

THE CUSTOMERS' PERCEPTION TOWARD MARETING MIX OF HYPERMART, MULTI MART, AND FRESHMART MANADO

by:

Vina Lenda Manoppo¹

¹Faculty of Economics and Business,
International Business Administration (IBA) Program
University of Sam Ratulangi Manado

email: vinalendamanoppo@gmail.com

ABSTARCT

Retailing is defined as all the activities that involve selling of goods or services directly to the final customer for their personal, non-business use via shops, market, door-to-door selling, and mail-order or over the internet where the buyer intends to consume the product. Retailing can also be defined as the activity that ensures that customers derive maximum value from the buying process. This research is conduct in Manado, North Sulawesi. The objectives of this research are to know the customers' perception on marketing mix of retail store in Manado. This research is comparative study, which is a study conducted by collecting data from several settings or organizations. The population in this research are all current customers, buyers, and all potential customers, buyers and customers of Hypermart, Multi Mart and Freshmart in Manado, whereas samples taken are 100 respondents. The conclusion of this research, people in manado have their own perception on retail store (Hypermart, Multi Mart, and Freshmart). People in Manado see that each retail store have their own value to offer to their customer. This study reveals that in terms of product and place in marketing mix, Hypermart is more superior compare to both if it's competitors. In the terms of price and promotion, Freshmart is more superior. This means Multi Mart's marketing mix policy still in the shade of both of it's competitors.

Keywords: *customer perception, retail store*

INTRODUCTION

Research Background

The focus of this study will be on how a retail business can develop their marketing mix their customers experience them and how the customers' perception toward their store. perception is defined as the process by which an individual selects, organizes, and interprets stimuli into a meaningful and coherent picture of the world. Retailing is defined as all the activities that involve selling of goods or services directly to the final customer for their personal, non-business use via shops, market, door-to-door selling, and mail-order or over the internet where the buyer intends to consume the product. Retailing can also be defined as the activity that ensures that customers derive maximum value from the buying process. This involves activities and steps needed to place the merchandise made elsewhere into the hands of customers or to provide services to the customers.

The concept of customer perception is built up by customer experiences, how they perceive the service they are offered and ultimately by whether they actually are satisfied with their experiences or not. Eventually, the success of the business is settled by how strongly the image of the store and the products the store is selling meet the customers expectations.

There are so many retail in Manado, from the small stalls until mall that provide many outlets which have many kinds of product. Beside there are several supermarket that spread in many location in Manado, will make the customers easy to reach it. Customer will have many choices to choose. This will make different perception for each customer toward each store. There are several famous supermarket in Manado, such as Hypermart, Multi Mart and Fresh Mart which each one of it has their own marketing mix strategy that will leave

customers to choose their own choice to purchase. So, this study is a significant contribution to the field of customer perceptions and store choice behavior on the basis of marketing in Manado retailing context. Hence, this study aims to examine the association between customer's perceptions and store marketing mix in product, price, place and promotion of retailing in Manado.

Research Objective

To know the customers' perception on marketing mix of retail store in Manado.

THEORITICAL REVIEW

Theories

Customer Behavior

Peter and Olson (2005:4) state that The American Marketing Association defines consumer behavior as a dynamic interaction of affect and cognition, behavior, and the environment by which human being conduct the exchange aspects of their lives. In other words, consumer behavior involves the thought and feelings people experience and the actions they perform in consumption processes. It also includes all the thing environment that influence these thought, feelings, and actions.

Perception

Schiffman and Kanuk (2004:158) state that perception is defined as the process by which an individual selects, organizes and interprets stimuli into a meaningful and coherent picture of the world. It can be described as how we see the world around us. Two individuals may be exposed to the same stimuli under the same apparent conditions, but how each person recognizes, selects, organizes, and interprets these stimuli is a highly individual process based on each person's own needs, values, and expectations.

Customer Perception

Perception is our sensory experience of the world around us and involves both the recognition of environmental stimuli and actions in response to these stimuli. Perception not only creates our experience of the world around us; it allows us to act within our environment. (Cherry, 2001, in Mononimbar and Tielung, 2014). Consumer perception is defined as the way that customers usually view or feel about certain services and products (Limbongan et al 2014).

Marketing Mix

Solomon and Stuart (2000:9) cited that marketing's tool is the marketing mix. The marketers' strategic tool box is called the marketing mix, which consist of the tools that are used together to create a desired response among a set of pre-defined customers. Kotler and Amstrong (2004:56) stated that Marketing Mix is the set of controllable tactical marketing tools that the firms to produce the response it wants in the target market.

