Dimensional Analysis of Retail Shop Images on Consumer Purchase Intention

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ABSTRACT
The research aims to determine the effect of retail store image on consumer purchase intention on private label brands. The method used is descriptive verification with a quantitative approach obtained by 217 respondents as a sample. The results of the study show that the regression calculation partially obtains products/merchandise, store atmosphere and customer service and has a significant and significant effect on consumer purchase intentions, but not on price because Private Label Brand (MPL) products do not affect consumer perceptions of buying. Consumers do not mind the price range that has been set by MPL, MPL products are of good quality at a lower price compared to national brands that have the same function.

Keywords : Image Dimensions; Consumer Purchase Intention; Retail; MPL; Product

ABSTRAK
Penelitian bertujuan untuk mengetahui pengaruh citra toko ritel terhadap niat beli konsumen pada merek private label. Metode yang digunakan adalah deskriptif verifikatif dengan pendekatan kuantitatif yang diperoleh sebanyak 217 responden sebagai sampel. Konsumen pada toko ritel telah memiliki persepsi yang baik atas keseluruhan dimensi dan variabel pada penelitian ini. Hasil penelitian menunjukkan bahwa perhitungan regresi secara parsial didapatkan produk/merchandise, suasana toko dan pelayanan pelanggan berpengaruh dan signifikan terhadap niat beli konsumen, namun tidak dengan harga karena harga pada produk Merek Private Label (MPL) tidak mempengaruhi persepsi konsumen untuk membeli. Konsumen tidak mempermasalahkan kisaran harga yang telah ditetapkan oleh MPL, produk MPL kualitasnya baik dengan harga yang lebih murah dibandingkan dengan merek nasional yang sama fungsinya.

Kata Kunci : Dimensi Citra; Niat Beli Konsumen; Ritel; MPL; Produk
INTRODUCTION

The development of the modern retail business in Indonesia in recent years has been very rapid. Modern retail emerged because retailers saw opportunities from the unmet needs of society. The emergence of various kinds of modern retail outlets causes the level of competition to be high. One of the strategies so that a retail or store can compete and survive in the market is to build a good store image in the eyes of consumers and the public because store image can influence the decision process to buy a product.

The retail business in Indonesia is a business opportunity that has bright opportunities, this can be seen from the increase in the share of the modern retail trade market for grocery retail in Indonesia, it is estimated that the retail market in Indonesia in 2019 – 2023 will increase by 6% (Technavio, 2019). Minimarks recorded a growth of 12% during January - September 2019 because they sell everyday products and are close to the community (Tutum Rahanta, Deputy Chairperson of the Central Leadership Council (DPP) of the Indonesian Retailers Association (Aprindo) (2019).

Competition in the retail business is getting tighter between minimarkets, supermarkets and hypermarts, forcing retailers to use a variety of good strategies to grow their consumers’ buying intentions, one strategy is to offer private brands or private labels to increase sales.

According to Kotler and Keller (2009), consumer purchase intention is a consumer behaviour in which consumers have the desire to buy or choose a product based on experience in choosing, using and consuming or even wanting a product.

According to Bulele (2016), one of the factors that influence purchase intention is store image. Store image is the total impression in consumer memory as a result of store attributes perceived by consumers (Helmefalk & Hultén, 2017). Store image is formed through products (merchandise) based on quality, product diversity and product size which can give consumers a good store impression in terms of the availability of goods (Besra et al., 2015; Martínez-Ruiz et al., 2014; Naveed et al., 2019). Prices have a major influence on consumer perceptions to assess a product’s affordability, suitability and ability of a price to compete in the market (Besra et al., 2015; Naveed et al., 2016; Ramprabha & Gnanasundari, 2019). The store atmosphere is an emotional effect of the physical attributes of the store which is expected to provide comfort for its customers (Besra et al. 2015, Martínez-Ruiz et al; 2014, Naveed etal: 2019). Service quality is the retailer’s ability to meet or exceed consumer expectations (Besra et al., 2015; Martínez-Ruiz et al.; 2014; Naveed et al., 2019) These attributes, according to Martínez-Ruiz et al. (2014) can help provide experience positive, comfort and fun for consumers when buying a product.

Retailers issue private label products to provide alternatives for consumers to obtain more competitive prices for goods (Susanti & Amandin, 2020). However, private label sales are still relatively low compared to sales of national brands because private labels are still limited to oil, granulated sugar, snacks, etc. (interview with a supermarket employee who issues private label products). Private label products are still limited to daily needs products, there are still market opportunities.

