

The Effect of Visual Merchandising, Product Display and Store Atmosphere on Impulse Buying Customers of Ramayana Malang

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Abstract

This study aims to analyze the effect of visual merchandising, product display and store atmosphere on impulse buying. This research was conducted at the Ramayana department store, Jl. MT. Haryono, Dinoyo, Malang City, East Java. The sampling technique of this research is non-probability sampling and purposive sampling of 50 respondents. The analysis technique uses multiple linear regression analysis, F test, t test and coefficient of determination. The results of data analysis show that the activity. The results of this study indicate that visual merchandising, product display and store atmosphere have a simultaneous influence on Impulse Buying. Overall, visual merchandising, product displays and store atmosphere have an effect on Impulse Buying by 84.0% and the remaining 16.0% is influenced by other variables.

Keywords

visual merchandising; product display; store atmosphere; impulse buying



I. Introduction

Indonesia is one of the developing countries that is currently also part of the development of its business industry, one of which is the retail business. Nowadays, business developments in this modern era can trigger the emergence of various modern retail companies in big cities in Indonesia. According to Euis (2008), through retail, a product can meet directly with its users. The retail industry here is defined as an industry that sells products and services that have been added value to meet the needs of individuals, families, groups, or end users.

Retail businesses in Indonesia can be grouped based on their nature, namely there are retailers that are traditional or conventional and those that are modern. Traditional retailers can be defined as small and simple retailers or retailers, for example, grocery stores, roadside retailers or retailers, retail traders in traditional markets, and so on. Traditional retail business groups have much less capital and also have limited simple facilities. Meanwhile, modern retailers can be defined as large retailers or retailers, this can be seen from the large number of outlets and have very complete and modern store facilities (Soliha, 2008).

Therefore, along with the rapid development of the retail business in Indonesia, retail business activities are also becoming increasingly competitive. This increasingly competitive business competition certainly requires every company to pay attention to what is needed and wanted by its consumers and is able to meet the expectations of its

consumers. On this basis, the term arises in a marketing business called consumer behavior patterns.

It should be understood that consumer behavior is internal and external factors that form the basis of a consumer to make a purchase decision. In relation to marketing activities, consumer behavior and the factors that influence it are a concern for a company, one of which is a retail company. Retail companies must be able to find out this behavior pattern by analyzing consumers in terms of their affective, cognitive and behavior. Thus, retail companies can recognize and understand consumer behavior in making purchases and determine their target market by selecting potential consumer groups.

The development of the modern retail business at this time can have an impact on consumer behavior, which originally shopped with planned intentions to become unplanned. Based on this change in people's behavior, retail business players make various efforts to design Visual Merchandising, Product Display and Store Atmosphere to increase unplanned purchases in stores.

Marketing is a process of planning and execution, starting from the conception stage, pricing, promotion, to the distribution of goods, ideas and services, to make exchanges that satisfy the individual and his institutions (Dianto in Asmuni *et al*, 2020). According to Tjiptono in Marlizar (2020) marketing performance is a function that has the greatest contact with the external environment, even though the company only has limited control over the company's environment. In the world of marketing, consumers are assets that must be maintained and maintained their existence in order to remain consistent with the products we produce (Romdonny and Rosmadi, 2019).

By establishing the three in-store marketing designs that become retail strategies that attract consumer buying interest, then unplanned buying behavior (impulse buying) can be a marketing goal expected by retailers. (Abdolvand et al., 2011) stated that impulse buying is an important aspect of consumer behavior and a vital concept for retailers. Impulse buying has been considered a distinctive and pervasive phenomenon in one's lifestyle and continues to increase.

One form of retail business that implements the three designs above is currently Ramayana. Please note in advance that Ramayana department store is a retail company that offers a wide variety of goods with many different product categories, such as men's, women's, children's, baby's clothing, shoes and sandals. There are several points that are considered by the top management of the Ramayana department store in running a retail business, including the selection of strategic locations such as being in office areas, schools, campuses, places to eat and easily accessible by public transportation and applying the concept of one stop shopping which consists of department store, Ramayana Supermarket, place to eat California Fried Chicken(CFC), Zone 2000 family playground, and a food connection so that by implementing this strategy it will allow consumers to shop for various types of needs in the same place. Thus, it can have an impact on increasing the volume of visits to the Ramayana department store every day.

