

How COVID-19 has increased the risk of compulsive buying behavior and online shopping addiction among young consumers

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The COVID-19 pandemic has accelerated the growth of digital

businesses in Indonesia. But this positive economic development has also led to unfortunate unintended consequences, including a significant rise in online shopping addiction.

Individuals who spend more than they can afford to gain [social status](#) from their purchases or to satisfy unmet needs, such as that for love and affection, are prone to "[compulsive buying behavior or shopping addiction](#)."

The rise of E-commerce

The rapid growth of e-commerce marketplaces amid the pandemic has aggravated the risk of shopping addiction, especially with digitally savvy societies like Indonesia, where the use of online shopping platforms such as [Shopee](#), [Tokopedia](#), and [Bukalapak](#) has become a trend among youth.

Additional pressures are heaped onto young Indonesians by the stream of consecutive mega-sale events throughout the year, such as the Tokopedia anniversary sale on 17/08, Lazada Singles day on 11/11, and Indonesia National Shopping Day (Harbolnas) on 12/12.

Individually and collectively, these events prompt young Indonesians to make larger purchases than are required to fulfill their needs.

Compulsive buying among youth is not spurred solely by the desire to possess products. Rather, the motivating factors include feelings of status, dominance, power, and prestige associated with the ownership of certain goods.

Indonesia is a large market for online marketplaces, which means many people are at risk to online shopping addiction.

Global consulting firm Bain & Company estimates that Indonesia's

digital consumer population will grow around 15%, from [144 million in 2020 to 165 million in 2021](#).

Vulnerable young consumers

A surge in consumer culture can expose vulnerabilities in a sizeable proportion of Indonesia's population, where financial literacy and saving rates are relatively low.

A survey conducted in 2020 on a total of 5,592 Indonesians across various demographic groups showed that about [21% of Indonesians](#) save very little money from their monthly income, while Indonesian households on average save [only 8.5%](#) of their total income.

Despite expert advice that the threshold for responsible saving should [be 20%](#) to provide adequate financial protection against 'rainy days,' even high-income Indonesian households tend to save below this threshold (at a rate of 12.6%).

Youth whose primary goal is to present a prestigious and high-status appearance to the world will pursue an excessive degree of spending without any consideration for their future.

With their 'live-in-the-present' attitude, millennials can expend considerable efforts to keep up with the latest trends, showcasing them on social media to gain approval from others and potentially boost self-esteem.

Social media can provide the opportunity for the younger generation to evaluate themselves and to explore, express, and improve their [identity](#) through comparison with others.

By enabling young people to follow the lives of celebrities and well-

known figures in various fields, social media provides an avenue that raises aspirational standards for the development of an idealized identity.

However, young people may fall victim to unrealistic expectations by comparing themselves against edited photos and curated lifestyles that may not be real.

This can lead to a loss of self-confidence due to a sense that any genuinely attainable lifestyle will fall short of the idealized images in terms of social and monetary status.

Excessive use of social media is claimed to expose youth to various identities in a way that can [provoke identity confusion](#).

Confusion between an 'ideal' and 'real' identity is labeled in the psychological literature as a '[fragmented identity](#)' and social media has been indicted for eroding the healthier construct of a 'unified identity.'

The average Indonesian age of [31.8 years](#) highlights the heightened potential for citizens of this nation to become trapped in identity confusion.

At the same time as wrestling with fragmented identities, youth are often swamped by an endless stream of advertisements for consumer products, the combination of which can lead to the development of compulsive buying disorder.

In the 'identity formation' stage of their lives, youth strive to impress their peers by increasing their consumption of material goods.

In this regard, social media can be criticized for promoting materialism and encouraging consumption-oriented attitudes in society.

If we are to confront and resolve the tension created by immersion in the idealized lives on display in [social media](#), then both parents and the education system have important roles to play.

Observing parents' saving habits can ingrain similar behavior in young people from an early age. While in-school financial education can also support and develop this positive modeling by improving financial knowledge and skills.

A financially literate younger generation will be well equipped to avoid compulsive buying behavior becoming more and more common in increasingly materialistic societies.

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