Chapter IV

Results and Analysis

IV.1 Data Processing and Results

Likert Scale of range $1 - 5$ is used to measure the data collected where 1 means no changes in purchasing behavior of loungewear and 5 means there are changed purchasing behavior of loungewear. This data needs to be converted into binary data of 1 and 0 to eliminate the neutral answer from the data collected and so that the data can be analyzed further using Binomial Logistic Regression.. Calculation using Microsoft Excel using the "if" and "Count if" function to convert the Likert scale into binary value where if the response is >3 means that there is a changed in purchasing behavior (1) and < 3 means that there is no changed in purchasing behavior (0). The converted data is then input into SPSS to be analyze using the Binomial Logistic Regression Analysis method.

Using the Count if function on Microsoft Excel, it shows that with the population of 130 people there are 70 people experienced changed in their purchasing behavior where they purchased more loungewear during the COVID – 19 Pandemic. In chapter 1 it is discussed that during this pandemic the number of income people received has decrease and it is proven by this research where out of 130 people 95 people experienced decreased in their income and only 35 people experienced increase in their income during the pandemic. During the pandemic most people are more sensitive towards the loungewear prices where 101 people admitted that price plays a very important role in their decision-making process of buying loungewear in both the quantity of the products and the shopping intensity.

The significant of each independent variable to the dependent variable in the Binomial Logistic Regression will be performed in the next part. Normally, the most acceptable significance level (p) of a correlation is $p < 0.001$, $p < 0.01$, and $p < 0.05$.

However, since this research is considered as exploratory research where it studies about the changed in purchasing behavior of loungewear during pandemic that has not been researched before the significance level $p < 0.10$ is acceptable. $P < 0.001(*)$

will be interpreted as a very strong significance, $p < 0.01$ (**) as a strong significance,

$p < 0.05(***)$ as a weak significant, and as for $p < 0.10$ (****) as a very weak significance. The correlation of each variables will be shown in the table 4 below.

Variable	Exp (B) / Odds Ratio	Significance
Constant	1.110	0.942
Income	4.172	0.003**
Price Sensitivity	2.325	0.076****
Age	0.968	0.587
Gender	0.571	0.158

Note:

** Significant to P < 0.01 or (1%)

**** Significant to P < 0.10 or (10%)

Table 3 Binomial Logistic Regression Analysis Results

This table shows that there is a significant correlation between income level and price sensitivity to the changed of consumers' purchasing behavior of loungewear during the COVID-19 pandemic. Where the significance value of income is 0.003 < 0.01 that indicates income has a strong correlation with the changed of behavior during pandemic. While Price sensitivity has a significance level of 0.076 < 0.10 that indicates price sensitivity has a weak correlation with the changed of behavior during pandemic. On the other hand, the significance value for age is 0.587 and 0.158 for the significance value of gender. Both values are greater than 0.10 that shows no significant correlation for age and gender in the changed of consumers' purchasing behavior of loungewear during the COVID-19 pandemic since the significance value is $P > 0.10$.

Therefore, it forms an equation model of

$$y = \alpha_0 + \alpha_1\, Income + \alpha_2 Price\ sensitivity$$

Indication:

$\alpha_0 = $ Constant

$\alpha_{...} = Exp(b)\ or\ odds\ ratio\ of\ variable$

In this model equation, the variable age and gender are not included because they are proven to have no significance in the changed of consumer's behavior. $\alpha_1 = 4.172$ also known as the odds ratio of income shows an increase in changed of consumer purchasing behavior of loungewear for every Rp1 increase in their income. For every Rp1 increase the consumers' behavior are 4 times more likely to changed. As for the $\alpha_2 = 2.325$ means that for every Rp1 the consumers are sensitive towards, they are twice more likely to change their purchasing behavior of loungewear during COVID – 19 pandemics. By looking at the significance and odds ratio of income and price sensitivity, it shows that income has more significant effect on the changed of purchasing behavior of loungewear, since the odds ratio is greater by twice the amount of changes resulted by the price sensitivity.

IV.2 Direct Correlation

The direct correlation between income and price sensitivity and changed purchasing behavior of loungewear during pandemic and its effect on the market will be explain below.

IV.2.1 Changed Purchasing Behavior of loungewear and its effect in the market

$$y = \alpha_0 + \alpha_1 \, Income + \alpha_2 Price \; sensitivity$$

The equation above shows the relationship of income and price sensitivity for the changed of behavior on loungewear during pandemic and explain how purchasing behavior changed when one or both variables changed. As explained in the in the chapter 2 income and price are one of the factors that has the most influence on the changed of behavior when purchasing goods and services. The study results of this matter have been proven true that income and price sensitivity has a significant relationship with the changed of purchasing behavior on loungewear during pandemic. Therefore, both H1 and H2 are accepted as the results of the study.

