THE INFLUENCE OF RETAIL STORE CHARACTERISTICS ON CONSUMER PURCHASE INTENTION 
(CASE STUDY IN MULTI MART MEGA MALL MANADO)

PENGARUH KARAKTERISTIK TOKO RETAIL TERHADAP MINAT BELI KONSUMEN (STUDI KASUS PADA MULTI MART MEGA MALL MANADO)

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ABSTRACT

To fulfill customers’ needs and wants, companies create and offer products and services to consumer. In order to offer products and services, a company needs a distributor to sell their products or services directly to consumer. Ajzen theory is used in this research of consumer purchase intention. The purpose of this study is to analyze which retail store characteristics; product assortment, service quality, store atmosphere, and store location influence on purchase intention. This study is using purposive sampling technique by distribute 100 questionnaires to the people who have visited Multi Mart Mega Mall Manado and using Multiple Regression Analysis. As a result, retail store characteristics influence on consumer purchase intention simultaneously. Service quality and store location are significantly influence on consumer purchase intention partially, whereas product assortment and store atmosphere does not influence on consumer purchase intention. Multi Mart Mega Mall should provide a good service and comfortable atmosphere to attract more consumers.

Keywords: Product Assortment, Service Quality, Store Atmosphere, Store Location, Purchase Intention.

ABSTRAK


Kata Kunci: Keberagaman Produk, Kualitas Layanan, Atmosfir Toko, Lokasi Toko, Perilaku Konsumen, Minat Beli Konsumen.
1. INTRODUCTION

Research Background

The competitions among companies are increasingly stringent due to the desires and lifestyle enhancement and diversities. Companies create and offer products and services to consumer in order to fulfill customers’ needs and wants as well as to compete with other competitors. Distributing of the products and services, a company needs a retailer to sell their products directly to consumer. Consumer behavior plays an important role in an organization or company in order to achieve the goals. Consumer behavior is how the individual decides to selects, purchases and uses of products or services in order to fulfill needs and desires. Consumer purchase intention is a way of consumers of how to make purchase after evaluate from several option. In order to achieve the goals, a company has to meet the consumer needs and wants by knowing their buying behavior. Company that provides consumer needs and wants can make consumer intent to make a purchase of products or services.

In recent years, the development of retail industry in Indonesia is increasingly high. In 2008, the gross retail industry was around Rp67 billion. In 2014 the gross retail industry was around Rp168 billion or 8%, and in this 2015 the gross retail industry is targeted around Rp184 billion, increase 2% from the previous year become 10% and will be opened more new retail stores in many cities in Indonesia, especially in Manado. There are several factors that make retail industry in Indonesia increase, including the increase of national income, the increase of middle class income, the level of optimism more strength, and the development of commercial property. According to AC Nielsen, 48% from the total of Fast Moving Consumer Goods (FMCG) comes from middle class income.

By the development of Manado, the competition among retail industries are more advanced as well. Many retail businesses can easily found in Manado like minimarket such as Alfamart and Indomaret that recently have grown rapidly as well as supermarket or hypermarket such as Multi Mart, Golden Swalayan, Jumbo Swalayan, Fresh Mart, Hypermart etc that have established and still growing. This is a potential business because it can attract customers that mostly people especially in Manado buy their needs in supermarket as well as shopping has become their habit and hobby.

PT. Multi Citra Abadi is a modern retail company. All the stores of PT. Multi Citra Abadi named Multi Mart. Multi Mart that has 5 stores in Manado have grown rapidly due to many consumers go shopping there. In this research, Multi Mart that located in Mega Mall Manado is selected to be researched. Multi Mart Mega Mall provides any daily needs such as food, drink, clothes; food court, books and many more.

Retail store is a business that provides final products and distributes to consumers. There are several characteristics of retail store, such as product assortment, service quality, store atmosphere and store location. All of those characteristics can influence on consumer purchase intention.

