ANALYZING THE STORE ATMOSPHERE OF CENTRO DEPARTMENT STORE IN MANADO TOWN SQUARE USING IMPORTANCE - PERFORMANCE ANALYSIS (IPA)

ANALISA SUASANA TOKO PADA DEPARTMENT STORE CENTRO DI MANADO TOWN SQUARE MENGGUNANAKAN ANALISIS KEPENTINGAN DAN KINERJA

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Abstract: The competition of retail stores in Indonesia requires the company to survive and compete in this business market. One of the strategies that can be undertaken by the company is to build a good store atmosphere of the store. The aim of this research is to analyzing the store atmosphere of Centro department store in Manado measured by cleanliness, music, scent, temperature, lighting, color, and display/layout. This research is quantitative type of research and use primary data obtained through questionnaire from 100 respondents as customers who have visited Centro Department Store more than twice, the sampling method is convenience sampling, and Importance – Performance Analysis as a measurement tool. The result of this research found display/layout is located in quadrant I, cleanliness, temperature, and lighting are located in quadrant II, music, scent, and color are located in quadrant III. Based on the result of this research, Centro Department Store to pay more attention for its store atmosphere aspect as it has an influence to the customer. A store atmosphere performance could lead to customer attraction and increasing sales.

Keywords: store atmosphere importance and performance analysis, centro department store

Abstrak: *Persaingan toko ritel di Indonesia mengharuskan perusahaan bertahan dan berkompetisi di pasar bisnis ini. Salah satu strategi yang bisa dilakukan oleh perusahaan adalah membangun suasana toko yang baik. Tujuan dari penelitian ini adalah untuk menganalisis suasana toko Centro department store di Manado yang diukur dengan kebersihan, musik, aroma, suhu, pencahayaan, warna, dan tampilan / tata letak. Penelitian ini merupakan jenis penelitian kuantitatif dan menggunakan data primer yang diperoleh melalui kuesioner dari 100 responden sebagai pelanggan yang telah mengunjungi Centro Department Store lebih dari dua kali, metode pengambilan sampel adalah convenience sampling, dan Importance - Performance Analysis sebagai alat ukur. Hasil penelitian ini menemukan tampilan / layout yang terletak di kuadran I, kebersihan, suhu udara, dan pencahayaan yang berada pada kuadran II, musik, aroma, dan warna berada pada kuadran III. Berdasarkan hasil penelitian, Department Store Centro untuk lebih memperhatikan aspek suasana toko karena memiliki pengaruh terhadap pelanggan. Kinerja suasana toko dapat menyebabkan daya tarik pelanggan dan peningkatan pada penjualan.*

Kata kunci: suasana toko, analisis kepentingan dan kinerja,centro department store

INTRODUCTION

Research Background

Globalization is changing the habits of traditional society change into a modern. Modern society prefers something quick, easy, and convenient. Modern retail such as department store has a tremendous impact for the Indonesian economy and as a dominant business in Indonesia. The competition of department stores in Indonesia requires every company to survive and compete in the business market. One of the strategies that can be undertaken by the company to face the competition is to build a good atmosphere of the store. Store atmosphere can make the consumer to feel positive emotion that lead them to satisfaction and repurchase intention and will make the profit of the company increasing (Mathur and Goswami, 2014)

North Sulawesi especially Manado city is experiencing a rapid economic development, which is has the highest minimum wages in Sulawesi, and according to the BPS data (Central Bureau of Statistic) Manado is the highest HDI (Human Development Index) in North Sulawesi and people in Manado are very curious about something new, it gives a chance to Centro Department Store to develop its retail business in Manado.

Every retailer has certain advantages and its atmosphere to attract consumers to make repeat purchases, that can be analyze to know how important it is and how the performance Centro Department Store delivered to the customer.

Research Objective

The research aims are:
1. To know the importance of store atmosphere in Centro Department Store
2. To know the performance of store atmosphere in Centro Department Store

LITERATURE REVIEW

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.

Store Atmosphere

Store atmosphere is store atmosphere includes all physical and symbolic elements related to the internal and external organization of a store (Sezgin and Kucukkolyu, 2014). Atmosphere is a term that is used to explain our feelings towards the shopping experience which cannot be seen (Milliman, 1986).

