

**A COMPARATIVE STUDY OF RETAIL IMAGE ON
SHOPPING CENTERS IN MANADO
(CASE STUDY OF CONSUMERS IN MANADO TOWN SQUARE
AND MEGA MALL MANADO)**

*STUDI PERBANDINGAN KESAN PERTOKOAN DI PUSAT PERBELANJAAN
MANADO TOWN SQUARE DAN MEGA MALL MANADO*

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ABSTRACT

Recently, everyone starts to follow thet trend and it makes people wants to fulfill their desire. People began to find places for their various activities or for their leisure time with friends, family, even to purchase their persona needs. Most of them go to malls as their lifestyle. This research try to observe retail image captured by the consumers, with a variable which are: store location, merchandise, price, service, and physical facilities. Situational factors are a useful tool in analyzing the impact of situational variables on purchasing outcomes since it includes variables that might be controlled by retailers. 100 respondents or consumers whose ever visit Manado Town Square and Mega Mall Manado as a sample of this study. This research concludes that from those five elements of retail image, there are few significant differences of consumer's valuation image for Manado Town Square and Mega Mall Manado especially for the price and customer service.

Keywords: shopping centers, retail image

ABSTRAK

Saat ini, permintaan dari tren membuat orang ingin memenuhi keinginan mereka. Masyarakat mulai mencari tempat untuk beragam aktivitas atau untuk mengisi waktu luang bersama teman, keluarga, bahkan untuk membeli kebutuhan pribadi mereka. Banyak dari mereka yang pergi ke mall sebagai gaya hidup mereka. Penelitian ini mencoba untuk meneliti kesan pertokoan bagi para pengunjung, dengan variabel: letak pusat perbelanjaan, bingkisan, harga, layanan pengunjung, dan fasilitas fisik. Faktor keadaan adalah alat yang bermanfaat dalam menganalisa dampak dari faktor keadaan terhadap hasil dari pembelian yang dikontrol oleh para pelaku penjualan. Penelitian ini menggunakan metode sampel sederhana untuk 100 responden yang pernah mengunjungi Manado Town Square dan Mega Mall Manado. Penelitian ini menyimpulkan bahwa dari lima elemen kesan pertokoan, ada beberapa perbedaan signifikan berdasarkan penilaian pengunjung terhadap Manado Town Square dan Mega Mall Manado terutama dalam harga dan layanan pengunjung.

Kata kunci: pusat perbelanjaan, kesan pertokoan

1. INTRODUCTION

1.1. Research Background

In this globalization era, everyone starts to follow the latest trend. The demand of the trend make people wants to have desire to fulfill their needs. People began to require some places for their various activities to fulfill their free time with friends, family or to purchase a variety of personal needs and household needs. Most of them go to malls, and make it as their lifestyle. As a result, there are so many new malls sprung up in a major cities, that resulted the economy growth of Manado city is also increased. The existances of malls also give the benefit to the governance by taxes that burdened to the company.

Mall is a large retail complex containing a variety of stores and often restaurants and other business establishments housed in a series of connected buildings or in a single large building. Meanwhile, in Indonesia, malls become one of favorite places to visit in order to follow the latest trend. Most people think by visiting mall and shopping center they become more trendy and that influence their purchasing intention of goods and needs because malls and shopping centers provide stores, restaurants and other entertainment centers that make them feel interest. Every mall consists of several retail shops, restaurants, and other businesses with a common interest in soliciting sales to attract the vistor. Which each of them has its own characteristics in terms of what kind of goods and service they offers to their customer, especially for its retail image. Retail image is the physical characteristics that influence a retail store to create an image in order to attract customers and necessary to create an attractive image to invite customers for visit. Retail image works a full service point of purchase that display shopping centers specializing in the development and production of retail store. Shopping centers should create a great retail image solution that increase their sales and enhance the services.

In the last 5 years, the development of business in Manado is recently grown rapidly it is seen from the many construction sites in the Manado entertainment, such as mall, supermarket, shopping area. Until now the famous business area in Manado is on Boulevard Street. This business area, in three to five years from now is predicted to be the most crowded place in the city. There are many malls and shopping centers that exist in Manado such as Manado Town Square, Mega Mall, Mega Trade Center, IT Center, Marina Plaza, Lippo Plaza and Grand Kawanua City Walk. Even the wide spread of malls and shopping centers at Manado, however the amount visitors are still increasing simultaneously. It shows that Manadonese are attracted to spend their times at malls.

