

THE EFFECT OF STORE AMBIENCE AND VALUE FOR MONEY ON CONSUMER PURCHASE INTENTION. CASE STUDY OF INDOMARET TOMOHON

PENGARUH SUASANA TOKO DAN NILAI UANG TERHADAP NIAT BELI KONSUMEN. STUDI KASUS PADA INDOMARET TOMOHON

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Abstract: In the competitive era, an attractive store ambience is essential in encouraging customers to buy products. Meanwhile reasonable prices in a retail store induce customer satisfaction as well as build customer loyalty; hence value for money is important. So this research wants to analyze which of the two variables has a significant influence to customer purchase intention. Further, this research used Multiple Linear Regression as a research method. To archive the main purpose of this research, the sample size is 40 respondents. As a result of this research, both store ambience and value for money give significant influence to customer purchase intention. Hence, Indomaret Tomohon has to pay attention to their store ambience and value for money because the two factors has positive impact to customer purchase intention partially and simultaneously.

Keywords: *consumer purchase intention, store ambience, value for money*

Abstrak: Dalam era yang kompetitif, suasana toko yang menarik adalah hal yang penting dalam hal mendorong pelanggan untuk membeli produk. Di samping itu, harga yang masuk akal dalam toko ritel menyebabkan kepuasan pelanggan maupun membangun kesetiaan pelanggan, maka dari itu value for money adalah penting. Oleh karena itu, penelitian ini ingin menganalisa variabel mana yang mempengaruhi niat beli konsumen secara signifikan. Penelitian ini menggunakan metode regresi berganda sebagai metode penelitian. Untuk mencapai tujuan utama dari penelitian ini, jumlah responden yang digunakan adalah 40 responden. Hasil dari penelitian ini adalah, suasana toko dan value for money keduanya memberikan pengaruh yang signifikan terhadap niat beli konsumen. Maka dari itu, Indomaret harus memberikan perhatian kepada suasana toko dan value for money mereka karena kedua factor memiliki dampak positif terhadap niat beli konsumen secara parsial dan simultan.

Kata Kunci: *niat beli konsumen, suasana toko, value for money*

INTRODUCTION

Background

Human being have known and have been doing the buying and selling activities to fulfill their needs since the beginning of civilization. Now as the time developed, market or the place of trading happen also experience a growth. From a traditional market to supermarket, traditional corner shop, and retail store such as a convenience store. Convenience stores have grown in Indonesia, offering convenience and a strong social element to a growing middle class for retailers they offer a potential glimpse at the future.

To increase sales, business using various ways or factors such as store ambience in how they build a nice environment for customer to shop and value for money such as offering the best price and discounts to approach and attract buyers. And the most vital aspect of consumer behavior to buy a product is their purchase intention, which in literature is defined as the situation in which a customer is willing to make a transaction with the retailer. Wu, Yeh and Shiao (2011) defined purchase intention as the customer's willingness to purchase a particular product or service in future. Therefore, an increased purchase intention represents an increased possibility of purchase.

Indomaret is one of the convenience stores in Indonesia, This research is conducted to find" The Effect of Store Ambience and Value for Money on Customer Purchase Intention. Case study of Indomaret Tomohon".

Research Objective

The purpose of this research is:

1. To know the effect of Store Ambience and Value for Money on Customer Purchase Intention simultaneously
2. To know the effect of Store Ambience on Customer Purchase Intention partially
3. To know the effect of Value for Money on Customer Purchase Intention partially

Marketing

According to Stanton, Etzel, Walker, Abratt, Pitt and Staude (1996) Marketing is a whole system of business activities aimed at planning, pricing, distributing goods and services that can satisfy the needs of both the buyers existing and potential buyers.

Customer Purchase Intention

Purchase behavior is an important key point for consumers during considering and evaluating of certain product (Keller, 2001 Jaafar, Lalp and Naba, 2012). The most vital aspect of consumer behavior is their purchase intention, which in literature is defined as the situation in which a customer is willing to make a transaction with the retailer (Gillani, 2012). Purchase intention might be altered by the influence of price, quality perception and value perception (Zeithaml, 1988 in Jaafar, Lalp and Naba, 2012).

