ANALYZE THE EFFECT OF VISUAL MERCHANDISING AND BRAND IMAGE ON CUSTOMER PURCHASE INTENTION CASE STUDY: STARBUCKS CUSTOMER IN MANADO CITY

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Abstract: This research aims to analyze the effect of visual merchandising, and brand image on customer purchase intention at Starbucks Customer in Manado. The independent variables used in this research are visual merchandising and brand image, while the dependent variable is purchase intention. This research uses primary data obtained from questionnaires measured with the Likert Scale. The sample is customer who have shopped in Starbucks Manado. Test instruments are performed using Validity and Reliability Tests. The regression result show that visual merchandising and brand image have a positive and significant effect on purchase intention through Starbucks Manado.

Keywor
visual merchandising, brand image, purchase intention

INTRODUCTION

Research Background
Globalization has resulted in enormous changes in many facets of human life, including social, economic, cultural, technological, and other elements. This will wreak havoc on the community's burgeoning economy. This occurs in tandem with the rapid advancement of technology, and it has an indirect impact on customer preferences when it comes to selecting goods and services that meet their wants and needs. Consumers will be forced to be pickier when selecting a product or service due to the wide range of options available. Consumers will begin to determine which brand is best suited to meet their demands, and it will eventually reach the point where a consumer decides to consume a product based on more than just its basic function (primary demand).

The current trend in consumer buying habits is linked to the incentive of consumers to engage in shopping activities. Current purchase behaviors have evolved to include those motivated by visual merchandising (product presentation/arrangement) and brand image. Visitors who have a favorable perception of a company are more likely to make purchases. They will also be more interested in the arrangement or presentation of intriguing and
good items or products in a comfortable store setting that can be passed by or paused, allowing visitors to make purchases without thinking.

It is possible to achieve success, an advantage, or a superior position through competition without engaging in violent violence. Due to this constant need to think creatively and innovatively, businesspeople must develop strategies that are both successful and efficient if they hope to remain in business. Business executives need to be able to create and implement marketing strategies that are in line with the demands of the market if they want to capture the interest and attention of customers. In order to satisfy consumer requirements and wants and encourage consumer loyalty, marketing concepts and tactics should do so.

The corporate world is currently experiencing intense competition, and Manado is no exception. There have been a variety of new enterprises from various industries. The culinary industry is similar to the retail, service, and current events industries. Food stands, stalls, fine dining establishments, classic dining concepts, cafés, etc. are all examples of venues where cuisine is on the increase. Despite the flexibility of this industry, which may range from a humble food cart to a high-end restaurant, each field's strategy must be unique because each one has its own market targets and customer demands. But one of the most popular and also in great demand is the coffee shop.

Starbucks is a unique coffee store in the sense that it is not like any other coffee shop. Starbucks features a welcoming atmosphere and a modern, clean style. Starbucks has evolved into a popular gathering spot for friends and business meetings, in addition to being a place to buy drinks and snacks. Starbucks is consistently the highest-ranking coffee shop in Indonesia, and it is always the most prominent in the thoughts of customers. The company must select the best plan for surviving and winning the competition, as well as achieving its objectives. The product's brand image becomes increasingly crucial in attracting consumers' purchasing intentions to suit their present needs, it is one of the considerations so that the company can meet consumer expectations so that consumers feel satisfied.

Visual marketing elements must be able to capture the emotions and perceptions of the customer (Zolkifly and Baharom, 2016). This is because an effective VM element can be trusted to build and maintain the physical and psychological image of the store in the customer's mind (Bell and Ternus, 2012). The stimulation given to customers starts from the store entrance area to products that must be displayed in an attractive way to attract customer. Various elements such as the display in the store entrance area, display products, layouts, themes, graphics, music and lighting that create a visual presentation, requires creativity, expertise, innovation and good planning in order to provide a competitive advantage in creating an overall store image (Krishnakumar, 2014).

