researchers will evaluate the factor of bargaining ability to influence the purchase intention of second-hand in Generation Z. The bargaining ability seen includes the opportunity to bargain, the ease of bidding, and the price that is obtained as desired by the bargaining process [15].

H2. The ability to bargain positively affects the intention to purchase second-hand

2.2.3 Uniqueness

The Uniqueness Variable is a variable that looks at how consumers show their real personality through what they use to highlight their friends and others [8]. Unique item search is how consumers use it to establish their identity through that item that can provide an identity for those who use it [12]. Uniqueness and style are important for those who make purchases of used clothing [11]. Consumer behavior "requires uniqueness," which means affirmations from individuals to highlight different qualities [8]. The ambition to find unique items makes consumers shop in thrift stores [22]. The consumer's motivation becomes unique and very different when purchasing second-hand [3].

In this study, researchers will evaluate the uniqueness factor affecting the purchase intention of second-hand in Generation Z. Uniqueness factors include the ability to express themselves, differences
with other people, personality, communication, and new creations. [15]

H3. Uniqueness positively affects the intention of purchasing second-hand.

2.2.4 Nostalgia

The feeling of nostalgia arises particularly during purchasing vintage items [22]. Second-hand purchases are motivated by the desire to use the goods and the concern for forensic goods [10]. Nostalgic relationships greatly impact luxury second-hand search activities [10]. Nostalgia affects directly and indirectly through the hunt for second-hand and the intention to purchase vintage goods [3].

In this study, researchers will evaluate the Nostalgia factor influencing the purchase intention of second-hand in Generation Z. The Nostalgia factor in second-hand items seen includes an interest in old items, memories of the past, and vintage nuances. [15]

H3. Nostalgia positively affects the purchase intention of second-hand.

2.2.5 Trust

Quality is something that consumers prioritize when purchasing second [13]. Consumers realize that buying used clothes is the right way to get a quality product over a long period [12]. Trust has a relationship with purchase intention followed by commitment, quality of service, and shopping satisfaction [9].

In this study, researchers will evaluate the Trust factor influencing the purchase intention of second-hand in Generation Z. The Confidence Factor in the second-hand seen includes Appropriate function, expectations, reliability, quality, and comfort. [15]

H4. Trust positively affects the purchase intention of second-hand.

3 Research Methods

This study aims to determine the factors that motivate Generation Z to make online second-hand purchases. The population in this study is Generation Z, who have purchased second-hand a range of 18-26 years. The total sample that filled out the questionnaire was 105 respondents.

The source of data in this study is primary data derived from the object of study. The data collection technique is to distribute questionnaires (questionnaires) to respondents. The variables seen are made in a questionnaire in the form of a google form with a Likert scale of 5 to agree strongly to 1 to disagree strongly.

This research is focused on the variables of price orientation, bargaining ability, uniqueness, nostalgia, and trust, which are free variables. Meanwhile, the purchase intention factor is a bound variable influenced by a free variable.

Data analysis techniques use Multiple Linear Regression Analysis and SPSS software to process existing data.

4 Result and Discussion

4.1 Demographics of Generation Z Consumers of Second-Hand

Demographic Results in table 1 of respondents taken at 18-26 years old show that most second-hand buyers are women. The distribution of expenses from Generation Z respondents tends to be evenly distributed from less than 1 million to more than 5 million. Generation Z started buying second-hand three years earlier, meaning that second-hand is not new to Generation Z. The location where Generation Z purchases second-hand, most of them buy online.

4.2 Data Quality Test

4.2.1 Data Validity Test

Appendix 1 shows the Correlated Item Total Correlation values for the variables Price orientation, Bargaining ability, uniqueness, nostalgia, trust and purchase intent greater than the table r value of 0.1918. This shows that all questions are valid.

4.2.2 Reliability Test

Based on Appendix 2, reliability testing obtained the value of Cronbach’s Alpha > 0.7. So, it can be concluded that all items in the variables price orientation, bargaining, uniqueness, nostalgia, trust, and purchase intention can be reliable.