As we can see in chapter 2 figure 9, There are a few steps in the purchasing decision flow of a consumer. When they experienced a decrease in income, they will not be able to have the same amount of disposable income as before the income reduction and it will disrupt their purchasing decision flow by adding a new set of problem for them. Causing by the reduction in income, consumers become more careful in choosing their choice of loungewear and the amount of time they spent on looking for information on the product will also increase. This is because people are more price sensitive that caused them to look for more alternatives choices that are cheaper and provide them with greater value of money since money has become scarce. Therefore, income and price sensitivity will have changed the purchasing

behavior of the consumers. However, despite the changes in income during pandemic, people have been spending more on loungewear compare to before the pandemic happened. This has been proven by the data collected, where 70 out of 130 people has an increase in their loungewear purchased during pandemic. This caused the changed in demand for loungewear in the market and also changes the supply available in the market.
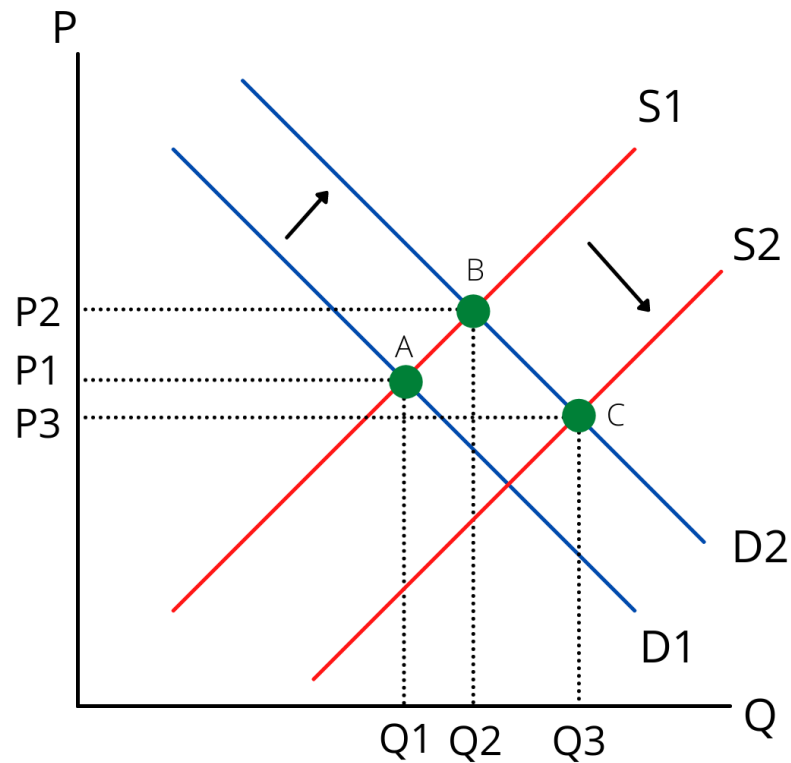

Figure 15 Shift of Supply and Demand Curves During Pandemic (Loungewear Market)

Source: Author

On figure 14, it explains how the increase in demand, changes in income and price sensitivity effect the supply and demand curves. On the graph above it shows that the initial price and demand before the pandemic is at the equilibrium point at A with the price and quantity at P1 and Q1. When pandemic happens, the population shows an increase in demand for loungewear due to the changes in working

environment that caused the changes in the outfit preferences. As the results of this phenomenon, the demand curves shift to the right since there is an increase in demand of loungewear due to the changes of taste of clothing. When the demand shifts to the right it causes the price to increase alongside with the quantity of demand at point B. However, as explained in the chapter 1 there is a decrease in the income during the pandemic and it has been proven in this research that there is a decrease in the amount of personal income earned. This resulted in an increase of price sensitivity where people are more likely to buy the same quality of product with a lower price. When the consumers are more sensitive to price, the price of loungewear in the market will plunged from P2 to P3 since people now are only willing to pay lower price due to decrease in their disposable income. When the price drop to P3 it forces the supply curves to shift to the right to fulfill the price the consumers wanted and to fulfill the quantity demanded in the market. Therefore, during the pandemic, the supply and demand point of loungewear market will be at point C. The phenomenon explains very clearly why during the pandemic the number of sales in loungewear increase drastically despite the decrease in the personal income.