THE INFLUENCE OF PRICE DISCOUNT AND STORE IMAGE TOWARD CONSUMER PURCHASE INTENTION (CASE STUDY IN FRESHMART SUPERSTORE BAHU MANADO)
PENGARUH POTONGAN HARGA DAN CITRA TOKO TERHADAP KEINGINAN MEMBELI KONSUMEN (STUDI KASUS PADA FRESHMART SUPERSTORE BAHU MANADO)

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ABSTRACT

Price Discount has a negative influence on perceptions of quality. Perceptions of quality can be explained using self perception theory, one type of attribution theory which describes how consumers explain events. If a consumer purchases a product on discount they often "attribute" the fact that it was on discount because it is a poorer quality product. For example, a retail store business might offer discount pricing on all of its apparel items for a limited time period in order to attract new customers and boost sales. This study aims to find out the influence of price discount and store image on consumer purchase intention in Freshmart Superstore Manado. The multiple regressions analysis has used to analysis the data. 100 respondents of Freshmart Superstore Bahu Manado had randomly chosen as samples. The results shows: Price Discount and Store Image have significant influence on Consumer Purchase Intention in Freshmart, partially and simultaneously.

Keywords: Price Discount, Store Image, Consumer Purchase Intention, Multiple Linear Regression.

ABSTRAK

Potongan harga cenderung memiliki pengaruh negatif pada persepsi kualitas. Persepsi kualitas dapat dijelaskan dengan menggunakan teori persepsi diri, satu jenis teori atribusi yang menjelaskan bagaimana konsumen menjelaskan suatu peristiwa. Jika konsumen membeli produk yang diskon atau dipotong harganya, mereka sering menganggap faktanya bahwa itu di diskon atau di beri potongan harga karena itu adalah produk yang sudah tidak baik kualitasnya. Contohnya sebuah tokomungkin memberikan potongan harga pada semua barang contohnya pakaian untuk jangka waktu terbatas untuk menarik pelanggan dan mempercepat penjualan. Penelitian ini dibuat untuk mengetahui pengaruh potongan harga dan citra toko terhadap keinginan konsumen untuk membeli di Freshmart Superstore Bahu Manado. Metode yang digunakan adalah multiple regression Sementara sampel responden adalah 100 orang yang telah pergi berbelanja di Freshmart Superstore Bahu Manado. Berdasarkan data diatas didapatkan bahwa potongan harga dan citra toko mempengaruhi keinginan membeli konsumen di Freshmart Superstore Bahu Manado.

Kata kunci : Potongan harga, citra toko, keinginan konsumen membeli, metode multiple.

1. INTRODUCTION

Indonesia according to central intelligence agency (2014) has population of 253,609,643. They need to fulfill their daily needs. Retail store is one of the channels that can provide all their needs like buying something or shopping. Indonesia's retail sector has been growing rapidly. Indonesia as the fourth largest country in the world, have potential market for retail industry. Manado is the one of the prospect place to open retail store because the number of people a lot to fulfill their needs as well as the economic growth increases, also has strategic places to open retail store. Many retail stores open in Manado like Hypermart, Multimart, and Freshmart. They are competed each other to win the competition in attracting consumer intention. Many strategies are applied by those retail stores in order to attract the consumer intention on their stores. The strategy such as build good image of their store, put advertisement in printed and electronic media, offer a price discount plan, improve their service and many other. Price Discount is a valuation approach where items are sometimes initially marked up artificially but are then offered for sale at what seems to be a reduced cost to the consumer. For example, a retail store business might offer discount pricing on all of its apparel items for a limited time period in order to attract new customers and boost sales.

Freshmart is one of the well-known retail stores in Manado. They open many branches everywhere so easy to reach. They have a good service quality, types of products from fresh food, groceries, tools and appliance up to fashion product. To make consumer interest to choose Freshmart as their store, they implement variety of strategy and approach to build a good image on their store. The example like providing fresh food material, keep their store clean, they give a good service quality, and offer a promo or discount plan. Those strategies are implemented in order to attract the consumer intention of their store. Store image as the consumer's evaluation of all salient aspects of the store as individually perceived and weighted. Consumer plays an important role in modern retail business. Without consumer, the modern retail business cannot survive. Situation can change consumer intention of the store.

