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Relationships Consumer Characteristic and Perceive Business Ethics of Creative Industry in Indonesia: Study of Y Generations

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Abstract: Business ethics index is important in global industry .This paper analyze relationships consumer characteristic and perceive business ethics in industry creative. Consumer characteristic to cover consumer sentiment, consumer confident and consumer' demographic. Perceive Business ethics was measured in personal-past, vicarious-past, personal-future and vicarious-future dimensions. Consumer sentiment and consumer confident were measured based on economic condition in the future expectation. Purposive sampling was used in this study and questionnaire distributed among 136 consumers of creative industry. Statistical results showed that Gender, Religion, Ethnicity, and Age have no relation to the perceive business ethics, but monthly income has significant relation to perceive business ethics. The finding indicates that consumer sentiment has no relation to perceive business ethics, but consumer confidence has significant relation to consumer perceive business ethics

Key words: Business Ethics, sentiment, confidence, demographic

INTRODUCTION

In competitive business strictly, products become a commodity. In this competitive condition, corporate business ethics becomes the key to winning the competition. Consumers get a lot of exposure the variety of products or services, manufacturers must be creative in marketing to gain consumer attention. Creative industry is an industry that utilizes creativity, skill and individual talents to create prosperity and employment by generating and exploiting individual creativity (Department of Trade Republic Indonesia, 2008). Creative industries are prone to unethical business activities in high competition. It is because companies tend to focus on creating creative products

Consumer perceive business ethics become an important variable that determines consumer decisions. Consumer behavior is determined by consumer characteristics of demographic, psychological and social

characteristics (Kotler, 2012). Demographic characteristics include age, education, gender, occupation, income. Psychological characteristics include personality, learning, memory and shared values, such as religion and nationalism. Social characteristics are individual characters formed from the social conditions include consumer sentiment and consumer confident.

Demographic characteristics, especially age-related, will determine how consumers behave in an object (Christopher *et al.*, 2012). Based on the year of birth, consumers can be divided into 3 generations such as X, Y and Z. X Generation (born 1966-1976) is seen as an independent, intelligent, and creative generation. They get good education, smart and available to finish their task well done. However, this generation is arguably the mentality of consumerism. Y Generation or Millennial Generation (1977-1994), most of them are confidence, optimism, expressiveness, freedom, and love the challenges reflected on its generation. Open mind to new things and always want to be different from others. They really use their creativity to create something new, such as relaxed working atmosphere and able to do several things simultaneously (multitasking). They include care about style and quickly adapt to technology. Unfortunately, this generation is easily bored and loyalty in the work affairs spelled out less. Generation Z (born 1995-2012) were born when computers, internet, and smartphones are used to in general. The generation is so familiar with digital technology and social media. This generation has open-minded. Spontaneous in expressing the felt and thought. They are connected, educated, and up-to-date generation. This study focused on consumer demographics, consumer sentiment and consumer confident and perceive business ethics of creative industries in Indonesia.

Related to the implementation of business ethics, Tsalakist and Lassar (2009) measured consumer perceptions, using the BEI (Business Ethics Index), in Turkey, Egypt and USA. Tsalakist in 2007 measured BEI in Spain, Germany and USA. The study used an open question with in deep interview. This study is focused on looking at the role of demographic characteristics Y generation.

LITERATURE REVIEW

Creative Industry in Indonesia

Creative economy based on human capital creativity, opportunity to push the competitiveness of Indonesia in the future. If Indonesia's enormous human resources have the ability to create innovation and value added, then creativity will become an endless source of renewable resources. Creativity and innovation will make the local cultural heritage and wisdom contribute greatly not only to the national economy but also to the improvement image of Indonesia in international world.

The creative industry faces high competition, with the entry of MEA more competitors from abroad that enter the Indonesian market. In the creative entertainment industry for example, more and more movies and music are coming to Indonesia and have high ratings, such as the entry of dramas from Korea, Turkey, India, etc. Many creative industries just think of winning the competition, how consumers like their products and decide to choose or buy their products, using unethical strategies such as deceptive advertising, how to convey fraudulent information that is different from the product offered, such as product labels, advertising that misleads consumers (Chaouachi,2012). Many creative industries are imitating the product design offered (counterfeit product). Business ethics behavior will adversely affects the long-term (Ghillyer, 2014).