Research Problem

1. Do Retail Store Characteristics simultaneously influence Consumer Purchase Intention?
2. Does Product Assortment partially influence Consumer Purchase Intention?
3. Does Service Quality partially influence Consumer Purchase Intention?
4. Does Store Atmosphere partially influence Consumer Purchase Intention?
5. Does Store Location partially influence consumer purchase intention?
Research Objective

1. Retail Store Characteristics on consumer purchase intention, simultaneously.
2. Product Assortment on consumer purchase intention partially
3. Service Quality on consumer purchase intention partially
4. Store Atmosphere on consumer purchase intention partially
5. Store location on consumer purchase intention partially

2. THEORETICAL FRAMEWORK

Consumer Purchase Intention

Intentions are assumed to capture the motivational factors that influence a behavior, they are indications of how hard people are willing to try, of how much of an effort they are planning to exert, in order to perform the behavior (Ajzen, 1991:181). Purchase intention is important because it is a step where after evaluate the alternative products, consumer has intention to specifically buy the product.

Product Assortment

Product assortment is the set of all products and items a particular seller offers for sale (Kotler and Keller, 2012:358). Product assortment is the various products that a company creates or a retailer offers for sale in order to fulfill and satisfy the needs and wants of consumer.

Service Quality

Service quality is the extent of discrepancy between customer’s expectations or desires and their perceptions (Zeithaml, 1990:19). Service quality must meet the consumer expectation in order to make them satisfy and loyal of their products or services.

Store Atmosphere

The design of the of retail chain outlet that produces specific emotional effects on the buyer that enhances his purchasing probability (Kotler, 1973). Store atmosphere include the feeling and the environment of a store where the consumer can feel and enjoy to buying.

Store Location

While selecting a location an important factor which must be considered is examining the distance that a customer has to travel. The distances which customers want to travel are depends upon the type of product to be purchased. On the base of specialty or commodity product number of the trips made by consumers and the travel time will be different (Salvaneschi, 1996). Store location is an important element, while selecting a location must be a consideration as the strategic marketing to attract consumer.

Consumer Behavior

Consumer behavior is the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires (Bamossy et al., 2006). An organization needs to know about people behavior in terms of the
needs and wants of goods and services to fulfill and to make them satisfied and loyal of products and services that company offers.

**Retailing**

Retail consists of the business activities involved in selling goods and services to consumers for their personal, family, or household use” (Berman and Evans, 2001:3). There are several types of retailing, (1) Store Retailers (2) Non-store Retailer and (3) Retail Organization.

**Marketing**

Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders (Kotler and Keller, 2012. Marketing is an organizational function as well as the process of creating, offering and delivering products and services to consumer, household, and community.

**Marketing Management**

Marketing management is playing a key role in a company. Marketing management is the analysis, planning, implementation, and controlling of programs to achieve organization goals (Lavak, 1382). Marketing management explains of how an organization analysis, planning, monitoring, and implementing programs to create and deliver to the consumer to achieve their goals. It is essential in a company or organization because in order to achieve their objectives, they need to set the management process to get a profitable with consumers.

**Previous Research**

Hafiz Ihsan-ur-Rehman (2014) researched about Impact of retail store characteristic on consumer purchase intention. The result of this study is product assortment does not have significant effect on purchase intention, store atmosphere have significant effect on purchase intention, and location has significant influence on consumer purchase intention. Riaz Hussain and Mazhar Ali (2015) conducted a study about Effect of store atmosphere on consumers purchase intention. They found that atmospheric variables such as cleanliness, scent, lighting, and display/layout have a positive influence on consumers’ purchase intention; whereas music and color have insignificant impact on consumers’ purchase intention. The temperature has almost no impact on the purchase intention of the consumers. Changjo Yoo, Jonghee Park, and Deborah J. MacInnis (1998) found the Effect of Store Characteristics and In-store Emotional Experiences on Store Attitude. The research findings that Store characteristics had effects on only positive emotions, after-sales service, salesperson’s service, facility affected either positive or negative emotions depending on how they were handled. One characteristic (value) affected both positive and negative emotion—making shoppers feel proud at finding the value, but also making them somewhat anxious. Store atmosphere and location had no pronounced effect on either positive or negative emotions. While the effect of the latter was anticipated, the lack of an effect for store atmosphere on emotions may be due to the fact that the stores examined in this study contained few characteristics that made store atmosphere noticeable.
Conceptual Framework