Research Objectives

This study is to investigate the relationship between price discount and store image in Freshmart Superstore Bahu Manado to consumer purchase intention. It will focus on the influences of the 2 independent variables which are price discount and store image with the identified dependent variable; consumer purchase intention. Based on the research problem, the objectives of this research are;

1 To analyze the influence of price discount and store imageon consumer purchase intention in Freshmart Superstore Manado simultaneously
2 To analyze the influence of price discount to consumer purchase intention in Freshmart Superstore Manado partially
3 To analyze the influence of store image to consumer purchase intention in Freshmart Superstore Manado partially

Theoretical Framework

Marketing

Marketing is the one of the strategies that company used to make customers have a willingness to buy their product by responsible for identifying, anticipating and satisfying customer's needs and wants. Marketing defined by Kotler and Keller (2012) is about identifying and meeting human and social needs. One of the shortest good definitions of marketing is "meeting needs profitably". Marketing is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. (Kotler, 2010)

Marketing Mix

Marketers used marketing mix as the strategic tools to penetrate the market and determine the best way in order to get consumer attention and make consumer buy their product repeatedly. The marketing mix is a major concept in modern marketing. Neil Borden first mentioned it after learning about it from James Cullion. One who is constantly engaged in fashioning creatively a mix of marketing procedures and policies in his effort to produce a profitable enterprise" (Borden, 1964). In his article "The Concept of the Marketing Mix" Borden lists influences on the market response to provide a better understanding of marketing activities (Borden, 1964.).Essentially, the four Ps of the marketing mix are product, price, place and promotion.

Price

The element in marketing mix that produces revenue is price. Price is the total or amount of money at which a thing is valued. Price is that which is given up in an exchange to acquire a goods or service. Price plays two roles in the evolution of product alternatives: as a measure of sacrifice and as an information cue (McDaniel, *et al*, 2011).

Price Discount

Price discounts, however, are likely to have a negative influence on perceptions of quality (Blattberg and Neslin, 1990). Perceptions of quality can be explained using self perception theory, one type of attribution theory which describes how consumers explain events. If a consumer purchases a product on discount they often "attribute" the fact that it was on discount because it is a poorer quality product (Dodson, Tybout, and Sternthal, 1978). A valuation approach where items are sometimes initially marked up artificially but are then offered for sale at what seems to be a reduced cost to the consumer. For example, a retail storebusiness might offer discount pricing on all of its apparel items for a limitedtime period in order to attract new customers and boost sales.(Business Dictionary, 2014).

Store Image

Store image is the perception people have of that business when they hear the company's name. A business's image is composed of an invite variety of facts, events, personal histories, advertising and goals that work together to make an impression on the public. Doyle and Fenwick (1974) define store image as the consumer's evaluation of all salient aspects of the store as individually perceived and weighted. Several functional and psychological attributes of a store lead to make up the store personality (Martineau, 1958). Retail store image is represented by a multi-attribute construct by several researchers (Marks, 1976; James *et al.,* 1976). Several sets of store attributes lead to forming a construct of store (Doyle and Fenwick, 1974; Kim and Jin, 2001; Dong-Mo, 2003).

Consumer Behavior

Consumer behavior focuses on the consumption-related activities of individuals. It investigates the reasons behind and the forces influencing the selection, purchase, use, and disposal of goods and services in order to satisfy personal needs and wants. Consumer behavior focuses on the consumption-related activities of individuals. It investigates the reasons behind and the forces influencing the selection, purchase, use, and disposal of goods and services in order to satisfy personal needs and wants. Consumer behavior is a subset of a larger set of activities consisting of all human behavior. It includes everything that occurs as prospective customers for products and services become actual customers. It also encompasses such activities as browsing, influencing

others, being influenced by others, and complaining about and returning products, as well as exposure to the media (Hanna and Wozniak, 2001).

Consumer Purchase Intention

Purchase intention is a plan to purchase a particular good or service in the future. Kotler and Amstrong (2013) describe purchase decision or purchase intention as the stage of the buyer decision in which the consumer actually buys the product. They will be buy the most preferred brand but two factors can come between the purchase intention and the purchase decision. Constructs like considering something purchasing a brand and anticipating to purchase a brand aids to scope the intentions of purchasing (Porter, 1974).