Previous Research

Koul and Mishra (2013), Customer Perceptions for Store Attributes: A Study of Traditional Retail Stores in India. Awng (2008), Consumers' Perceptions Toward Retail Stores Comparing Between Superstores and Family-Run Stores in Bangkok. Aspfors, (2010), Customers' Perception of Service, Store Image and Product Assortment - From an Interior Store Perspective.

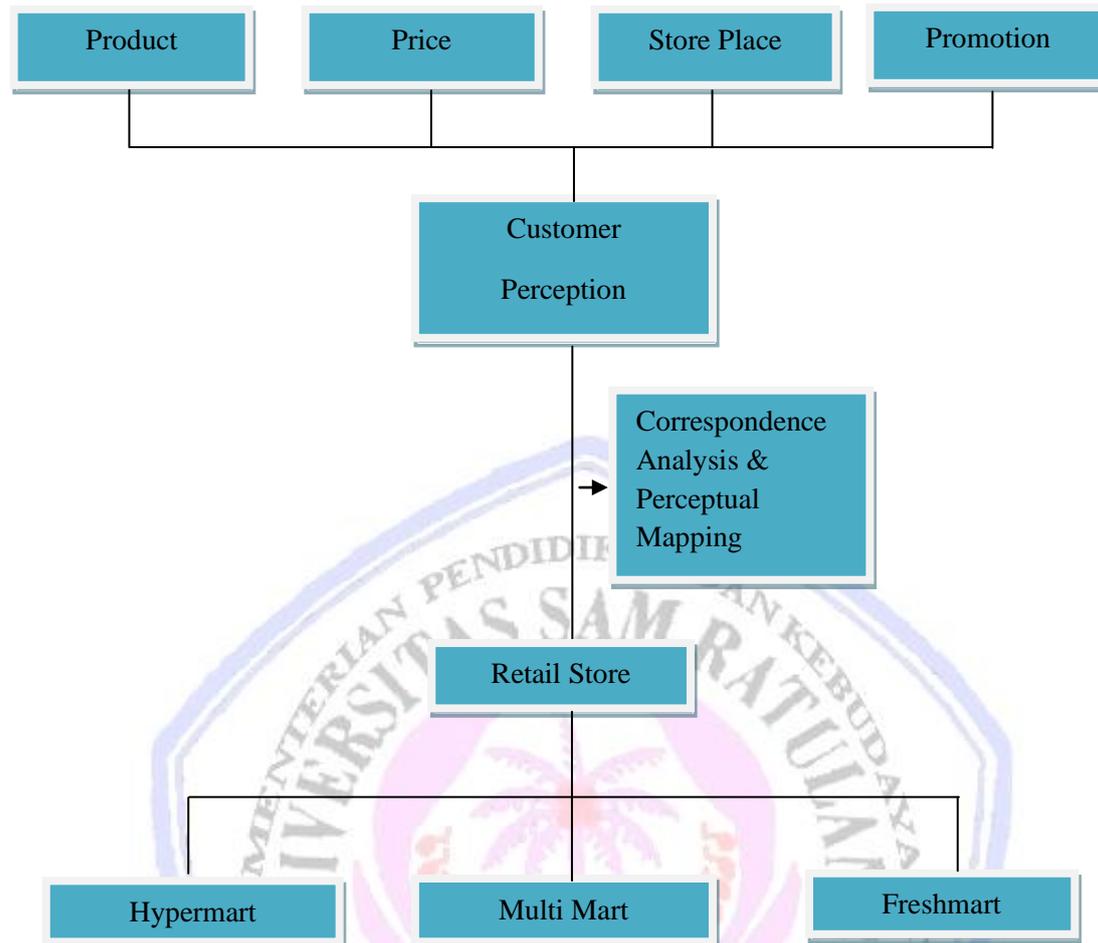


Figure 1. Conceptual Framework

Source: Processed data 2014

RESEARCH METHOD

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Type of Research

This research is comparative study, which is a study conducted by collecting data from several settings or organizations. In this case is the customers' perception toward marketing mix in 3 retail stores in Manado. There are four marketing mix model that we can compare for each store in order to determines the influence to customers' perception.

Place and Time of Research

The study was conducted in Manado, where the retail stores are located which is we can find many retail store's customers easily, through August to September 2014.

Population and Sample

The population in this research are all current consumers, buyers, and all potential consumers, buyers and consumers of Hypermart, Multi Mart and Freshmart in Manado. The sample or the respondents of the survey consist of 100 respondents customers that will be chosen randomly from people / customers in several retail store in Manado, in this terms Hypermart, Multi Mart, Freshmart. The sampling design is the unrestricted probability sampling design, more commonly known as simple random sampling, every element in the population has a known and equal chance of being selected as a subject. This sampling design has the least bias and offers the most generalizability (Sekaran and Bougie, 2010:270).

