

# Analysis Atmosphere Management of Price Reduction and Product Quality on Consumer Buying Interest in the Covid-19 Pandemic

**Feby Milanie**

*Faculty of Social Science, University Pembangunan Pancabudi Medan, Indonesia*

## Abstract

*This research was conducted to look for the effect of store atmosphere, price discounts, and product quality on consumers buying the interest of RA Jeans at PT. Matahari Department Store Plaza Medan fair. The population in this research was unknown, so the number of samples was determined using the Zikmund formula the number of samples was 97 respondents. This research used an associative approach with quantitative data that was processed with SPSS application version 24.0. The Source of data used primary data taken directly from respondents. The analytical method used was multiple linear regression. The research was conducted from July to December 2019. The results showed that store atmosphere, price cuts, and product quality had a positive and significant effect both partially and simultaneously on consumer buying interest, where the discounted variable was the most dominant variable influencing consumer buying interest. Store atmosphere, price discounts and product quality contributed 86.6% in the formation of consumer buying interest. Store atmosphere, price discounts, and product quality also had a very strong relationship to consumer buying interest.*

## Keywords

store atmosphere; price discounts; product quality; consumer purchase interest



## I. Introduction

The tendency of city dwellers, such as in Medan, for example, is that shopping at modern outlets such as Department Stores is still considered to have its social value or prestige, which can raise the impression of their status. This is based on the products sold at the Department Store, which are classy and have a fairly expensive price compared to traditional markets, and the store atmosphere of the Department Store which is spacious, neat, clean, comfortable, and luxurious. Moreover, it is often found in promotions or advertisements in various mass media, both print media, and electronic media that display the impression of luxury, elegance, and glamor attached to the products available at the Department Store. This situation is coupled with good management skills regarding fast, friendly, and satisfying service. So it is reasonable to say that the image and service system of the Department Store can relatively affect consumer interest in the buying process. In the city of Medan, there are several types of Department Stores including Matahari Department Store, Suzuya Department Store, and Sogo Department Store. Of the several Department Stores located in the city of Medan, PT. Matahari Department Store, which is a subsidiary of PT. Matahari Putra Prima as a Department Store is the largest clothing retailer in Medan and has several branches in Medan City.

In addition, Matahari Department Store is located in major malls in the city of Medan. One of them is located at Plaza Medan Fair. RA Jeans is a fashion brand that opened in 2015 and is owned by an Indonesian artist named Raffi Ahmad. RA Jeans was

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established to answer people's needs for classy, quality products, but at a fairly affordable price. So that the impression of luxury and exclusivity is not lost from RA Jeans products, the management of RA Jeans does not want to randomly determine the location of sales of RA Jeans products. One of the locations chosen by the management of RA Jeans as the location for marketing their products is PT. Matahari Department Store.

This is based on the fact that Matahari Department Store is one of the largest retail companies in Indonesia that has a luxurious and exclusive impression that sells classy and quality products and has a store that is also classy and comfortable. The store atmosphere of the Matahari Department Store is very important to maintain the image of RA Jeans. Matahari Department Store provides a comfortable store atmosphere that makes consumers feel at home for long in the store area. Matahari Department Store also organizes the products it sells with great care so that each product gives the impression of being neat, safe, and easy to find by consumers. This is important to do to attract consumers to shop at Matahari Department Store. If the store atmosphere of the Matahari Department Store turns into a shabby, messy, irregular product layout that makes it difficult for consumers to find the desired item, consumers will no longer be interested in shopping at Matahari Department Store because it will not be much different from traditional markets.