II. Review of Literature

2.1 Visual Merchandising

a. Definition Visual Merchandising

According to the results of previous research conducted by Apria Sari, A. Widad, and Aslamia Rosa (2015) defines that Visual merchandising can be interpreted as a good and attractive appearance of a product or merchandise in terms of color, supporting accessories with the right display tools. Meanwhile, according to Ismah Muthiah, Dian AS Parawansa, and Abdul Razak Munir (2018) explained that Visual Merchandising is the presentation of a store or brand and merchandise to customers through work teams from store advertisements, displays, certain events, fashion coordination, and the merchandising department to selling goods and services offered by store outlets.

b. Indicators in Visual Merchandising

According to Frings (in Ismah Muthiah, Dian AS Parawansa, and Abdul Razak Munir, 2018) there are several indicators in visual merchandising including:

1. Color

Where the color of a product visual is very important to support the increase of customers/consumers.

2. Assortment is the diversity of a product.

c. Dimensions in Visual Merchandising

According to Mehta & Chugan, (2013) in Sudarsono (2017), there are several dimensions that are needed and can support the visual merchandising procurement process in a store, namely:

1. Window displays

Windows display is defined as the front view of a store that helps customers decide whether to enter the store or not.

2. Mannequin Display

This display is a form of communication tool for fashion retailers that is used to showcase or explain current fashion trends by utilizing statues or mannequins.

3. Floor Merchandising

This dimension can be interpreted as an effort in structuring the equipment that supports the implementation of the retail business in creating space for customers in the store.

4. Promotional Signage

This dimension makes it possible to help increase sales by providing product information and suggesting specific items or purchases.

2.2 Product Display

a. Understanding Product Display

According to Alma (2014: 189) Definition of Display is the desire to buy something, which is not driven by someone, but is driven by attraction, or by sight or by other feelings. In addition, product display or known as product arrangement is an important aspect to attract consumers to enter and see the goods in the store. With the aim of being able to encourage consumer desires when they come to the store, they will make purchases through direct visual appeal of a product.

b. Indicators in Product Display

According to Rahmadana (2016), to get a good Display Product, one must pay attention to the following indicators:

1. Interior Display

Interior Display is defined as setting the display or layout of products, images, prices and so on related to products that are in the store itself.

2. Exterior display

Exterior display is defined as an arrangement of displays, posters, and symbols in the area outside the store that targets potential customers outside the store.

2.3 Store Atmosphere

a. Understanding Store Atmosphere

Store atmosphere is the environmental design of the store or outlet through visual communication, lighting, color, music, and fragrances to design the emotional response and customer perception and to influence customers in buying goods.

b. Indicators in Store Atmosphere

Based on the results of research conducted by I Kadek Dian Kertiana and I Gst. A. Kt. Sri Artini (2019) shows that the atmosphere can be created through several indicators, namely:

1. Design of outlets, including designs in the outlet environment, namely exterior design, layout, and ambience.
2. Store planning, including layout (layout) and space allocation. Layout includes the plan of the road or aisle in the outlet and the circulation of the flow of people. Store planning is a good layout that will make it easier for consumers to walk and find the desired product in the store.
3. Visual communication, visual communication is communication between retail companies and consumers through physical forms of identity of retail entrepreneurs, graphics, and in-store communication.

2.4 Impulse Buying

a. Understanding Impulse Buying

According to the results of research conducted by Ismah Muthiah, Dian AS Parawansa, and Abdul Razak Munir (2018) explaining that Impulse Buying is defined as "the act of buying that was previously not consciously recognized as a result of a consideration or purchase intention formed before entering the store".

b. Indicators in Store Atmosphere

According to Kacen and Lee (2002), indicators that can be used to determine this unplanned purchase are as follows:

1. Unplanned purchases can occur because they are caused by stimuli from products, colors, labels, etc.
2. The buyer has no prior plans to make a purchase of a product.

c. Characteristics in Impulse Buying

According to Engel et al (in Ismah Muthiah, Dian AS Parawansa, and Abdul Razak Munir, 2018) explain that impulse purchases have several or more characteristics, including:

1. Spontaneity, buying is not based on advance planning and in general it occurs because of a sudden interest in response to visual stimuli that are directly in the place of sale
2. Strength, compulsions, and intensity, and there may be an urge to ignore the consequences of the buying decision.
3. Excitement and Stimulation, these two things create a sudden urge to buy and are often accompanied by a momentary emotion when viewing a product.
4. Indifference to consequences, the urge to buy can be so hard to resist that potentially negative consequences are ignored.