Therefore, consumer attitudes and actions towards a brand are largely determined by the brand's image. According to Kotler (2011) brand image is everything related to the memory of a particular brand, brand image is formed in the minds of consumers, namely where consumers concurrently and translate signals sent by a brand through its products, namely based on product functional attributes and through the physical characteristics or identity of the brand itself, such as the name, symbol, and slogan. These signals are then sent by the brand. In addition to brand image, buyers' buying inclinations are influenced by visual merchandising while selecting a product. Visual merchandising is a product strategizing activity that entails paying attention to a variety of factors in order to draw customers' attention and form the store's image so that customer buying intents are triggered. Visual merchandising is a technique for presenting the appearance of appealing items to potential customers (eye-catching) (Jain, Sharma, and Narwall, 2012).

**Research Objectives**

1. To find out whether there is a significant influence between visual merchandising on purchasing intentions in Starbucks consumers in Manado City.
2. To find out whether there is a significant influence between brand images on purchasing intentions in Starbucks consumers in Manado City.
3. To find out whether there is a significant influence between visual merchandising and brand image on purchasing intentions for Starbucks consumers in Manado City.

**THEORITICAL FRAMEWORK**

**Marketing**

Marketing according to Kotler and Armstrong (2012), is the process by which companies create value for customers and build strong customer relationships in order to capture value from customer. Marketing is a
business activity that involves an effort to meet the needs and desires of humans, organizations, and society as a whole. Through the marketing process, the company will try to meet human needs that must be met by creating products that are distributed to consumers.

Visual Merchandising
According to Jain (2013), visual merchandising is a sales person who does not speak but can certainly convey the sales message through visual stimulation. Visual merchandising is a technique in presenting the display of merchandise that is eye-catching and aimed at potential customers.

Brand Image
According to Kotler and Keller (2012), brand image is the perception and belief held by the consumer, which is reflected or inherent in the mind and memory of the consumer himself. This perception can be formed from the consumer's past information or experience with the brand.

Purchase Intention
According to Kinnear and Taylor (1995: 306), Purchase Intention is a stage of respondents’ tendency to act before the buying decision is actually implemented. A product is said to have been consumed by the consumer if the product has been decided by the consumer to be purchased.

Consumer Behaviour
Schiffman and Kanuk (2007) stated that consumer behavior is defined as the behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs. Consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items.

Previous Research
Park, Jeon and Sullivan (2014) developed II studies, namely: study I developed measures of visual merchandising cognition and Study II examined the impact of visual merchandising cognition on brand preference, with a focus on fashion brands. This research used mixed methods and an experimental design to empirically test the influence of visual merchandising cognition on fashion brand preferences. Confirmatory factor analysis finds three dimensions of visual merchandising cognition: in-fashion, attractiveness, and function. A structural equation model confirms a conceptual framework for the influence of visual merchandising cognition on brand preferences. In-fashion and attractiveness have a significantly positive effect on brand aesthetic attributes. Function has a significantly positive effect on brand utilitarian attributes. Favourable attitudes toward visual merchandising directly transfer to favourable brand attitudes that are positively associated with purchase intentions.

Mondol et al. (2021) aimed to figure out the visual merchandising elements which influence on an individual’s purchase intention. A sample of 356 respondents available at different fashion stores in Malaysia was used to get the study outcomes following the quantitative analysis. The Smart PLS 3.0 was used for analysing the data. This study claims that there is a positive and significant relationship between store layout and consumer’s intention to purchase. Then, a positive and significant relationship is also found between product display and consumer’s intention to purchase. Furthermore, a positive and significant relationship is found between colour & lighting and consumer’s intention to purchase. Moreover, a positive and significant relationship is not found between cleanliness and consumer’s intention to purchase.

