RETAIL STORE EFFECTIVENESS IN AFFECTING PURCHASE DECISIONS

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**Abstract:**

The increasingly fierce business competition in the era of globalization makes every company must be able to compete and determine the right strategy. This study aims to determine the effect of store atmosphere and product completeness on purchasing decisions at the Agus Jaya store. The method used is quantitative analysis with multiple regression analysis techniques and for the sample obtained as many as 30 respondents with purposive random sampling technique. From the partial and simultaneous test results show that the store atmosphere and product completeness variables have a positive and significant effect on consumer purchasing decisions. So that the analysis of the test results of the Agus Jaya store must establish an atmosphere as attractive and comfortable as possible for visiting customers to create a happy impression for visiting customers besides that the completeness of product variants is needed so that consumers can freely choose according to the needs they want.

***Keywords:*** *store atmosphere, product completeness, purchase decision*

# Introduction [Times New Roman 12 bold]

Currently, there are many minimarket outlets that dominate the market and are able to spread throughout the archipelago, even many retail outlets are continuing to expand in potential areas in remote areas of the country. Retail business is one of the businesses that distributes various products to consumers in order to fulfill consumption (Kotler, 2016). The retail business is currently a very promising commodity as consumer needs increase, so that many business people have started to emerge and compete in increasing the number of sales.

The high and low number of sales in retail outlets is strongly influenced by consumer purchasing decisions. Often buyers who come to retail outlets just look at the product list in the store and do not make a purchase. So this makes business actors have to carry out various strategies in improving consumer purchasing decisions who come to retail outlets. Purchasing decision is a process where consumers recognize the problem, seek information about a particular product or brand and evaluate well each alternative can solve the problem, which then leads to a purchase decision (Kanuk, 2008).

Purchase decisions by consumers are made if there is a desire to buy a product that is influenced by marketing mix devices, such as complete product variants, low prices, friendly service, clean and comfortable places and discounts on certain products (Kotler, 2002). . Planning a good store atmosphere can attract consumers to buy (Kotler, 2016).

Store atmosphere is one of the elements of the retailing mix that must be considered by retail businesses. Store atmosphere is one of the weapons for retail outlet owners. Each store has a physical layout that makes it easy or difficult for shoppers to move around in it. The store must form an atmosphere that is suitable for its target market and which can attract consumers to buy (Purnama, 2011).

The completeness of products from a retail outlet is a consideration for consumers in deciding to purchase products, the availability of all types of products offered to be owned, used or consumed by consumers produced by a producer can be a separate consideration for consumers in deciding purchases (Kotler, 2002). consumers tend to choose places that offer varied and complete products regarding the depth, breadth, and quality of the variety of goods offered by sellers. The availability of goods in a supermarket includes many variations of brands, types and sizes of packaging of goods sold, various flavors of a product to be purchased (Raharjani, 2005).

To attract consumers to visit stores and make purchases is not an easy thing, considering that consumers come to shopping centers have several different purposes and motives ranging from just looking at products, recreation or specifically to shop for their needs. It is important for companies to develop the right strategy to attract consumers to make transactions. Various attributes owned by the company are potentials that must always be considered and optimized in developing a good strategy to attract consumers.

This study aims to examine the effect of store atmosphere and product completeness on consumer purchasing decisions. In contrast to several previous studies (Pratiningsih, 2016), (Hendrayani, 2019), (Afiani, 2019), this study adds one variable, namely product completeness as a predictor of consumer buying decisions, especially in the retail sector in meeting needs. The benefits of this study, in addition to expanding on previous studies, can also be used as a basis for decision making in the area of effectiveness in retail outlets.

The Relationship between Store Atmosphere and Purchase Decisions

Store atmosphere is one part of the retail mix which has a very important meaning in running a retail business. With a good store atmosphere, it will attract visitors and influence purchasing decisions. Store atmosphere is a very important physical characteristic for retail businesses, this acts as a creation of a comfortable atmosphere in accordance with consumer desires and makes consumers want to linger in the store and indirectly influences consumer purchasing decisions (Purnama, 2011). The store atmosphere indicator is seen from the elements that all affect the atmosphere of the store that you want to create. The store atmosphere elements consist of four elements, namely the outside of the store, the inside of the store, the layout of the store, and information in the store (Evans, 2007).

A comfortable store atmosphere will make visitors feel at home and comfortable in choosing products that suit their needs. In addition, neat product placement will make it easier for consumers to find the products they need, so that consumers don't have trouble finding the products they need. Ease and comfort in choosing products in stores attract consumer decisions in buying products in retail outlets.