Consumer purchase intention is an intention that arises from within a person to purchase a product or service with consideration before the purchase process takes place (Kumar & Kothari, 2015). According to Oetama and Muslimah (2017: 114), purchase intention is often used to analyze consumer behaviour. Before making a purchase, consumers will collect information about the product that will be considered. In the
consumer behaviour model, purchase intention is formed from beliefs about the product or its attributes, followed by a shift in attitude towards purchasing actions and is influenced by internal factors and external factors. Consumer purchase interest is a disconnection of attention to something accompanied by feelings of pleasure towards goods or services, then the individual’s interest creates a desire so that a convincing feeling arises that the goods or services have benefited so that individuals want to own these goods by paying (Prainsa, 2017: 164).

Retail or retail business or retail sales is a chain of goods distribution channels, including trading activities that provide commodities to end consumers, carried out both traditional and modern (Ayers & Odegaard, 2018; Dwiyananda, Martha, & Mawardi, 2015; RI Presidential Decree No. 112, 2007).

Classification of retailing based on product lines sold are: a) Specialty Store is a special store that sells narrow product lines with a variety of goods contained in that line. b) Department Store is a retail institution that offers various product lines with selected quality. c) Convenience Store is a place for shopping, eating and drinking that is convenient in terms of time (eg open 24 hours) and location (strategic). d) Supermarkets are large stores that provide products such as groceries, meat, fresh fish and fruits, canned food and drinks. Now many supermarkets are complementing their offerings with non-food items such as detergents, body wash, spoons, forks, milk and others. e) Superstores and Hypermarkets: (1) Superstores are a combination of supermarkets and discount stores (stores that provide a large number of goods (full line products) at low prices) with a size of 100,000-180,000 square feet. (2) A hypermarket is a store that is larger than a supermarket measuring >230,000 square feet.

Products (Merchandise). Merchandising is planning and controlling in buying and selling goods and services to achieve the goals set by the retailer (Kumar & Kothari, 2015). Merchandise is a group of products that are highly related to one another intended for end users and are sold to the same consumer group or at nearly the same price range (Calvo Porral & Levy Mangin, 2017).

Price is the amount of money required to obtain some combination of a product and accompanying services. Price perception is the tendency of consumers to use price when assessing the appropriateness of the benefits of a product (Xhema et al., 2018). Price is the amount of money charged for an item or service or the amount of money exchanged by consumers for the benefits of having or using the product or service. Prices greatly affect a company’s income According to Kotler and Armstrong (2016: 151).

Shop Atmosphere. The store atmosphere is the overall emotional effect created by the physical attributes of the store which is expected to satisfy both parties involved, the retailer and the customer. The process of creating a store atmosphere is a design activity through visual communication, lighting, colour, music and fragrances, which are designed to produce a special emotional and perceptual influence or response in consumers. The store atmosphere is a combination of physical messages that have been planned, store atmosphere can be described as environmental changes in stores that affect customers and produce emotional effects, especially those that can cause consumers to make purchases of a product (Dessyana, 2013: 846).

Private labels or private brands are brands owned by distributors or traders of products or services such as supermarkets, minimarkets and hypermarts. Like Indomaret which sells a product with the Indomaret brand and the Griya supermarket which sells various types of products with the YOA brand, and so on. In terms of market share, private label contribution varies from country to country. In the United States, private labels
account for about 15% of total supermarket sales. In Indonesia, its contribution is less than 20% of total sales in modern retail. Meanwhile, Nielsen’s study in 2014 showed that the global average market share was around 16.5%. As per PLMA, “private brand offerings were up 2.5% in 2014, contrasting with 1.1% for public brands.”

Wells Fargo Examiner John Baumgartner reports Kroger’s projections that his brand Simple Truth, which is currently valued at about $1.2 billion in annual transactions, could double in size in the next few years. Sprouts Farmers Market’s private brand offerings have also jumped. PLMA also noticed that the development of the private sector’s solid mark was driven by a decline. Fairness has outperformed customer purchases and Private Label can be 25% to half a public brand which is not the same. Public brands are trying to manage the new shopping tendencies of shoppers because public brands are losing a piece of the lost pie due to maintaining the brand over the past years.

