

The Influence of Store Atmospheric Factors toward Customer Purchase Intention on Minimarket Industry in Bandung, Indonesia

(Alfamart and Circle K Comparison)

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ABSTRACT

Minimarket industry in Indonesia is hardly a friendly environment for international brand. Not so long ago, one of the well-known global minimarket brand has declared bankruptcy, confirmed that the international brands often find it difficult to maintain and expand the market in overseas. Thus, a new method and strategy have to be done, in order to survive in the industry. One of the main trait for retail industry is the store atmosphere. The surroundings could be explored to influence and attract customer into buying the products. Thus, this study aims to examine store atmosphere' influence towards customer purchase intention. The objectives of this study are to assess and measure the factors of store atmosphere and how their influence toward customer purchase intention on Alfamart and Circle K outlets. Using multiple linear regression analysis on SPSS to 314 questionnaire data that collected in Bandung, Indonesia, the result of this study is that in-store, ambient cue, and out-store factor has a significant impact toward customer purchase. These findings offers empirical evidence for both academical and business practice regarding the store atmosphere and its influence towards customer purchase intention.

Keywords

Store atmosphere, in-store, ambient cue, out-store, customer purchase intention

1. BACKGROUND

Small retail business' potential in Indonesia does show significant progress. The fastest growth occurred in 2002 when the national small retail share was at 25%, immediately jumping to 44% in only eight years [1]. In 2015, the number of small retail outlets in Indonesia had touched more than 25,000 shops, with 6,770 of them focused in Java island [2]. To be more specific, 2,008 stores are spread throughout West Java province, with more than 400 of them located in Bandung Raya area. The latest release issued by Aprindo (Asosiasi Pengusaha Ritel Indonesia) also noted that the growth of small retail business in 2016 was at 10%, with sales value reaching 200 trillion and if combined with processed food and beverages, the total reached 1,630 trillion [1].

This lucrative retail market attracts businessman, in particular retailers. Aside from the local companies such as Alfamart, Indomaret, and Yomart, the small retail industry in Indonesia also began to be entered by the likes of Lawson, Circle K and 7-Eleven [3]. The emergence of these foreign competitors is the impact of the alluring potential of small retail business in Indonesia. However, the higher market potential will be, the higher competition will arise.

This is what experienced by one of the leading foreign retailers from the United States, 7-Eleven who declared bankruptcy as of June 30, 2017 [4]. This case supports the idea that small international retail often finds difficulties in entering and maintaining new foreign market because it requires adaptation and adjusting process [5]. Moreover, it also confirmed that despite giving a slight advantage, a brand that established internationally still have to start its business from scratch. According to Bank Mandiri' industry report [6], there is slightly downfall on small retail grocery sales value of 17.4 in 2014 to 13.3 in 2015 respectively.

Yet, despite of the struggles that happen, Circle K is one of the international brand that still survive after such a long time. Established in El Paso, Texas, 1951, Circle K begins its international business journey in 1979, marked by opening the store in Japan and touched Indonesia' industry in 1986, located in Jalan Panglima Polim, Jakarta [7]. Now, with more than 400 stores around Indonesia, Circle K paved its way in the retail industry [7]. Whereas the local brand, Alfamart, recently received Top Brand Award in 2017 for convenience store category, keep dashing forward as the market leader [8]. Founded on June, 27 1999, at present, Alfamart has growth with

11,248 stores recorded in 2016 and only Indomaret that have more stores with 12,149 outlets while they keep it neck and neck for this two-horse competition [9]. Although the number of stores is uncomparable with both of them, Circle K was the very first retail brand in Indonesia that introduced 24-hour service, serve brewed beverages, and provide stool, table, and seat for the customers, so that they can enjoy their groceries right away [7]. In instant, this strategy became popular, in particular among teens generation, as it is represent a new sophisticated way of shopping. The method itself then adopted by other retail brands and became a trend.

