# THE INFLUENCE OF STORE IMAGE AND PERCEIVED PRICE ONPURCHASE INTENTION AT THRIFT STORE IN MANADO

# PENGARUH CITRA TOKO DAN PERCEPSI HARGA TERHADAP INTENSITAS PEMBELIAN TERHADAP TOKO BARANG BEKAS DI MANADO

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**Abstract:** This research is prompted by the growing sales and the acceptance of thrift store in Manado. The purpose of this study is to analyze the effect of store image and perceived price toward purchase intention at thrift store in Manado. The quantitative method is used in this research. In order to collect the data, questionnaires were distributed to 100 respondents in Manado. The result of this research shows that store image and perceived price has significantly affect purchase intention at thrift store in Manado.

Keywords: store image, perceived price, purchase intention

Abstrak: Penelitian ini didorong oleh pertumbu<mark>han p</mark>enjualan dan penerimaan thrift store di Manado. Tujuan dari penelitian ini adalah untuk menganalisis pengaruh citra toko dan harga yang dirasakan terhadap niat beli pada toko barang bekas di Manado. Metode kuantitatif digunakan dalam penelitian ini. Untuk mengumpulkan data, kuesioner disebarkan kepada 100 responden di Manado. Hasil penelitian ini menunjukkan bahwa citra toko dan persepsi harga berpengaruh signifikan terhadap niat beli pada toko barang bekas di Manado.

Kata Kunci: citra toko, harga yang dirasakan, niat beli

#### INTRODUCTION

## Research Background

The development of the fashion industry has become one of the factors increasing people's interest in consuming second-hand products. The activity of buying and selling second hand products has existed for centuries. In the current era, second hand products are increasingly in demand by fashion fans. Previously, thrift stores were often conceptualized as shopping places for people who had financial limitations due to their dark, smelly, dirty, and unorganized appearance. One of the things that make thrift stores increasingly popular today is public awareness of recycling because it helps the environment. In fact, the most widely traded second-hand product is clothing. Since, garments have a longer time to decompose than plastic so garment waste will only end up in landfills. Thus, one of the benefits of using second-hand products is to control textile waste and prevent overproduction. This is strongly supported by the community and also the government because it is included in the government program to reduce waste.

Store image can build store characteristics so that it can create branding for the store. We all know that branding is very important, so store image must be considered, build store characteristics so that it can create branding for the store. We all know that branding is very important, so store image must be considered. Good characteristics must be improved by the store such as the availability of sufficient goods and comfortable room

temperature. build store characteristics so that it can create branding for the store. We all know that branding is very important, so store image must be considered. Good characteristics must be improved by the store such as the availability of sufficient goods and comfortable room temperature. According to some researchers, the decision to buy something is influenced by the price of the item. After all, the customer wants the quality of the goods according to the price. Each thrift store charges different prices from its competitors and is due to several factors such as rental fees, laundry fees, shipping costs. So, thrift store owners must be careful in saving and pricing goods. This study attempts to investigate how consumers' perception of store image and price relates to their purchase intention at thrift stores. This research was conducted in Manado because the phenomenon of selling second-hand products in Manado which is very popular. Manado people are famous for their lifestyle which always follows the existing trends and fashion. By following the trend, their self-actualization becomes high.

# **Research Objectives**

- 1. To know the influence of store image on purchase intention at thrift store
- 2. To know the influence of perceived price on purchase intention at thrift store
- 3. To know the influence of store image and perceived price on purchase intention at thrift store simultaneously.

# THEORETICAL FRAMEWORK

## **Marketing**

Marketing is one of the main activities carried out by entrepreneurs in an effort to develop and to earn a profit. Success or failure in achieving business goals depends on their expertise in marketing, production, finance, and other fields. It also depends on their ability to combine these functions so that the organization can run smoothly.