![Conceptual Framework Diagram]

**Research Hypothesis**

1. $H_1$: Retail Store Characteristics have significant influence on consumer purchase intention, simultaneously.
2. $H_2$: Product assortment has partially a significant influence on consumer purchase intention.
3. $H_3$: Service quality has partially a significant influence on consumer purchase intention.
4. $H_4$: Store atmosphere has partially a significant influence on consumer purchase intention.
5. $H_5$: Store location has partially a significant influence on consumer purchase intention.

3. **RESEARCH METHOD**

**Type of Research**

This study uses a quantitative approach. Quantitative approach is an approach that emphasizes testing theories or concepts through the variable measurements and performing data analysis procedure with statistical tools and aims to test the hypothesis (Sugiyono, 2008). In this research the variables are consumer purchase intention, product assortment, service quality, store atmosphere, and location.

**Place and Time of Research**

This research was conducted in Multi Mart Mega Mall Manado. This research was done in two months from July-August 2015.

**Population and Sample**

Population is a set of all elements of people, items, or events which has characteristic in research. The population in this research is people who have visited Multi Mart Mega Mall Manado. Sample is a subset of characteristic in population (Sekaran & Bougie, 2009:263). The sample of this research is 100 respondents. The sampling technique in this research is purposive sampling. Purposive sampling, also known as judgmental, selective or subjective sampling, is a type of non-probability sampling technique. Non-probability sampling focuses on sampling techniques where the units that are investigated are based on the judgment of the researcher (http://dissertation.laerd.com/purposive-sampling.php, 2012).
Data Collection Method

This research will be conducted with primary data and secondary data. Primary data is the information or data that collected by researcher from respondents. The primary data of this research is using questionnaires for people who have visited Multi Mart Mega Mall Manado. Secondary data is collected for some other purpose than the problem at hand. The secondary data is taken from books, journal, as well as from internet. These secondary data is used in the background, theoretical framework, research method, and discussions.

Operational Definition of Research Variables

1. Product Assortment (X₁) in Multi Mart Mega Mall Manado includes variety of foods, drinks, raw materials, clothes, shoes, bags, books, etc, variety of brands, and various size of product that provided by a store to attract consumers in buying.
2. Service Quality (X₂) is a service that provides by a store such as salesperson and cashier to serve the consumer of Multi Mart Mega Mall Manado.
3. Store Atmosphere (X₃) of Multi Mart Mega Mall Manado is a feeling and experience that consumer can enjoy while buying.
4. Store Location (X₄) Multi Mart Mega Mall Manado can be a consideration for a store whether it is close to central city, housing area, settlement area, etc to attract consumers.
5. Consumer Purchase Intention (Y) is the willingness of consumers to buy products or services in Multi Mart Mega Mall Manado.

Measurement of Research Variable

This research variables use Likert scale method for the questionnaires. As a widely used rating scale that requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements about the stimulus objects.

Data Analysis Method

Validity and Reliability Test

Validity is related to measurement with the right concept (Sekaran and Bougie, 2009: 158-160). To analyze the validity of questionnaire, Pearson Correlation is used. Reliability test is established by testing for both consistency and stability of the answer of questions Alpha Cronbach is reliable coefficients that can indicate how good items in asset have positive correlation one another (Sekaran, 2006: 177).