In this case, the research just focuses on Manado Town Square and Mega Mall Manado as the case study. Manado Town Square and Mega Mall Manado both of them have an attractive retail image, it can be seen by the strategic place of stores, the atmosphere that make visitors feel comfortable to shop in stores even though they just looking around. Also the details in store like the lightning and the unique decoration. By that kind of image, customers are satisfied to come and buy something in there.

Therefore, retail image is important to established every single retail store in malls, it also important to make the consumers feel comfort and interested to buy the products that offers by the retail store. With a good image of a retail store it can give benefit for the malls and shopping centers.

1.2. Research Objectives

The objectives of this research are to know the comparison of:

1. To know if there is significant difference in retail image of store location between Manado Town Square and Mega Mall Manado.

2. To know if there is significant difference in retail image of merchandise between Manado Town Square and Mega Mall Manado.
3. To know if there is significant difference in retail image of price between Manado Town Square and Mega Mall Manado.
4. To know if there is significant difference in retail image of customer service between Manado Town Square and Mega Mall Manado.
5. To know if there is significant difference in retail image of physical facilities between Manado Town Square and Mega Mall Manado.

2. THEORETICAL FRAMEWORK

2.1. Marketing

Kotler and Armstrong (2006) have broadly defined marketing as a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging value with other. In a narrower business context, marketing involves building profitable, value exchange relationship with customers. Marketing is the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Burns and Bush (2006) said that marketing as an organization function, not a group of persons or separate entity within the firm. Actually, it is also a set of processes and not a single tactic such as creating and end display.

2.2. Retail

Retail is the sale of goods to the public in relatively small quantities for use or consumption. Retail is the process of selling consumer goods or services to customers through multiple channels of distribution to earn a profit. Retailing includes all the activities involved in selling goods or services directly to final customers for their personal, non-business use (Kotler. P and Armstrong. G, 2009). A retailer is any business enterprise whose sales volume comes primarily from retailing. Retail is any business that directs its marketing efforts towards satisfying the final consumer based upon the organization of selling goods and services as a means of distribution (Gilbert. D, 2003).

2.3. Retail Image

Berman and Evans (2001: 600) stated there are at least five retail component image which can be used as a basic component of shopping in retail stores, namely: store location, merchandise, price, customer service, and physical facilities.

Store location Refers to the use of a store or nonstore format, placement in a geographic area, and the kind of side such as a shopping center versus an isolated store (Berman and Evans, 2001: 145).

Merchandise is the promote sale of goods, especially by their presentation in retail outlets. Berman and Evans (2001: 101) explains that which must be considered by merchandise are width and depth assortment, merchandise quality, level of innovativeness.

Retail price is the third component image which is used as the basic consumers shopping in retail stores. According to Berkowitz et al. (2009: 314), price is the money or other considerations (including, of other goods and services) exchanged for the ownership or use of good or service. In retail store price will be cheaper, price will be decrease when the customer purchase goods in big amount.

Customer service is the fourth component image which is important for the customer intention. Zeithaml and Bitner (2009: 5) stated that service are deeds, processes, and performances. The services are not tangible things that can be touched, seen, and felt, but rather are intangible deeds and performance. There are two main factors that affect the service quality, the service is expected service and perceived service.

Physical retail facilities is a variable that is used as the base image fifth consumers shopping in retail stores. According to Berman and Evans (2001: 89), the physical attributes or atmosphere, of a store and its surrounding area greatly influence perceptions of a retailer. According to Berman and Evans (2001: 604), elements of physical facilities include: exterior, general interiors, store layout, and store displays.

2.4. Mall

Malls are viewed as centers of social interaction (Robertson, 2010). Malls are organized as social spaces for entertainment, interaction with friends and family and excitement (Firat and Venkatesh, 2013).

2.5. Previous Research

There are several articles in the literature review that used in the new study that should relevance to the issues in the thesis research and have relationship between previous researches and this research.

1. Rupa Gunaseelan and R.Chitra (2014) in their conducted research Customer's Expectation Towards Shopping Behavior in Retail Outlets. The research proposes that store attributes may play a critical signal role in influencing the customer shopping behavior in the selected retail segments in Coimbatore district. In doing so, this study identifies five store attribute dimensions pertinent to store operation (store ambience, merchandise attributes, service procedures, convenience & satisfaction and promotion).
2. Rajagopal (2010) in his conducted research Coexistence and Conflicts between Shopping Malls and Street Markets in Growing Cities. The analysis has been carried out in reference to the shopping conveniences and shopping behaviour. The results of the study evidence the complex consumer decision-making styles towards shopping malls and street markets based on competitive advantages.
3. Rajagopal (2009) in his conducted research Growing Shopping Malls and Behavior of Urban Shoppers. This research reveal that the major factors that affect shopping arousal among urban shoppers concern recreational facilities, location of the mall, ambience and store attractiveness.