Research Hypothesis

Hypothesis is proportion of knowledge, which is based on theoretical framework, and as the temporary answer of research problem, which can be tested its truth based on empirical facts using statistical techniques. There are three hypothesis testing in this research that can be tested, regarding of the problems and objectives, which are:

- H_0 : There is no significant influence of price discount and store image on consumer purchase intention
- H_1 : There is a significant influence of price discount and store image on consumer purchase intention simultaneously
- H_2 : There is a significant influence of price discount on consumer purchase intention partially
- H_3 : There is a significant influence of store image on consumer purchase intention partially

2. RESEARCH METHOD

Type of Research

This research type is causal. This research will analyze the influences of price discount and store image on consumer purchase intention. Causal research is a research study conducted to establish cause and effects of relationships among variables (Sekaran and Bougie, 2010:110).

Place and Time of Research

This research conducted in Manado between May to September 2015.
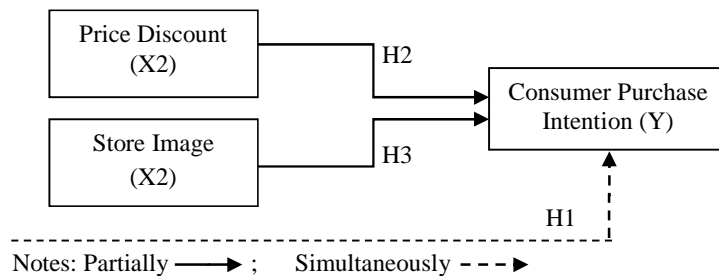
Conceptual Framework

Figure 1. Conceptual Framework
Source : Data Processed, 2015

At conceptual framework shown that there are Price Discount (X1) and Store Image (X2) as the independent variables influence consumer purchase intention(Y) as the dependent variable simultaneously and partially.

Population and Sample

The population in this research is for people in Manado who has experience shop in Freshmart.This Research use Purposive Sampling Technique where the sample are the people who already experience shopping in Freshmart Superstore. According to Sekaren and Bougie (2009:263) Sample is a subset of the population. It compromises some members selected from it. This Research use Purposive Sampling Technique where the samples are the people who already experience shopping in Freshmart Superstore. Therefore, the number of population in this study is assumed to be unknown, so to calculate the required number of samples used the following formula (Aaker and Kumar in Sekaran, 2000). Calculate the required number of samples used formula:

$$n = Z^2 0,5(1\text{-}0,5)/\square\square^\square$$
$$n = Z^2/4 \square\square^\square$$

Where:

n   = sample size
Z   = Z score at Confidence level 95% which is 1.96
$\square\square$ = error 10%

Based on the formula above we can calculate the sample size as follows:

n = 1,96²/4.(0,1²)   n = 96, 04

With the desired margin of error is 10%. Therefore in this study had taken a sample of 100 people (Rounding of 96.04) and whole respondents domiciled in Manado.

Data Collection Method
Primary Data:

The primary data collected from the result of questionnaires.

Secondary Data:

Secondary data is data collected for some purpose other than the problem at hand. The secondary data is taken from books, journals, and relevant literature from library and internet.

Operational Definition and Measurement of Research Variables

Price discount (X1) is a valuation approach where items are sometimes initially marked up artificially but are then offered for sale at what seems to be a reduced cost to the consumer.
Store Image (X2) as the consumer's evaluation of all aspects of Freshmart Superstore as individually perceived and weighted. Consumer Purchase Intention (Y) describes purchase decision or purchase intention as the stage of the buyer decision in which the consumer actually buys the product in Freshmart Superstore.

Data Analysis Method

Validity and Reliability Test:
To analyze the validity of questionnaire, Pearson Product Moment is used. An instrument measure valid if that instrument measures what should be measured. Reliability test is established by testing for both consistency and stability of the answers of questionnaires. Alpha Cronbach is

reliable coefficients that can indicate how good items in asset have positive correlation one another" (Sekaran, 2006: 177). The interpretation of Alpha Cronbach (Sekaran, 2003:311) is:
1. < 0.6 indicates unsatisfactory internal consistency or consider that the data is unreliable.
2. 0.7 indicates that the data is acceptable.
3. 0.8 indicates good internal consistency or consider that the data result is reliable.