Multiple Regression Analysis Model

Multiple Regression is a statistical technique that simultaneously develops a mathematical relationship between two or more independent variables and an interval-scaled dependent variable

The formula of multiple regression models in this research is shown s follows:

\[ Y = \alpha + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + \varepsilon \]

Where:
- \( Y \) : Consumer Purchase Intention
- \( X_1 \) : Product assortment
- \( X_2 \) : Service quality
- \( X_3 \) : Store atmosphere
X₄ : Store location  
α : Intercept  
b₁, b₂, b₃, b₄ : The regression coefficient of each variable  
e : error

4. DATA ANALYSIS AND DISCUSSION

Result of Validity and Reliability

The Pearson Correlation of all the indicators of each variables that used in this research are greater than 0.3. It means all the indicators used in this research are valid. The Alpha Cronbach of product assortment is 0.888, service quality is 0.933, store atmosphere is 0.892, store location is 0.908, and purchase intention is 0.951, which means all the variables are greater than 0.8. It shows that all the variables are reliable.  
From the table above shows that the correlation index of all item are greater than 0.3, it means that all the instruments are valid.

Result of Multiple Linear Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.394</td>
<td>.536</td>
<td></td>
<td>2.599</td>
</tr>
<tr>
<td>Product Assortment</td>
<td>-.046</td>
<td>.130</td>
<td>-.038</td>
<td>.350</td>
</tr>
<tr>
<td>Service Quality</td>
<td>.282</td>
<td>.097</td>
<td>.306</td>
<td>2.916</td>
</tr>
<tr>
<td>Store Atmosphere</td>
<td>.081</td>
<td>.122</td>
<td>.062</td>
<td>.664</td>
</tr>
<tr>
<td>Store Location</td>
<td>.343</td>
<td>.095</td>
<td>.355</td>
<td>3.621</td>
</tr>
</tbody>
</table>

*Source: SPSS Output, 2015*

From the result of the table above, the model is defined as:

\[
Y = 1.394 + (-0.046X₁) + 0.282X₂ + 0.081X₃ + 0.343X₄ + e
\]

The interpretation of the equation above as follows:

1. Constant (α) 1.394 shows the effect of relationship between Product Assortment (X₁), Service Quality (X₂), Store Atmosphere (X₃), and Store Location (X₄) on Consumer Purchase Intention (Y).
2. Considering that other variables are constant or equal to zero, if there is one unit B is -0.046, by increasing in Product Assortment (X₁) then the Consumer Purchase Intention (Y) will be decreased by -0.046.
3. Considering that other variables are constant or equal to zero, if there is one unit B is 0.282, by increasing in Service Quality (X₂) then the Consumer Purchase Intention (Y) will be increased by 0.282.
4. Considering that other variables are constant or equal to zero, if there is one unit B is 0.081, by increasing in Store Atmosphere (X₃) then the Consumer Purchase Intention (Y) will be increased by 0.081.
5. Considering that other variables are constant or equal to zero, if there is one unit B is 0.343, by increasing in Store Location (X₄) then the Consumer Purchase Intention (Y) will be increased 0.343.
Testing the Goodness of Fit: Coefficient of Correlation ($R$) and Coefficient of Determination ($R^2$)

Table 2. Result of $R$ and $R^2$

<table>
<thead>
<tr>
<th>Model</th>
<th>$R$</th>
<th>$R$ Square</th>
<th>Adjusted $R$ Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.561</td>
<td>.315</td>
<td>.286</td>
<td>.58461</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Store Location, Store Atmosphere, Service Quality, Product Assortment  
b. Dependent Variable: Purchase Intention

Source: SPSS Output, 2015

The coefficient correlation ($R$) is 0.561, it means the level of relationship between independent and dependent variable is considered as a substantial positive association. The coefficient of determination is identified by $R^2 = 0.315$ which is the correlation coefficient square ($0.561)^2 = 0.315$ or 31.5%, that means Consumer Purchase Intention is able to be explained by Product Assortment, Service Quality, Store Atmosphere, and Store Location. And the rest 68.5% are cause by other factors.

