



Determinants of Consumer Purchase Decisions with Price and Personal Factors as Control Variables

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ABSTRACT

Research on the factors that influence consumer decisions to buy goods at Indomaret campus area, Jember. The purpose of this study is to analyze the effect of store layout and interior display on purchasing decisions. The number of samples used in this study was 50 people with purposive sampling and quota sampling techniques. The data collection method used in this study used a questionnaire. The analysis used includes data instrument test (validity test and reliability test), multiple linear regression analysis. From the results of data analysis, it can be seen that store layout has a positive effect on consumer decisions to make purchases at Indomaret. Meanwhile, the Interior display has no effect on consumer purchasing decisions at Indomaret. This shows that consumers do not pay much attention to the things contained in the interior display, such as store design according to the day of celebration, provision of baskets, and advertisements in the store. After entering the control variables, namely price variables, and personal factors, the test results both show that store layout and interior display have no effect on consumer decisions to make purchases at Indomaret.

Keywords: Store layout, Interior display, Price, Personal Factors, and Purchase decision.



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INTRODUCTION

Lately the retail business or retail is growing rapidly. Judging from its development, retail business now not only stands in urban areas, but also has penetrated in rural areas. This makes retail businesses that are still traditional, starting to innovate to be more modern. Every company competes to provide the best service by always trying to meet every need and desire of its consumers. From year to year, the demand for primary needs and secondary needs continues to increase. This affects the attitude of consumers in making purchases that want convenience and practicality in carrying out daily purchase activities. Therefore, many entrepreneurs are interested

in investing in retail business and developing it. According to Kotler (2012: 535) is an activity of selling goods or services carried out directly to the end consumer for their personal or household use. Retail business was once seen as a regular traditional business that provides goods or services, but with the development of the business world, resulted in changes to the retail business itself. Now retail business not only as a place to shop for goods or services but also as a place to socialize and entertain themselves for consumers.

Retailers satisfy their customers by offering a wide variety of goods and services, which are gathered from a number of sources and then sold in small quantities. This can affect consumers in making purchases. Tjiptono (2015: 21) explains that consumer purchasing decisions are a process where consumers know the problem, seek information related to a particular product or brand before finally making a purchase of the goods or services. Berman and Evans (2007:454) Presenting several criteria that are able to stimulate emotional response and customer perception and able to influence customers in buying an item, these criteria are exterior, general interior, store layout and interior display. Basically, the process of everyone in purchasing decision making is the same, i.e. determining two or more goods or services needed to then be purchased. But there are factors that make everyone's decision-making different, namely personality, income, age, and lifestyle factors of each person.

Now in cities and even villages in Indonesia, the retail business is starting to attract a lot of attention from entrepreneurs, because it has a positive influence on the number of jobs and promising profits, with a self-service format marketing system , where consumers pay at the cashier provided. Their touch technology, which is integrated in the software (software) , the ease of recording by using a computer, whether it's recording activities and transactions of the administrator, cashier, chief warehouse and so forth, making the management or mismanagement of neat and controlled as well as transaction reports can be evaluated every the month. From the social aspect, it creates a new culture in shopping, namely the existence of a cleaner and more comfortable shopping atmosphere.

Indomaret is one of the modern retail businesses or minimarkets that offers a variety of items ranging from food, basic necessities to fully available kitchen utensils. In addition, self-service facilities and store atmosphere provide convenience for customers to choose the desired items. Currently, Indomaret is growing very rapidly with the number of outlets reaching 17,681 outlets, consisting of 60% company-owned outlets and 40% franchise-owned outlets. Most of the merchandise supply for all outlets comes from Indomaret's 22 distribution centers which provide more than 5,000 types of products (<https://indomaret.co.id/korporat/>).

In Jember, Indomaret is one of the minimarkets spread throughout the city, even now it has entered the villages. It is almost certain that on every street we can find at least one Indomaret, even on busy roads and close to settlements, more than one Indomaret can be found within a distance of approximately 500 meters.