III. Research Method

This study will examine the effect of visual merchandising, store atmosphere, and product displays on impulse buying. This research was conducted at the Ramayana department store, Jl. MT. Haryono, Dinoyo, Malang City, East Java. The sampling technique of this research is non-probability sampling and purposive sampling of 50 respondents.

The hypothesis in this study will be tested using multiple regression, F test, t test and the coefficient of determination. The analytical model used in this study are:

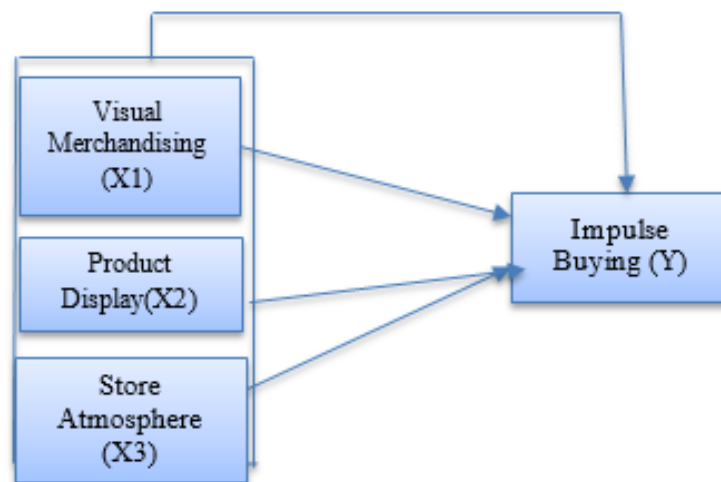


Figure 1. Research Analysis Model

IV. Results and Discussion

The data used in this study amounted to 50 respondents with non-probability sampling and purposive sampling methods. To fulfill multiple linear regression analysis, F test, t test and coefficient of determination.

4.1 Multiple Linear Regression Test

Multiple linear regression was conducted to determine the effect of the dependent variable on the independent variable based on the regression coefficient. The results of multiple linear regression are as follows:

Table 1. Multiple Linear Regression Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t
		B	Std. Error	Beta	
1	(Constant)	.518	1,504		.345
	Total_X1	.371	.176	.297	2.109
	Total_X2	.305	.146	-.005	2.035
	Total_X3	.373	.132	.422	2.828
a. Dependent Variable: Total_Y					

Based on the Multiple Linear Regression table above, the following equation is obtained:

$$Y = 0.518 + 0.371 X1 + 0.305 X2 + 0.373 X3 + e$$

The results of the above equation can be interpreted as follows:

- a. Y
The dependent variable (Y) the number of values will be explained by the independent variable (X). In this study, the dependent variable is Impulse Buying whose value will be explained by the independent variables, namely Visual Merchandising, Product Display and Store Atmosphere.
- b. a
The constant value of 0.518 is a constant value which is a fixed value whose value cannot be changed.
- c. b1
The value of the X1 regression coefficient is 0.371, if the Visual Merchandising research variable increases then Impulse Buying will automatically increase with a constant value.
- d. b2
The X2 regression coefficient value is 0.305, so if the Product Display research variable increases then Impulse Buying will automatically increase with a constant value.
- e. b3
The value of the X3 regression coefficient is 0.373, so that if the Store Atmosphere research variable increases then Impulse Buying will automatically increase with a constant value.

