

# The Impact of Store Image on Purchasing Decisions

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**Abstract**— The competition in the retail market becomes increase. There are several differences for the consumer in taking decision for purchasing in supermarket and in mini market and it can be very important for the management of the market. The aim of this study is to investigate how the impact of the attributes of an outlet to the consumer purchasing decision especially in mini market. The descriptive quantitative research methods were implemented by involving the store image variables as the independent variables and the purchasing decision as the dependent variable. The results shown that there are four main factors (price, physical facilities, promotion and merchandise) that most influencing the consumer purchasing decision. By knowing the results, we may conclude that the outlet has to take special attention to those factors. Referring to the condition in which the variable of store image resulting coefficient of determination ( $R^2$ ) of 39,3 %, the researcher suggest to the further research to add the other factors in such a way that those factors are expected will increase the value of  $R^2$ .

**Keywords:** *Alfamart, Purchasing Decision, Store Image*

## I. INTRODUCTION

Competitive conditions in the retail market becomes increase [11]. All of the retail market management knew about that. The management of the retail market have to manage the business in such a way that the resources they have should be managed efficiently and effectively. The retail market consists of super markets and mini markets. The growth of the mini markets also very rapid. Besides very rapid, the location of the mini markets also scattered everywhere. The most interesting thing among the mini markets is they are competing each other. For overcoming the competition, the management of the retail market have to do their best effort. The effort that they have to do is they have to know how they manage the resources for serving the customer [11].

The one that they can do is they have to manage their store image. Several items that they have to manage from the store image are such as price, physical facilities, promotion, merchandise and service

The number of the mini markets in Indonesia nowadays are more than 15.000 stores [11].

TABLE I. THE NAME AND THE NUMBERS OF THE STORES IN INDONESIA IN 2014

No	Name of the Mini Market	Number of the stores	Remarks
1	Indomart	8.039	
2	Alfamart	7.064	

(Table I, cont.)			
3	Circle K	300	As of 2015
4	Yo Mart	203	
5	Star Mart	151	
6	Seven Eleven	125	As of 2015
7	Lawson	80	
8	Mini Mart	80	
9	Family Mart	6	As of 2015

<sup>a</sup>. Source: Corporate report and processed

From the Table 1 we can see that Alfamart is not the market leader. It is interesting to know what is the items that they have to manage for making them having a better position. It means that we have to know the effort that the manager has to do for their mini markets

The Alfamart established in Tangerang at 1999. The first name was “Alfa Minimart”. Since 2003, the name changed become “Alfamart” and in 2009 already go public. The owner of Alfamart is PT Sumber Alfaria Trijaya in which the shareholder is HM Sampoerna (70%) and PT Sigmantara Alfindo (30%) [12]

The information for the revenue and its growth of the Alfamart for the last five years are as fig.1 follows



<sup>b</sup>. Source: Corporate report and processed

Fig. 1. Revenue and Growth of Alfamart

Referring to figure 1.1 we can see that even the revenue increase year by year for the last five years, but the growth itself not increasing. For the last five years the growth decreasing year by year. It is interesting to investigate what is really going on in their business.

Referring to the above mentioned conditions, it is necessary to study further concerning the cause of the decreasing growth of the revenue. The study done based on the store image condition. The researcher tries to investigate the relationship between the store image and the purchasing decision of the consumer of Alfamart.

## RESEARCH PURPOSES:

“Knowing the impact of store image condition to the customer purchase decision”

## II. LITERATURE REVIEW

### A. Review of Literature

#### 1) Consumer Behavior

The definition of Consumer behavior was stated by Kotler [1] as follows: “Consumer behavior is the study of how individuals, groups and organization select, buy, use and dispose of goods, services, ideas or experiences to satisfy their needs and wants

Kotler [2] also mentioned that consumer purchasing behavior is a final purchasing behavior from consumer who buy goods and services for their personal consumption

#### 2) Consumer Purchase Decision

Kotler [1] mentioned that purchasing decision is a stage in the purchase decision making process in which consumers actually buy. Decision making itself is an activity of individuals who are directly involved in getting and using the goods or services offered to them

Schifman [3] mentioned that purchase decision process is influenced by two factors, external factors and internal factors of the consumer. It means that the external factors of the consumer including the condition of the store while the consumer has an intention to purchase something at the store. The internal factors of the consumer including the condition of the consumer while the consumer has an intention to purchase something in the store.

#### 3) Store Image

According to Kotler [1] the image of an outlets is "set of beliefs, ideas and impressions that are owned by a person against an object". It means that the store image will influencing the beliefs ideas and impression of a person in which the person can be a consumer.

Yasmin [4] mentioned that "the store image is defined in the shopper's mind, partly by its functional qualities and partly by an aura of psychological attributes."

Marine [5] mentioned that “Store image is the way in which consumers perceive the store based on its functional qualities and environmental attributes”

Paul [6] mentioned that store image is “a set of attitudes based upon evaluation of those store attributes deemed important by consumers.”