Beforehand, shopping activity is all about buying a product based on the function and specification. However, in this day and age, with plenty of choices that available, consumers tend to seek something with added value in it which will give more than the other [10]. In the retail industry, one of these added values can be found in the form of store atmosphere. Known as a phrase that determines the environment on a store which is cannot always be spotted directly and affect consumer' feeling [11], store atmosphere is expected to be the primary weapon to attract and influence consumer buying intention [12]. Through this atmosphere-created-on-purpose, the store, in particular, the retail itself, try to communicate the information that related to their service, price, and product to the customers.

Store atmosphere is also believed to be one of the factors that determine the success or failures of the business [13]. A satisfied customer comes from the pleasant feeling that they get when they do shopping [14]. With store atmosphere have a significant impact on influencing customer to stay in the store [15], it gives a better chance to customers who did not intend to buy at first, can change their mind into buying. So that, in the retail business, whether it is a local brand or international brand, have to be carefully and gradually manage the store atmosphere with the purpose of influencing consumer buying intention and increasing business turnover [16].

This study conducted to determine the influence of store atmospheric factors toward customer buying intention in Alfamart and Circle K outlets in Bandung, Indonesia. Moreover, the research would give an appropriate understanding and knowledge from comparing international and local minimarket brand, also beneficial for both local and foreign retail brands to develop a brand new distinct strategy in order to improve the company' revenue and profit.

2. LITERATURE REVIEW

2.1 Store Atmosphere

Defined as a planned circumstance for the specified target market which can stimulate customer purchase action [17], another notion identifies store atmosphere as the scene on place constructed by visual display, lighting, sound, and aroma that can influence buyer' purchase intention [18]. This emotional state of mind can create two dominant feelings, pleased pulse and arouse desire. A literature proposes that store atmosphere consists of several dimensions which encourage customer for paying attention with the main focus that based on scenery, signs, symbols, and place [19]. Store atmosphere also conducted based on physical characteristics that used to give impressions and to attract customers. Various elements drive store atmosphere influence, with three main points is being identified: in-store, ambient and out-store atmosphere [19]. In-store atmosphere described as a type of setting taken place inside the store, ambient triggered customer feeling by using human' five senses, and whereas out-store is the circumstances placed outside the shop [20]. Three of them conducted in the purposes of attracting and influencing customer purchase intention. Several aspects noted in setting atmospheric designs, with in-store atmosphere consist of racks arrangement, posters & signs, and employee characteristics, ambient conducted by lighting, scent, music, and air condition, while out-store atmosphere include storefront, accessibility, and parking site factors in it.

1. In-Store Atmosphere

The layout' in-store atmosphere defined as the facility setting inside the store, including seat arrangement, cashier desk, signs, and racks arrangement. Interior layout can create delight feeling and stimulate buyer purchase decision [21]. Rack arrangement creates its influence to purchase decision with the capabilities to manipulate the space for customer to passing through. A proper length and width for the racks can affect customer flow of activity to be more comfortable, secure, and precise [14]. Product, as the main goods that company offer, also can be identified as influencing aspect that have a great influence. The types and variety of the products are the most factors that considered important by customers [22].

2. Ambient Cue

Ambient cue also placed inside the store and one of the major forces in conducting certain atmosphere. However, it mainly focused on driving human sensory, olfactory, visual, and hearing sense. The air condition inside the store concerns about the quality, temperature, and circulation. This factor will give customer a comfortable feeling when shopping. The

type of lighting can create different atmospheric ambience. When the lighting set is too bright or too dark, it can influence customer' activities inside the store. It happens due to the sensory perception that mainly used in searching and selecting the product [23]. It is noted that the color of the light can also create a certain circumstances in customer' mind. While layout, product, and lighting used sight as the main tool, scent factor is the only one that use the sense of smell. This kind of factor use a pleasant fragrance that creates in the store to tempt customer' perceive when making the purchase decision [24]. This fragrance can create a feeling that increases the amount of cash and time which customer willing to spend inside the store [25].