Cleanliness

Customers create positive or negative word of mouth about retail chain outlet by looking at the cleanliness (Banat and Wadenbori, 2012). Cleanliness can improve store atmosphere (Gajanayake, Gajanayake and Surangi, 2011).

Music

Music can be defined as a pleasant sound that impacts consumers' conscious and unconscious decision (Banat and Wadenbori, 2012). Pleasant music is associated with longer consumption time (Holbrook and Anand, 1990).

Scent

Scent is a pleasant fragrance that influences customer mood and emotion which make the customers stay more time and feel excited (Banat and Wadenbori, 2012). Music can make people inside the store to feel relax and enjoyable while shopping.

Temperature

Temperature at retail outlet is among those atmospheric variables that greatly impact on the consumer purchase intention (Hussain and Ali, 2015). Extreme temperature, very low or very high creates negative feelings among customers; it leads to dissatisfaction among the customers and consequently, customers spend less time in outlet and produce negative word of mouth (Lamb, 2001).

Lighting

Lighting is used to highlight products, which significantly affects consumer behavior in terms of amusement (Mehrabian and Albert, 1976)

Color

Color builds feelings and affects consumer behavior attitude (Banat and Wadenbori, 2012). The store with a good color can brings a positive responses and good feelings to consumer.

Display/Layout

Layout is defined as division of selling area, space utilized and arrangement of products (Banat and Wadenbori, 2012)

Purchase Intention

Purchase intention is a kind of decision-making that studies the reason to buy a particular brand by consumer (Shah Aziz Jaffari, and Waris 2012). The product quality & variety influences the purchase decisions the most but strongly followed by the impact of store atmosphere (Mathur and Goswamin, 2014).

Previous Research

Riaz Hussain and Ali (2015) Effect of Store Atmosphere on Consumer Purchase Intention, provides one variable with 7 indicators with the theory explanation that the researcher needs for this research. The main variable of this journal is Store Atmosphere which is has the same with this research, and 7 indicators such as cleanliness, music, scent, temperature, lighting, color, and display/layout. Meanwhile, Mathur and Goswami (2014) Store Atmosphere Factors Driving Customer Purchase Intention found that the product quality and variety influences the purchase decisions the most but strongly followed by the impact of store atmosphere.
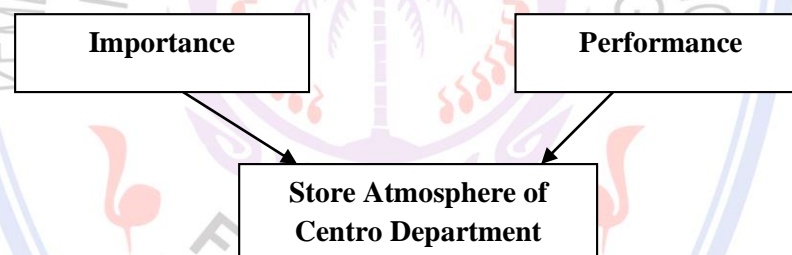
Conceptual Framework

Figure 1. Conceptual Framework
Source: Data Processed, 2017

This research will analyze the importance and performance of store atmosphere in Centro Department Store.

RESEARCH METHOD

Type of Research

This research use descriptive study with quantitative approach. Fraenkel and Wallen (2003) argued that the goal of quantitative method is to determine whether the predictive generalizations of a theory hold true.

Place and Time of Research

The place of this research will be conducted in Manado for approximately two months, July – August 2017.

Population and Sample

Population is an identifiable group of elements (e.g., people, products, organizations) of interest to the researcher and pertinent to the information problem (Joseph, Robert, and David, 2006). Population is all customers of Centro Department Store who have visited Centro Department Store more than once. The sample size of this research is 100 respondents and used convenience sampling.

Data Collection Method

Primary data is original information collected for the first time (Kothari 1985). This research use primary data obtained through questionnaire from 100 respondents as customers who have visited Centro Department Store more than twice.

Operational Definition of Research Variable

Store atmosphere: All physical and symbolic of Centro Department Store.