2.6 Research Hypothesis

The hypothesis of this research are:

- H1: There is a difference in retail image in terms of Store Location between Manado Town Square and Mega Mall Manado
- H2: There is a difference in retail image in terms of Merchandise between Manado Town Square and Mega Mall Manado
- H3: There is a difference in retail image in terms of Price between Manado Town Square and Mega Mall Manado
- H4: There is a difference in retail image in terms of Customer Service between Manado Town Square and Mega Mall Manado
- H5: There is a difference in retail image in terms of Physical Facilities between Manado Town Square and Mega Mall Manado

3. RESEARCH METHOD

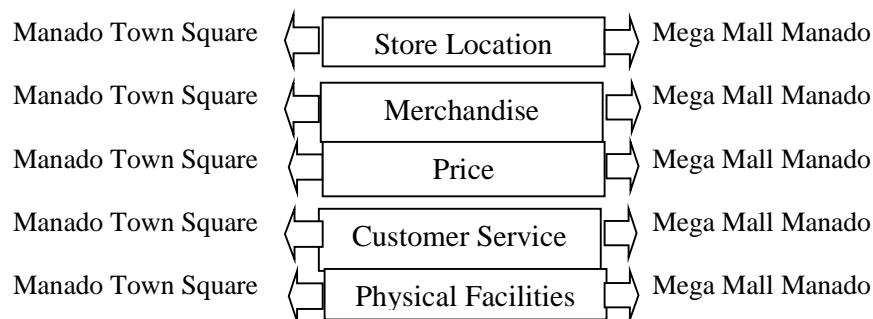
3.1. Type of Research

This research is a comparative type of research where this research compare the retail image on shopping centers between Manado Town Square and Mega Mall Manado.

3.2. Place and Time Research

This research was conducted in Manado Town Square and Mega Mall Manado in Piere Tendean Road (Manado Boulevard), North Sulawesi between June-July 2015.

3.3. Conceptual Framework



Picture. 1 Conceptual Framework

Source: Data Processed, 2015

3.4. Population and Sample

Sekaran and Bougie (2009:262) defined population is the entire group of people, events, or things of interest that the researcher wishes to investigate. The population of this research are consumers of Manado Town Square and Mega Mall Manado. Sekaran and Bougie (2009:276) defined sample is a subset of the population. The sample of this research are 100 consumers or respondents who have experience in visiting both Manado Town Square and Mega Mall Manado. The sampling method is simple random sampling. The simple random sampling is a common method used to collect data in many different fields. The simple random sampling was applied in this research regarding to obtain information quickly and efficiently.

3.5. Data Collection Method

This research only used a primary data. According to Sekaran and Bougie (2009:180), primary data refer to information obtained first-hand by the researcher on the variables of interest for the specific purpose of the study. In this study, the primary data were obtained from questionnaires. Questionnaires are distributed to respondents so they can respond directly on the questionnaires. There were two sections in the questionnaire that should be filled in by the respondents. The first section asked about respondent's identities and the second section asked about things that related with the variables.

3.6. Measurement of Research Variables

This research variables will be measure using a Likert scale. Likert scale as a widely used rating scale is designed to examine how strong subjects agree or disagree with statements. Respondents will not have problems in understanding and filling out the questionnaires, and it is easy for the researcher to measure, interpreting and analyze.

3.7. Data Analysis Method

The independent sample t-test evaluates the difference between the means of two independent or unrelated groups. Horn (2008) stated this evaluate whether the means for two independent groups are significantly different from each other. The independent sample t-test is commonly referred to as a between-groups design, and can also be used to analyze a control and experimental group. With an independent sample t-test, each case must have scores on two variables, the grouping into two mutually exclusive groups or categories, while the test variable describes each case on some quantitative dimension such as test performance. Any differences between groups can be explored with the independent sample t-test, as long as the tested members of each group are reasonably representative of the population.