The rapid increase in Indomaret outlets like mushrooms in the rainy season is quite interesting to note. It is as if there is a shift in spending patterns in the community, the shift is more directed towards a tendency to prefer shopping at Indomaret. This is what makes Indomaret more fertile. The proliferation of Indomaret on the other hand also brings bad effects, one of which is the decline in consumers of stores selling grocery and basic goods, or hereafter we call traditional retail stores. It is clear that nowadays traditional retail stores look quieter than before Indomaret mushroomed. This is what the government should pay attention to how to maintain healthy competition between traditional retail stores and Indomaret. Do not let Indomaret outlets increase but cause traditional retail stores that have been open for a long time to go bankrupt due to the shift of consumers to Indomaret.

Traditional retail stores which usually have small capital of course also have limitations to provide various goods needed by the community. As with Indomaret, the estimated investment for a new store has an investment requirement of Rp. 394,000,000 for investors who already have a prospective location and investment requirements of around Rp. 600,000,000 for investors who do not yet have a prospective location. (<http://indomaret.co.id/waralaba/info-waralaba/investasi.html>). But if we look again, there is a phenomenon that is more interesting to study. Kotler and Armstrong (2001) state that the relationship between price and purchasing decisions is that the price affects consumer decisions in making purchases, the higher the price, the lower the purchase decision, on the other hand, if the price is low, the purchasing decision will be higher. This statement is reinforced by the results of research by Anita (2012) and Doni (2013) that the price has an effect on purchasing decisions. It is an interesting fact that the phenomenon to be studied contradicts the theory and the results of the research. The products sold by Indomaret and the products sold by traditional retail stores are the same. However, Indomaret provides higher prices compared to traditional retail stores. However, even though Indomaret provides a higher price, it is still in demand by many people and many consumers shop at Indomaret.

Based on the conditions in the field regarding purchasing decisions at Indomaret Jember campus area, the focus of the research study used to describe the problem of this phenomenon includes purchasing decisions at Indomaret Jember campus area and purchasing decisions can be influenced by several factors including store layout and interior display.

METHOD

This research uses quantitative methods. This study is also called explanatory research which is a research method that aims to explain the position of the variables studied and find out the influence between one variable with another, Sugiyono (2017: 6). The variables used in this study consisted of independent variables, namely store layout and interior display, the dependent variable was purchasing decisions, and the control variable was price. The data used are primary data in the form of respondents' answers obtained from questionnaires and secondary data in the form of Indomaret distribution data and other supporting data. The population in this study were Indomaret consumers in the Jember campus area. To take the sample, the researcher used non-random sampling technique, namely purposive sampling and quota sampling. Purposive Sampling is a sampling technique where samples are taken based on certain characteristics that are relevant to previously known population characteristics. Quota sampling is a method of selecting samples that have certain characteristics in the desired amount or quota. Because the number of samples set is 50 people, then for each Indomaret unit a quota of 10 respondents is set. Data analysis techniques in this study include validity tests which are the process of matching data reported by researchers with data obtained directly from the study subjects, Sugiyono (2018: 267). This validity test is then used as a valid benchmark for the absence of a questionnaire. Reliability test is a tool to measure a questionnaire which is an indicator of a variable or construct (Imam Ghozali, 2018:45). Then continued by conducting a double linear regression analysis test, as well as a classical assumption test consisting of a multicollinearity test that serves to test whether in the regression model there is a correlation between free variables. Heteroskedasticity tests that serve to test whether regression models occur in misalignment from residual observations to another. The normality test serves to test whether in regression models, bound variables and free variables both have normal distributions or not (Imam Ghozali, 2018:161). The last hypothesis test includes simultaneous test (F) and partial test (t).