4.2 F test

The F test is used to determine whether the independent variable has a simultaneous effect on the dependent variable. According to Sugiyono (2014: 257), testing can be done by comparing the results of the F calculation compared to those obtained using a risk level or significant level of 5% with the following criteria:

- a. If the calculated F (Sig) 0.05 or the calculated F value < F table, then Ho is accepted and Ha is rejected.
- b. If the calculated F (Sig) 0.05 or the calculated F value > F table Ho is rejected and Ha is accepted.

Below is a table of calculation results from the F test:

Table 2. F Test Results

Model		Sum of Squares	df	F	Sig.
1	Regression	22.059	3	10,426	.000b
	Residual	32.441	46		
	Total	54,500	49		
a. Dependent Variable: Total_Y					
b. Predictors: (Constant), Total_X3, Total_X2, Total_X1					

Based on the F test table above, it can be described, where the calculated F value is $10.4 > 2.81$ with a significance value of $0.00 < 0.05$. Therefore, H_0 is rejected and H_a is accepted, which means that the variables of Visual Merchandising (X1), Product Display (X2) and Store Atmosphere (X3) simultaneously have a significant effect on Impulse Buying (Y).

4.3 T test

The t-test aims to see the effect of the independent variable on the dependent variable by using a risk level or significant level of 5% with the following criteria:

- If t count (Sig) 0.05 or the value of t count $<$ t table, then H_0 is accepted and H_a is rejected.
- If t count (Sig) 0.05 or t arithmetic value $>$ t table H_0 is rejected and H_a is accepted

Table 3. T test results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.518	1,504		.345	.732
	Total_X1	.371	.176	.297	2.109	.040
	Total_X2	.305	.146	-.005	2.035	.037
	Total_X3	.373	.132	.422	2.828	.007
a. Dependent Variable: Total_Y						

Based on the table from the t-test above, it can be interpreted as follows:

- Visual Merchandising*(X1) Has a t-count value of $2.109 >$ t table 2.01 and a significance value of $0.040 < 0.05$. It can be concluded that H_0 is rejected. H_a is accepted, which means that the Visual Merchandising variable (X1) has a significant effect on Impulse Buying (Y).
- Display*The product (X2) has a t-count value of $2.035 >$ t table 2.01 and a significance value of $0.037 < 0.05$, so it can be concluded that H_0 is rejected, H_a is accepted, which means that the Product Display variable (x2) has a significant effect on Impulse Buying (Y).
- Store Atmosphere (X3) has a t-count value of $2.828 >$ t table 2.01 and a significance value of $0.007 < 0.05$, so it can be concluded that H_0 is rejected H_a is accepted, which means that the Store Atmosphere variable (x3) has a significant effect on Impulse Buying (Y).

4.4 Coefficient of Determination (R²)

The coefficient of determination (R²) is used to measure how much and how far the percentage of the influence of the independent variable in explaining the variation of the dependent variable. Below is a table of results from the coefficient of determination with a summary model.

Table 4. Results of the Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.636a	.705	.840	.766
a. Predictors: (Constant), Total_X3, Total_X2, Total_X1				

Based on the table of the Coefficient of Determination (R²) test, the value of Adjusted R Square is 84.0%. This means that the variables of Visual Merchandising, Product Display and Store Atmosphere have an effect on Impulse Buying by 84.0% and the remaining 16.0% is influenced by other variables.

V. Conclusion

Research results obtained in research "The Effect of Visual Merchandising, Product Display and Store Atmosphere on Impulse Buying Customers of RAMAYANA MALANG" is the independent variable, namely Visual Merchandising, Product Display and Store Atmosphere, which simultaneously have a significant influence on the dependent variable, namely Impulse Buying. Likewise partially, all independent variables, namely Visual Merchandising, Product Display and Store Atmosphere, have an effect on Impulse Buying.

In addition, the results of the coefficient of determination test show that the variables of Visual Merchandising, Product Display and Store Atmosphere have an effect on Impulse Buying by 84.0% and the remaining 16.0% is influenced by other variables.

Limitations and Suggestions for Further Research

This research is limited to the retail industry with a study on Ramayana Malang only, the results of this study cannot be generalized to different industries. So, further research can use the same variables but in different industries. Further research can also use other independent variables besides Visual Merchandising, Product Display and Store Atmosphere to accompany Impulse Buying.

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