Rathnayake and Fernando (2017) identified the impact of Visual Merchandising Strategies (VMS) on Consumer Purchase Intention (CPI) and mediating impact of Consumer Emotional State (CES) between VMS and CPI. Both primary and secondary data were collected and survey method was adopted to collect primary data from a sample of 200 respondents which was drawn from Colombo and Kandy Districts. VMS was evaluated by store exterior and interior factors while CES was measured using Pleasure-Arousal-Dominance (PAD) scale and CPI was assessed by dimensions in literature. According to findings, Pearson correlation and the simple linear analysis have proved that there is a significant weak positive relationship between VMS and CPI while the relationships between VMS and CES as well as CES and CPI have been recorded to be strong positive. Baron and Kenny approach has observed that there is a partial mediation of CES on the relationship between VMS and CPI while Sobel test confirmed the significant mediation. Descriptive statistics justified that consumers consider various factors other than VMS when make purchase decision in Fast Fashion Apparel Industry.
Conceptual Framework

![Conceptual Framework Diagram]

Research Hypothesis

The hypothesis of this research are:
- \( H_1 \): There is a significant effect on the visual merchandising variable on the purchase intention of Customer Starbucks Manado
- \( H_2 \): There is a significant effect on the brand image variable on the purchase intention of Customer Starbucks Manado
- \( H_3 \): There is a significant effect between the variable visual merchandising and brand image owned by Starbucks Coffee simultaneously on the purchase intention of Customer Starbucks Manado.

RESEARCH METHOD

Research Approach

This research is using a quantitative approach. Moreover, Creswell (1994) has given a very concise definition of quantitative research as a type of research that is explaining phenomena by collecting numerical data that are analysed using mathematically based methods (in particular statistics).

Population and Sample

Sekaran, & Bougie (2009). Population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate. This study’s population are Customer Starbucks Manado Town Square 3. Sugiyono (2017) stated the sample is part of the number and characteristics possessed by the population. The number of sample size was set at 96 respondents in order for this study to be more accurate.

Data Collection Method

To collect the research data, primary data and secondary data will be used in this research. For the primary data will be taken by the distribution of questionnaire and the secondary will be taken from Journals. It may be either published data or unpublished data (Sekaran and Bougie, 2009).

Operational Definition of Research Variables

1. Visual merchandising is a technique in presenting the display of merchandise that is eye-catching and aimed at potential customers
2. Brand image is the perception and belief held by the consumer, which is reflected or inherent in the mind and memory of the consumer himself.
3. Purchase Intention is a stage of respondents’ tendency to act before the buying decision is actually implemented

Data Analysis Method

Validity and Reliability Test

Validity is the degree of accuracy between the data that occurs in the object of research with data that can be reported by researchers. Reliability is an instrument which, if used several times to measure the same object, will produce the same data.

Multiple Linear Regression Analysis

According to Sugiyono (2017), multiple linear regression analysis is used to measure the effect of the independent variable and dependent variable. The equation of multiple linear regression is:

\[
Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e
\]
RESULT AND DISCUSSION

Result

Validity Test and Reliability Test

Validity testing was carried out with the help of a computer using the IBM SPSS Version 23 program. Validity testing was performed on 105 respondents in this study. Making a decision based on \( r_{\text{count}} \) (Corrected Item-Total Correlation) > \( r_{\text{table}} \) of 0.19. All questions for the variable the training method has a valid status, because the value of \( r_{\text{count}} \) (Corrected Item-Total Correlation) > \( r_{\text{table}} \) of 0.19. Cronbach’s alpha is a reliability coefficient that indicates how well the items measuring a concept are positively correlated to one another; the questionnaire is reliable if the value of Cronbach’s Alpha is greater than 0.6. All the items have the value greater than 0.6 it means that the questionnaire is reliable and can be distributed to respondents for use as a research instrument.

Classical Assumption Test

Normality Test

Figure 2. Normality Test

Source: Data Processed (2022)

Figure 2 shows that the dots spread near the line and follow the diagonal line of Normal P-Plot. Therefore, it means the data in this research is normally distributed.

Heteroscedasticity Test

Figure 3. Heteroscedasticity Test

Source: Data Processed (2022)
Figure 3 shows the result of heteroscedasticity test using scatterplot the dots in the scatterplot spread above and below 0 in Y axis and not form in a clear pattern. It means that there is no heteroscedasticity in this regression model and can be used to predict the influence between dependent variable and independent variable.