#### **Consumer Behavior**

Consumer behavior is the actions and activities carried out by individuals, groups and organizations related to choosing, buying and using goods or services to meet needs and wants (Kotler and Keller, 2012). According to Hasan (2013), consumer behavior is the study of the processes involved when individuals or groups choose, buy, use, or regulate products, services, ideas or experiences to satisfy consumer needs and desires. Donovan, Mowen and Minor (2014) define consumer behavior as the study of buying units and exchange processes that involve the acquisition, consumption, and disposal of goods, services, experiences, and ideas. So it can be concluded that consumer behavior is an individual process in selecting, purchasing, using, and stopping consumption of goods and services, ideas or experiences.

## **Store Image**

According to Hartman and Spiro (2005), store image is an impression that is interpreted as a result of the completeness felt by consumers related to the store and is interdependent in consumer impressions based on both current and previous exposure. There are four types of store image elements that are consistently used by customers to give an impression on the image of the store they visit, namely, service, merchandise, marketing appeal and atmosphere of the store. Kotler and Keller (2012) explain that store image is a store's personality that describes what consumers see and feel about the store.

#### **Perceived Price**

Perceived price is the consumer's consideration of the feasibility of the product's price and its ability to buy the product. Chen and Dubinsky (2003) explains that perceived price is the consumer's perception of the relative price or sacrifice that must be incurred to get a product compared to the price or sacrifice on other similar products. So price is the most important decision variable taken by consumers to buy a product (Tsai, 2005). Zeithaml (1988) also states that studies that have been conducted have found that consumers do not always remember the actual price of a product because consumers usually do not evaluate the exact price of a product when they want to make a purchase, but they perceive the price of the product as a price that is cheap, reasonable (reasonable), or expensive based on their internal reference price. Furthermore, how consumers perceive the price - high, low, or reasonable has a very strong influence on both purchase intention and purchase satisfaction.

#### **Purchase Intention**

Understanding buying interest is the tendency to buy a brand and is generally based on the suitability of the purchase motive with the attributes or characteristics of the brand that can be considered (Belch & Belch, 2009). This purchase intention creates a motivation that continues to be recorded in a person's mind and becomes a very strong desire and finally when a consumer has to fulfill their needs, they will actualize what is in their mind. Attitudes and behavior cognitive knowledge possessed by consumers by relating attributes, benefits, and objects, meanwhile attitude refers to feelings or effective responses. Attitudes act as a reference that influences their environment (Loudon and Bitta, 2004).

## **Previous Research**

Wu, Yeh, and Hsiao (2011) investigated the direct effects of store image and service quality on brand image and purchase intention for a private label brand (PLB). This study also investigated the indirect effects mediated by perceived risk and price consciousness on these relationships. The sample in this study consisted of three hundred and sixty (360) customers of the Watsons and Cosmed chain of drugstores. The pre-test results identified "Watsons" and "My Beauty Diary" as the research brands of the PLB for the two stores, respectively. This study uses LISREL to examine the hypothesized relationships. This study reveals that (1) store image has a direct and positive effect on the purchase intention of the PLB; (2) service quality has a direct and positive effect on the PLB image; (3) the perceived risk of PLB products has a mediating effect on the relationship between the brand image and the consumers purchase intention of the PLB.

Surjaatmadja and Purnawan (2018) determined the direct effect of store image and service quality of the brand image and interest in purchasing the private label products. The study also looked at factors that influence directly the interest to buy (purchase intention) consumers. In this study will be the one form of retail which is currently experiencing a significant development that Supercenters industry or other terms that is often used is hypermarket. This research is classified as descriptive analysis method by taking a sample of a population and the use of a questionnaire as its main tool. The sample of this study is some of 200 respondents, especially private label brand customers that live in Indonesia. Respondents were selected using improbability sampling and convenience sampling technique. The results of the analysis using structural equation modelling and its result would be summarized as; store image has significant influence toward a brand imaged purchase intention of private label; service quality has significant influence toward a brand imaged purchase intention of private label; brand image has significant influence toward perceived risk and purchase intention of private label; perceived risk have significant influence over price consciousness and purchase intention of private label; price consciousness has significant influence toward purchase intention of private label. Perceived quality has significant influence over purchase intention of private label. Familiarity has significant influence over purchase intention, perceived risk and perceived quality of private label too. Store image has significant influence over perceived quality and perceived risk of private label.