RESULTS AND DISCUSSION

Table 4.1 Validity Test Results

Statement	Sig (2-tailed)		α	Description
Store layout				
s11	0,000	<	0,05	valid
s12	0,000	<	0,05	valid
s13	0,000	<	0,05	valid
Interior display				
id1	0,000	<	0,05	valid
id2	0,000	<	0,05	valid
id3	0,000	<	0,05	valid
id4	0,000	<	0,05	valid
Price				
h1	0,000	<	0,05	valid
h2	0,000	<	0,05	valid
h3	0,000	<	0,05	valid
Personal Factors				
pf1	0,000	<	0,05	valid
pf2	0,000	<	0,05	valid
pf3	0,000	<	0,05	valid
Purchase Decision				
kp1	0,000	<	0,05	valid
kp2	0,000	<	0,05	valid

Source: SPSS Output

Based on the table above, it is known that all r count indicators have positive values and are greater than the r table (0.279), so the questionnaire used in the study is declared valid.

Table 4.2 Reliability Test Results

Variable	Cronbach's Alpha		Cutt off	Description
Purchase Decision	0,639	>	0,6	Reliable
Store layout	0,803	>	0,6	Reliable
Interior display	0,702	>	0,6	Reliable
Price	0,853	>	0,6	Reliable
Personal factors	0,618	>	0,6	Reliable

Source: SPSS Output

The results showed that all alpha coefficient values were greater than 0.6. So it can be concluded that the research questionnaire for each indicator is reliable.

Regression analysis used in this study is a multiple regression analysis involving control variables used to test the effect of the independent variable on the dependent. With the control variable, the influence of the independent variable on the dependent variable is not influenced by external

factors. First, the influence of the independent variable on the dependent variable will be analyzed, then it will be analyzed again with the control variables. So that it can enrich the results of the analysis by comparing before and after the use of control variables. The following is the formulation of multiple linear regression in this study:

Table 4.3 Results of Model Regression Analysis

Variable Independent	Koef. Reg	t	Sig.	Collinearity Statistics
				VIF
Constant	3,352	2,243	0,030	
SL	0,251	2,111	0,040	1,873
ID	0,045	0,358	0,722	1,873
$R^2 = 0,183$				

Source: SPSS Output

Model 1 regression equation. $KP = 3,352 + 0,251 SL + 0,045 ID + e$

The regression equation above can be interpreted as follows: The constant value of 3.352 can be interpreted, if the Store layout and Interior display variables are not considered, then the Purchase Decision still exists at 3.352%. This proves that there has been a shift in people's spending patterns, the shift is more directed towards a tendency to prefer shopping at Indomaret.

The Store layout coefficient of 0.251 indicates that if the Store layout increases by 1%, the consumer's purchase decision to shop at Indomaret will increase by 0.251%. This shows that Indomaret can increase sales volume by increasing the quality of the Store layout because research results have proven that an increase in Store layout will make consumers more interested in making purchases at Indomaret.

The Interior display coefficient of 0.045 indicates that if the Interior display increases by 1%, the consumer's purchase decision to shop at Indomaret will increase by 0.045%. This shows that Indomaret can increase sales volume by increasing the quality of Interior displays because research results have proven that increasing Interior displays will make consumers more interested in making purchases at Indomaret.

Table 4.4 Results of Model Regression Analysis

Variable Independent	Koef. Reg	t	Sig.	Collinearity Statistics
				VIF
Constant	2,425	2,190	0,034	
SL	-0,022	-0,234	0,816	2,285
ID	0,082	0,118	0,365	1,900
H	-0,330	-0,707	0,000	1,521
PF	0,069	0,099	0,347	1,236
$R^2 = 0,607$				

Source: SPSS Output

Model 2 regression equation. $KP = 2,425 - 0,022 SL + 0,082 ID - 0,330 H + 0,069 PF$

The regression equation above can be interpreted as follows: The constant value of 2.425 can be interpreted, if the variables SL, ID, H, and PF are not considered, then the Purchase Decision still exists at 2.425 or 2.425%. This constant proves that there is a decrease in Purchase Decision when the control variable is included, but the constant value is still in the high category, which means that the possibility of consumers making purchases at Indomaret is still very high.