Data Analysis Method
Validity and Reliability

Validity is related to measurement with the right concept and reliability with stability and consistency of measurement (Sekaran and Bougie, 2009) Reliability is a property of the scores on a test for particular group of examinees Crocker and Algina (1986).

Importance and Performance Analysis

Importance – Performance Analysis is a research and data analysis procedure used to evaluate a firm's and its competitors' strengths and weaknesses, as well as future actions that seek to identify key attributes that drive purchase behavior within a given industry (Joseph, Robert, and David, 2006).

Quadrant I is labeled "Concentrate Here", with high importance/low performance, indicating that the firm has been performing poorly and requires improvement to be a top priority. **Quadrant II** is labeled **"Keep Up the Good Work"** with high importance/high performance, which indicates that the firm has been performing well to gain competitive advantage. **Quadrant III** is labeled **"Low Priority"** with low importance /low performance. Any attributes falling into this quadrant are non-important and pose no threat to organizations. **Quadrant IV** is labeled **"Possible Overkill"** with low importance/high performance, indicating that employees are satisfied with the performance, but the specific attribute is relatively non-important.
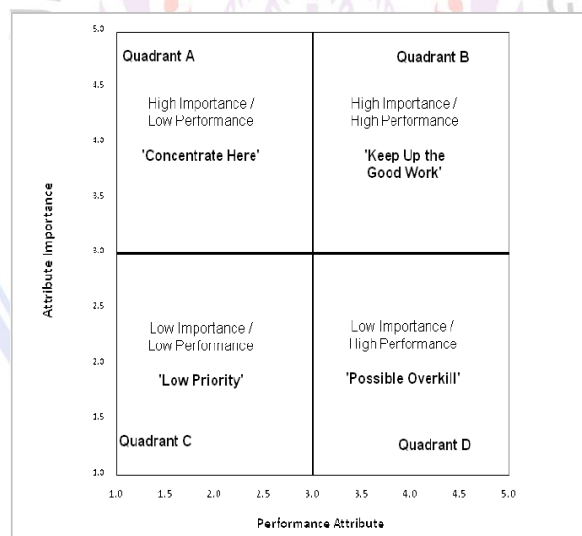

Figure 2. IPA Framework
Source: Importance-Performance Matrix (Adapted from Martilla and James, 1977, p. 78)

RESULT AND DISCUSSION

Validity and Reliability Result
Validity Test

Table 1. Validity Test Result

		avg.impt	avg.perf	avg.impt.perf
avg.impt	Pearson Correlation	1	.896**	.979**
	Sig. (2-tailed)		.006	.000
	N	7	7	7
avg.perf	Pearson Correlation	.896**	1	.968**
	Sig. (2-tailed)	.006		.000
	N	7	7	7
avg.impt.perf	Pearson Correlation	.979**	.968**	1
	Sig. (2-tailed)	.000	.000	
	N	7	7	7

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

Source: SPSS Output, 2017

Table 1 show that the correlation index is higher than 0.3 and below the significance level of 5%. Therefore, the data is considered valid.

Reliability Test

Table 2. Reliability Test Result

Cronbach's Alpha	N of Items
.974	3

Source: SPSS Output, 2017

Table 2 shows that Alpha Cronbach is 0.979 which is above the acceptance limit of 0.6; therefore, the research instrument is reliable.

Importance and Performance Analysis of Virtual Atmospheric
Table 3. Attributes, Importance Mean, Performance Mean, Quadrant

Store Atmosphere	Importance Mean	Performance Mean	Quadrant
Cleanliness	4.51	4.03	2
Music	3.69	3.14	3
Scent	3.87	3.23	3
Temperature	4.27	3.72	2
Lighting	4.1	3.65	2
Color	3.22	3.13	3
Display/Layout	3.95	3..32	1
Average	3.94	3.46	

Source: Data processed, 2017

Discussion

This research has identified seven attributes of store atmosphere of Centro Department Store, which are Cleanliness, Music, Scent, Temperature, Lighting, Color, and Display/Layout. The researcher has considered all those variables/attributes which come from theories, journals, books, and other supporting sources in constructing

this research. Importance – Performance Analysis is the method that uses to know how importance these attribute toward the consumer and how the performance of these attributes that the Centro Department Store gave to their consumers.