Result of Classical Assumption

The tolerance value of product assortment is 0.623, service quality is 0.655, store atmosphere is 0.833, and store location is 0.750, which are more than 0.20 while the VIF value of product assortment is 1.606, service quality is 1.527, store atmosphere is 1.201, and store location is 1.333, all of the value are less than 10, means that all variables are free from multicollinearity.

The result of heteroscedasticity test is the dots are spreading above and below zero. This proves that the model is no problem in heteroscedasticity. The result of histogram shows that the interval line is same with the plot of Purchase Intention. It is based on the requirements of normality that the histogram shape should approximately follow the normal curve.

Hypothesis Testing

Table 3. F-Test Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>14.937</td>
<td>4</td>
<td>3.734</td>
<td>10.926</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>32.468</td>
<td>95</td>
<td>.342</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>47.404</td>
<td>99</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase Intention  
b. Predictors: (Constant), Store Location, Store Atmosphere, Service Quality, Product Assortment

Source: SPSS Output, 2015

If: $F_{count} \geq F_{table}$ Reject $H_0$ then Accept $H_1$  
$F_{count} < F_{table}$ Accept $H_0$ then Reject $H_1$

In the table 4.8, the $F_{value}$ is 10.926, the degree of freedom 1 (df) is 4 and degree of freedom 2 (df) is 95 with level of significance of 0.05 ($\alpha = 0.05$), then $F_{table}$ is 2.467. The result is:  
$F_{count} > F_{table} = 10.926 > 2.467$

Since the $F_{count}$ is greater than $F_{table}$, $H_0$ is rejected and $H_1$ is accepted, which means Product Assortment, Service Quality, Store Atmosphere, and Store Location have significant influence on Consumer Purchase Intention simultaneously. Thereby, hypothesis 1 is accepted.
Table 6. T-Test Result

<table>
<thead>
<tr>
<th>Model</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.599</td>
<td>.011</td>
</tr>
<tr>
<td>Product Assortment</td>
<td>-0.350</td>
<td>.727</td>
</tr>
<tr>
<td>Service Quality</td>
<td>2.916</td>
<td>.004</td>
</tr>
<tr>
<td>Store Atmosphere</td>
<td>0.664</td>
<td>.508</td>
</tr>
<tr>
<td>Store Location</td>
<td>3.621</td>
<td>.000</td>
</tr>
</tbody>
</table>

Source: SPSS Output, 2015

1. Product Assortment (X1) shows that $t_{count}$ is -0.350 and $t_{table}$ is 1.985 which $t_{count} < t_{table} = -0.350 < 1.985$. Therefore, $H_0$ is accepted and $H_1$ is rejected.

2. Service Quality (X2) shows $t_{count}$ is 2.916 and $t_{table}$ is 1.985 which $t_{count} > t_{table} = 2.916 > 1.985$. Therefore, $H_0$ is rejected and $H_1$ is accepted.

3. Store Atmosphere (X3) shows $t_{count}$ is 0.664 and $t_{table}$ is 1.985 which $t_{count} < t_{table} = 0.664 < 1.985$. Therefore, $H_0$ is accepted and $H_1$ is rejected.

4. Store Location (X4) shows $t_{count}$ is 3.621 and $t_{table}$ is 1.985 which $t_{count} > t_{table} = 3.621 > 1.985$. Therefore, $H_0$ is rejected and $H_1$ is accepted.

Discussion

This research was to identify the influence of Retail Store Characteristics on Consumer Purchase Intention in Multi Mart Mega Mall Manado. Generally, this research shows that Retail Store Characteristics at Multi Mart Mega Mall Manado have both significant and not significant result. This can be seen from 100 respondents that categorized by gender, age, education, occupation, and income who gave their opinion based on experience they got during visiting Multi Mart Mega Mall Manado in a form of questionnaires that had distributed.