3. Out-Store Atmosphere

As the previous cues has describe inside the store' setting and ambient, there are other three that suspected to support atmospheric design outside the store [26]. The first one, accessibility, will maintain the store to run well in a long term. Accessibility aspects consist of the access way with both public and private transportation, the traffic, and the amount of time that spend to reach the place. This factor expected to control customer' number of flow and visit, whether it is from or to the store [13]. The more people come to store, the more chances company can get to gather a big amount of income. Another one that has to be noted from outside atmosphere is storefront. Described as the facility setting outside the shop, which includes signs arrangement and symbol placement, storefront will guide and help customer to identify and enter the store directly [27]. Parking lot also can be the aspect that determine customer visit [28]. The existance of well-managed parking site outside the store would bring the sense of security for customers with effective access towards the shop.

2.2 Customer Purchase Intention

Customer purchase intention described as a customer tendency to buy a brand of product or take an action that related to purchasing and measured it with the level of customer possibility to purchase [29]. A literature define purchase intention as a driving force or as an intrinsic motive that can encourage a customer to pay attention spontaneously, fair, natural, voluntary and selective to a product and afterward, decide to buy it or not [30]. Purchase intention consist of three major forms which are transactional, referencial, and preferencial. Described as a level of customer intention state that drives direct purchase, transactional intention shows a buyer that already have to set to buy a certain wanted product. Another widely recognized type is referencial. Referencial intention will triggered customer to recommend their

experiences to their acquaintances [13]. Satisfied customer tend to do the good word of mouth, thus it can influence other to buy or at least, try it. The last one is preferencial intention, which triggered based on resemblance with the prepered taste and needs. Preferencial intention will use certain product as a preference and stick in it when choosing and buying a product. A slight change on the prepered product is expected to influence purchasing [14].

3. RESEARCH MODEL & HYPOTHESIS

This study conducted to measure the influence of store atmosphere, assessed with 3 variables: in-store, ambient cue, and out-store, towards customer purchase intention. According to the literature described above, the relationship model is illustrated in Figure 1.

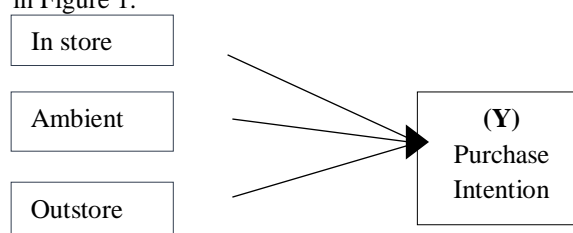


Figure 1. Research Model

This study expected to measure the impact of these three atmospheric factors on customer purchase intention in minimarket/convenience store industry. Customer' feeling towards brand or store can be manipulated by using the advantages of store atmospheric factors. When customer visit the store, the intention of the visitor to purchase a product determined by the whole environment and surroundings related to the outlets. This environment will trigger customer' judgement on further action, deciding to purchase even more or not.

The hypothesis is explained as a statement about the relationship between a variable with another variable to be tested empirically in a study [31]. Thus, the hypotheses that used in this study are as follow.

- H1: In-store has a significant positive influence on costumer purchase intention.
- H2: Ambient cue has a significant positive influence on costumer purchase intention.
- H3: Out store has a significant positive influence on costumer purchase intention

4. RESEARCH METHOD

In conducting this study, several methods are used in order to help obtaining an accurate result. The methods that applied are regarding to the research procedure, population and sampling, research methods and analysis tools.

This study began with thoroughly scrutinizing the proper literatures that suitable with the research problem by using several informational channels such as textbooks, journals, internet-based literature documents and any other reliable sources. After gathering the necessary information, the next step is to determine the operational variables that will become the core in conducting the research. Then, arranging questionnaire that will be used as the primary data resources which formulated based on the operational variables beforehand is required. However, prior to spreading the questionnaire, it has to undergo the pre-test process which means distributing the survey previously to 35 respondents for reliability and validity test purpose. Moreover, this method is intended to ensure whether the questionnaire is contained in reference to the following selection variables and appropriate to be launched. Thereupon, the definite and final questionnaires are finally distributed to respondents, and the data that have been collected are being analyzed by SPSS. The analysis result is combined with the literatures that have been searched before to obtain the result and produce the outcome.