Store Ambience

The store ambience is an environment that is created by visual communications, lighting, music, colors etc., to generate a stimulus among the customer's perceptions and emotions that will affect their purchasing behavior (Mohanty and Sikaria, 2011). Store ambience comprises of exterior atmospherics, interior atmospherics, store layout and visual merchandising. The attractive and impressive atmosphere of retail chain outlets creates an enjoyable experience among the consumers, which directly affects consumers' purchase intention and their decision making process (Srinivasan and Srivastava, 2010 in Hussain and Ali 2015).

Value for Money

Value can be created through more than one element, such as price, quality and location. In Nazari, Karachi, and Heidari (2015), Emery (1969) illustrated that value for money is the consequence of consistency between evaluation of price and quality. In the same manner, Dodds and Monroe (1985) define value for money as a trade-off between quality and perceived satisfaction; where both dimensions are influenced by price.

Previous Research

Teik, Yeik, Lin and Yee (2014) indicate that perceived value, store ambience, and service quality are significant factors that influence customers purchasing intention. Meanwhile Nazari, Karachi, and Heidari (2015) showed that price level perception, price perceptibility, value for money, price perceptibility, evaluation certainty, price reward, pleasure dominance factor and price opportunism have a significant impact on purchase intention. And Mahesh (2013) indicates that The reasonable price, value for money and acceptable quality of

standards are positively influencing the consumer's purchase intention of green products. These findings support the theory of this current research about the relationship between Store Ambience and Value for money towards Purchase Intention

Conceptual Framework

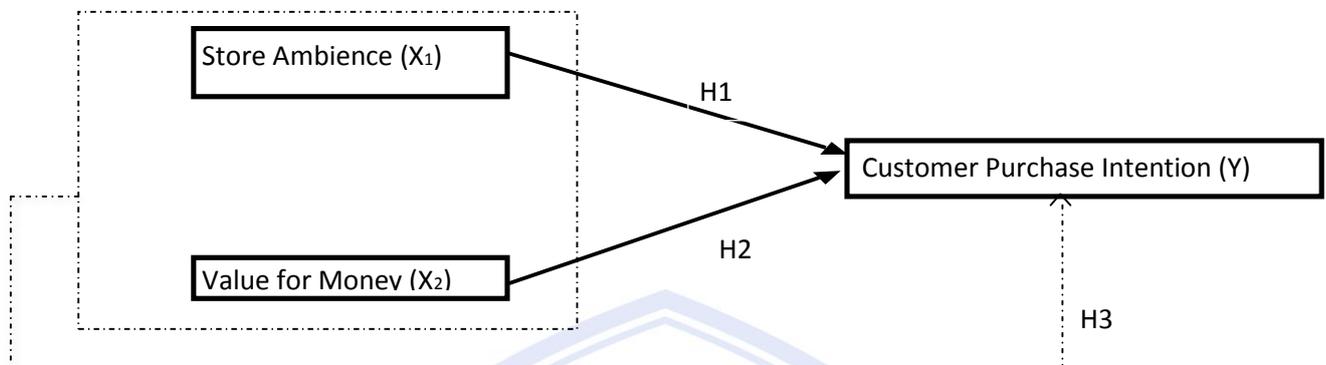


Figure 1. The Conceptual Framework

Source: Data processing, 2018

RESEARCH METHODOLOGY

Type of Research

This research uses causal type of research. According to Hair et al.,(2007:160) “causal research tests whether or not one causes another”. A causal relationship means a change in one event brings about corresponding change in another event. Causality means a change in X makes a change Y occurs. This research uses causal research because it will analyze the effect of store ambience and value for money on consumer purchase intention. *Quantitative* method used in this research.

Place and Time of Research

This study is conducted in Tomohon between February–March 2017.

Population and sample

The population that is mainly observed in this current research is all customers of Indomaret Tomohon who are aware about the store ambience and value for money. This research used convenience sampling which is refers to the collection of information from members of the population who are conveniently available to provide it. Hair, Black, Babin and Anderson (2010) suggest that, for regression type of analysis, the sample size should 15-20 per independent variable. For the independents variables of this research are store ambience and value for money, so the sample of this research are 40 customers of Indomaret who are aware about the store ambience and value for money.