According to the theory, product assortment has significant influence on consumer purchase intention. The hypothesis testing result shows that product assortment has no influence on consumer purchase intention. It means that the availability of items, variety of items and variety of brands which provided by Multi Mart Mega Mall Manado will not influence on Consumer Purchase Intention. Even though product assortment does not influence on consumer purchase intention, Multi Mart Mega Mall Manado should maintain the availability of products or stuffs because consumer always buy their daily needs in supermarket. This result support the previous research by (Hafiz Ihsan et. al, 2014) about the influence of product assortment on consumer purchase intention with the result that product assortment does not have positive influence on consumer purchase intention.

According to the theory, service quality has significant influence on consumer purchase intention. The hypothesis testing result shows that service quality has influence on consumer purchase intention. This result shows that service quality has positive influence on consumer purchase intention partially. It means that the employee kindness and the good knowledge of products that the salespersons have as well as appropriately responses of salespersons are having influence on Consumer Purchase Intention. Service is very important for a company and consumer as well. Quality of service that makes consumers happy can increase the activity of consumer to buying in Multi Mart Mega Mall Manado. So, Multi Mart Mega Mall Manado should provide a good service to increase the level of consumers. This result support the previous research by (Muhammad Arslan, 2014) about the influence of service quality on consumer purchase intention with the result that service quality has positive influence on consumer purchase intention. According to the theory, store atmosphere has significant influence on consumer purchase intention. The hypothesis testing result shows that store atmosphere does not have influence on consumer purchase intention. It means that the
cleanliness in store, the shelf neatness, the pleasant music and sound, the cool room, a good lighting, and the space in store in Multi Mart Mega Mall Manado do not influence on consumer purchase intention. Comfortable atmosphere in store although does not influence on consumer purchase intention, can make consumers enjoy and happy while buying. Because good atmosphere in store can make consumers stay longer and make them comfort to select goods. This result also support previous research by (R. Hussain & Ali M., 2015) about the influence of music, color and temperature that those variables do not have influence on consumer purchase intention, but the variables such as cleanliness and lighting have influence on consumer purchase intention. According to the theory, store location has significant influence on consumer purchase intention. The hypothesis testing result shows that store location has influence on consumer purchase intention. It means that the public transportation, the strategic location, the space for parking and the store location that close to other shopping centre of Multi Mart Mega Mall Manado influence on consumer purchase intention. Location is an important factor for a company or store. Location must be a consideration for a store in order to attract consumers. This result support the previous research by (Hafiz Ihsan, 2014) that store location has influence on consumer purchase intention.

5. CONCLUSION AND RECOMMENDATION

The conclusions are:

1. Product assortment, service quality, store atmosphere, and store location have significant influence simultaneously on consumer purchase intention.
2. Product assortment has insignificant influence partially on consumer purchase intention.
3. Service quality has significant influence partially on consumer purchase intention.
4. Store atmosphere has insignificant influence partially on consumer purchase intention.
5. Store location has significant influence partially on consumer purchase intention.

The recommendations of this research are:

1. Product Assortment that Multi Mart Mega Mall Manado does not have influence on consumer purchase intention. Although it does not influence on consumer purchase intention, they need to increase several availability of products, new products and product brands to attract more consumers.
2. Related to Service Quality, based on result, it does influence on consumer purchase intention. Multi Mart Mega Mall Manado should increase the service of salespersons. For example train them to be more response and kind.
3. Related to Store Atmosphere in Multi Mart Mega Mall Manado, the atmosphere is comfortable. But, the result of this study shows that store atmosphere does not influence on consumer purchase intention. This can help Multi Mart Mega Mall Manado to keep maintain the store atmosphere to make consumer feel enjoy while buying.
4. Based on the research that has been obtained, the Store Location in Multi Mart Mega Mall Manado, such as parking area, they can maintain the area for parking because consumers that bring car are seeking for a wide parking.
5. For future researchers are advised to collect the responses through qualitative and quantitative researches to know more about the influences of independent variables on dependent variable as well as adding and examine other independent variables that could effects purchase intentions that have not been investigated in this study.
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