Business Ethics Index

Business ethics is a reference in conducting business activities, includes all aspects of individuals, institutions, policies, and business conduct. It should be noted that some of these things are about self-control, social responsibility, healthy competition, the application of sustainable concepts, consistent with a mutually agreed rule, the growth of consciousness and a sense of belonging to what has been agreed upon, creating an attitude of trust among entrepreneurs, as well as the need for some business ethics to be incorporated into law which may be a legislation. (Ghillyer, 2014).

Business ethics is wider than in terms of rules governed, even when compared to minimum standards of legal provisions, business ethics becomes a higher standard or measure. Business activity is a grey section and not regulated under the law. A less ethical corporate action will make consumers become hooked and there will be an act of retaliation, finally. As there is a ban on the circulation of a product, a boycott movement which should be decreasing the value of the sale and the company. Companies that appreciate the existence of business ethics will get a higher satisfaction, surely.

The Business Ethics Index (BEI) is a gauge developed by Tsalakis with a series of research (Tsalakis & Seaton, 2007; Tsalakis & Lassar, 2009; Talikis, Seaton & Sheperd, 2014; and Tsalikis, 2015). BEI is measured by 4 dimensions, namely consumer perception of ethical behavior of company as follow: 1.personal-past: perceived ethics based on past personal experience 2.vicarious-past: perceived business ethics based on General condition Based on observation of news on past experiences, 3. Personal-Future: perceived business ethics based on personal experience for future projections 4. Vicarious-future: perceived business ethics based on general conditions based on news observations for projections of a future industry,

BEI measurements have been done by Tsalakis (2007) by comparing the BEI in developed countries namely UK, Germany, Spain and US. Analyzing of 4 countries, proved that Germany has BEI under 100 means for BEI vicarious past, BEI Personal Future and BEI Vicarious future. This can mean that consumers in Germany are more sensitive to ethics issues than UK, Spain and US. This is possible because German consumers have a stronger culture seen from the courtesy than other European countries.

In Indonesia alone, the consumer's right is protected by the Consumer Protection Act no. 8 of 1999. Article 2 UUPK stating that consumer protection is based on benefits, equity, balance, security and consumer safety and legal certainty. Whereas the right of consumers according to Article 4 UUPK, are as follows: Right to comfort, security and safety in consume and The right to choose goods and / or services and to obtain goods and / or services in accordance with exchange rates and promised conditions and guarantees; The right to correct, clear and honest information about the condition and guarantee of goods and / or services; The right to be heard of or to complain about the goods and services which are paid; The right to appropriate advocacy, protection, and custodial protection efforts. Right to get coaching and consumer education; Right to be treated or served properly and honestly and non-discriminatory Right to get compensation.

Business actors are prohibited from offering, promoting or advertising an item and or service by way of promising the giving of a gift in the form of goods and or other services for free with the intention of not giving it or giving not as promised. There are 3 (three) basic Theories in ethical and juridical approaches related to the relationship between consumers and producers, namely: contract theory, proper attention theory and social cost theory. According to the Theory of Contract the relationship between consumers and producers is seen as a kind of contract and producer obligation to the consumer based on the contract.

The Attention Theory It should be emphasized that the highly conserved factor is the interest of the consumer to obtain a quality product to be the responsibility of the producer. The basic norm underlying this view is that one should not harm others by its activities. The theories of social costs, related to the innovation of product design, in this case the manufacturer has responsibility for all product deficiencies and any losses suffered by consumers in using their products (Bartrens, 2000).

Relationships Consumer Characteristic and Perceive Business Ethics

Consumer characteristics determined by consumer behavior in purchasing decisions. Consumer characteristic includes demographic characteristics, psychological characteristics and social characteristics (Kotler, 2016). This consumer character will determine how a person responds to his environment, including how consumers respond to the business behavior of the creative industry. Perceive business ethics will determine consumer buying behavior. Demographic characteristics include age, education, gender, occupation and income. Psychological characteristics include, personality, learning, memories and shared values, such as religion and understand nationalism. Social characteristics are individual characters formed of the social conditions in which the individual is located.

Differences in consumer characteristics determine consumer behavior (Kotler, 2016), The higher the education / knowledge, the broader the insight so that the views on ethics will also be different with narrow-minded consumers. Relating to age, the older a person will be more wise in looking at a thing including a view of business ethics. Relating to gender, male is more rational than women, so it will be different views of men and women in kicking / evaluation of business ethics of an industry. Religion is a value of believed by the truth by consumers. The value will determine the perceive business ethics of a person because this belief shows the limits of consumer tolerance for the true or not ethical behavior.

