

ANALYZING THE IMPACT OF COVID 19 PANDEMIC TOWARD CONSUMER BEHAVIOR ON MATAHARI DEPARTMENT STORE IN MANADO TOWN SQUARE*ANALISIS DAMPAK PANDEMI COVID 19 TERHADAP PERILAKU KONSUMEN DI MATAHARI DEPARTMENT STORE MANADO TOWN SQUARE*

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Abstract: The purpose of this research is to analyze the impact of covid 19 pandemic on consumer behavior on Matahari Department Store located in Manado Town Square. This research used qualitative method. 15 Informants were interviewed through in-depth interview during the data process and the informants are the customer of Matahari Department Store in Manado Town Square and visit Matahari Department Store during the pandemic. The result of this research are the pandemic era made customer shift their shopping behavior from buying directly to the store into buy online through mobile apps and websites. Purposive sampling was used to provide a wealth of information about the subject.

Keywords: Covid-19, retail, consumer behavior, online service, price changing

Abstrak: Penelitian ini bertujuan untuk menganalisa bagaimana dampak dari pandemi covid 19 terhadap perilaku konsumen di Toko Matahari Department Store di Manado Town Square. Penelitian ini menggunakan metode Kualitatif. Selama proses mengolah data 15 informan yang merupakan pelanggan Matahari Department Store selama masa pandemi diwawancarai menggunakan in-depth interview. Hasil dari penelitian ini adalah dampak dari masa pandemi ini mengubah pelanggan yang sebelumnya biasa membeli di toko langsung pindah ke toko online. Purposive sampling digunakan untuk mendapat informasi yang lebih terkait subjek penelitian.

Kata Kunci: Covid-19, perilaku konsumen, toko online, perubahan harga

INTRODUCTION

Research Background

The emergence of SARS-CoV-2 in late December 2019 in Wuhan triggered a new, rapidly developing situation, with the virus spreading outside of China. The global spread of the COVID-19 disease qualified it as a global pandemic in March 2020. Many countries enacted laws to slow the spread of the virus, including the order of social isolation (lockdown), the use of masks, travel restrictions, and so on. The COVID-19 pandemic has decreased people's purchasing power in Indonesia. According to calculations from the National Planning and Development Agency (Bappenas), the pandemic has eroded people's purchasing power up to Rp362 trillion. The loss of purchasing power is caused by reduced working hours during the large-scale social restrictions (PSBB) in various regions of Indonesia in anticipation of the spread of COVID-19. Many retailers from the clothing sector have reported the

Retail businesses in Manado are still trying to survive the covid-19 pandemic that is still not ending. In manado, several retail store have closed due to pandemic. Department store has been affected drastically, now many stores from the sector reportedly affected, namely Centro in Manado Town Square Manado. Centro's closure

comes after the store held a massive discount few days before it closed. Lippo Group's retailer PT Matahari Department Store Tbk admits that its performance will still be at the normal threshold because the effects of the COVID-19 pandemic have not subsided. According to Niraj, Matahari's Chief Financial Officer. Matahari's gross revenues for the fiscal year ended 31 December 2020 were IDR 8.6 trillion, a 52.3 percent decrease from the previous year. Matahari's net profit dropped 52.9 percent to IDR 4.8 trillion. "COVID-19 had an effect on businesses around the world, including Matahari, that was not previously expected," Niraj said. Throughout 2021, Matahari in Manado will be operating in an extremely unpredictable setting. Matahari briefly closed almost all of its stores in March, only to gradually reopen them in May. Durability of each company is different so the decision to close operations must be made. Moreover, it is estimated that many retail businesses in Manado, especially the department store sector, will be affected by COVID-19 soon.

Research Objectives

1. To understand how Coronavirus affects consumer behavior in retail sector.
2. To explore how awareness level of buyers affects consumer purchase behavior.
3. To analyze how online services due to COVID-19 affects consumer purchase behavior in retail sector.
4. To explore how significant the products price changing during pandemic which affects the consumer behavior in Manado.

THEORITICAL FRAMEWORK

Marketing

According to Kotler (2000), marketing is a social and managerial process in which individuals and groups get what they need and want by creating, offering and exchanging products of value with other parties. While according to Stanton (2013), Marketing is a total system of business activities designed to plan, determine prices, promote and distribute goods that satisfy desires and services both to current and current consumers.