Table 1. Demographic Result

<table>
<thead>
<tr>
<th>Demographic Characteristic</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>35</td>
<td>33.3</td>
</tr>
<tr>
<td>Woman</td>
<td>70</td>
<td>66.7</td>
</tr>
<tr>
<td>Expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 1.000.000</td>
<td>64</td>
<td>61.0</td>
</tr>
<tr>
<td>1.000.000 - 2.000.000</td>
<td>27</td>
<td>25.7</td>
</tr>
<tr>
<td>2.000.000 - 3.000.000</td>
<td>9</td>
<td>8.6</td>
</tr>
<tr>
<td>3.000.000 - 4.000.000</td>
<td>4</td>
<td>3.8</td>
</tr>
<tr>
<td>4.000.000 - 5.000.000</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Start Buying</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 6 Months</td>
<td>25</td>
<td>23.8</td>
</tr>
<tr>
<td>6 Months - 1 Year</td>
<td>23</td>
<td>21.9</td>
</tr>
<tr>
<td>1 - 2 Years</td>
<td>21</td>
<td>20.0</td>
</tr>
<tr>
<td>2 - 3 Years</td>
<td>12</td>
<td>11.4</td>
</tr>
<tr>
<td>&gt; 3-Year</td>
<td>24</td>
<td>22.9</td>
</tr>
<tr>
<td>Purchased products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Immediately</td>
<td>39</td>
<td>37.1</td>
</tr>
<tr>
<td>Online</td>
<td>66</td>
<td>62.9</td>
</tr>
</tbody>
</table>
4.3 Test of Classical Assumptions

4.3.1 Normality Test

Based on figure 1, the results of the normality test graph have spread around the diagonal line and followed the direction of the diagonal line, thus showing if the data is normally distributed and has met the normality test.

Fig.1 Normality Test Results.

4.3.2 Heteroscedasticity Test

Based on the scatterplot results in figure 2, the dots are spreading out and not forming a specific, clear pattern. So, it can be concluded that there is no problem with heteroskedasticity.

Fig.2 Heteroscedasticity Test Results.

4.3.3 Multicollinearity Test

Table 2 shows that all independent variables have a tolerance value of > 0.10 and a VIF value of < 10.0. It can be concluded that all independent variables consisting of orientation price, bargaining, uniqueness, nostalgia, and trust do not occur multicollinearity.

4.4 Coefficient of Determination Test (R2)

The regression calculation results in table 3 show that the coefficient of determination (Adjusted R2) obtained is 0.415. This means that 41.5% of the variation of the Purchase Intention variable can be explained by the variables of price, offer, uniqueness, nostalgia, and trust.

The remaining 58.5% is explained by other variables not filed in this study.

Table 2. Multicollinearity test result

<table>
<thead>
<tr>
<th>Variable</th>
<th>Tolerance</th>
<th>Bright Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price Orientation</td>
<td>0.767 1.304</td>
<td>Free Multicollinearity</td>
</tr>
<tr>
<td>Bargaining</td>
<td>0.866 1.155</td>
<td>Free Multicollinearity</td>
</tr>
<tr>
<td>Uniqueness</td>
<td>0.622 1.607</td>
<td>Free Multicollinearity</td>
</tr>
<tr>
<td>Nostalgia</td>
<td>0.671 1.490</td>
<td>Free Multicollinearity</td>
</tr>
<tr>
<td>Trust</td>
<td>0.512 1.953</td>
<td>Free Multicollinearity</td>
</tr>
</tbody>
</table>

Table 3. Coefficient of Determination Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.665*</td>
<td>0.443</td>
<td>0.415</td>
<td>2.27594</td>
</tr>
</tbody>
</table>