Oosthuizen, Spowart, and De Meyer-Heydenrych (2015) determined the relationship between perceived relative price, perceived value and consumers' purchase intentions of private label wine brands within the retail sector in Johannesburg. Private Label Brands (PLBs) are products that the retailer owns, sells and distributes to consumers. If retailers can successfully influence the perceived value of their PLB wines, it will allow them to improve consumers' purchase intentions, increase their profits and market share and gain a competitive edge over their brand name rivals. This study added value to the limited research on the perceived value and purchase intentions of PLB wines in South Africa. A quantitative, descriptive, survey-based research approach was implemented. Participants were selected via a nonprobability convenience sampling method. In total, 250 questionnaires were used for analysis on the SPSS 22 statistical programme. Analysis included Exploratory Factor Analysis (EFA) and simple linear regression analysis. The results indicated that the perceived relative price of PLB wines influenced the perceived value and suggested that there was a significant positive relationship between perceived value and consumers' purchase intentions.

## **Conceptual Framework**

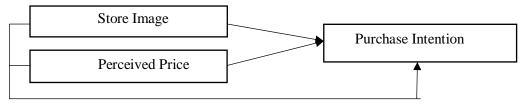


Figure 1. Research Framework

Source: Data Processed, 2021

## Research Hypothesis

The hypotheses of this research are:

- H1: There is partial influence of Store Image on Purchase Intention
- H2: There is partial influence of Perceived Price on Purchase Intention.
- H3: There is significant influence of store image and perceived price on purchase intention simultaneously.

## RESEARCH METHOD

# Research Approach

The type of this research is causal research that aim to describe the influence of Variable X on Y. This research is a quantitative method since using multiple regression as a tool to analyze the data

# Population, Sample, and Sampling Technique

The population in this research is the customer from thrift store in Manado. The sample that used is 100 from the total of the population. The sampling technique used the simple random sampling method.

## **Data Collection Methods**

Primary data is data originated by the researcher specifically to address the research problem. The researcher also gets primary data from the result of questionnaires. Questionnaires are distributed to respondents so they can respond directly on the questionnaire. In this research, questionnaires were distributed online via Google Form. This is because Covid-19 is still a global problem, so health protocols such as social distancing and avoiding crowds need to be considered.

# **Operational Definitions and Measurements of Research Variables**

- 1. Store Image in this research refers to consumers perception of thrift store in North Sulawesi where have they made transactions before. The indicators of store image in this research are: Quality of product, customer service, store layout, product availability, and store design.
- 2. Perceived Price in this research refers to consumer's perception of the relative price or sacrifice that must be incurred to get a product at a thrift store. The indicators of perceived price in this research are: Affordability of price, suitability of price with product quality, price competitiveness, and suitability of price with benefits.
- 3. Purchase Intention in this research is the tendency to buy goods from a thrift store. The indicator of purchase intention is transactional interest, referential interest, preferential interest, explorative interest.

## **Multiple Regression Method**

To analyze the data in this research, researcher uses multiple regression analysis. Data then inserted into the statistical tools SPSS version 25.0. This method has been chosen to measure the Influence of Store Image (X1) and Perceived Price (X2) toward Purchase Intention (Y).