From those explanations it can be assumed that store image is the perception from the consumer and it is influenced by the factors that made by the store itself.

#### 4) Store Image Measurement

Hawkins [7] mentioned that measuring the store image can be done by using nine items such as merchandise, ministry, customers, physical facilities, convenience, promotion, atmosphere, institute and service. In this study the items that is

used for measuring the store image are merchandise, physical facilities, promotion, service and also price

#### 5) Consumer Purchase Decision Measurement

Assael [8] mentioned that for measuring the consumer purchase decision, it can be done by measuring the items such as:

- a) Physical characteristics of shops
- b) Easiness of the consumer store range
- c) Product offered by the store
- d) The Store personnel
- e) Store advertising

### B. Research Framework

The framework of the research as mention in figure 2 are consists of one independent variable store image (X) and one dependent variable purchase decision (Y)

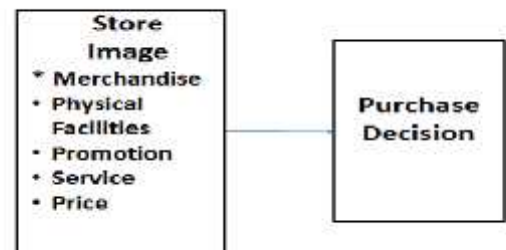


Fig. 2. Research Framework

The independent variable store image consists of five sub variables as the attributes to understand the impact of store image on purchasing decisions

### C. Research Methodology

#### 1) Research design

In this study, the descriptive quantitative research methods were implemented. According to Zikmund [9] the descriptive analysis is the elementary transformation data in such a way that describes the basic characteristic such as distribution and variability. The sampling method is a purposive sampling. The sampling technique is a non-probability sampling. The research is using one Independent Variable Store Image (X) which consists of five Sub variables and one dependent variable purchase decision (Y).

#### 2) Data collection Process

The data were gathered by using questioners come from 102 respondents. The respondents are located in Depok, West Java

#### 3) Data Analysis

The data were analyzed by using multi linear regression and processed by SPSS 20

#### D. Operational Variable

One attribute specified as independent variable, the Store Image (X) that consists of five sub variables. The dependent variable is Purchase Decision (Y). The Operation Variable items are mentioned as in table II

TABLE II. OPERATIONAL VARIABLE

Variable	Sub Variable	Indicator	Scale
Store Image (X)	Merchandise	The product offered to the consumer	Ordinal
	Physical Facilities	The physical characteristics of the store	Ordinal
	Promotion	Information to persuade the consumer	Ordinal
	Service	The intangible complementary products	Ordinal
	Price	The charged for a product or service.	Ordinal
Purchase Decision (Y)	Physical characteristics	The décor and cleanliness of the store	Ordinal
	Easiness	Time range required by consumer	Ordinal
	Product offered	The variation and quality	Ordinal
	Store personnel	Friendly and helpfull	Ordinal
	Store Advertising	Informative and convincing	Ordinal

The independent variable consists of five sub variables and the dependent variable also consists of five sub variables

### III. RESULTS AND DISCUSSION

#### A. Characteristics of Respondents

The data collected from the one hundred and two respondents were grouped based on several characteristics as follows:

##### 1) Gender.

It is found as shown in table mentioned that the smallest respondents are male with 37 % or 38 respondents. Then the predominant number of respondents in this study are female with 63 % or 64 respondents

TABLE III. GENDER OF THE RESPONDENTS

No	Gender	Amount	Percentage
1	Male	38	37 %
2	Female	64	63 %
		102	100 %

<sup>c</sup> Source: Data collected during survey

##### 2) Age.

It is found that the number of respondents whose age less than 20 years old are 5,9 % or 6 respondents, in the range of 20-30 years old are 31,4 % or 32 respondents, in the range of

30-40 years old are 42,2 % or 43 respondents, in the range of 40-50 years old are 10,8 % or 11 respondents and more than 50 years old are 9,8 % or 10 respondents. The most dominant respondents are in the range of 30 - 40 years old with 42,2 % or 43 respondents.

TABLE IV. AGE OF THE RESPONDENTS

No	Age	Amount	Percentage
1	Age $\leq$ 20	6	5,9 %
2	20 < Age $\leq$ 30	32	31,4 %
3	30 < Age $\leq$ 40	43	42,2 %
4	40 < Age $\leq$ 50	11	10,8 %
5	Age > 50	10	9,8 %
		102	100 %

<sup>d</sup> Source: Data collected during survey

##### 3) Income.

It is found that the number of respondents whose income less than Rp 1,000,000 are 12,7 % or 13 respondents, in the range of Rp 1,000,000 until Rp 2,000,000 are 31,4 % or 32 respondents, in the range of Rp 2,000,000 until Rp 4,000,000 are 34,3 % or 35 respondents and whose income is more than Rp 4,000,000 are 21,6 % or 22 respondents, the most dominant respondents are in the range of Rp 2,000,000 until Rp 4,000,000 with 34,3 % or 35 respondents