**Multicollinearity Test**

**Table 1. Multicollinearity**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-6.691</td>
<td>2.636</td>
<td></td>
</tr>
<tr>
<td>Visual Merchandising</td>
<td>.930</td>
<td>.134</td>
<td>.533</td>
</tr>
<tr>
<td>Brand Image</td>
<td>.464</td>
<td>.127</td>
<td>.279</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase Intention  
*Source: Data Processed (2022)*

Table 1 shows that the tolerance value of Attractiveness is 0.955, and Brand Image is 0.955 it means the tolerance value of these independent variable is more than 0.100. The VIF of Visual Merchandising is 1.047, and value of Brand Image is 1.047, the value of these variable is less than 10. It can be concluded that the result passed the test of tolerance and VIF. This research is free from multicollinearity.

**Multiple Linear Regression Analysis**

**Table 2. Multiple Linear Regression**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
<tr>
<td>Visual Merchandising</td>
<td>.930</td>
<td>.134</td>
</tr>
<tr>
<td>Brand Image</td>
<td>.464</td>
<td>.127</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase Intention  
*Source: Data Processed (2022)*

From the result in the table 2 can be shown through the regression equation as follows:

\[ Y = -6.691 + 0.930 + 0.464 + e \]

The explanation of the equation:

1. The constant value is -6.691 which states that if the variable Visual Merchandising (X1), and Brand Image (X2), is equal to 0, then the Purchase Intention (Y) is -6.691.
2. The value of the regression coefficient for the Visual Merchandising (X1) has positive value of 0.930. This shows that if the Visual Merchandising increase by 1%, the Purchase Intention will increase by 0.930 assuming the other independent variables are held constant. A positive sign means that it shows a unidirectional influence between the independent variable and the dependent variable.
3. The regression coefficient value for the Brand Image (X2) variable is 0.464. This value shows a positive effect between the Brand Image and Purchase Intention variables. This means that if the Trustworthiness variable has increased 1%, then the Purchase Intention variable will increase by 0.464. Assuming that the other variables remain constant.

**Correlation Coefficient and Coefficient of Determination (R^2)**

Table 3 the results of calculations using the SPSS statistics version 23, it can be seen that the coefficient of determination obtained is 0.426. This means that 42.6%. This value can be used to determine how much impact of Visual Merchandising and Brand Image on Purchase Intention. It also means that the independent variables, namely Visual Merchandising and Brand Image explain 42.6% of the dependent variable, namely Purchase Intention, while the remaining 57.4% is explained by other variables not included in this model.
Table 3. Correlation Coefficient and Coefficient of Determination (R²)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.652a</td>
<td>.426</td>
<td>.414</td>
<td>2.283</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), X2, X1  
b. Dependent Variable: Y  
Source: Data Processed (2022)

Hypothesis Testing
T-Test
Table 4. T-Test Result

<table>
<thead>
<tr>
<th>Coefficientsa</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>-6.691</td>
<td>2.636</td>
<td>-2.538</td>
<td>.013</td>
</tr>
<tr>
<td>Visual Merchandising</td>
<td>.930</td>
<td>.134</td>
<td>.533</td>
<td>6.946</td>
</tr>
<tr>
<td>Brand Image</td>
<td>.464</td>
<td>.127</td>
<td>.279</td>
<td>3.640</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase Intention (Y)  
Source: Data Processed (2022)

1. The effect of Visual Merchandising on Purchase Intention, the visual merchandising variable shows that sig 0.00 < 0.05. It means that the visual merchandising variable partially has a significant effect on Purchase Intention in Customer Starbucks Manado.
2. The effect of Brand Image on purchase intention, the variable brand image shows that sig 0.00 < 0.05. It means that the brand image variable partially has a significant effect on Purchase Intention in Customer Starbucks Manado.