If it is seen, Matahari Department Store employees should immediately clean up and tidy up the scattered products, but this is sometimes not done because it will add to the employee's work. Many employees leave the products scattered to be cleaned up later. This causes the store atmosphere of Matahari Department Store to decrease because some products are messy. Including RA Jeans products which are also often scattered after consumers see and sort out the products that are arranged. In attracting consumers' interest, Matahari Department Store always provides various discounts, even up to 90% for most of the product items sold. Many products take part in this discount program to attract consumers, including RA Jeans products. RA Jeans participates in providing various discounts for all products sold at Matahari Department Store. This will attract consumers who can get classy products from RA Jeans at a lower price. For some consumers who have middle to upper economic conditions, the RA Jeans products that have been given a discount are quite cheap, but for some consumers who have middle to lower economic conditions, the discounted prices given are not too big, so the price of RA Jeans products that have been given discounts. the price is still relatively expensive, so some consumers still can't buy RA Jeans products. The economic condition of the population is a condition that describes human life that has economic score (Shah *et al*, 2020). Economic growth is still an important goal in a country's economy, especially for developing countries like Indonesia (Magdalena and Suhatman, 2020). The presence of Covid-19 as a pandemic certainly has an economic, social and psychological impact on society (Saleh and Mujahiddin, 2020).

RA Jean's management guarantees the quality of RA Jeans products. Because the management of RA Jeans believes that classy products must have good product quality to provide maximum satisfaction to consumers. So in terms of quality, the management of RA Jeans guarantees that the quality of RA Jeans products is not inferior to the quality of products from various competing brands that have high prices. However, based on observations made, not all consumers agree with the opinion of the management of RA Jeans. The results of observations and interviews conducted with visitors to the Matahari Department Store Plaza Medan Fair showed that some visitors considered the quality of products from RA Jeans to be far inferior to the quality of competing products which were also sold at Matahari Department Stores. RA Jeans showed enthusiasm from the community, including at Matahari Department Store Plaza Medan Fair. The RA Jeans

brand was immediately recognized by the public because this brand belonged to a well-known Indonesian artist, Raffi Ahmad, so many people wanted to try it so that at the beginning of its appearance it was greeted with enthusiasm by the public. However, product quality, price, and store atmosphere also influence people's buying interest, causing fluctuations in the number of sales of RA Jeans at the Matahari Department Store Plaza Medan Fair as shown in the following table of product sales from 2017-2018.

**Table 1.** Sales Data of RA Jeans at PT. Matahari Department Store Plaza Medan Fair 2017-2018

MONTHS	SALES	
	2017	2018
January	387	476
February	432	489
March	476	463
April	354	456
May	393	476
June	443	435
July	462	421
August	476	402
September	408	387
November	466	368
December	378	423
Averages	493	411

In the data above, it can be seen that the average total sales of RA Jeans products at the Matahari Department Store Plaza Medan Fair experienced a slight increase from where in 2017 there were an average of 430.7 items and in 2018 it increased to 433.9 items per month.

## II. Review of Literatures

### 2.1 Understanding Buying Interest

Interest is considered as a "catcher" or intermediary between motivational factors that influence behavior, interest also indicates how hard a person has the will to try. Interest shows how much effort a person plans to do something and interest is related to behavior. Consumer interest grows because of a motive based on attributes in accordance with their wishes and needs in using a service, based on this, an analysis of how the process of interest from within the consumer is very important to do. Consumer interest behavior is the result of an evaluation of a brand or service.

The last stage of the process is complex decision making including using the desired brand or service, evaluating the brand or service when it is used and storing information for future use. consumer. Buying interest can be increased by paying attention to several factors, including psychological factors which are driving factors that come from within the consumer, namely motivation, perception, knowledge, belief, and attitude. In addition, social factors that is a process in which a person's behavior is influenced by family, social status, and reference groups, then the empowerment of the marketing mix consisting of product, price, promotion, and distribution (Kotler and Keller, 2012: 228).

Susanto (2014:11) said that buying interest is a process of planning the purchase of a product that will be carried out by consumers by considering several things, including the

number of product units needed in a certain period, the brand, and consumer attitudes in consuming the product. Setiadi (2013: 216), states that "Purchase interest (purchase intention) is formed from consumer attitudes towards products consisting of consumer confidence in the brand and brand evaluation so that from these two stages an interest in buying arises". Based on the various opinions above, it can be concluded that buying interest is a consumer attitude that reflects consumer interest and trust in the products offered that encourage consumers to make purchases.