Consumer Behavior

Mowen (1993) provides a different definition by explaining consumer behavior as the study of the buying units and the exchange processes involved in acquiring, consuming, and disposing of goods, services, experiences, and ideas. This definition focuses on buying units in an attempt to include not only the individual but also groups that purchase products or services. Schiffman and Kanuk (1997) define consumer behavior as the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products, services, and ideas.

Retail

Retail plays an important role in the delivery of goods and services to the end customers. According to (Risch, 1991), the word 'Retail' is from a French word, retailer, with the prefix re and the verb tailer meaning "to cut again". On the other hand, the retail definition by Gilbert (2003) is any business that directs its marketing effort towards satisfying the final customer based upon the organization of selling goods and service as a means of distribution.

Previous Research

Sayyida, Hartini, Gunawan, and Husin (2020) analyzed the impact of the COVID-19 pandemic on retail consumer behavior. This study uses quantitative methods with secondary data sources obtained from several countries including the United States, England, Germany, France, Canada and Latin America. The results show that the shopping trends during the COVID-19 pandemic are webrooming and pure online shopping. Retail sales data in these countries shows that retail sales in physical stores exceed 70% of total retail sales and retail e-commerce sales are less than 30% of total retail sales.

Baicu, Gardan, Gardan, and Epuran (2020) investigated the impact of the COVID-19 crisis on consumer behavior in retail banking, with a special focus on the Romanian banking sector. To achieve our goal, we performed a survey among the Romanian consumers in retail banking, using as research method the field survey based on questionnaire. The final sample comprised 738 valid responses from the metropolitan area retail banking consumers. The research brings a fresh insight on retail banking services consumption during the pandemic and validates a conceptual model regarding the internet and mobile banking services acceptance. The research' results highlighted, among others, that the variable concerning the perception of the COVID-19 pandemic effect on

consumers' lifestyle has a direct and positive influence on the variable regarding the attitude toward internet and mobile banking services, mediated by other variables like safety of internet and mobile banking use and trust in banks

Kim (2021) explored whether and how consumers might incorporate online reviews into decision making based on signaling theory and examines when online review valence influences sales and when it might not. In a signaling perspective, online reviews might serve as a product quality signal, and subsequently, consumers might incorporate less the online review information into decision making if other product information cues such as expert ratings or brands help to verify the product quality. The findings from 633,029 consumer decisions on a hotel-booking website indicate that product quality information cues moderate the effect of online reviews on purchase likelihood. Also, product quality information cues were highly endogenous in estimating the effect of online reviews on sales. Online reviews are not likely to be a significant influencer on sales if the seller signal product quality with convincing information cues.

Conceptual Framework

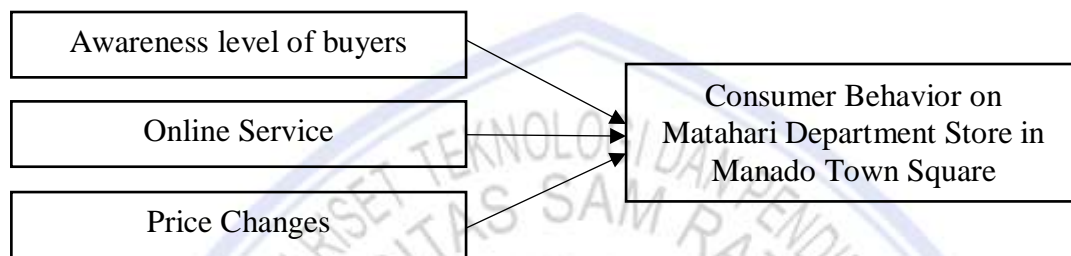


Figure 1. Conceptual Framework

Source: Data Processed, 2021

This conceptual framework is to identify the factors affecting the consumer behavior on Matahari Department Store in Manado Town Square due to Covid 19 pandemic.

RESEARCH METHOD

Research Approach

This research will be analyzed using qualitative research method to discover the consumer's response and behavior. The allure of qualitative research is that it enables you to conduct in-depth studies about a broad array of topics, including your favorites, in plain and everyday terms.

Population, Sample, and Sampling Technique

Population is identifiable group of elements of interest to the researcher and pertinent to the information. The population of this research is the customer of Matahari Department Store in Manado Town Square. By studying sample, the researcher should be able to draw conclusions that generalizable to the population of interest. The sample of this research is restricted to 15 informants. Purposive sampling will be used to recruit the sample purposefully with a focus on selecting information cases to provide a wealth of information about the research subject, which was consistent with the research methodology of this study, qualitative method. According to Sugiyono (1997), Purposive sampling is a technique to collect data sample of data source with some certain consideration.