TABLE V. INCOME OF THE RESPONDENTS

No	Income	Amount	Percentage
1	Income $\leq$ Rp 1,000,000	13	12,7 %
2	Rp 1,000,000 < income $\leq$ Rp 2,000,000	32	31,4 %
3	Rp 2,000,000 < income $\leq$ Rp 4,000,000	35	34,3 %
4	Income > Rp 4,000,000	22	21,6 %
		102	100 %

<sup>e</sup> Source: Data collected during survey

#### B. Analysis the impact of store image towards consumer purchasing decision

It is necessary to test the validity and reliability of the questionnaire. According to Sekaran [10] validity is a test of how well an instrument that is developed measures the particular concept it is intended to measure. Reliable according to Sekaran [10] is established by testing for both consistency and stability.

##### 1) Validity and Reliability Test Results

The Validity and reliability test are done by using SPSS Ver 20. The result of those tests can be seen in table V and table VI

TABLE VI. VALIDITY TEST RESULT

Variable	Pearson Correlation	r table	Remarks
Store Image	0,361	0,361	Valid
Purchase Decision	0,361	0,361	Valid

<sup>f</sup> Source: Data collected processed by spss v 20

Based on the Table VI it can be shown that because of all Pearson correlation values are greater than 0.361 ( $> 0.361$ ) we

may conclude that all of the question variables are valid. It means that the questioner can be used for gathering the data

TABLE VII. RELIABILITY TEST RESULT

Variable	Cronbach Alpha Result	Remarks
Store Image	0,720	Reliable
Purchase Decision	0,893	Reliable

<sup>g</sup>. Source: Data collected processed by spss v 20

Based on the table VII above it can be shown that the questioner for both variables, store image and purchase decision can be classified as reliable

## 2) Regression Analysis

The result of the analysis can be shown and conclude from table VIII as follows:

TABLE VIII. COEFFICIENTS

Model	Unstandardized Coefficients		Standard Coefficient	t	Sig
		Std Error	Beta		
(Const.)	2,492	.446		6.062	.000
X1	.145	.059	.253	2.549	.012
X2	.190	.083	.242	1.239	.174
X3	.184	.064	.279	3.105	.013
X4	.036	.071	.058	.428	.655
X5	.154	.069	.211	.874	.379

<sup>h</sup>. Source: Data collected processed by spss v 20

The Multiple linear regression, based on the table VIII can be described as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5$$

$$Y = 2,492 + 0,145X_1 + 0,190X_2 + 0,184X_3 + 0,036X_4 + 0,154X_5$$

The above multiple linear regression equation can be explained as follows:

a) The constant value of 2,492 means that it indicates if Alfamart doesn't make any changes to the store image, the purchase decision still increase by 2,492 %

b) The highest variable regression coefficient value of 0,190 combined with  $X_2$  means that the most influencing factor for purchase decision is  $X_2$  that representing physical facilities. It means that if the physical facilities factor has increased 1 unit, then the purchase decision will increase by 0,190 unit, by assuming that the other independent variable values are fixed.

c) The lowest variable regression coefficient value of 0,036 combined with  $X_4$  means that the least influencing factor for purchase decision is  $X_4$  that representing service. It means that if the service factor has increased 1 unit, then the purchase decision will increase by just only 0,036 unit, by assuming that the other independent variable values are fixed.

The simultaneous influence of store image (merchandise, physical facilities, promotion, service and price) towards the purchase decision can be described by table IX as follows

TABLE IX. DETERMINANT COEFFICIENT

Mode	R	R Square	Adjusted R square	Std Error of the estimate	Durbin Watson
1	.627	.393	.362	.38631	1.948

<sup>i</sup>. Predictors (Constant), Store Image

<sup>j</sup>. Dependent Variable: Purchase decision

<sup>k</sup>. Source: Data collected processed by spss v 20

Referring to the table IX it can be understood that the simultaneous influence of the factors of store image is equal to 0,393 or 39,3%. This figure explains that the factors of store image (merchandise, physical facilities, promotion, service and price) can explain the impact of store image to purchase decision by 39,3 %. While the remaining factors that is equal to 60,7% is explained by other variables that are not included in this study

## IV. CONCLUSIONS AND RECOMMENDATION

### A. Conclusion

The consumer purchase decision to Alfamart still increase while there is no action from the management concerning the store image, that represented by merchandise, physical facilities, promotion, service and price in Alfamart. The other thing that should be considered is the influencing factors in the store image variable is physical facilities while the least is service. It can be understood because the type of Alfamart is a self-service shop.

### B. Recommendation

The suggestion that can be proposed for the recommendation is concerning how to manage the Alfamart. The management of Alfamart has to take care of the physical facilities that required by their consumer since it is the most important thing influencing the consumer purchase decision. The promotion of Alfamart should be developed since this factor is the second factor influencing the purchase decision.

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