One of the most significant modifications is the reduction of the AIDA Conviction Satisfaction model into three stages, namely the CAB model, which is expressed by (Anisimova, 2016), namely: 1) Cognitive is a person’s belief in a product or brand from the appearance of the recipient’s perception of a product or brand itself (Loo et al, 2016). 2) Effect is communicating one’s sentiments towards an item or brand. At this stage, the buyer begins to be interested in buying the goods or services offered, after obtaining more certain data about the advertised goods or services. (Taiwanjargal et al., 2018). 3) Behavior is a person’s tendency to take certain actions related to certain products or brands (Manorek, 2016).

**Hypothesis Development**

Good quality and a variety of products can increase consumer interest in buying a product (Besra et al., 2015). Private label brand products can shape store image, products that consumers expect from private label brands are quality products and have innovations in their development (Ayres & Odegaard, 2018).

\[H_1\] Retail Store Image Dimensions; Products/Merchandise have a significant effect on Consumer Purchase Intentions.

Price is the tendency for consumers to assess the suitability of the benefits of a product (Xhema et al., 2018). The suitability between price and benefits, function and quality is a priority for consumers to decide to buy a product (Guissoni, 2018). With an appropriate price value, it can increase consumer purchase intentions (Manorek, 2016).

\[H_2\] Retail Store Image Dimensions; Prices Have a significant effect on Consumer Purchase Intentions. Good store conditions and atmosphere such as cleanliness, attractive decoration and placement of products according to their categories can increase consumer purchase intentions (Helme Falk & Hulten, 2017). With conditions that are considered pleasant by consumers, consumers will make purchases and possibly increase their purchases (Simanjuntak et al., 2020).

\[H_3\] Retail Store Image Dimensions; Store Atmosphere has a significant effect on Consumer Purchase Intentions. The indicators of customer service used are accuracy, speed, and friendliness in serving consumers (Najib & Sosianika, 2017). This will increase consumer purchase intentions (Koistinen & Järvinen, 2016).

\[H_4\] Retail Store Image Dimensions; Customer Service Has a significant effect on Consumer Purchase Intentions. The formation of a good store image with product dimensions, price, store atmosphere, and customer service can increase purchase intentions for private label brands (Naveed et al. 2015, Simanjuntak et al. 2020).
[H₅] Retail Store Image Dimensions; Products/Merchandise, Prices, Store Atmosphere and Customer Service have a significant effect on Consumer Purchase Intentions. Product, service quality, price, and store atmosphere variables affect consumer buying interest by 79.6% and the remaining 20.4% is influenced by factors other than product, service quality, price, and store atmosphere (Petra, 2014).

RESEARCH METHOD

This research has a type of descriptive analysis with a qualitative research approach, where qualitative research methods are used to examine the condition of natural objects that researchers become key instruments (Sugiyono, 2018). The object of research is the people in the city of Bandung who have previously purchased private label brand products at retail stores.

This study uses an age range of 16 years to over 45 years. Based on BPS data for 2018, a total of 1,918,961 residents were found in the city of Bandung with 965,067 men and 953,894 women. The sample calculation using the Slovin formula method is as follows:

\[ n = \frac{N}{1+N\left(e^2\right)} = \frac{1,918,961}{1+1,918,961(0.05)^2} = 399.9 \]

Rounded up to 400 samples, 400 questionnaires were distributed via Google form, and only 217 respondents could be processed further. The analytical method in this study used SPSS Version 25.00 software and the data analysis technique used was descriptive analysis and multiple linear regression analysis.

RESULTS AND DISCUSSION

The description of the respondents as a whole including age, orientation, and occupation can be seen in Table 1.

<table>
<thead>
<tr>
<th>No.</th>
<th>Age</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>16-25</td>
<td>46</td>
<td>21,19%</td>
</tr>
<tr>
<td>2</td>
<td>26-35</td>
<td>79</td>
<td>36,41%</td>
</tr>
<tr>
<td>3</td>
<td>36-45</td>
<td>61</td>
<td>28,11%</td>
</tr>
<tr>
<td>4</td>
<td>Above 45</td>
<td>31</td>
<td>14,29%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No</th>
<th>Age</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Male</td>
<td>101</td>
<td>46,54%</td>
</tr>
<tr>
<td>2</td>
<td>Female</td>
<td>116</td>
<td>53,46%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No</th>
<th>Age</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Student</td>
<td>34</td>
<td>15,67%</td>
</tr>
<tr>
<td>2</td>
<td>Worker</td>
<td>142</td>
<td>65,44%</td>
</tr>
<tr>
<td>3</td>
<td>Non-Worker</td>
<td>41</td>
<td>18,89%</td>
</tr>
</tbody>
</table>