Data Collection Method

This research uses both primary data and secondary data. The data used in this research will be collected through interview. The interviewer can pursue in-depth information around the topic. The in-depth interview is conducted through direct interview and zoom meeting. Secondary data of this research will be gain from books, articles, and previous research that support and related with the topic that are being discussed in this research.

Operational Definition of Research Variables

This research has 3 dependent variables and 1 independent variable. The variables are Online Service, Awareness Level of Buyers, and Price Change and independent variable which is Consumer Behavior. The researcher will find out how the dependent variables affect the consumer behavior while the Covid 19 Pandemic.

- Online Service is simply the buying and selling of goods and services using the internet when shopping online.
- Buyer's awareness is the stage where buyers become aware of problems or opportunities.
- A price change is a shift in the value of a security or another asset to either a higher or lower level. Pricing is the money that customers must pay for a product or service.

Validity and Reliability

Validity is referring to the credibility or believability of the research. Validity can be seen as the core of any form of assessment that is trustworthy and accurate (Bond, 2003). Reliability is seen as the degree to which a test is free from measurement errors since the more measurement errors occur the less reliable the test. While establishing good quality studies through reliability and validity in qualitative research, the trustworthiness of a research report lies at the heart of issues conventionally discussed as validity and reliability.

RESULTS AND DISCUSSION

Result

Interview Result

According to respondent 1, the health protocol that implies in Manado Town Square and Matahari Department Store are still not strict and effective, she explains that sometimes the visitor does not wash their hands and rarely wears masks properly. The health protocols exist but less effective than usual. It does not affect her to revisit Manado Town Square. She does not know the latest updates in Matahari, but sometimes she saw the Matahari Advertisements on Instagram. She once bought items through online stores. She chooses to buy things directly at the stores when asked if she prefers to buy online or directly because of the distance from her house to Manado Town Square and she rarely left her house.

According to respondent 2, the protocols are less effective because the visitors didn't do social distancing. It does not affect him to revisit Manado Town Square because he can put his own health protocol such as wear mask, wash hands, and social distancing. The informant prefers to buy things directly at the store because he will immediately see the size and quality.

According to respondent 3, the price changing is good but does not really affect her because previously she was only interested in discounted goods there. She has a bad experience when she bought things online so when asked if she prefers to buy things directly or through online store, she prefers directly at the stores. She added, in terms of high-quality product, she recommends buying things online but on the other hand we can see the size and quality of the product directly if we buy them at the stores.

According to respondent 4, The price changing in Matahari Department Store are not noticeable, for example, Matahari offers discounts on certain products, but the discounted price is not significantly different from original price. He prefers to buy things directly in Matahari Department Store because he can see the quality and price directly, but now because of the pandemic he chooses to buy things through online stores.

According to respondent 5, the price changing is a good thing for us customers and the store, people usually buy sale products, and it can bring benefit to the store. According to the informant Matahari Department Store will keep its positive sales trend while pandemic because of the loyal customers and affordable price for several products. The informant prefers to buy directly in Matahari Department Store because she can see the price and quality, but because of the pandemic she prefers to buy them through Online Stores. She also adds that online stores are simpler and offer various choices for us to buy.

According to respondent 6, He usually buys Levi's Jeans and Shirt in Matahari Department Store because the quality and price that slightly cheaper than the original store. He said that the health protocols that applied at Manado Town Square are good, and it does not affect him to revisit Manado Town Square. Now he usually buys things through online store but before the pandemic he prefers to buy them directly at the stores because he can see the price and quality directly.

According to respondent 7, she rarely visits Manado Town Square except for essential needs. She usually buys women bags and dress in Matahari Department Store because the quality and affordable price. now she prefers shopping through online stores because its more simple and you don't have to go to the store, but before

the pandemic, she prefer to buy them directly at the store because before she's not used to buy things from online store.

According to respondent 8, the health protocol in Manado Town Square and Matahari Department Store are good and strict, he feels safer and more comfortable when visiting there, and the only problem is the other visitor that sometimes does not obey the protocols for example didn't wear mask and social distance. he is more comfortable to buy the product directly at the store because he can choose the size and see the quality directly but now because of the pandemic, he prefers to buy them from online stores.