The steps for Independent Sample T-Test Testing are as follows :

1. Determining the hypothesis
 $H_0 : \mu_1 = \mu_2$
 $H_1 : \mu_1 \neq \mu_2$
 Where μ_1 is the mean of the first group and μ_2 is the mean of the second group.
2. Determining the level of significance
 Two tailed test is used where a difference is hypothesized. The level of significance commonly used in a research is 5% ($\alpha = 0.05$).
3. Determining the t-count
 SPSS program can be used to determine the t-count value. The command for independent sample t tests is found at Analyze by clicking on the Analyze menu on the top of window, and then clicking on Compare Means from the drop down menu, and Independent Sample T Test from pop up menu.
4. Determining t-table
 T-table value can be found by looking looking from the significance level and degrees of freedom on the t-table. The t-table value can also be found using Microsoft Excel by typing =tinv(probability;degreesoffreedom).
5. Criteria assumed :
 H_0 is accepted if $-t \text{ table} < t \text{ count} < t \text{ table}$.
 H_0 is rejected if $t \text{ count} < -t \text{ table}$ or $t \text{ count} > t \text{ table}$.
 Based on probability,
 H_0 is accepted if P or sig. value > 0.05
 H_0 is rejected if P or sig. value < 0.05
6. Comparing the t count with t table and probability
 For example, if $t \text{ count} < t \text{ table}$ and P or sig. value > 0.05 , it means that H_0 is accepted. If $t \text{ count} > t \text{ table}$ and P or sig. value < 0.05 , it means that H_0 is rejected.

4. RESULT AND DISCUSSION

4.1. Validity and Reliability Test

Table 1. Validity and Test Result

Indicator	R _{count}	R _{table}	Status
X _{1,1}	0.745	0.05	Valid
X _{1,2}	0.857	0.05	Valid
X _{1,3}	0.522	0.05	Valid
X _{2,1}	0.877	0.05	Valid
X _{2,2}	0.922	0.05	Valid
X _{2,3}	0.820	0.05	Valid
X _{3,1}	0.490	0.05	Valid
X _{3,2}	0.786	0.05	Valid
X _{3,3}	0.827	0.05	Valid
X _{4,1}	0.611	0.05	Valid
X _{4,2}	0.732	0.05	Valid
X _{4,3}	0.860	0.05	Valid
X _{5,1}	0.511	0.05	Valid
X _{5,2}	0.861	0.05	Valid
X _{5,3}	0.782	0.05	Valid

Source: Data Processed, 2015

Table 1 shows the result of validity test showing that all variables are >0.05 or the value of R_{count} is greater than R_{table} for each variable. Can be concludes that each variables are valid.

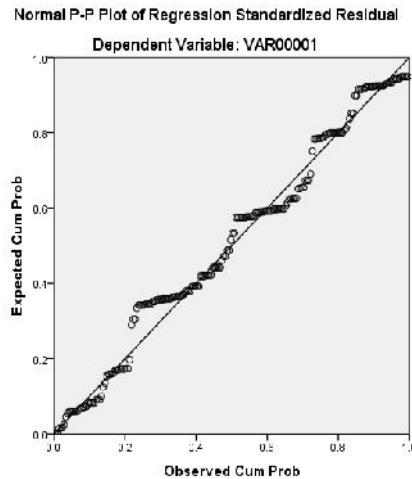
Table 2. Reliability Statistics

Question	Cronbach's Alpha	Standard Deviation	Status
X ₁	0.776	0.6	Reliable
X ₂	0.837	0.6	Reliable
X ₃	0.768	0.6	Reliable
X ₄	0.771	0.6	Reliable
X ₅	0.785	0.6	Reliable

Source: Data Processed, 2015

Table 2 give the result of reliability test showing that all variables is reliable because of the value of Cronbach's Alpha is >0.6 and it is greater than the limitation for each variable.

4.2. Normality Test



Picture 2. Normality Test

Source: Data Processed, 2015

Normality test can be identifying by using graph of P-P plot. The data will distribute normally if the value of P-P Plot is spread around the diagonal line of the graph. In this research the dots are spreading around the diagonal line. This proves that the model meet the assumptions of normality.

4.3. Group Statistics Result (Means Based on Shopping Centers)

Table 3. Group Statistics Analysis

	Group	N	Mean	Std. Deviation	Std. Error Mean
Store Location	Manado Town Square	100	13.2600	1.440	.144
	Mega Mall	100	13.5100	1.115	.111
Merchandise	Manado Town Square	100	10.9500	2.866	.286
	Mega Mall	100	10.8000	2.896	.290
Price	Manado Town Square	100	11.3100	1.686	.169
	Mega Mall	100	11.9600	1.602	.160
Customer Service	Manado Town Square	100	12.2200	1.968	.197
	Mega Mall	100	11.6000	1.602	.160
Physical Facilities	Manado Town Square	100	12.5400	1.500	.150
	Mega Mall	100	12.2100	2.017	.202

Source: Data Processed, 2015

Table 3 shows the group statistics that compare which one between Manado Town Square and Mega Mall that has more dominant impact from the respondents. It can be seen at the Standard Deviation.