Consumer characteristics could be seen of the perspective of consumers on the economic conditions of consumer sentiment and consumer confident (Tsalakis & Seaton, 2006). Consumer sentiment as well as the consumer confident using the future economic condition. The consumer sentiment is pessimist in looking of the future economic conditions, otherwise the consumer confident is optimistic in looking at the future economy. The optimistic consumers look positively to the future economy, they demand more ethical behavior in business

3. RESEARCH METHODS

Research design

This research is a basic research aimed to develop the theory by explaining the relationship between variables. This research is done with two approaches that is qualitative and quantitative approach. Qualitative approach is done by descriptive study on the implementation of business ethics of creative industry in Indonesian focused on perspective Y generation, Quantitative approach to see the relation of consumer characteristics and perceive business ethics in Creative industry.

The primary data is obtained directly from the interviews of respondents. Secondary was obtained from external sources such as media, books, and other literatures. This study used non probability sampling with accidental sampling chosen data source in which participants are consumers of products / services of creative industries in Indonesia.

Qualitative data is used semi-structured in-depth interviews in data retrieval, because the interviews could be flexible and invisible data can be observed. Researchers used guidance questions in conducting interviews, this technique is more flexible and dynamic depends on the quality of data provided by respondents. The advantage of using semi-structured in-depth interview techniques is researchers can investigate and ask more additional questions thus obtain information rich and deeply. This technique is less structured so that the response can be very diverse. Researchers need guideline questions to focus interviews with respondent. Likert scale is used to measure variables in quantitative data that obtain by survey.

Research population

Participant is consumer individual Y generation who consume products and services of creative industry. The number is infinite. The sampling technique used accidental sampling, there are 150 respondents, but 136 questionnaires only are eligible for further review.

Measurement Research variables

The variables used in this study are demographic and perceive business ethics characteristics. Characteristics Demographics are the characteristics of respondents viewed of demographic characteristics such as age, gender, religion, ethnicity and income. Gender, Religion, Ethnic variables of each variable are measured by categorical scale. For income demographics and Age variables used interval. Measurement of the perceive Business Ethics variables, using Likert scale, with 4 dimensions: personal-past, vicarious-past, personal - future and vicarious -future.

RESULTS AND DISCUSSION

This study focuses on how consumers view the ethical behavior of the creative industry. Specific relationships between consumers characteristic and perceive business ethics.

Table 1
Demographic Characteristics and Perceive Business Ethics

<i>Demographic</i>	<i>Personal/Past</i>	<i>Vicarious/Past</i>	<i>Personal/Future</i>	<i>Vicarious/Future</i>
Gender				
Female	3.14	3.10	2.17	2.14
Male	3.18	3.19	2.09	2.10
F	0.113	0.434	0.715	0.086
Sig.	0.737	0.511	0.399	0.769
Ethnicity				
Java	3.19	3.17	2.11	2.14
Madura	2.78	3.00	2.11	1.89
Sundae	3.00	2.00	2.00	2.00
Bali	3.33	3.00	2.33	2.33
Others	3.14	3.29	2.29	2.00
F	0.606	0.661	0.296	0.490
Sig.	0.659	0.620	0.880	0.743

cont. table 1

Demographic	Personal/Past	Vicarious/Past	Personal/Future	Vicarious/Future
Religion				
Moslem	3.18	3.14	2.13	2.11
Christian	3.29	3.71	2.29	2.43
Catholic	2.78	2.89	2.00	2.00
Buddhist	3.00	3.00	2.00	2.00
F	0.809	1.453	0.385	0.706
Sig.	0.491	0.231	0.764	0.550
Income				
IDR 0 – 1,5 million	3.15	3.12	2.09	2.08
IDR 1,5 – 3 million	3.17	3.28	2.17	2.28
IDR 3 – 4,5 million	4.00	4.00	2.40	2.00
IDR 4,5 – 6 million	3.33	3.33	2.33	2.33
> IDR 6 million	2.25	2.25	2.25	2.50
F	2.932	2.910	0.602	0.933
Sig.	0.023	0.024	0.662	0.447
Age				
12-16 year	2.75	2.63	2.00	1.75
17-25 year	3.18	3.20	2.13	2.13
26-35 year	3.33	3.00	2.11	2.22
F	1.323	2.080	0.236	1.585
Sig.	0.270	0.129	0.790	0.209

Based on table 1 it is known that there is no difference in ethics perceive business ethics between men and women for personal -past, vicarious-past, personal-future or vicarious-future dimensions. This can be seen from the level of significance above far above 0.05, indicated that millennials generations of both men and women view the same business ethics in the creative industry in Indonesia. This is possible because disclosure of information on millennials generation of more on line using social media online will cause the quantity and quality of information received are relatively same therefore views of business ethics are not different.