Purchasing Motives According to Karmela and Junaedi (2014: 103) buyers have purchase motives that encourage them to make purchases. Regarding buying motives, there are three kinds, namely:

- a. Primary Buying Motive The motive for buying the real thing, for example, if people want to eat, they will look for rice.
- b. Selective Buying Motive The choice of this is based on ratio, based on time based on emotion. So that selective buying motives can be in the form of rational buying motives, emotional buying motives, or impulses (immediate purchases).
- c. Patronage buying motives are selective buying motives aimed at certain places or shops. This selection can arise because of the satisfactory service, the place is close, there is enough inventory, there is a parking lot, big people like to shop there and so on. Influencing interest in buying is related to feelings and emotions, if someone feels happy and satisfied in buying goods or services then it will strengthen interest in buying, dissatisfaction usually eliminates interest.

## 2.2 Stages of Consumer Buying Interest

According to Kotler and Keller (2012: 182), the concept of the AIDA model is a series or stage of business customers in determining buying interest or determining consumer encouragement in making purchases of the products or services offered. The stages of the AIDA model include:

- a. Attention is the initial stage in assessing a product or service that is needed by potential customers, wherein in this stage the prospective customer learns the value of the products/services offered.
- b. Interest Prospective customers arise after getting more detailed information observing the product/service.
- c. Desire Prospective customers think about and discuss what causes the desire and desire to buy the products/services offered. In this stage, prospective customers must advance and level from just being interested in the product. This stage is characterized by a strong desire from potential customers to buy and try the product.
- d. Action Make a passive decision on the offer.

At this stage, prospective customers who have visited the company will have a level of stability in buying or using a product offered. affective) and behavioral (behavioral) stages, namely the stages of response to consumer attention (attention), consumer interest (interest), then generating consumer desire (desire) to buy products up to consumer purchasing activities (action). 2014:14), buying interest can be identified through the following indicators:

- a. Transactional interest, namely the tendency of a person to buy a product. Referential Interest is the tendency of a person to refer products to others.
- b. Preferential Interests, namely interests that describe the behavior of someone who has a primary preference for the product. This preference can only be replaced if something happens to the product of his preference.

- c. Exploratory Interest This interest describes the behavior of someone who is always looking for information about the product he is interested in and looking for information to support the positive properties of the product. If you want to influence someone, then the best way is to learn what they think, so that what you will get is not just information about that person, of course, more about how the information process can run and how to use it.  
This is called "The Buying Process".

### III. Research Methods

Manullang, M and Pakpahan (2014:63) explain that the framework of thinking is the basis of a theory that has gone through theory synthesis based on facts, observations, and literature review, therefore it will contain a relationship or influence and a comparative between the variables involved in the research being conducted based on supporting theory, postulates or basic concepts of research.

The store atmosphere is the design of the environment through visual communication, lighting, colors, music, and fragrances to design emotional responses and customer perceptions and to influence customers in buying goods. Kotler (2015: 243) states that the atmosphere (store atmosphere) is a planned atmosphere that is by the target market and which can attract consumers to buy so that the store atmosphere affects the purchase or purchase interest of consumers. This alone will attract consumers to visit the store location to have a look, thus encouraging the formation of consumer buying interest to buy various products in the store. Included in this is a product layout that makes it easier for consumers to search for products and take the desired product. On the other hand, a dirty, messy store atmosphere with disorganized products will not attract consumers to visit the store so that interest in buying products in the store is not formed.

The Effect of Price Discounts on Consumer Purchase Interest Saladin (2013:95) states that price is a sum of money as a medium of exchange to obtain products or services. According to Sutisna (2013:303), a discount is a reduction in the price of a product from the normal price within a certain period. Discounts are generally used to encourage the use of new products, to persuade existing users to buy more 50, or to convince users to try products that have been around for a long time. A consumer when he sees a price discount will tend to be interested in seeing and comparing the prices given after the discount so that interest is formed to buy the item. They assume that with the initially high price with a discount someone can already buy it and there is still money left to buy something else. Then it will lead to impulse purchases (impulse buying) immediately in the store because they are interested in a cheaper price than the initial price.

The Effect of Product Quality on Consumer Buying Interest According to Kotler and Armstrong (2012, 269) product quality is a characteristic of a product or service that is in its ability to bear promises or inserts to satisfy consumer needs. Consumers want quality products to be able to satisfy consumers. Quality products will attract consumers to buy these products. On the other hand, products that are not of high quality will be ignored by consumers and will not be a choice of products to be purchased. Therefore, consumers will be very interested in products that have high quality that can provide benefits and performance such as consumer expectations and have high product durability.