According to respondent 9, he prefers to buy shirt at Matahari because the quality and the design are better than another store. He said the health protocol is strict but less effective because in the store, the other customers usually didn't wear masks. He prefers directly at Matahari Department Store because he can see the quality and size, but because of the pandemic now he regularly buys them through online store.

According to respondent 10, the protocols need to be improved because many of the visitors still open their masks when they are inside the mall. It is good but less effective. He said sometimes he search for the latest catalog in Matahari Department Store websites, he also added that the digital marketing for Matahari Department Store needs to be improved because the competitors already using social media as their main marketing tool. Now because the pandemic he prefers to buy things through online stores and marketplace. He usually visits the store directly but because of the pandemic and high risk he prefers to buy them through online stores.

According to respondent 11, she is one of the loyal customers to Matahari Department Store, but because of the pandemic she rarely visits Matahari Department Store. She said the health protocol is good and most of the visitor apply the regulations. She said Matahari Department Store should improve their websites and marketing because she rarely sees any Matahari Department Store advertisements and updated with latest Matahari Department Store catalog. She also said some of her friends talk about the price that changed significantly because of the pandemic. Now the informant prefers to buy things through Online Stores because she spends most of her time in her house.

According to respondent 12, the conventions should be improved because a considerable lot of the guests still open their covers when they are inside the shopping center. It is great yet less compelling. The computerized advertising for Matahari Department Store should be improved on the grounds that the contenders previously utilizing online media as their principle promoting instrument. He generally visits the store directly but since the pandemic and high danger he likes to get them through online stores.

According to respondent 13, it is severe yet less successful because in the store, different clients generally didn't wear covers. Same goes with different stores, so it's not new. He really favors directly at Matahari Department Store since he can see the quality and size, but since of the pandemic now he consistently gets them through internet-based store.

According to respondent 14, she favors shopping through online stores because its more straightforward and you don't need to go to the store, yet before the pandemic, she like to get them directly at the store because before she's not used to purchase things from online store. She typically purchases ladies packs and dress in Matahari Department Store because the quality and reasonable cost. Matahari Department Store has been her Department Store of decision since she was more youthful.

According to respondent 15, the costs of the items are well disposed, and she said the quality is worth to purchase. The wellbeing conventions in Manado Town Square are great and powerful however just a few guests that not consenting them. She also adds that online stores are more basic and deal different decisions for us to purchase.

Table 1. Coding Categorizing

No.	Visitation before/while Pandemic	Awareness level of buyers	Online Service	Price Changes	Consumer Behavior on Retail Store (Matahari)
1	4-5 times/ rarely	- Does not had latest updates in Matahari, - Saw the Matahari Advertisements on Instagram	Chooses to buy things directly at the stores because she rarely left her house.	Revisit Matahari because of the cheaper products	The health protocol that implies in Manado Town Square and Matahari Department Store

2	3 times a week/ 2 times a month	He does not update about the latest catalog but it does not affect him	Prefers to buy things directly at the store because he will immediately see the size and quality.	Price changing that caused by the pandemic does not affect	are still not strict and effective The health protocols are good but unfortunately less effective but does not affect him to revisit
3	2 times a week/ rarely	She does not update about the latest catalog but it does not affect her	She recommends to buy things online but we can see the size and quality of the product if we buy directly.	The price changing is good but does not really affect her because she was only interested in discounted goods there.	The health protocol is not as strict as we know also we cannot guarantee the hygiene of the goods in Manado Town Square
4	2 times in a week / 1-2 times in a month	He used to find out the latest catalog of Matahari Department Store by himself	During pandemic, he chooses to buy things through online stores	Price changing in Matahari Department Store are not noticeable	The protocols that occur in only checking visitors body temperature and wear masks and affect him to revisit
5	2-3 times in a week / rarely	The catalog does not affect her to revisit Matahari Department Store because she only have one preferred product	In pandemic he prefer to buy them through Online Stores	People usually buy sale products and it can bring benefit to the store.	The health protocols are good and effective but only several visitors that not complying them.
6	2 times a week/ rarely	-	Stores made a good decision to change prices in order to attract customers	He usually buy things through online store	health protocols that applied are good and it does not affect him to revisit
7	3 times a week/ rarely	She downloaded the Matahari App to keep updated	-	She prefer shopping through online stores	The rules are good but few customer do not comply much for example not keeping some distance
8	Only on important occasion	Rarely search through online catalog	It is efficient and a good move from the store because it can cover the loss because pandemic	Since pandemic, he prefers to buy them from online stores	The health protocol are good and strict, he feels safer and more comfortable when visiting
9	Four times a week/ Two times in a month	Ask his friends about the latest catalog and sometimes from Instagram	He said that it's good for him and beneficial	He regularly buy them through online store	Less effective because in the store, the other customers usually didn't wear masks