Multiple Linear Regression

Linear Regression is a statistical method used to form a model of the relationship between the dependent variable (the dependent; responses, Y) with one or more independent variables (independent, predictor, x). If the number of variable are only one, it is known as simple linear regression, whereas if there is more than one independent variable, called linear regression. Regression is able to describe the phenomenon of data through the creation of a numerical model of relationship. Regression can also be used to control things that are observed through the use of regression models obtained. In addition, the regression model also to be used to make predictions for the dependent variable. Predictions on the concept of regression should only be done in the data range of the independent variable used to form the regression model. To see the influence of these factors on the camel on the financial performance of banks listed on Indonesia Stock Exchange in this study used multiple linear regression analysis method. Multiple regressions are used to express the effect of independent variables and the dependent variable. The formula of linear regression (multiple linear regressions) in general as follows:

$$Y = a + b1x1 + b2x2 + e$$

Where:

Y =	Purchase Intention	a	= constant
X_1 =	Price Discount	b1, b2	= the regression coefficient of each variable
X_2 =	Store Image	e	= error

3. RESULTS AND DISCUSSION

Table 1. Validity Test

Indicator	Pearson Correlation
$X_{1.1}$	.665[**]
$X_{1.2}$	.685[**]
$X_{1.3}$	.645[**]
$X_{1.4}$	.662[**]
$X_{1.5}$	.742[**]
$X_{2.1}$	.810[**]
$X_{2.2}$	.694[**]
$X_{2.3}$	.788[**]
$X_{2.4}$	.729[**]
$X_{2.5}$	.671[**]
$Y_{.1}$	.598[**]
$Y_{.2}$	.816[**]
$Y_{.3}$	.782[**]
$Y_{.4}$	.747[**]
$Y_{.5}$	.462[**]

Source: SPSS Data Analysis, 2015

From the table above shows the validity test of variable X_1 – Y and dependent variable are bigger than r value. The table shows the total number for X_1 - Y are above 0.3, means that all the indicators are valid.

Table 2. Reliability Test

Variable	Cronbach's Alpha
X_1	.707
X_2	.793
Y	.716

Source: SPSS Data Analysis, 2015

From the table above shows the Cronbach's Alpha > 0.6, indicated that all research instrument indicator of variable are reliable.

Coefficient Regression

As has been pointed out in the previous section that the objective of this study to know the effect of X_1 and X_2 on Y and to test the truth of the hypothesis used quantitative analysis with linear regression methods. In calculating the regression between independent variables on dependent variable, with the help of a computer program package Based on the statistical software SPSS Version 19.0, of the data processing on the attachment is as follows:

Table 3. Coefficient Regression
Un-standardized Coefficient Beta

Variable	B
(Constant)	3.111
X_1	.899
X_2	.820

Source: SPSS Data Analysis, 2015

From the analysis, obtained by linear regression equation as follows

$$Y = \alpha + b_1 X_1 + b_2 X_2 + e$$
$$Y = 3.111 + 0,899\ X_1 + 0,820\ X_2 + e.$$

From the multiple linear regression equation above, it can inform the interpretation as follows:
1. Constant value of 3.111 means that if the variables in this research of Variable X_1 and X_2 are equal to zero than the Y will increase at 3.111 point.
2. Coefficient value of 0.899 means that if the variables in this research of X_1 increased by one scale or one unit, it will improve and increase Y at 0.899.
3. Coefficient value of 0.820 means that if the variables in this research of X_2 increased by one scale or one unit, it will improve and increase Y at 0.820. Thus, if there is any change in factors measuring of X_1 and X_2 will change dependent variable Y.

Coefficient Correlation and Determination

The correlation coefficient is used to measure the Influence of X_1 and X_2 on Y. The correlation coefficient values can be seen in the table below:

Table 4. Coefficient Correlation (r) and (r^2)

Model	R	R Square
1	.868[a]	.782

Source: SPSS Data Analysis, 2015

Based on the analysis of correlation (r) is equal to 0.868 indicating that the Correlation of The Influence of X_1 and X_2 on Y has a strong relationship. To determine the contribution The Influence of X_1 and X_2 on Y can be seen that the determinant of the coefficient (r^2) in the table above. R^2 value of 0.782 in this study may imply that the contribution of independent variable on dependent variable of 78.2 % while the remaining 21.8% is affected by other variables not examined in this study.

Hypothesis Test

Simultaneous testing conducted to determine the The Influence of X_1 and X_2 on Y hypothesis test is carried out simultaneously by using F numbers in the table below.