Data Collection Method

The researcher obtains primary data from results of survey and questionnaires that are distributed to 40 customers of Indomaret who are aware about the store ambience and value for money. The secondary data used in this research are taken from books, journals, and relevant literature from library and Internet. These secondary data are used in this research, literature review, research method and discussions.

Measurement of Research Variable

Likert scale is used to measure the variables of this research. The endpoints of a Likert scale are typically “strongly agree” and “strongly disagree. The respondents are asked to indicate their degree of agreement by checking one of five major categories.

Validity Test

To analyze the validity of questionnaires, Pearson Product Moment is used. An instrument measure is valid if the instrument measures what ought to be measured.

Reliability Test

Reliability test is done by looking at the *Croanbach Alpha* value with the limitation as follows: If reliability coefficient (alpha) closer to 1 means very good. If reliability coefficient (alpha) > 0.8 means good. If reliability coefficient (alpha) < 0.6 means not good or in other words the measurement being done is not consistent or reliable.

Data Analysis Method

Data analysis is the process of systematically searching and arranging the interview, transcripts, fieldnotes, and other materials, and other materials that you accumulate to increase your own understanding of them and to enable you to present what you have discovered to others (Sugiyono,2007).

Multiple Regression Analysis Model

Multiple regression analysis is the study of how a dependent variable y is related to two or more independent variables (Anderson, 2011:626). The basic formula of Multiple Regression Analysis takes as the following form:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \mu$$

In general, the interpretation of the equation is: If Y ignore the use of X then Y value will be worth a . If there is an increase in the X_i as one unit in a state *ceteris paribus* then Y will increase by b .

Multiple Regression Coefficient of Correlation (R) and Determination (R²)

Coefficient of determination or R^2 is the amount of variance explained in the dependent variable by the predictors. If the coefficient of determination (R^2) is zero means that independent variables did not effect on the dependent variable. If the coefficient of determination more close to one means that there is an effect of independent variables on the dependent variable.

Testing of Classical Assumption

Classical assumption test are requirement tests for multiple linear regression that use Ordinary Least Square techniques.

Multicollinearity

Multicollinearity shows the intercorrelation of independent variables. R^2 near 1 violate the assumption of no perfect collinearity, while high R^2 increases the standard error of beta coefficient and makes assessment of the unique role of each independent difficult or impossible

Heteroscedasticity.

Heteroscedasticity test is a test of whether the regression models in which the errors do not all have the same variance. Newbolt et al (2003:508) in Pomolango (2012:26) explained, Models in which the errors do not all have the same variance are said to exhibit heteroscedasticity.

Normality

On this assumption test, it is expected that normality test is fulfilled. According to Anderson, Sweeney and Williams (2011), In multiple linear regression models, the residual is assumed to be normally distributed.

Hypothesis Testing

F – Test

F-test is a statistical test in which the test statistical has an F-distribution if the null hypothesis is true. This test is performed with the hypothesis acceptance criteria as follows:

Ho is accepted if the F-count < F-table and sig > 0.05

Ho is rejected if the F-count > F-table and sig < 0.05

t – Test

T_{test} is any statistical test in which the statistic has an F-distribution if the null hypothesis is true. This test is performed with the hypothesis acceptance criteria as follows:

Ho is accepted if t count < t-table and sig > 0.05

Ho is rejected if t count > t-table and sig < 0.05

RESULTS AND DISCUSSIONS

Result

Reliability Test

Table 1. Reliability Test Result

Cronbach's Alpha	N of Items
.812	9

Source: SPSS Output ver.22.00, 2018

The result interpretation, if the Cronbach's Alpha (Maholtra, 2007): < 0.6 indicates unsatisfactory internal consistency or consider that the data is unreliable. 0.7 indicates that the data is acceptable. 0.8 indicates good internal consistency or consider that the data resulted is reliable. Therefore, the measurement in this research has good internal consistent reliability that means the result of the measurement in this research is trustworthy.