Source: Processed data, 2021

Based on SPSS Ver.25 calculations for each independent and dependent variable, it was found that all indicators were significantly valid at 0.00 and reliable. With the lowest average score for the validity score at 0.411 for the good MPL product quality indicator. This statement has a moderate level of relationship with respondents, and the highest is 0.897 for the competitive price indicator. In the reliable calculation results, the lowest
score was 0.635 on the product dimension and the highest score on the store atmosphere dimension was 0.787 where all data was in the range above 0.6 so that it was declared reliable.

The calculation results of Retail Store Image Dimensions on Consumer Purchase Intention on Private Label Brands Partially can be shown in Table 2.

<table>
<thead>
<tr>
<th>No</th>
<th>Hypothesis</th>
<th>Hypothesis Path</th>
<th>F-test</th>
<th>T-test</th>
<th>Sig</th>
<th>Adjusted R²</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>H₁</td>
<td>Product/Merchandise; Purchase Intention</td>
<td>4.918</td>
<td>-2.218</td>
<td>0.028</td>
<td>0.022</td>
<td>Accepted</td>
</tr>
<tr>
<td>2</td>
<td>H₂</td>
<td>Price; Purchase Intention</td>
<td>0.483</td>
<td>-0.695</td>
<td>0.488</td>
<td>0.002</td>
<td>Rejected</td>
</tr>
<tr>
<td>3</td>
<td>H₃</td>
<td>Store Atmosphere; Purchase Intention</td>
<td>4.368</td>
<td>-2.090</td>
<td>0.038</td>
<td>0.020</td>
<td>Accepted</td>
</tr>
<tr>
<td>4</td>
<td>H₄</td>
<td>Customer Service; Purchase Intention</td>
<td>6.090</td>
<td>-2.468</td>
<td>0.014</td>
<td>0.028</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Source: Processed data, 2021

The hypothesis can be accepted if the results of the calculation of the dimensions of the independent variables have a significant effect on the dependent variable. Based on the calculation of the partial regression analysis, the results obtained are significant values in the H₁ hypothesis: 0.028; H₃: 0.038; and H₄: 0.014 <0.05. Because the overall result is smaller than 0.05, the result is significant and influential on consumer purchase intentions.

Results of Retail Store Image Dimensional Calculations on Consumer Purchase Intentions on Private Label Brands Simultaneously

<table>
<thead>
<tr>
<th>Variable</th>
<th>Anova</th>
<th>Coefficientsa</th>
<th>Adjusted R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product/Merchandise</td>
<td>4.255</td>
<td>-2.121</td>
<td>0.035</td>
</tr>
<tr>
<td>Price</td>
<td>-0.862</td>
<td>0.390</td>
<td></td>
</tr>
<tr>
<td>Store Atmosphere</td>
<td>-2.249</td>
<td>0.026</td>
<td>0.074</td>
</tr>
<tr>
<td>Customer Service</td>
<td>-2.674</td>
<td>0.008</td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed data, 2020

Based on Table 3, the calculated f value is 4.255 and a significant value of 0.002 <0.05 so it can be concluded that product/merchandise, price, store atmosphere and customer service simultaneously or simultaneously have a significant and significant effect on purchase intentions. Even though the relationship between the independent and dependent variables is very small, namely 0.074, overall there is still a relationship, with this H₅ is accepted.

The Effect of Retail Store Image Variables Product/Merchandise Dimensions on Purchase Intentions.

Partial regression calculations obtained an r-squared value of 0.022 or 0.022 x 100% = 2.2%, so the magnitude of the effect of product/merchandise on purchase intention is only 2.2% and the rest is influenced by other factors. This indicates that the product/merchandise only has a small effect on purchase intention. Even though the value given is small, it still influences purchase intention (Naveed et al., 2016). The calculated t
value is 2.218 and sig. 0.028 <0.05 means that the product/merchandise has a significant and significant effect on purchase intention (Ayers & Odegaard, 2018). From the respondent's data, the majority of those who made purchases came from the millennial generation and a small portion of the alpha generation x. Where they want goods in variants with access to goods quickly. The millennial generation is more aware of their buying abilities and prefers to spend their goods both through the retail and online industries, to fulfil their satisfaction (Ordun, 2015). The Nielsen survey in 2008 stated that more than 40% of consumers in Indonesia still think that it is better to buy national brand products than private label products (Kumar, 2015). Some consumers also perceive that private-label products are usually purchased by consumers who have a limited budget (Seurat Group, 2014).