Quadrant I mean high importance and low performance. Display/Layout is located in quadrant I. This attribute is important for department store, because if the display/layout inside a store is arranged neatly, categorized, and reachable, the consumer will easily to find out what kind of product they're looking for, and people always want to see something that organized neatly and attractive. According to (Ward, Bitner, and Barnes, 1992) product display has a strong impact on the consumers purchase intention and customer's perception about the product. Customer's movement in the stores is immensely influenced by the display of the products in the store. But the performance of this attribute is low, so far from customer expectation. In here Centro Department Store need to evaluate about this attribute in order to increase the performance and make the consumer feel satisfied.

Three attributes in Quadrant II, which are Cleanliness, Temperature and Lighting, in here Quadrant II means high importance and high performance. . These attributes are important toward customer because clean store, good temperature, and good lighting will make the customer feel comfortable while they're inside the store, it will make them to spend longer time inside the store and stimulate them to make a purchase of a product, and Centro Department Store has a good performance of these three attributes for their customer. It's a sign that these three attributes has affected most of customer. Cleanliness creates positive impression among consumer and makes them stay longer in a store (Hussain and Ali, 2015). Lighting is used to highlight products. It creates excitement and has a positive impact on consumer purchasing behavior, and lighting will influence individual in store where he found that bright rooms are more attractive that dim rooms (Mehrabian and Albert, 1976), and the consumer mood is affected by the store's temperature and how it is achieved (Berman and Evans, 2007), and greatly impact on the customer purchase intention (Hussain and Ali, 2015)

Quadrant III means low importance and low performance. These attributes are not really important for the customer of Centro Department Store. Music can be defined as a pleasant sound that impacts customer conscious and unconscious decision (Banat and Wadenbori, 2012) and one of the entertain tool in a store but the customer think it's not really important to the customer. Scent is a pleasant fragrance that influences customer mood and emotion (Banat and Wadenbori, 2012) and also can make people feel comfort when they're inside the store, but the customer think it's not as important as another attributes, same also as Color of the store. These three attributes also have low performance from Centro Department Store itself, but these three attributes are not affecting the customer of Centro Department Store for their purchase intention.

Quadrant IV is labeled as "Possible Overkill" but in this research there are not attributes are located in Quadrant IV.

CONCLUSION AND RECOMMENDATION

Conclusion

The conclusion using IPA method to know the Importance and Performance value of these seven attributes.

1. In Quadrant I, Display/Layout is important to the customer but Centro Department Store has a low level of performance of this attribute. Cento Department Store needs to take attention and develop the performance of this attribute.
2. In Quadrant II, there are Cleanliness, Temperature, and Lighting. These three attributes are important for the customer, and according to the customer, Centro Department Store gives their best performance for these attributes toward the customer. Centro Department store need to keep up their performance of these attributes.
3. In Quadrant III has three attributes there are Music, Color, and Scent. According to the customer these attributes are not really important than the others, and for the performance the company did not delivered well these attributes to the customer but so far there is no threat for the company related to the low level of performance of these attributes.

Recommendation

The researcher provided recommendations to Centro Department Store to improve their performance level. Some recommendations have listed as below:

1. Centro Department Store has to pay attention to Display/Layout attribute. Arrange the product from the smallest size to largest one with a various option of colors from the product; defining a theme also on retail

store is the best way. If the retail store has a theme inside the store then the products display will be more organized with each other, Too many shelves and display also can cause customers to get confused while shopping, so less is more so know when to stop and don't add too many items on display

2. Centro Department Store delivered well these attributes toward the customer. In here, the company needs to keep up their performance because the customer thinks the company or Centro Department Store already gave their best to the customer.
3. Attributes in quadrant III have no a big impact for the customer of their store because these attributes are not as important as the other attributes and have no impact for their satisfaction, so the company doesn't need extra effort to develop their performance level of these attributes because this is not a priority for the customer.
4. There are no attributes in quadrant IV

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