Similarly, when viewed of ethnic, due to the disclosure of information on millennials generation there is no significant difference of the perceive business ethics of Javanese, Madurese, Sundanese and Balinese. This shows such ethnics in Indonesia despite multi cultures, but most of them are open mind in global culture. The same proven, when viewed of demographic characteristics such as Age and Religion. There were no significant differences in perceive business ethics seen from different ages or different religions. This is possible because this study focuses on the millennial generation in which generation Y is a very familiar with the internet. This generation is high openness in global culture. They are permissive in foreign cultural culture, which ultimately affects the loosening of ties to culture local.

Different results when viewed from the level of income, research results show that there are differences in perceived business ethics in the personal-past and vicarious-past dimensions. This is possible because

different income levels, will determine the choice of different products. For low income levels they are more permissive on business ethics. But the higher their income the more sensitive the business ethics. .

The result of the research shows that creative industry in Indonesia which is considered to be often unethical is performance art (33%), Advertising (16%) Culinary (15%), Fashion (11%)

The unethical behavior of performing arts reflected by the content and actors which vulgar and uneducated. Lots of pornographic and bullying content and violence.

For advertising subsector, research proved the mismatch ads and the product offered. Placement ads interfere to millennials activities on browsing and available pornography contents.

For the culinary subsector, found the unethical in namely of the food brand and product packaging for example the ice cream served on closets. The ingredient product is not clear.

For fashion, consumers perceived the unethical behavior in the use of fashion brands. Fashion model designs incompatible with local cultural. The choice endorsers are is not appropriate since use of transgender model, researchers found many of design fashion are plagiarism.

Table 2
Coefficient Regression Consumer confident, Consumer sentiment and Perceive business ethics

Model		Unstandardized Coefficients		Beta	t	Sig.
		B	Std. Error			
1	(Constant)	4.073	.988		4.124	.000
	Sentiment	-.286	.249	-.154	-1.145	.257
	Confident	-.129	.285	-.061	-.454	.652

a. Dependent Variable: Personpast

Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	5.404	1.025		5.270	.000
	Sentiment	-.617	.259	-.309	-2.384	.051
	Confident	-.310	.296	-.136	-1.047	.300

a. Dependent Variable: Vicarpast

Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.789	.631		4.419	.000
	Sentiment	.090	.159	.074	.565	.078
	Confident	-.327	.182	-.236	-1.797	.037

a. Dependent Variable: Personfu

Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.946	.685		4.298	.000
	Sentiment	.057	.173	.043	.327	.063
	Confident	-.375	.198	-.249	-1.895	.045

a. Dependent Variable: Vicarfut

Based on Table 2, it is proved that the level of sentiments or pessimists felt by consumers in the current economic conditions, did not determine the level of perceived business ethics of consumers on all dimensions person-past, vicarious-past, person-future or vicarious-future. Different results can be seen on the level of optimism from consumers. The optimism of consumers in predicting future economic conditions will determine the perceive business ethics of consumers. More positively looking consumers to the future economy, the more optimistic the consumer will be reflected by the lower business ethics index means they are not permissive on unethical business activity. Consumers asked for higher ethic business behavior.

5. CONCLUSIONS AND SUGGESTIONS

The results of the research show that there is no significant difference in perceive business ethics in personal-past, vicarious -past, personal-future and vicarious future dimensions of different gender, ethnic, age and belief consumers. This result is possible because information disclosure on millennials generation. The higher using online social media will obtain the same of quantity and information, since the using of online social media are unlimited for all genders, religion, ethnic or age. This shows that consumers in Indonesia are open in global culture.

This is possible because this study focused on the millennial generation in which this generation is a very familiar with the internet. They are high openness in global culture, so they are permissive in foreign culture, which ultimately affected on emotional bonding of local culture. Future research is expected to examine in different generations, such as generation X and Z

Different results viewed from the level of income, research showed that there are differences in perceive business ethics in the personal-past and vicarious-past dimensions. This is possible because of different income levels, determine different product choices. For low income levels, they are more permissive on business ethics, otherwise the higher income level, the more sensitive to the business ethics.

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