Data Collection Method

There are two types of data: (1) Primary Data use questionnaires were distributed to consumers of Hypermart, Multi Mart and Freshmart, respectively 100 sheets. And (2) secondary data is method of data collection by studying the relevant literature in order to obtain theoretical overview from books, journals, and relevant literature from library and internet with the concept of customer perception toward retail store.

Operational Definitions and Measurement of Research Variable

1. Product variants, which is defined as variation of product that available in the store.
2. Price, indicates to products' price in the retail store.
3. Place, indicates the store placement.
4. Promotion is the way of the store will introduce their store to society.

Data Analysis Method

Correspondence Analysis

Correspondence analysis is a statistical technique that provides a graphical representation of cross tabulations (which are also known as cross tabs, or contingency tables). Cross tabulations arise whenever it is possible to place events into two or more different sets of categories, such as product and location for purchases in market research or symptom and treatment in medical testing (Yelland, 2010). As presented in this research, correspondence analysis employs a contingency table, which is the cross tabulation of retail store and customer perception.

Perceptual Mapping

Perceptual mapping is "the application of multidimensional scaling (MDS) and various factorial techniques, such as principal component analysis (PCA), correspondence analysis (CA) indiscriminant analysis (DA)" (Greenacre, 2008). In a perceptual map, products (or brands) are represented graphically in a space spanned by attributes. For this purpose, customers are often asked to indicate their preference on a, usually predefined, rating scale. A multivariate analysis method, for example, principal component analysis, discriminant analysis, multidimensional scaling or canonical correlation analysis, is applied either directly to the ratings or after some data preparation steps.

RESULT AND DISCUSSION

Result

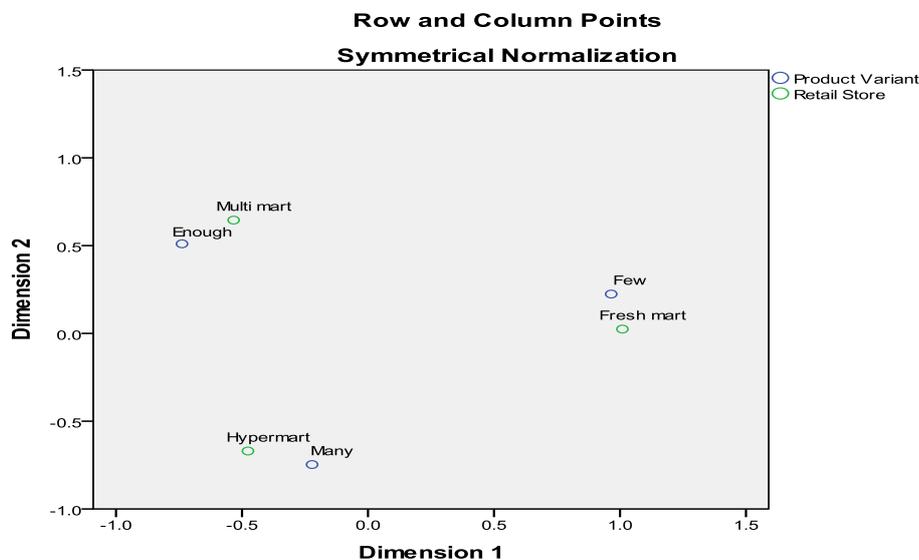


Figure 2. Perceptual Mapping of Product Variant and Retail Store

Source: Processed data 2014

Figure 2. Shows that the customers' perception of "few" on product variant of retail stores is plotted close to Freshmart, the perception of "enough" is plotted close to Multi Mart, and the perception of "many" is plotted close to Hypermart.