Y = b0 + b1X1 + b2X2 + e

Y = Purchase Intention

X1 = Store Image

X2 = Perceived Price

bo = Intercept

b1, b2 = The regression coefficient of each variable

# RESULT AND DISCUSSION

Result Validity Test Result

**Table 1. Validity Test Result** 

Variable	Indicators	Pearson Correlation	r-table	Sig	Status
	X1.1	0.627	0.196	0	valid
	X1.2	0.737	0.196	0	valid
	X1.3	0.755	0.196	0	valid
	X1.4	0.746	0.196	0	valid
	X1.5	0.803	0.196	0	valid
	X1.6	0.696	0.196	0	valid
	X1.7	0.804	0.196	0	valid
Store Image	X1.8	0.779	0.196	0	valid
(X1)	X1.9	0.719	0.196	0	valid
	X1.10	0.706	0.196	0	valid
	X1.11	0.771	0.196	0	valid
	X1.12	0.682	0.196	0	valid
	X1.13	0.614	0.196	0	valid
	X1.14	0.687	0.196	0	valid
	X1.15	0.532	0.196	0	valid
	X1.16	0.762	0.196	0	valid
	X2.1	0.798	0.196	0	valid
Perceived Price	X2.2	0.868	0.196	0	valid
	X2.3	0.822	0.196	7 0	valid
(X2)	X2.4	0.826	0.196	0	valid
	Y.1	0.787	0.196	0	valid
Purchase	Y.2	0.845	0.196	0	valid
Intention(Y)	Y.3	0 <mark>.8</mark> 06	0.196	0	valid
	Y.4	0.732	0.196	0	valid

Source: Data processed, 2021

# Reliability Test Result Table 2. Reliability Test Result

Reliability Statistics

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Cronbach's Alpha	N of Items
.934	24

Source: SPSS Output, 2021

The SPSS output shows that the value of Cronbach's Alpha of 24 items in this research is 0.934. From the theory stated before, if the value of Cronbach's Alpha is more than 0.6 then it is reliable. This result means that the data is considered good and reliable since the value of Cronbach's Alpha is more than 0.9.

# Multiple Regression Result Table 3. Multiple Regression Result

Coefficients<sup>a</sup>

<b>Unstandardized Coefficients</b>			nts	Standardized Coefficients			
Model		В	Std. Error	Beta	t	Sig.	
1	(Constant)	3.415	2.470		1.382	.170	
	Store Image	.176	.046	.474	3.785	.000	
	Perceived Price	033	.148	028	221	.826	

a. Dependent Variable: Purchase Intention

Source: SPSS Output, 2015

The explanation of the equation are as follows:

- The constant value is positive at 3.415, where if the perceived price and store image variables are considered constant. So that the purchase intention variable will be fulfilled.
- Regression coefficient of Store Image (X1) is 0.176 means that if there is one unit increase in Store Image (X1), then the Purchase Intention (Y) is increasing by 0.176 assuming the other variables are constant (ceteris paribus).
- Regression coefficient of Perceived Price (X2) is -0.033 means that if there is one unit increase in Perceived Price (X2), then the Purchase Intention (Y) is decreasing by 0.033 assuming the other variables are constant (ceteris paribus).

#### T-test

The t-test was conducted to identify the partial effect between independent variables and dependent variable. T-test value is obtained by comparing the value of tcount with ttable at the significance level of 5% ( $\alpha = 0.05$ )

**Table 4. T-test Result** 

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	Unstandardi	zed Coefficio	ents St	tandardized Coefficients		
Model		В	Std. Error Beta		=	
			TEKNULUG	IDAA.	t	Sig.
1	(Constant)	3.415	2.470	IN DA	1.382	.170
	Store Image	.176	.046	.474	3.785	.000
	Perceived Price	033	.148	028	221	.826

a. Dependent Variable: Purchase Intention

Source: SPSS Output, 2021

The tcount of Store Image (X1) is 3.785 and value on ttable used for comparison is found at the level of significance of 0.05, which is at the confidence level of 95% and the value of ttable = 0.194, which indicates that tcount>ttable. This confirms that Store Image (X1) has significance influence on Purchase Intention (Y) partially. Thus, the first hypothesis (H1) is accepted. The tcount of Perceived Price (X2) is -0.221 and value on ttable used for comparison is found at the level of significance of 0.05, which is at the confidence level of 95% and the value of ttable = 0.194, which indicates that tcount<ttable. This confirms Perceived Price (X2) has no significant influence on Purchase Intention (Y) partially. Thus, the second hypothesis (H2) is rejected

## F-Test

F-test was conducted to identify simultaneous effect of the independent variables which are Store Image (X1) and Perceived Price (X2) on Purchase Intention (Y), by comparing the value of Fcount with value of Ftable at  $\alpha = 0.05$ .