Validity Test

Table 2. Result of Validity Test X1 (Store Ambience)

Correlations		X2.1	X2.2	X2.3	X2.TOTAL
X2.1	Pearson Correlation	1	-.021	.091	.521**
	Sig. (2-tailed)		.899	.576	.001
	N	40	40	40	40
X2.2	Pearson Correlation	-.021	1	.204	.587**
	Sig. (2-tailed)	.899		.207	.000
	N	40	40	40	40
X2.3	Pearson Correlation	.091	.204	1	.764**
	Sig. (2-tailed)	.576	.207		.000
	N	40	40	40	40
X2.TOTAL	Pearson Correlation	.521**	.587**	.764**	1
	Sig. (2-tailed)	.001	.000	.000	
	N	40	40	40	40

** Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output ver.22.00, 2018

Tabel 2 shows the validity test of variable X1 indicators. The table shows all the total values for each indicator for motivation (X1) are above 0.312. It means all the indicators are valid

Table 3. Result of Validity Test X2 (Value for Money)

Correlations		X2.1	X2.2	X2.3	X2.TOTAL
X2.1	Pearson Correlation	1	-.021	.091	.521**
	Sig. (2-tailed)		.899	.576	.001
	N	40	40	40	40
X2.2	Pearson Correlation	-.021	1	.204	.587**
	Sig. (2-tailed)	.899		.207	.000
	N	40	40	40	40
X2.3	Pearson Correlation	.091	.204	1	.764**
	Sig. (2-tailed)	.576	.207		.000
	N	40	40	40	40
X2.TOTAL	Pearson Correlation	.521**	.587**	.764**	1
	Sig. (2-tailed)	.001	.000	.000	
	N	40	40	40	40

** Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output ver.22.00, 2018

The table 3 shows the validity test of variable X2 indicators. The table shows all the total values for each indicator for perception (X2) are above 0.312. It means all the indicators are valid

Table 4. Result of Validity Test Y (Purchase Intention)

Correlations		Y.1	Y.2	Y.3	Y.TOTAL
Y.1	Pearson Correlation	1	.556**	.623**	.833**
	Sig. (2-tailed)		.000	.000	.000
	N	40	40	40	40
Y.2	Pearson Correlation	.556**	1	.746**	.886**
	Sig. (2-tailed)	.000		.000	.000
	N	40	40	40	40
Y.3	Pearson Correlation	.623**	.746**	1	.898**
	Sig. (2-tailed)	.000	.000		.000
	N	40	40	40	40
Y.TOTAL	Pearson Correlation	.833**	.886**	.898**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	40	40	40	40

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output ver.22.00, 2018

The table 4 shows the validity test of variable Y indicators. The table shows all the total values for consumer purchase intention are above 0.312. It means all the indicators are valid.

Result Of Multiple Linear Regression Analysis

Multiple linear regression model is used to determine the influence of several independent variables on a dependent variable. The result of multiple regression is using SPSS 22.00 software is shows in Table 5.

Table 5. Multiple Linear Regression Analysis

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.234	.740		1.667	.104		
Store Ambience	.330	.130	.375	2.546	.015	.817	1.223
Value for Money	.393	.183	.317	2.149	.038	.817	1.223

a. Dependent Variable: Customer Purchase Intention

Source: SPSS Output ver.22.00, 2018

The result in the table 4.5 can be expressed in regression equation as:

$$Y = 1.234 + 0.330 X1 + 0.393 X2$$

The interpretation of the equation is : Constant 1.234 shows the influence of store ambience (X1) and value for money (X2) to the customer purchase intention (Y). It means that if all the independent variables are zero, the customer purchase intention (Y) as dependent variable is predicted to be 1.234. 0.330 is the coefficient of store ambience (X1) meaning if there is one unit increasing in X1 while other variables are constant then Y is predicted to increase by 0.330. 0.393 is the coefficient of value for money (X2) meaning if there is one unit increasing in X2 while other variables are constant then Y is predicted to increase by 0.393.

Multiple Regression Coefficient of Correlation (R) and Determination (R2)

Table 6. Table R and R2

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.585 ^a	.343	.307	.36359

a. Predictors: (Constant), Value for Money, Store Ambience

Source: SPSS Output ver.22.00, 2018

R and R2/R Square are used to see the relationship between independent and dependent variables. Table 6 shows that the R2 is 0.343 which mean the independent variable affecting the dependent variable with 34.3%.