Store layout coefficient of -0.022 indicates if the Store layout increases by 1% then consumer purchasing decisions will decrease by 0.022%. This shows that Indomaret is not recommended to improve the quality of the Store layout. If it refers to determining the selling price of the product, an increase in the Store layout will cause the selling price of the product to be higher. Kotler and Armstrong (2001) stated that the higher the price, the lower the purchasing decision.

The Interior display coefficient of 0.085 indicates if the Interior display increases by 1% then the Purchase Decision will increase by 0.085%. This shows that Indomaret can increase sales volume by increasing the quality of Interior displays because research results have proven that increasing Interior displays will make consumers more interested in making purchases at Indomaret.

The price coefficient of -0.330 indicates if the price increases by 1%, the Purchase Decision will decrease by 0.33%. This shows that Indomaret must be more careful in determining price policies because it is possible that when the price of goods in Indomaret has exceeded the tolerance limit of the community, people will be reluctant to make purchases at Indomaret.

The Personal Factors coefficient of 0.069 indicates that if the Personal Factors increases by 1%, the Purchase Decision will increase by 0.069%. This shows that the more established a consumer is, both in terms of employment and economic conditions, the higher their decision to make purchases at Indomaret. A well-established economic condition will indirectly make a person's lifestyle increase so that without realizing it little by little they start to move and feel comfortable shopping at modern retailers such as Indomaret.

Multicollinearity Test. Based on Table 4.3, regression model 1 shows that the independent variable has a tolerance value of more than 0.1, which means that there is no multicollinearity. The results of the calculation of the Variance Inflation Factor (VIF) value also show a VIF value of less than 10. So it can be concluded that there is no multicollinearity between independent variables in the regression model. Meanwhile, regression model 2 based on the results of the multicollinearity test as shown in Table 4.4 shows the VIF value less than 10. So it can be concluded that regression model 2 is free from multicollinearity symptoms.

Heteroscedasticity Test. Based on the analysis of the results of SPSS output on the resulting points that spread below and above the Y-axis and do not have a regular pattern. So it can be explained that in regression model 1 and regression model 2 there is no heteroscedasticity. Normality test First, a graph analysis is performed to produce a normal graph plot. Based on the results of the analysis using SPSS, it can be seen that the points spread around the diagonal line. Thus, regression model 1 and regression model 2 show that the regression model is feasible to use because it meets the assumption of normality.

This study uses two models that analyze the relationship between SL and ID to KP which are divided into before and after models using control variables H and PF. The submission of the regression model hypothesis 1 with reference to Table 4.3 can explain the effect of the independent variables SL and ID on the dependent variable KP. Based on Table 4.3 and a significance level of $0.040 < 0.05$, it is known that the regression coefficient of 0.251 SL has a positive effect on KP, which means H_0 is rejected. Meanwhile, the ID variable is seen from its significance level of $0.722 > 0.05$, this indicates that the ID variable has no effect on KP, which means that H_0 is accepted.

Furthermore, to eliminate bias from the regression equation, in regression model 2, analysis was performed by adding control variables H and PF. Based on the results of the analysis in Table 4.4 shows that the two variables SL and ID have a significance level greater than 0.05 (0.816 and $0.365 > 0.05$), this indicates that the variables SL and ID have no effect on KP, which means H_0 is accepted.