F-Test
Table 5. F-Test Result

<table>
<thead>
<tr>
<th>ANOVAa</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>393.797</td>
<td>2</td>
<td>196.898</td>
<td>37.780</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>531.594</td>
<td>102</td>
<td>5.212</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>925.390</td>
<td>104</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Y  
b. Predictors: (Constant), X2, X1  
Source: Data Processed (2022)

Based on the table 5 it is shows the visual merchandising and brand image expertise variables have a significant effect on Purchase Intention (y) Customer Starbucks Manado. Obtained a significant value of 0.00 < 0.05. This shows that the three independent variables simultaneously have a significant effect on the dependent variable.

Discussion
Visual Merchandising on Purchase Intention

According to the test result, it shows that significant value of Visual Merchandising is less than 0.05. It means that the Visual Merchandising variable partially has a significant effect on Purchase Intention of Customer Starbucks Manado. Stimulus in the shopping environment can encourage consumers make purchases of a product. Stimulus in shopping environment can be realized by using Visual Merchandising such as product arrangement, beautiful colour selection for outlets, lighting in the store that will make it easier for consumers to see the product clearly, as well as a variety of products that will make consumers comfortable. In shopping, Merchandise presentation and technique regarding product diversity, product category coordination, sample displays, lighting, layout colours, and window displays. Merchandise presentation is often associated with Visual Merchandising techniques. Visual Merchandising is a combination of elements store environment design, merchandising
presentation, and in-store communication. Presentation of Visual Merchandising aims to attract customers in terms of appearance, sound, and smell, even on the appearance of goods touched by consumers. This is in line with research conducted by Setiowati (2014) which states that Visual Merchandising has a positive and significant effect to Purchase Intention.

**Brand Image on Purchase Intention**

According to the test result, it shows that significant value of Brand Image is less than 0.05. It means that the Brand Image variable partially has a significant effect on Purchase Intention of Customer Starbucks Manado. Brand image is a representation of the overall perception of the brand and is formed from information and past experiences of the brand. The image of the brand is related to consumer buying interest. Consumers who have a positive image of a brand are more likely to make a purchase. Consumers also give consideration to shopping because of the positive brand image of the product and the store. Brand image as a set of beliefs, ideas, and impressions that a person has of a brand, therefore consumer attitudes and actions towards a brand are largely determined by the brand image. This is in line with research conducted by Abdullah (2016), which states that Brand Image has a positive and significant effect on Purchase Intention.

**CONCLUSION AND RECOMMENDATION**

**Conclusion**

After examining the findings and discussing the result, the conclusions based on this research can be formulated as follows:

1. Visual merchandising partially impact Purchase Intention on Customer Starbucks Manado. This shows that the place with a good design and tools of the coffee shop, so people can enjoy to spend time and buying the product in coffee shops.
2. Brand Image have positive impact Purchase Intention on Customer Starbucks Manado. This means Starbucks is one of the most popular coffee shop in the world especially in Manado with have good trade record and logo who almost everyone knows the brand of coffee shop.
3. Visual Merchandising and Brand Image simultaneously have significant effect on the Purchase Intention of Customer Starbucks Manado as shown by data above. This shows that the both of independent variables simultaneously have significant effect on the dependent variable.

**Recommendation**

There are recommendations based on the result of this research:

1. Visual Merchandising is one indicator that affects Purchase Intention. The company is expected to be able to maximize the visual design of its merchandising outlets so that it can capture buyers. Changes in the visual design of outlet merchandising within a certain period of time are needed to suit market tastes and can continue to add potential customers, because new local and imported brands will continue to emerge whose visuals may be more in line with market tastes which will certainly become competitors for the company.
2. Brand Image is one of the indicators that affect Purchase Intention. In order to improve the Brand Image, the Company needs to create a brand image by prioritizing developing trends and designs that are in accordance with the preferences of market segments. These factors must be considered in detail by the company so that the company's image will be better in the minds of consumers.
3. It is advisable for future research to add independent variables other than Visual Merchandising and Brand Image which of course can affect the dependent variable, namely Purchase Intention to further complement this research because there are still other independent variables such as price, sales promotions, trust, consumer attitudes and others. May affect Purchase Intention.

**REFERENCES**