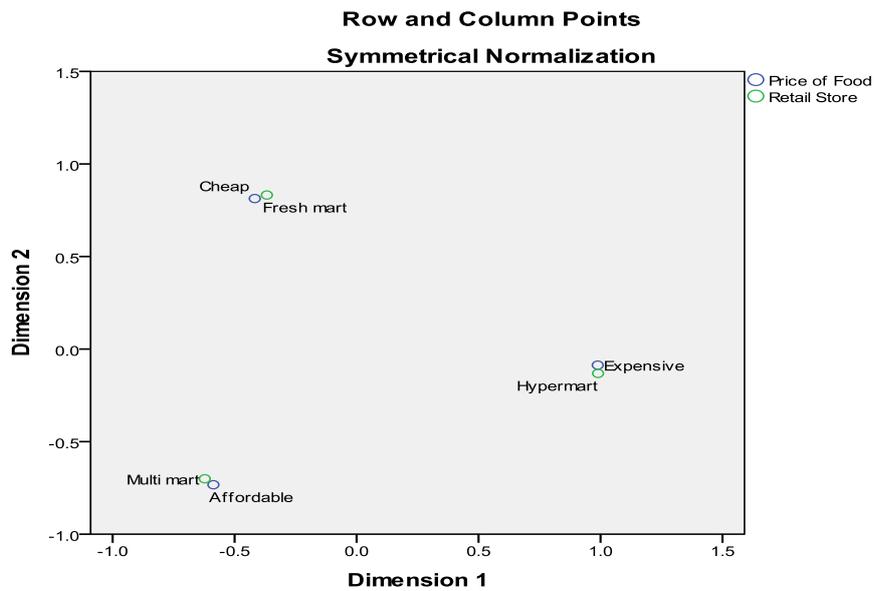


Figure 3. Perceptual Mapping of Price of Food and Retail Store

Source: Processed data 2014

Figure 3. Shows that the customers' perception of "cheap" on price of food for retail store is plotted close to Freshmart, the perception of "affordable" is plotted close to Multi Mart, and the perception of "expensive" is plotted close to Hypermart.

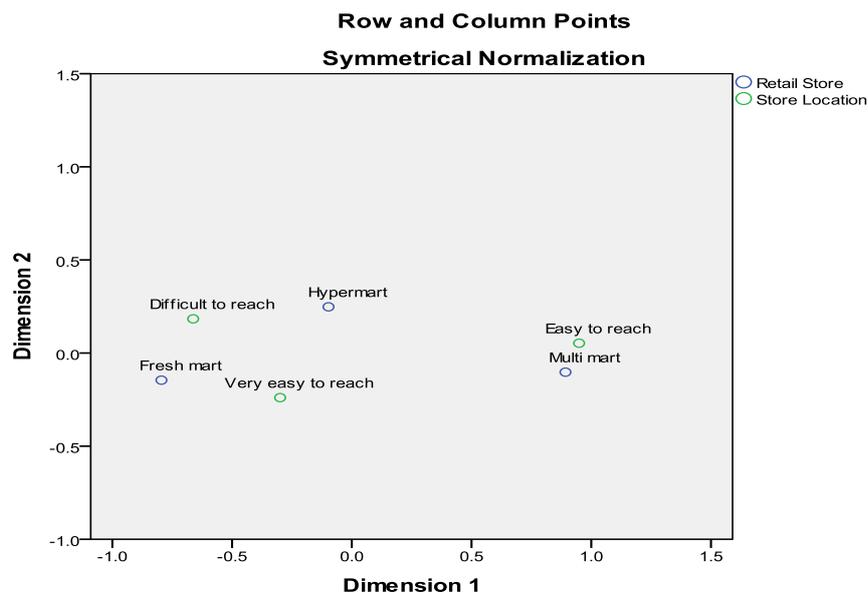


Figure 4. Perceptual Mapping of Store Location and Retail Store

Source: Processed data 2014

Figure 4. Shows that the customers' perception of "very easy to reach" on store location of retail stores is plotted close to Hypermart, the perception of "easy to reach" is plotted close to Multi Mart, and the perception of "difficult to reach" is plotted close to Freshmart.