The Effect of Retail Store Image Variables on Price Dimensions on Purchase Intentions

Regression calculations only obtained a square value of 0.002 or 0.002 x 100% = 0.2%, meaning that the effect given to price on consumer purchase intentions was very small and even almost non-existent and the calculated t value obtained a value of 0.695 and sig. 0.488 > 0.05 means that price has no significant effect on purchase intention, this is contrary to the results obtained by Guissoni (2018) and Manorek (2016) but following the results of research conducted by Calv0-Porral & Levy-Mangin (2017), Karampour & Ahmadinejad (2014) and Rizkalla & Suzanawaty (2012). Low prices free shipping and flexible returns, especially online goods, are also their preferences (Gary 2020).

The Effect of Retail Store Image Variables on Store Atmosphere Dimensions on Purchase Intentions

In the regression calculation, the calculated t-value is 2.090 and sig. 0.038 <0.05 means that the atmosphere of the store has a significant and significant effect on purchase intention by paying attention to cleanliness, decoration and sufficient lighting and product placement that is following the category has been able to influence consumer purchase intentions (Helmefalk & Hulten, 2017; Simanjuntak et al., 2020). Even though the r-squared value is 0.020 or 0.020 x 100% = 2%, it means that the atmosphere of the store has very little effect on increasing consumer purchase intentions, but it is still felt capable of increasing consumer purchase intentions.

The Effect of Retail Store Image Variables on Customer Service Dimensions on Purchase Intentions

Through customer service with accuracy, speed and friendliness, the value of t count is 2.468 and sig. 0.014 <0.05 means that customer service has a significant and significant effect on consumer purchase intentions (Sosianika, 2017). The small r-squared value obtained in the regression calculation is 0.028 or 0.028 x 100% = 2.8%, meaning that the effect of customer service is very small on purchase intention, but providing good service can increase consumer purchase intentions (Koistinen & Jarvinen, 2016).

The Effect of Retail Store Image Dimensions, Products/merchandise, prices, store atmosphere and customer service on consumer purchase intentions for private label brands

Based on the results of simultaneous regression calculations, the calculated f value is 4.255 and sig. 0.002 <0.05 means that all dimensions of retail store image variables,
products/merchandise, prices, store atmosphere and store services together have a significant and significant effect on purchase intention (Naveed et al., 2015 and Simanjuntak et al., 2020). With an r-squared value of 0.074 or 0.074 x 100% = 7.4%, it means that the four dimensions of retail stores have little influence on consumer purchase intentions. However, by increasing the image attributes of retail stores, it will be able to increase consumer purchase intentions (Fritz et al., 2017). The five independent variables, namely brand image, store atmosphere, product variety, service quality and price simultaneously influence purchasing decisions at Resto X as evidenced by a significance value of 0.000 which is smaller than the error level of 0.05 with an F calculated value of 14.194, then these variables can be said to influence the purchasing decision variable. In addition, it is also known that the five independent variables can explain the dependent variable, namely purchasing decisions by 37%, while the rest is explained by other variables not examined such as product quality, promotion, and word of mouth (Istiqomah, 2019).

CONCLUSION

Based on the results of research and discussion regarding the effect of retail store image dimensions on purchase intentions on private label brands, the authors conclude that the retail store image variable product/merchandise dimension has a significant effect on purchase intentions; retail store image variable price dimension on purchase intention has no significant effect; retail store image variable store atmosphere dimension has a significant effect on purchase intention; variable retail store image dimensions of customer service on purchase intention has a significant effect; and all dimensions of retail store image variables, products/merchandise, prices, store atmosphere and store services together have a significant and significant influence on purchase intention.

RECOMMENDATION

Retailers need to conduct research other than the variables mentioned above. For MPL products, it is necessary to carry out promotions that consumers can directly feel, such as discounts, flyers and social media.

REFERENCES


Istiqomah, (2019) PENGARUH CITRA MEREK, SUASANA TOKO, VARIASI PRODUK, KUALITAS PELAYANAN DAN HARGA TERHADAP KEPUTUSAN PEMBELIAN DI RESTO X