Table 3. T Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Unstandardized Coefficient</th>
<th>Standard Coefficients Beta</th>
<th>t</th>
<th>Itself</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.298</td>
<td></td>
<td>1.306</td>
<td>0.195</td>
</tr>
<tr>
<td>Price</td>
<td>0.257</td>
<td>0.072</td>
<td>0.306</td>
<td>5.566</td>
</tr>
<tr>
<td>Orientation</td>
<td>-0.006</td>
<td>-0.062</td>
<td>-0.008</td>
<td>-0.094</td>
</tr>
<tr>
<td>Bargaining</td>
<td>-0.006</td>
<td>-0.062</td>
<td>-0.008</td>
<td>-0.094</td>
</tr>
<tr>
<td>Uniqueness</td>
<td>0.176</td>
<td>0.080</td>
<td>0.210</td>
<td>2.211</td>
</tr>
<tr>
<td>Nostalgia</td>
<td>0.144</td>
<td>0.068</td>
<td>0.192</td>
<td>2.102</td>
</tr>
<tr>
<td>Trust</td>
<td>0.217</td>
<td>0.099</td>
<td>0.229</td>
<td>2.187</td>
</tr>
</tbody>
</table>

4.5 T Test

Based on table 5, the sig value of the price variable = 0.007 (0.001 < 0.050), which means that the price has a significant effect on the purchase intention of second-hand Generation Z. Value of the offer variable sig = 0.926 (0.926 > 0.050) which means that the offer has no significant effect on the purchase intention of the second-hand. The sig value of the uniqueness variable = 0.029 (0.029 < 0.050) means that uniqueness significantly affects the purchase intention of second-hand. The sig value of the nostalgia variable = 0.038 (0.038 < 0.050), meaning nostalgia significantly affects the purchase intention of second-hand. The sig value of the trust variable = 0.031 (0.031 < 0.050), which means that trust significantly affects the purchase intention of second-hand.

4.6 Multiple Linear Regression

Based on the results of table 5, the regression equation can be obtained as follows:

\[ y = 2.298 + 0.257X_1 - 0.006X_2 + 0.176X_3 + 0.144X_4 + 0.217X_5 \]  (1)

From the equation, it can be explained that:

The constant value has a value of 2.298. This shows that if the price, bargaining ability, uniqueness,
nostalgia, and trust are zero, then the purchase intention has a value of 2,298.

The price coefficient of positive value means a positive relationship exists between price and purchase intention, meaning that the more the orientation towards low prices, the more the purchase intention will increase by 0.257 for each point of the price orientation variable.

The negative bargaining coefficient means that there is a negative relationship between bargaining power and purchase intentions, meaning that the more the bargaining ability increases, will decrease the intended purchase by 0.006 for each bargaining ability variable point.

The uniqueness coefficient of positive value means that there is a positive relationship between uniqueness and purchase intention, meaning that the more uniqueness increases, will increase the purchase intention by 0.176 for each variable point of uniqueness.

The coefficient of nostalgia is positive in value, meaning that there is a positive relationship between nostalgia and purchase intention, meaning that the increasing nostalgia will increase purchase intention by 0.144 for each variable point of nostalgic orientation.

The coefficient of trust of positive value means that there is a positive relationship between trust and purchase intention, meaning that the increase in the trust will increase the purchase intention by 0.217 for each point of trust variable.

4.7 Discussion

The results of research from second-hand buyers for Generation Z in Manado city and its surroundings produced based on demographics are that Generation Z who purchase second-hand are generally women. Women generally own the ability and pleasure of shopping. Women prefer to use second-hand clothing over men making women more experienced in the second-hand market [7]. The purchase of second-hand by Generation Z started three years ago, meaning that the purchase of second-hand for Generation Z is not new. The most purchased type of second-hand by Generation Z is clothing. Thrift and clothing stores are easy to find [21]. This is because clothing is a basic need for society, and Generation Z feels that one way to collect clothes is by purchasing second-hand clothing. Collecting second-hand clothes is an act that has inadvertently become a habit for a long time [20]. The location purchasing second-hand, the Generation Z uses online platforms to make second-hand purchases because it is considered easier and can be done anytime. Generation Z is active social media users who have a lot of contacts and generally live daily online [4]. They prefer to search for everything on the internet [4]. Generation Z was born in a digital world with computers, mobile phones, and the internet [4]. Online platforms carry infrastructure for sellers or replacement of second-hand, search support, and contact and settlement phases [22]. Generation Z prefers online shopping because of lower time consumption, low prices, and convenience [14].