This research uses several items to measure the impact of store atmospheric factors toward purchase intention. The questionnaire conducted based on existing literatures. As the primary data tools of the study, questionnaire measured in 5 points Likert scale, with 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree. The store atmospheric factors measured by 3 variables: in store, ambient cue, and out store atmosphere. While customer purchase intention assessed by transactional, referencial, and preferencial. All variables and indicators are appropriate to be measured after assessed with validity and reliability test.

5. ANALYSIS DATA RESULTS

a. Description of the respondent

This study using 206 respondents. The table below shows the respondent's demographics of the data that has been collected.

Table 1 Demographic characteristic of the respondents

| Variable | Frequency | % |
|-----------------------------------|-----------|------|
| Gender (<i>n</i> =314) | | |
| Male | 156 | 49.7 |
| Female | 158 | 50.3 |
| Age | | |
| < 18 year | 50 | 15.9 |
| 19 - 25 year | 106 | 33.4 |
| 26 - 30 year | 58 | 18.5 |
| 31 - 35 year | 53 | 16.9 |

| Variable | Frequency | % |
|--------------------------------|-----------|------|
| > 35 year | 48 | 15.3 |
| Occupation | | |
| Student | 79 | 25.2 |
| Civil Servant | 44 | 14 |
| Private Employee | 63 | 20.1 |
| Entrepreneur | 53 | 16.9 |
| Housewife | 75 | 23.9 |
| Income | | |
| < Rp. 1,000,000 | 102 | 32.5 |
| Rp. 1,000.000 - 3,000.000 | 69 | 22 |
| Rp. 3,000.000 - 5,000.000 | 68 | 21.7 |
| > Rp. 5,000.000 | 75 | 23.9 |
| Visit intensity (month) | | |
| < 5 times | 173 | 55.1 |
| 5 - 10 times | 128 | 40.8 |
| > 10 times | 13 | 4.1 |

Tabel 1 shows the demographics of respondents. Among 206 respondents, there are 156 male (49.7%) and 158 female (50.3%). The majority of respondents are among 19-25 years old with 106 people (33.4%). Student (25.2%) and housewife (23.9%) are the most popular for the occupation. Most respondents earned less than Rp. 1,000,000 per month (32.5%). There are 173 (55.1%) respondents that visit outlets in less than 5 times a month, 128 respondents (40.8%) visit regularly about 5 – 10 times per month, and 13 respondents (4.1%) visiting minimarket store more than 10 times per month.

b. Descriptive Analysis

Descriptive analysis shows the conclusion of sample data which have been collected. The content of this analysis describes the mean value and standard deviation by using table view. With this method, the overall data that have been collected can be easily understood.

Table 2 Descriptive Analysis (Alfamart)

| Variable(s) | Mean | SD | Pearson | Cronbach |
|---------------------|-------------|--------------|---------|--------------|
| In-Store | 3.76 | 0.478 | | 0.774 |
| Rack | 3.79 | 0.761 | 0.785 | |
| arrangement | | | | |
| Space | 3.62 | 0.683 | 0.673 | |
| Allocation | | | | |
| Point of | 3.73 | 0.679 | 0.692 | |
| Purchase | | | | |
| Decoration | 3.71 | 0.528 | 0.535 | |
| Employee | 3.88 | 0.756 | 0.719 | |
| Friendliness | | | | |
| Employee | 3.87 | 0.757 | 0.686 | |
| Helpfulness | | | | |
| Ambient | 3.93 | 0.559 | | 0.666 |
| Fragrance | 4.07 | 0.710 | 0.643 | |
| Scent | 4.08 | 0.801 | 0.722 | |
| Type of Music | 3.69 | 0.842 | 0.701 | |
| Volume | 3.87 | 0.806 | 0.759 | |
| Out Store | 4.01 | 0.481 | | 0.761 |

| Variable(s) | Mean | SD | Pearson | Cronbach |
|------------------------|-------------|--------------|---------|--------------|
| Strategic place | 4.15 | 0.636 | 0.734 | |
| Out store | 4.01 | 0.665 | 0.726 | |
| Design | | | | |
| Seats | 4.13 | 0.626 | 0.748 | |
| arrangement | | | | |
| Parking area | 4.10 | 0.714 | 0.716 | |
| Security | 3.70 | 0.724 | 0.664 | |
| Purchase | 3.75 | 0.495 | | 0.821 |
| Intention | | | | |
| Explorative | 3.87 | 0.744 | 0.742 | |
| Atmosphere | 3.83 | 0.647 | 0.451 | |
| Transactional | 3.76 | 0.633 | 0.647 | |
| Completeness | 3.66 | 0.661 | 0.681 | |
| Referential | 3.78 | 0.702 | 0.742 | |
| Positive Info | 3.65 | 0.690 | 0.794 | |