Multicollinearity

Table 7. Collinearity Statics

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Store Ambience	.817	1.223
	Value for Money	.817	1.223

a. Dependent Variable: Customer Purchase Intention

Source: SPSS Output ver.22.00, 2018

The table 7 showed that the tolerance value of store ambience is 0.817 and value for money is 0.817, meaning the tolerance value of each variable is more than 0.1 and VIF value of each variable is less than 10. Since all the tolerance value is more than 0.1 and the VIF value is less than 10, so this research is free from multicollinearity.

Heteroscedasticity

Figure 2 shows that the pattern of points is spreading above and below of zero point in ordinate. This is proved that there is no heteroscedasticity in this regression.

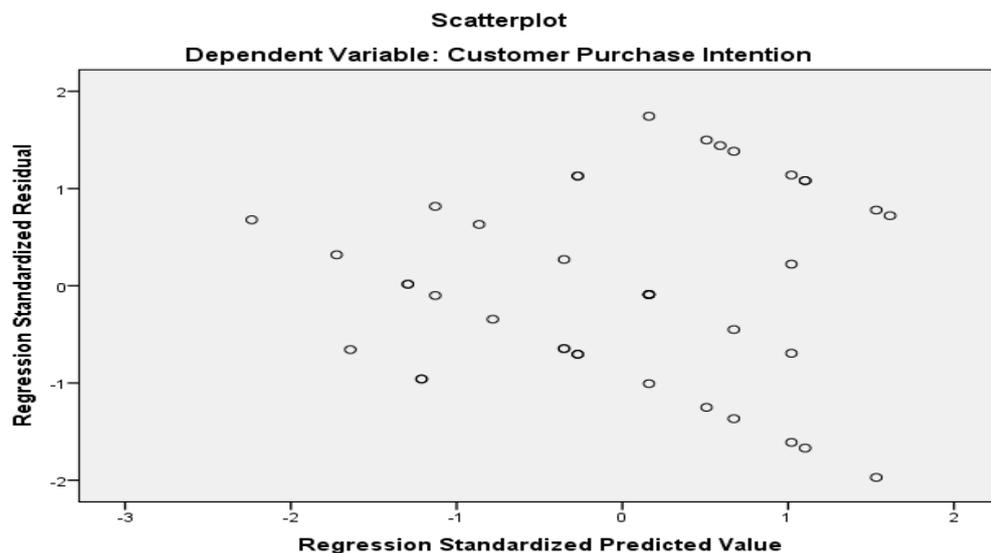


Figure 2. Heteroscedasticity

Source: SPSS Output ver.22.00, 2018

Normality

Normality test can be identified by using graph of P-P plot. The data distribute normally if the value of P-P plot is near diagonal line of the graph to identify the normality test. Figure 3 shows that the dots are spreading near the diagonal line and follow the direction of the diagonal line.

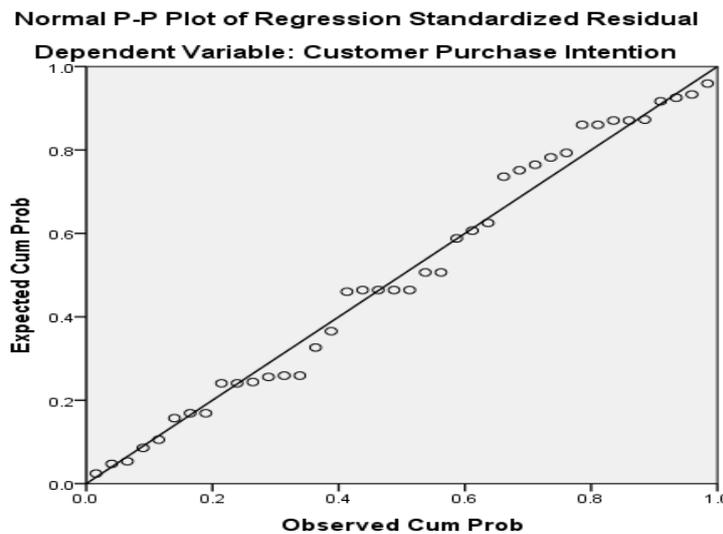


Figure 3. Normality Test Output

Source: SPSS Output ver.22.00, 2018

Normality test can be identified by using graph of P-P plot. The data distribute normally if the value of P-P plot is near diagonal line of the graph to identify the normality test. Figure 3 shows that the dots are spreading near the diagonal line and follow the direction of the diagonal line.