Based on the results of the variable test, it is produced that price orientation has a positive and significant effect on the purchase intention of second-hand for Generation Z. Second-hand associated with Generation Z are goods that can still be used and obtained at a lower price either compared to the same new product or similar if purchased in stores. The clothes in used clothing stores are the same as those in fast fashion that has only been used and are cheap [21]. Compared to conventional stores where the price of the product is higher than the production value (due to the brand value as an example), the price of the second-hand product is often based on its quality value [22].

The resulting bargaining ability variable is insignificant and negatively affects the intention of purchasing second-hand. The bargaining ability factor is not significant for Generation Z when purchasing second-hand because Generation Z is a generation that does not like prolonged processes. They tend to like everything instant and fast. So, Generation Z does not care about the bargaining process when purchasing second-hand. Generation Z is more concerned about ease and speed in their daily lives [14].

Uniqueness or wanting to appear unique has a significant and positive effect on the intention of purchasing second-hand. One of the factors for Generation Z looking for second-hand is because second-hand can display uniqueness that they can show as their identity. They have a preferred brand that is extremely important to define themselves [4]. The clothes' model can affect the consumer's appearance, so the model can influence the desire to purchase mostly unique second-hand [18]. The need for uniqueness can be combined with the need for individual uniqueness, where the first characteristic of consumer perception is from there, and the second is the perception of what they use [8].

Nostalgia has a significant and positive effect on the purchase intention of second-hand by Generation Z. When Generation Z makes a second-hand purchase, they tend to see second-hand as items that can bring out memories of childhood and nostalgia at the time they were produced. Consumers can continuously become second-hand users with a feeling of nostalgia as a child or with their family and friends [12]. Vintage products return memories of when they were created and produced [22].

Trust in second-hand has a significant and positive influence on purchase intentions by Generation Z. Generation Z believes that even if it is second-hand, they can provide what consumers need. The durability of used clothing items is the reason that determines the use of second-hand [21]. The Quality Factor influences consumers to make purchases of used clothing, and buyers show that good quality and quality can affect consumers' desire to make purchases online [18].

5 Conclusion

Based on the research results, the purchase of second-hand by Generation Z is no longer a new thing to be bought by Generation Z with the purchase of most online clothes. This is an input for second-hand sellers that consumers can also come from Generation Z.
Second-hand clothing sellers should make this a marketing strategy to carry out marketing activities, especially online, to attract Generation Z consumers. Making it younger to promote domestically and more broadly selling second-hand through Facebook and Instagram is to update new items, provide discounts and provide buyer complaint services [18]. Online stores should start providing greater services through their networks to consumers, such as product resilience and positive assessments of sellers and products by providing durations to reduce defective products that online thrift companies often overlook to attract second-hand consumers [15]. The factors found to be input for marketers that in purchasing second-hand Generation Z is looking for a low price, second-hand that sold should highlight the uniqueness that can express the style of Generation Z, vintage second-hand that are loved by Generation Z and even second-hand however it has good quality and can be trusted. So second-hand sellers can improve quality by highlighting affordable prices and unique and attractive models or styles of second-hand. Bargaining for Generation Z is not what encourages them to buy second-hand, so second-hand sellers are advised not to carry out the bargaining process in Generation Z and directly at the specified price. Convenience, speed of shopping, product selection, and product information can affect the spending of the future for Generation Z [16]

Acknowledgments

The author would like to thank the respondents for taking the time to answer the interviews and questionnaires and to Manado State University, which allowed the author to conduct this research

References