Several studies reveal that there is a positive and significant influence between store atmosphere (which includes cleanliness, product arrangement, sense of security and completeness of information) on consumer purchasing decisions (Lemana et al., 2017), (Rahayu, 2018), (Afiani, 2019), (Hendrayani, 2019), (Pratiningsih, 2016).

Some of the results of previous studies that have been described, then the development of the first hypothesis in this study

H1: It is suspected that there is a positive and significant influence between the store atmosphere on purchasing decisions

Product Completeness Relationship to Purchase Decision

completeness of the product concerning the depth, breadth, and quality of the products offered as well as the availability of these products at any time in the store (Utami, 2012). Products are purchased by consumers because they can meet certain needs or provide certain benefits, product characteristics include not only physical aspects of the product (tangible features), but also non-physical aspects (intangible features) such as images and services that can be seen. It can be concluded that product completeness is a variety of products in terms of completeness of products starting from the brand, quality and availability of the product at any time in the store. A good product assortment will not only attract interest but can influence consumer decisions to shop. This allows them to become loyal customers and ultimately achieve company goals and objectives. product completeness variables include the variety of goods, product variations, various brands and the availability of these goods in supermarkets (Raharjani, 2005).

Several studies reveal that there is a positive and significant influence between product completeness on consumer purchasing decisions (Afiani, 2019), (Agustina, 2016), (Alfiyah, 2013), (Masibbuk1 et al., 2019).

Some of the results of previous studies that have been described, then the development of the first hypothesis in this study

H2: It is suspected that there is a positive and significant influence between Product Completeness on purchasing decisions

Suasana Toko (X1)

Keputusan Pembelian (Y)

Kelengkapan Produk (X2

# Research Method

The research was conducted at the Agus Jaya shop with a quantitative approach chosen to explain the phenomena that occurred based on the proposed hypothesis. The data used in this study is primary data sourced from questionnaires distributed to respondents (buyers at the Agus Jaya shop). The type of data in this study uses primary data with a sample of 30 respondents purposively. The sampling method in this study is to use a purposive sampling technique, where the sample is selected according to the criteria (Sugiyono, 2011). The criteria used to select the sample are visitors who have shopped at the Agus Jaya store. Data analysis used SPSS statistical software version 23 to test the validity, reliability test, multiple linear regression analysis test, t test, and test the coefficient of determination or R2.

# Results and Discussion

# Results

The validity test is carried out to test the consistency of the items so that they can describe the indicators studied. An instrument is said to be valid if it is able to measure what is desired, can reveal data from the variables studied appropriately. Reliability is an index that shows the extent to which the results of a measurement can be trusted.

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| **Table 1.** Validity & ReliabilityTest X1 | | | | | | | | |
|  | | |  | |  | |  | |
|  | | | Cronbach Alpha  (*N*=30, *df*=1) | | Indicator  (*N*=30, *df*=1) | | Corrected Item total Correlation  (*N*=30, *df*=1) | |
| Store Atmosphere | | | .688 | | X1.1 | | .791 | |
|  | | |  | | X1.2 | | .722 | |
|  | | |  | | X1.3 | | .597 | |
|  | | |  | | X1.4 | | .794 | |
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| **Table 2.** Validity & ReliabilityTest X2 | | | | | | |
|  |  | |  | |  | |
|  | Cronbach Alpha  (*N*=30, *df*=1) | | Indicator  (*N*=30, *df*=1) | | Corrected Item total Correlation  (*N*=30, *df*=1) | |
| Product Accessories | .638 | | X2.1 | | .537 | |
|  |  | | X2.2 | | .775 | |
|  |  | | X2.3 | | .680 | |
|  |  | | X2.4 | | .766 | |
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| --- | --- | --- | --- |
| **Table 3.** Validity & ReliabilityTest Y | | | |
|  |  |  |  |
|  | Cronbach Alpha  (*N*=30, *df*=1) | Indicator  (*N*=30, *df*=1) | Corrected Item total Correlation  (*N*=30, *df*=1) |
| Buying decision | .632 | Y1.1 | .515 |
|  |  | Y1.2 | .616 |
|  |  | Y1.3 | .719 |
|  |  | Y1.4  Y1.5 | .667  .648 |
|  |  |

The results of the validity test show the value of each indicator item from the variable > 0.05 that the data used is valid and can be continued with the next step by formulating a regression equation from the independent variable to the dependent variable. From this equation, information can be obtained how much the coefficient value for the independent variable is. This analysis is used to determine the effect of the independent variable on the dependent variable.