The results in Table 4.3 show that store layout has a positive effect on consumer decisions to make purchases at Indomaret. The influence shown by the store layout on purchasing decisions shows that the store layout basically provides its own value in the eyes of consumers. The appearance of an attractive, neat, and spacious physical store makes consumers feel comfortable in the store so that they unconsciously encourage them to make purchases. So it can be said that a good store layout can stimulate consumers to make purchases at Indomaret. The results of this study are in accordance with the theory of Berman and Evan (2004) that store layout will invite entry or cause customers to stay away from the store when consumers see the inside of the store through the window or entrance. A good layout will be able to make consumers feel at home around longer and spend more money.

On the other hand, the results of the study show that the store layout has a positive effect or in other words, if Indomaret makes an increase in the store layout, the consumer's decision to make a purchase will also increase. This result is strengthened by previous research (Helga: 2013, Radhitya: 2008, Adiguna: 2012) which proves that store layout has a positive effect on purchasing decisions.

Still referring to the results of the research in Table 4.3, it is known that the interior display variable shows different results from the store layout. From the table, it is known that the interior display does not affect consumers in making purchasing decisions at Indomaret, or in other words, H_0 is accepted. This shows that consumers do not pay much attention to the things contained in the interior display, such as store design according to the day of celebration, provision of baskets, and advertisements in the store. This finding is different from the theory of Berman and Evan (2004) which states that each type of interior display provides information to customers to influence the atmosphere of the store environment. The main purpose of interior displays is to increase sales and maximize profits. This theory is also supported by the results of Adiguna's research (2012) which proves that interior displays have a positive effect on purchasing decisions.

This shows that the increase in Interior display is not needed by Indomaret. These results can be explained through one of the Interior display indicators. The basket is one indicator of the Interior display. The baskets provided by Indomaret do not need to be improved, both in terms of quality and quantity. Because judging from the area of the booth, a basket with wheels that can be pushed is not needed. The provision of these baskets will actually make Indomaret's outlets and traffic look narrower.

Furthermore, to enrich the results of the study and eliminate bias from the regression equation, the researcher included the control variable in equation (4.2). After entering the control variables, the results of the study in Table 4.20 show that the store layout and interior display do not affect consumer decisions in making purchases at Indomaret. Personal Factors also showed the same result, where Personal Factors did not influence Indomaret consumer purchasing decisions. This shows that the more established a consumer is, both in terms of work and economic conditions, the more their lifestyle will improve. This will make them prefer to shop at better or more attractive retail outlets from Indomaret, such as Matahari, GM, Roxy, Carrefour, and Giant.

The results also show that of the two control variables used, only the price variable has a negative effect on purchasing decisions. This shows that a good store layout and the interior display will not have an influence on consumer purchasing decisions if Indomaret provides a high price. It is possible that the price currently given by Indomaret is still below the tolerance limit of the community, so there are still many people who make purchases at Indomaret. Indomaret needs to be careful in making price policies because research results show that if the price of goods at Indomaret is getting more expensive, it will make consumers more reluctant to make purchases at Indomaret.

Another possibility is that Indomaret consumers take advantage of holiday moments to shop at Indomaret. Where at that moment, Indomaret provides promos or discounts on goods sold. This discount is what makes consumers more interested in making purchases at Indomaret. This is in accordance with the statement of Kotler and Armstrong (2001) that the relationship between price and purchasing decisions is that the price affects consumer decisions in making purchases, the higher the price, the lower the purchasing decision, on the other hand, if the price is low, the purchasing decision changes to the higher. This statement is reinforced by the results of research by Anita (2012) and Doni (2013) that the price has an effect on purchasing decisions.

CONCLUSION

This study examines the effect of SL and ID on KP at Indomaret in the Jember campus area. Namely on Jalan Karimata, Java, Sumatra, Kalimantan, and Mastrip. Using a significance level of 0.05, the results of the study in Table 4.3 show that store layout has a positive effect on purchasing decisions. While the interior display has no effect on purchasing decisions. Table 4.4 shows that when the control variables are included in the model, Store Layout and Interior Display do not affect the Purchase Decision. Whereof the two control variables used, only the price variable has a negative effect on purchasing decisions.

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