4.4. Levene's Test of Homogeneity for Equality of Variances

Table 4. Test of Homogeneity of Variances

		Levene's Test for Equality of Variances	
		F	Sig.
Store Location	Equal variances assumed	4.806	.087
	Equal variances not assumed		
Merchandise	Equal variances assumed	.355	.552
	Equal variances not assumed		
Price	Equal variances assumed	1.565	.212
	Equal variances not assumed		
Customer Service	Equal variances assumed	5.442	.021
	Equal variances not assumed		
Physical Facilities	Equal variances assumed	2.776	.097
	Equal variances not assumed		

Source: Data Processed, 2015

The result from this part can be explained and implemented by comparing the value of Significant ("sig" or P -value). If the variances or the value of significant is higher than $\alpha = 0.05$, the differentiation of the implementation of the given factor for both groups and categories are equal. Meanwhile, if the variances or the value of significant is lower than $\alpha = 0.05$, the differentiation of the implementation of the given factor for both groups and categories are unequal. The value comparison in Table 4 is partially determine the best hypothesis that can be accepted for the understanding of customer service aspect between Manado Town Square and Mega Mall Manado to consumers in Manado.

4.5. T-Test for Equality of Means Discussion

Table 5. T-test for Equality of Means

	T	Df	Sig. tailed)	(2- Mean Difference	Std. Difference	95% Confidence Interval of the Difference	
						Error	Lower
Store Location	1.373	198	.171	.25000	.18208	.60907	.10907
	1.373	186.301	.171	.25000	.18208	.60921	.10921
Merchandise	.368	198	.713	.15000	.40735	.65330	.95330
	.368	197.978	.713	.15000	.40735	.65330	.95330
Price	2.796	198	.006	.65000	.23252	1.10853	.19147
	2.796	197.477	.006	.65000	.23252	1.10853	.19147
Customer Service	2.444	198	.015	.62000	.25369	.11972	1.12028
	2.444	190.185	.015	.62000	.25369	.11959	1.12041
Physical Facilities	1.313	198	.191	.33000	.25135	.16566	.82566
	1.313	182.893	.191	.33000	.25135	.16591	.82591

Source: Data Processed, 2015

Table 5 shows at *Sig.(2-tailed)* that price and customer service between Manado Town Square and Mega Mall Manado have significant difference. The criteria of the T-test as follows:

1. *Sig. (2-tailed) <0.05* means H_0 is rejected and H_a is accepted and it also means that there is significant difference between those two groups.
2. *Sig. (2-tailed) >0.05* means H_0 is accepted and H_a is rejected and it also means that there is no significant difference between those two groups.

5. CONCLUSION AND RECOMMENDATION

5.1 Conclusion

The conclusion drawn for this research are as follows:

1. There is significant difference in retail image in terms of Store Location; the access that easy to reach by the consumers, the explicit instruction also the vastly parking of shopping centers between Manado Town Square and Mega Mall Manado.
2. There is significant difference in retail image in terms of Merchandise; there is a width and depth assortment, the quality of merchandise and the level of innovative between Manado Town Square and Mega Mall Manado.
3. There is significant difference in retail image in terms of Price; the price that affordable with brand equity value and get more cheaper price when purchase in big amount in shopping centers between Manado Town Square and Mega Mall Manado.
4. There is significant difference in retail image in terms of Customer Service; the responsiveness, the empathy and the tangibles between Manado Town Square and Mega Mall Manado.
5. There is significant difference in retail image in terms of Physical Facilities; the internal exterior, general interior and the store layout, store atmosphere between Manado Town Square and Mega Mall Manado.

5.2. Recommendation

Based on the result and conclusion of the research, the recommendation given are as follows:

1. To the future researcher, it is suggested that the future researcher might consider to use another factors such as socio-demographic to compare and find out if there is a difference or not.
2. To the marketers of shopping centers, it is suggested that the marketers might consider to develop the retail image of shopping centers like offer the comfortable store environment, the unique store atmosphere, more optional and affordable prices of every retail in shopping centers, give more merchandise as a bonus or product promotion also give the best facilities with good services to make consumers feel happy and satisfied.

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