Table 5. Simultaneously Test (F – test)

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.867	2	.434	5.436	.009^a
	Residual	17.265	97	.178		
	Total	18.132	99			

a. Predictors: (Constant), X2, X1
b. Dependent Variable: Y

Source: SPSS Data Analysis, 2015

Value of 5.436 of F_{Count} significant 0.010. Because the sig < 0.05 means the confidence of this prediction is above 95% and the probability of this prediction error is below 5% which is 0.009. Therefore H_0 is rejected and accepting H_a. Thus, the formulation of the hypothesis that The Influence of X_1 and X_2 on Y Simultaneously, accepted.

Partially Test

Partial test is used to test the effect of each independent variable X_1 and X_2 in Partial Impact on Y by performing comparisons between the t_{count} values with t_{Table} value at   = 0.05 or compare the probability of the real level 95% of the partial coefficient (r) so that it can be seen the influence of the independent variables individually. Using the criteria of hypothesis testing by t test as follows:
1. $t_{count} \leq t_{tabel}$ (0,05), then H_0 is accepted and rejecting H_a.
2. $t_{count} > t_{tabel}$ (0,05), then H_0 is rejected and accepting H_a.

The data table below shows the t-test partially result:

Table 6. Partial Test Analysis (t-test)

Model	T	Sig.
X_1	2.685	.010
X_2	2.653	.010

Source: SPSS Data Analysis,2015

Based on the calculations in the table above, the interpretation as follows:
1. t_{count} for X_1 2.685 bigger than the value of 1.984 t_{table} means X_1 has significant influence partially on Y. The sig. value at 0.010 means that prediction of X_1 influence on Y doing errors is more than 5% which is 1.0%, thus the confidence of this prediction is below 95%. Therefore, H_a accepted.

2. t_{count} for X_2 2.653 greater than the value of 1.984 t_{table} means X_2 has significant influence partially on Y. The sig. value at 0.010 means that prediction of X_2 influence on Y doing errors is 1.0%, thus the confidence of this prediction is above 95%. Therefore, H_a received.

Discussion

Based on the data analysis above shows that there is a significant influence of Price Discount and Store Image on Consumer Purchase Intention in Freshmart Superstore Bahu Manado, partially and simultaneously. The result has proven that using F-test and t-test Price Discount and Store Image has significant influence on Purchase Intention. This significant influence also supported by the value of coefficient correlation and coefficient determination that shows how far the Price Discount and Store Image has significant influence on Purchase Intention.

4.   CONCLUSION AND RECOMMENDATION

Conclusion

1. Price Discount and Store Image have significant influence on consumer purchase intention simultaneously. This significant influence supported by the value of coefficient correlation and coefficient determination that shows how far the Price Discount and Store Image have significant influence on Purchase Intention simultaneously.
2. Price Discount hassignificant influence on consumer purchase intention partially. This shows retailers often use price promotions include discounts to increase store traffic and stimulate the purchase.
3. Store Image has significant influence on consumer purchase intention partially. This shows that the consumer confidence about the physical state of interest has a high correlation with interest in subscribing.

Recommendation

For the Management of Freshmart, the suggestion are listed as follows:
1. To improve store image Freshmart in Manado is recommended to provide important information about the product being sold as provide brochures / catalogs on the product specifications. In addition, the Freshmart also must provide training to employees in order to have a good product knowledge, so that the customers who come are expected to understand the specifications of products and buy products that suit their needs.
2. To increase the discount price suggested Freshmart in Manado offer special sale which can be given at the time - certain times such as during the end of the year and the feast of Indonesian independence (17 August). In addition Freshmart also advised to cooperate with more banks for credit card installment promo for 12 months with 0% interest, as of now there is no giving promo installments with 0% interest on Freshmart store.
3. To improve this research, the next researcher should add more variable or intervening to make a better result for the influence on purchase intention
4. To improve store image Freshmart in Manado is recommended to provide important information about the product being sold as provide brochures / catalogs on the product specifications. In addition, the Freshmart also must provide training to employees in order to have a good product knowledge, so that the customers who come are expected to understand the specifications of products and buy products that suit their needs.
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with more banks for credit card installment promo for 12 months with 0% interest, as of now there is no giving promo installments with 0% interest on Freshmart store.

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