Hypothesis Testing

Ftest

The Ftest is commonly used as a test the hypothesis that the independent variable which consist of store ambience (X_1), and value for money (X_2) influence customer purchase intention (Y) simultaneously. If Fcount is higher that Ftable thus the alternative hypothesis (H_1) is accepted and the original hypothesis (H_0) is rejected.

Table 8. F-Test Output

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.550	2	1.275	9.646	.000 ^b
	Residual	4.891	37	.132		
	Total	7.442	39			

a. Dependent Variable: Customer Purchase Intention

b. Predictors: (Constant), Value for Money, Store Ambience

Source: SPSS Output ver.22.00, 2018

In this research the Fcount is higher than Ftable, Fcount=9.646>Ftable=3.252, thus H_0 is rejected and H_1 is accepted. Independent variables store ambience and value for money are simultaneously influences significantly the customer purchase intention as the dependent variable.

Ttest

The Ttest is used to see the partial influence of each independent variable on the dependent variable.

Table 9. T-Test Result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.234	.740		1.667	.104		
	Store Ambience	.330	.130	.375	2.546	.015	.817	1.223
	Value for	.393	.183	.317	2.149	.038	.817	1.223

Money

a. Dependent Variable: Customer Purchase Intention

Source: SPSS Output ver.22.00, 2018

Discussion

Store Ambience on Customer Purchase Intention

Variable store ambience (X1) has influence the customer purchase intention (Y), as it has been shown on table 4.9 that Tcount (2.546) is greater than Ttable (2.026). The value of store ambience (X1) in B is 0.330 and its means if there is one unit increasing in X1 while other variables are constant the Y is predicted to increase by 0.330. Indomaret Tomohon should maintain their store ambience, because based on the result people in Tomohon are significantly made their purchase intention in Indomaret Tomohon because of the Store Ambience of Indomaret Tomohon. To maintain this factor the managers should pay attention that the stores provide comfortable air conditionend environment, clean and free from clutter and sifficient lighting.

Value for Money on Customer Purchase Intention

Value for money has also positive relation to affect Customer Purchase Intention. As it has been shown on table 4.9 that Tcount (2.149) is higher than Ttable (2.026.)Based on SPSS calculation, an increase of one point in value for moneyfactor (X₂) will result in an average increase of at least 0.393 in customer purchase intention factor (Y). Because the impact of value for money on purchase intention is positive and meaningful, Indomaret Tomohon should try to make consumer's perceived tangible and quantifiable value. Managers must pay attention to quality on the stock of the food and grocery items, providing reliable billing system of all the stores of Indomaret Tomohon, and offers attractive discount.

CONCLUSIONS AND RECOMMENDATION

Conclusion

The conclusions drawn from this research are as follows:

1. Based on F-Test, it can be concluded that Store Ambience and Value for Money have significant effect on Customer Purchase Intention in Indomaret Tomohon simultaneously.
2. Based on T-Test, it can be concluded Store Ambience have significant effect Customer Purchase Intention in Indomaret Tomohon Partialy.
3. Based on T-Test, it can be concluded that Value for Money has significant effect on Customer Purchase Intention in Indomaret Tomohon Partialy.

Recommendation

Based on the conclusions that have been put forward, there are several recommendations that can be concluded from the overall result in this research, which are listed as follow:

1. Store Ambience, very important to maintain the level of Store Ambience, because this factor is the dominant factor that influence Customer Purchase Intention. To maintain this factor the managers should pay attention that the stores provide a comfortable air conditionend environment, clean and free from clutter to create a comfortable shopping experience to the customer and lighting should lightly illuminate the area so it will be easy on eyes and enhance the colour tones in the store.
2. Value for Money, very important to maintain the level of value for money, because this factor is the dominant factor that influence Customer Purchase Intention. To maintain this factor the managers should pay attention to the quality of the stock of the food and grocery items, providing reliable billing system of all the stores of Indomaret Tomohon, and offers attractive discount.

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