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| **Table 4.** t test | | |
| Hypothesis  (*N*=30, *df*=1) | Path Coefficients  (*N*=30, *df*=1) | t-value  (*N*=30, *df*=1) |
| Product Accessories→ Buying decision | .401 | 2.370 |
| Product Accessories→Buying decision | .851 | 5.146 |

This equation can be explained as follows:

The constant value is 12,280, meaning that the Consumer Purchase Decision of the Agus Jaya store is 12,280 units, with this assumption the Consumer Purchase Decision is in a constant or fixed state.

Store atmosphere regression coefficient (X1) is -0.401, significant level (p-value) is 0.025 (<0.05). These results prove that if the Store Atmosphere (X1) increases by 1%, then the Consumer Purchase Decision of the Agus Jaya store will significantly increase by 59.9%%.

The regression coefficient value of Product Completeness (X2) is 0.851, the significant level (p-value) is 0.000 (<0.05). These results prove that if Product Completeness (X2) increases by 1%, then Planet Surf Makassar's Consumer Purchase Interest will significantly increase by 24.9%.

From the calculated F, the value is 14,389 > F table 2.75, it can be concluded that the hypothesis is accepted or in other words the Store Atmosphere (X1) and Product Completeness (X2) simultaneously affect the Purchase Decision (Y).

it can be concluded that the hypothesis is accepted, which means that the independent variables (Store Atmosphere and Product Completeness) jointly affect the dependent variable of Purchase Decision. So, in other words, the independent variables having a 95% confidence level are able to explain the magnitude of the dependent variable, namely the village expenditure variable.

the results of the coefficient of determination at the output of the summary model from multiple regression analysis, to be precise, the R Square column is 0.516. So the influence of Store Atmosphere and Product Completeness on Consumer Buying Decisions is 51.6% while the remaining 48.4% is influenced by other variables that are not included in the research variables.

store atmosphere positively and significantly influences consumer buying decisions. It can be concluded that the better the atmosphere of the store, the higher the consumer's decision to buy the product. These elements were found to positively affect consumer experience and their intention to repurchase. (Tansya, samuel, 2019) also supported the study and stated that store atmosphere had a positive and significant influence on purchase intention. If shoppers are enjoying their time in the room, this can be a major argument to justify the investment associated with creating and developing a store atmosphere. The seller can use a good atmosphere because it will provide a pleasant shopping experience to the customer and want to create/strengthen customer relationships and influence the brand.

Completeness of the product has a positive and significant effect on consumer purchasing decisions. It can be concluded that the more complete the products in the store, the higher the consumer's decision to buy products that suit their needs. This is in line with the findings (Lemana et al., 2017) in his research entitled the effect of product completeness on consumer purchasing decisions stating that the completeness of products in a store is able to influence consumer buying decisions for products. The seller (Agus Jaya) can complete the product variants in his minimarket in order to meet every need of the surrounding community. So that buyers can choose various variants of products according to their wishes.

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| **Model Summaryb** | | | | | |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1 | ,718a | ,516 | ,480 | 1,535 | 2,029 |
| a. Predictors: (Constant), Kelengkapan Produk, Suasana Toko | | | | | |
| b. Dependent Variable: Keputusan Pembelian | | | | | |

Based on table 5. It is known that the coefficient of determination is 0.516 or equal to 51.6%. This means that the store atmosphere (X1) and Product Completeness (X2) together have an effect on purchasing decisions by 51.6% while the remaining 48.4% is influenced by other variables outside of this study.

# Conclusion

The main objective for this study is to investigate the relationship between digital marketing and store atmosphere with purchase intention. The results show a positive relationship between the independent and dependent variables. The relationship of digital marketing with purchase intention indicates that consumers are motivated to buy from websites that they find informative, easy to navigate, entertaining, and interesting. The correlation between store atmosphere and purchase intention provides the conclusion that the store atmosphere both from a physical and non-physical side (employee attitudes) has a positive effect on purchase intention.

From the perspective of managerial implications, this study offers marketers some practical considerations in selecting social media influencers, who are designed for advertising to gain a competitive advantage in the market. Based on data analysis, the digital marketing that has been implemented has not been very effective in influencing consumer buying interest compared to the store atmosphere. This condition needs to be corrected by companies to pay attention to the selection of the right social media influencers to improve consumer attitudes and influence purchase intentions. The atmosphere of the store is very helpful in determining the image of the store and can captivate the hearts of consumers and make consumers feel comfortable in the store. The atmosphere of the store affects the emotional state of buyers who will feel happy and comfortable. Various decisions in determining the exterior and interior design of a store will create a pleasant store environment for a cafe. Many consumers judge a store only based on its outward appearance and then decide whether or not the consumer will enter the store based on the perception he makes.

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