Table 5. F-test Result

ANOVA'	a
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		1.11	10 11			
Mo	del	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	181.658	2	90.829	12.702	.000 <sup>b</sup>
	Residual	693.652	97	7.151		
	Total	875.310	99			

a. Dependent Variable: Purchase Intention

b. Predictors: (Constant), Perceived Price, Store Image

Source: SPSS Output, 2021

Table 5 shows the result of F-test in ANOVA output using the level of significance of 5% ( $\alpha$ =0.05). On the table, the significant level is 0.000 means below 0.01. Degree of freedom (df) of 2;97, the value of Fcount from the table above is 12.702, and the Ftable is 3.09. The result shows that 12.702 > 3.09, Fcount> Ftable. Based on the result, it means that Store Image (X1) and Perceived Price (X2) as independent variables have significant effect on the Purchase Intention as dependent variable simultaneously. The third hypothesis (H3) that states Store Image (X1) and Perceived Price (X2) have significant effect toward Purchase Intention (Y) simultaneously is accepted.

#### **Discussion**

## **Store Image on Purchase Intention**

Based on the respondent's answers obtained on the store image variable questionnaire which consists of several indicators, which is store design, store layout, customer service, product availability and quality of product, it is known that respondents will feel comfortable and satisfied to shop if the situation and condition of the store is supported. This can be seen from the respondent's positive answers to the 16 items of store image statements, where respondents agree that store image can affect purchase intention. The results obtained that store image has a positive and significant effect on purchase intention. So it can be concluded that the store image variable has a significant effect on purchase intention. This resulted is supported by Wu, Yeh, and Hsiao (2011) that store image has a direct and positive effect on the purchase intention.

## **Perceived Price on Purchase Intention**

Based on the respondents' answers to the indicators of perceived price variables, which is affordability of price, suitability of price with product quality, price competitiveness and suitability of rice and benefits. The result shows that respondents think that the price of the product that are sold are considered in accordance with the purchasing power, according to the market price, benefits obtained and have good and guaranteed quality so that it will lead to consumer purchase intention. Based on the calculation of the results of the partial test (T test), the results obtained that perceived price has a negative effect on purchase intention. In other words, an increase or decrease in perceived price will not have an impact on the ups and downs of purchase intention. Oosthuizen, Spowart, and De Meyer-Heydenrych (2015) supported this result that there is a significant positive relationship between perceived value and consumers' purchase intentions.

# **Store Image and Perceived Price on Purchase Intention**

While the magnitude of R square is 0.208. This shows that store image and perceived price affect product purchase intention by 20.8% while the remaining 79.2% is influenced by other variables not included in this study. It can be concluded that the store image and perceived price variables have a positive effect on the purchase intention at thrift store in Manado. This research is in accordance with and is strengthened by previous studies. From the result that found, thrift store owners should pay more attention to store image and prices so that consumers' purchase intentions are higher. If the thrift store provides a price that is in accordance with the benefits obtained as well as good services and facilities, it will cause purchase intention in consumers.

# CONCLUSION AND RECOMMENDATION

## Conclusion

Based on the results of the research, the conclusions that can be drawn are as follows:

- 1. The first hypothesis states that store image has a positive and significant influence on purchase intention is accepted.
- 2. The second hypothesis states that perceived price variable positive and significant effect on purchase intention is rejected.
- 3. The third hypothesis states that store image and perceived price have a positive and significant influence on purchase intention accepted.

#### Recommendation

Recommendation is the implication of research result. There is a practical recommendation that can be concluded from the overall result in this research. The recommendation is:

- 1. This research can be re-done by using different variables such as advertising, risk, and trust with the same research object because these variables are widely used by researchers to measure purchase intention and in order to further explore other factors that influence purchase intention.
- 2. This research can be done again by using the same variables but different research objects such as marketplaces and department stores.
- 3. This research can be carried out again with a different research location, because each region can have different consumer characteristics.

4. This research can be done again by taking a wider scope and number of respondents so that they will get different responses.

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