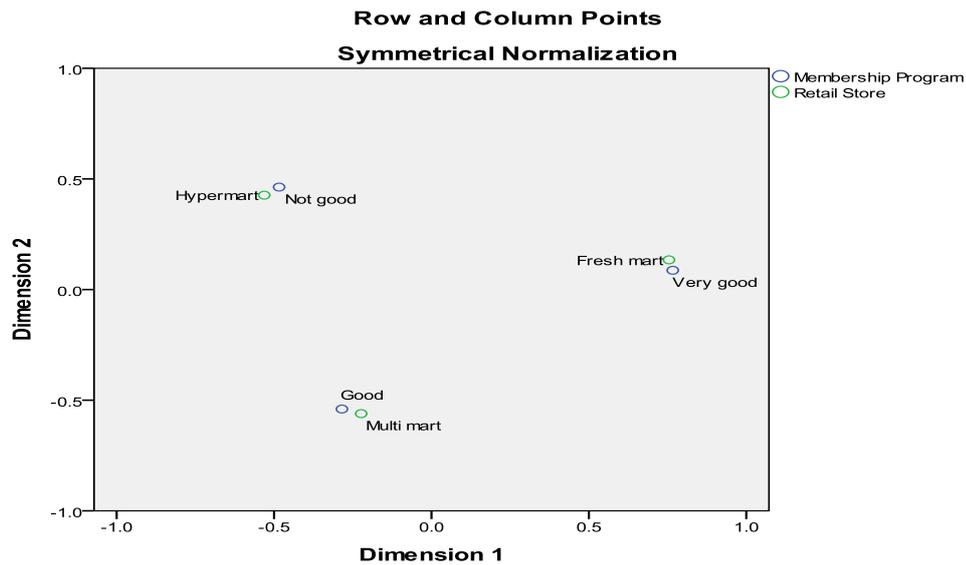


Figure 5. Perceptual Mapping of Membership Program and Retail Store

Source: Processed data 2014

Figure 5. Shows that the customers' perception of "not good" on membership program of retail stores is plotted close to Hypermart, the perception of "good" is plotted close to Multi Mart, and the perception of "very good" is plotted close to Freshmart.

Discussion

Customers Perception to Product Variant of Retail Store (Hypermart, Multi Mart, and Freshmart)

The result of this study shows that, Hypermart has the most variation of products to offer to customer compare with both of it's competitor, in this case Multi Mart and Freshmart. Multi Mart comes second and Freshmart is the last, which means that Freshmart has the fewest variation of product that they can offer to their customers.

Customers Perception to Price of Food from Retail Store (Hypermart, Multi Mart, and Freshmart)

The result of this study shows, Hypermart has the most expensive price of food compare with both of it's competitor. We can understand it, because compare to both of it's competitors Hypermart has the highest product quality. The writer think it's excusable for Hypermart to has high price for their product, meanwhile Multi Mart's price policy for food is affordable for the customers. Furthermore, Freshmart has the cheapest price of food.

Customers Perception to Store Location of Retail Store (Hypermart, Multi Mart, and Freshmart)

The result of this study shows that, Hypermart's has the easiest store to reach compare to. This can happened because Hypermart open their store in the most crowded mall in Manado, Manado Town Square, where the most people in Manado gathered to shopping. Beside that, they also open their store in MTC (megamas) and Lippo Plaza. Comes second easiest to reach is Multi Mart, which is have open their store in several places in Manado. Their biggest store located at zero point that also crowded with people and their second biggest is in megamas, behind megamall. Meanwhile Freshmart's store is quite difficult to reach for their customers, because Freshmart's stores are located in several minor area and less strategic places.

Customers Perception to Membership Program of Retail Store (Hypermart, Multi Mart, and Freshmart)

The result shows that, Freshmart has the best membership program compare to Multi Mart and Hypermart. Multi Mart comes second and has good membership program. While Hypermart is the last, which means that Hypermart has the worst membership program.

The research findings shows that store attributes have a strong relationship with the customer perceptions, which is supported by the result from the findings from Koul and Mishra (2013), the customers purchasing products emphasize on store attributes, which means that store attributes such as the marketing mix is important to determine customer perception toward the store. This research also shows that there are different customer perceptions of retail store from the respondents when they visit the retail store. Correspondence analysis on perceptual mapping result shows that there is a correlation between the retail store (Hypermart, Multi Mart, and Freshmart) with customer perceptions (product, price, place and promotion).

Koul and Mishra (2013) also said their finding strongly emphasize that when a customer prefers certain store attributes he even travels long distances to purchase that product. This also reflects the store loyalty factor of a customer. All these when kept under consideration can surely meet customer expectations and thus make him a customer loyal. It means every retailer must be pay attention with their store attributes, because the good customers' perception toward store attributes will lead to high customer loyalty. In the case of this study, retail store must pay good attention of their marketing mix.

CONCLUSION AND RECOMMENDATION

Conclusion

There are three constructive findings that can be concluded from the overall result in this research, which are listed as follow:

1. In terms of product and place in marketing mix, Hypermart is more superior compare to both if it's competitors.
2. In the terms of price and promotion, Freshmart is more superior.
3. Multi Mart's marketing mix policy still in the shade of both of it's competitors.

Recomendation

From the result, this research finally found the perceptions of each retail store (Hypermart, Multi Mart, and Freshmart). Manufacturers and marketers will more hard work to compete in retail store business with arranges strategies:

1. It will be more beneficial if the marketers could provide the best from their retail so it can meet the customer expectations with the best product, reasonable price, comfortable store, and interesting promotion.
2. Improve the performance of retail store more various in terms of product, price, place and promotion. Because the good marketing mix of retail store is important to gain good customer perception.
3. For next analysis, it is important to conduct research use perceptual mapping. The result of this research may be used for more advanced research on retail store in order to make development in the business.

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