## IV. Discussion

### 4.1 Research Approach

Based on the level of explanation, this research is an associative research. Associative research or causal research (causal relationship) is research that wants to see whether a variable that acts as an independent variable has an effect on other variables that are the dependent variable. Manullang, M and Pakpahan (2014: 19).

### 4.2 Population and Sample

Population According to Sujarweni (2016:4) population is the total number consisting of objects or subjects that have certain characteristics and qualities determined by researchers to be studied and then drawn conclusions. The population in this study were all visitors who visited PT. Matahari Department Store Plaza Medan Fair Branch.

Research and data collection are planned to be carried out in September 2019 so that the total population is unknown. This is because it is not known how many visitors have visited PT. Matahari Department Store Plaza Medan Fair Branch in September 2019. The number of population in this study was not detected.

Sample According to Sugiyono (2016:14) states that the sample is part of the number and characteristics possessed by the population. If the population is large, and the researcher is not able to study everything in the population, for example, due to limited funds, time, and manpower, the researcher can use samples taken from the population. What is learned from the sample, the conclusions can be applied to the population. For this reason, samples taken from the population must be truly representative (representative). If the population is less than 100, it is better to take all of them until the research is a population study.

Due to the unknown population, special techniques are needed in sampling for research. One of the sampling techniques with an unknown population is to use the Zikmund formula. Sugiyono (2016:26)

### 4.3 Data Types and Sources

Sources of data in this study came from respondents. Where in this study, researchers will distribute questionnaires which become data collection instruments to each respondent. Each respondent is obliged to answer every question in the questionnaire. The honesty of the respondent's answers will improve the quality of the research results studied. Therefore, researchers should as much as possible get honest answers from respondents

### 4.4 Research Variable

Bernad in Manullang, M and Pakpahan (2014:35) states that a variable is a learned trait, a symbol, or a symbol to which a number or value is attached, can be distinguished, has a variation in value or a difference in value. The dependent variable (Y) in this study is Buying Interest. While the independent variables (X) in this study are: Store Atmosphere (X1), Discounts (X2), and Product Quality (X3).

PT Matahari Department Store Tbk (“Matahari” or the “Company”) is a leading retail company in Indonesia that provides fashion, accessories, beauty, and home appliances at affordable prices. Matahari delivers stylish, high-quality products as well as an exceptional shopping experience, working with trusted local and international suppliers to offer the latest range of products from exclusive brands and international brands. Matahari has been present in the Indonesian retail scene for nearly six decades. Its first outlet, which was a clothing store for children, opened on October 24, 1958, in Pasar Baru,

Jakarta. Since then, Matahari has continued to grow into a national company, opening Indonesia's first modern department store in 1972 and establishing a loyal customer base throughout Indonesia. With a network of 142 outlets in 66 cities.

Matahari provides employment opportunities for 50,000 people in Indonesia and obtains 80% of direct purchase and consignment products from approximately 850 local suppliers. The result of the separation of the larger form) from PT Matahari Putra Prima Tbk (MPP) to form a new entity, namely PT. Matahari Department Store Tbk (Matahari). Asia Color Company Limited, a subsidiary of CVC Capital Partners Asia Pacific III L.P. and CVC Capital Partners Asia Pacific III Parallel Fund –A, L.P. (together with “CVC Asia Fund III”) became Matahari's majority shareholder in April 2010. Matahari's shares offered to the public by Asia Color Company Limited and PT Multipolar Tbk in 2013 attracted worldwide attention and increased public ownership of the Company from 1.85% to 47.35% as of March 28, 2013. This activity not only increases the Company's profile in Indonesia and around the world but also strengthens the liquidity of its stock trading on the Indonesia Stock Exchange, expands access to financing from domestic and international markets, and increases the potential for tax rate imposition. Lower according to tax regulations in Indonesia. Between March 2014 and February 2015, Asia Color Company Limited reduced its shareholding in the Company, and as of February 28, 2015, Asia Color Company owned 2.00% of the Company's shares, while PT Multipolar Tbk owned 20.48% and the public 77.52%. In May 2016, Asia Color Company Limited released its shareholding in the Company so that currently the Company's shareholders are PT Multipolar Tbk at 20.48% and the public at 79.52%. On September 6, 2016, PT Multipolar Tbk reduced the ownership of the Company's shares so that the current shareholders of the Company are PT Multipolar Tbk by 17.48% and the Public by 82.52%.