10	2-3 times in a week / rarely	digital marketing needs to be improved because the competitors are better	he said it's a good thing for the customers that the price is more affordable	he prefers to buy things through online stores and marketplace	The protocols need to be improved because visitors still open their masks when they are inside the mall
11	2-3 times in a week / rarely	she casually open the internet and search for latest catalog and trend	The price become affordable	Prefer to buy things through Online Stores	the health protocol is good and most of the visitor apply the regulations
12	2-3 times in a week / rarely	digital marketing needs to be improved because the competitors are better	he said it's a good thing for the customers that the price is more affordable	he prefers to buy things through online stores and marketplace	The protocols need to be improved because visitors still open their masks when they are inside the mall
13	Four times a week/ Two times in a month	Ask his friends about the latest catalog and sometimes from Instagram	He said that it's good for him and beneficial	He regularly buy them through online store	Less effective because in the store, the other customers usually didn't wear masks
14	3 times a week/ rarely	She downloaded the Matahari App to keep updated	-	She prefer shopping through online stores	The rules are good but few customer do not comply much for example not keeping some distance
15	2-3 times in a week / rarely	The catalog does not affect her to revisit Matahari Department Store because she only have one preferred product	In pandemic he prefer to buy them through Online Stores	People usually buy sale products and it can bring benefit to the store.	The health protocols are good and effective but only several visitors that not complying them.

Source: Data Processed

Discussion

Based on the interview with the 15 informants which are customers of Matahari Departement Store in this study, it is found that Matahari Department Store already put an effort into their store regarding health protocols and some of the customers already shift their shopping behavior since pandemic has begun. The behavior of shopping in Matahari Department Store is attached to offline selling at first, but some of the customer already shift their behavior because of the pandemic, that some of them prefer to buy things online. Even though the store already prepared a system that can maintain the safety of customer with health protocols implemented, it still does not make customer visit again just like before pandemic area. The overall result of the interviews is quite similar regarding customer behavior of shopping in Matahari Departement Store in pandemic area though some are different in a certain case due to the vary experiences, opinions and point of views.

CONCLUSIONS AND RECOMMENDATION

Conclusions

1. The pandemic era made customer shift their shopping behavior from buying directly through store into buy online through apps so that they do not have to come to store and risk their health in this pandemic era
2. Matahari does not maintain the awareness through their media so that it does not affect customer well enough. Most of their competitor already runs a campaign in social media so they must keep up with them
3. Most of the customer who usually buy directly from store now buy stuff online through Matahari app. The app itself should be maintained
4. The price changes affect some customer because in pandemic era it makes Matahari Departement Store stuff more affordable. The customer still searches the discounted goods so Matahari can survive with it.

Recommendation

1. For Matahari Department Store, the research recommends improving the digital marketing as the next shopping experience will be from Online Stores so the competition will be different. To give the customer a safer experience, they need such as good health protocols and improve the regulations so the customer can feel safer on their visit. Second, Matahari should maintain the price so the price does not go lower that may affect the cost but enough to make Matahari survives. All aspects are needed to be more concerned as Retail Store and Department Store purpose is to give customers a better experience when they are shopping and comfortable with the price with high quality.
2. For the consumer, the researcher would recommend you that as consumer should be aware of the recent regulations from the government and the store itself. While the pandemic, you should follow the health protocol so the other costumer would be comfortable with their shopping experience. Consumer still need to know that there are number of types of local retail store especially department store with good quality. Customers need to consider if they should not prioritize on buying things from international store and started to appreciate more for local store and brands especially local department store.
3. For the future researcher that would like to conduct similar research about retail store during pandemic. You should give much attention to other stores that has huge impact because of the pandemic since there are few companies that already bankrupt. Since this research is limited to one type of retail store, you should add other type of retail store and analyze how the pandemic affect them and their strategy to adapt with the new normal.

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