Realizing the potential of electronic commerce or e-commerce to expand the Company's business throughout Indonesia, Matahari exercised its option to purchase 2,631,580 (two million six hundred thirty-one thousand five hundred and eighty) shares of PT Global Ecommerce Indonesia (GEI) or representing 2.5% of the total shares of GEI. On December 16, 2015, due to the increase in the issued and fully paid share capital of GEI, the GEI shares owned by the Company were diluted to 1.99%. On December 30, 2015, the Company again exercised the option to purchase 4,404,700 (four million four hundred four thousand seven hundred) shares, bringing the total GEI shares owned by the Company to 7,036,200 or 5.16% of the total GEI shares. On January 20, 2016, the Company exercised an additional option to purchase 7,864,075 (seven million eight hundred sixty-four thousand seventy-five) shares of GEI, bringing the total shares owned by the Company to 10.33%. The shares were then diluted to 10% after all option holders exercised their option rights so that as of January 29, 2016, the Company owned 10% of the total shares of GEI.

b. History of RA Jeans RA Jeans is a clothing brand fronted by Indonesian artist Raffi Ahmad who launched on October 8, 2015, at its first store at Jalan Mekar Agung No. 16 Mekarwangi, Bandung City, West Java. RA Jeans products also launched their products exclusively on Instagram accounts called *rajeansid* and *rajeans\_katalog* and several other Instagram accounts throughout Indonesia such as *rajeansbdg*, *rajeans\_sumut*, *rajeans\_surabaya*, and so on. In several cities, RA Jeans also opened its branches. RA Jeans also opened 37 stores in Ramayana and also entered the realm of Indonesian e-commerce through Zalora, Lazada, Tokopedia, and Blibli. Raffi Ahmad's involvement in the RA Jeans business reached 85% under the auspices of PT. Buana Lautan Mas Garmino is the company that initiated the Super Bintang concept that houses 6 brands from several artists such as Jessica Iskandar with her brand Jedar, Denny Cagur with DC Denim, Baim Wong with the BW brand, and several other artists. Raffi Ahmad is energetic, spontaneous and

trendy. That is why the colors carried by RA Jeans are trendy colors such as light indigo, mid indigo, and dark indigo. Clothing models from RA Jeans are also very diverse, ranging from stretch, ultra slim, and skinny jeans for regular fit men and slim for women. Overall, RA Jeans has a sporty, trending, and colorful theme. Almost the entire process of making RA Jeans products uses printing techniques with innovations that make RA Jeans t-shirts lightweight and comfortable to use because they are made of original cotton from Bandung, West Java and are offered at a good price, 99,000 to 349,000.

## V. Conclusion

Based on the results of testing and data analysis that has been carried out, several conclusions can be drawn as a result of the study as follows: 1. Store atmosphere partially has a significant positive effect on consumer buying interest in RA Jeans Products at PT. Matahari Department Store Plaza Medan Fair Branch with a large regression value of 0.193 and a large count of 2.589 with a significant value of 0.011. 2. Partial price discounts have a significant positive effect on consumer buying interest in RA Jeans products at PT. Matahari Department Store Plaza Medan Fair Branch with a large regression value of 0.420 and a large count of 6.185 with a significant value of 0.000. 3. Product quality partially has a significant positive effect on consumer buying interest in RA Jeans products at PT. Matahari Department Store Plaza Medan Fair Branch with a large regression value of 0.279 and a large count of 4.280 with a significant value of 0.000. 4. Store atmosphere, price discounts, and product quality simultaneously have a significant positive effect on consumer buying interest in RA Jeans products at PT. Matahari Department Store Plaza Medan Fair Branch with a significant size of 0.000 and an Fount of 207.271.

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