Table 2 shows the descriptive analysis result for Alfamart case. There are 4 variables with several indicators. The first one is in-store variable, consist of 6 indicators (rack arrangement, space allocation, point of purchase, decoration, employee friendliness, and employee helpfulness). Employee friendliness have the biggest mean value with 3.88, indicating that most of the respondents tend to agree with employee' behaviour inside the store. While the lowest mean value is space allocation (3.62), indicating that customers agree with the space allocation provided inside Alfamart store.

The second one is ambient variable, consist of 4 indicators (temperature, scent, type of music, and volume). Scent have the biggest mean value with 4.08, indicating that respondents tend to feel pleasant by the scent inside the store. While the lowest mean value is type of music (3.69), indicating that customers enjoy the music that played inside the store.

The third one is out-store variable, consist of 5 indicators (strategic place, outstore design, seats arrangement, parking area, and security). Strategic place have the biggest mean value with 4.15, indicating that respondents tend to feel favoured by the strategic place from the store that easy to be accessed. While the lowest mean value is security (3.70), indicating that most customers feel secure around the store, although others still feel reluctant regarding the safetiness during shopping activities.

The last one is purchase intention, consist of 6 indicators (explorative, atmosphere, transactional, completeness, referential, and positive information). Explorative have the biggest mean value with 3.87, indicating that most respondents tend to feel to doing shopping while visiting the place. The lowest mean value is positive information (3.65), indicating that

several customers reluctant in giving a postive information regarding the store to others.

The cronbach alpha values show that all of the variables are above the 0.05 cut-off value, indicating the reliableness of the construct. While the pearson correlation value are above the cut-off rate 0.05, thus all variables has a significant correlation to explain the variables assessed in Alfamart case. Therefore, the questionnaire construct considered valid and appropriate to be used in the further tests.

Table 3 Descriptive Analysis (Circle K)

| Variable | Mean | SD | Pearson | Cronbach |
|----------------------|-------------|--------------|---------|--------------|
| In-Store | 4.19 | 0.370 | | 0.677 |
| Rack | 4.33 | 0.654 | 0.762 | |
| arrangement | | | | |
| Space | 3.96 | 0.573 | 0.647 | |
| Allocation | | | | |
| Point of | 4.10 | 0.540 | 0.511 | |
| Purchase | | | | |
| Decoration | 3.87 | 0.527 | 0.568 | |
| Employee | 4.53 | 0.537 | 0.593 | |
| Friendliness | | | | |
| Employee | 4.36 | 0.733 | 0.627 | |
| Helpfulness | | | | |
| Ambient | 4.27 | 0.454 | | 0.729 |
| Fragrance | 4.36 | 0.573 | 0.706 | |
| Scent | 3.97 | 0.749 | 0.822 | |
| Type of | 4.31 | 0.532 | 0.831 | |
| Music | | | | |
| Volume | 4.45 | 0.565 | 0.623 | |
| Out Store | 4.16 | 0.389 | | 0.681 |
| Strategic | 4.31 | 0.468 | 0.587 | |
| place | | | | |
| Out store | 4.44 | 0.597 | 0.540 | |
| Design | | | | |
| Seats | 4.73 | 0.555 | 0.854 | |
| arrangement | | | | |
| Parking area | 4.20 | 0.536 | 0.571 | |
| Security | 4.15 | 0.765 | 0.765 | |
| Purchase | 4.13 | 0.433 | | 0.831 |
| Intention | | | | |
| Explorative | 4.41 | 0.582 | 0.686 | |
| Atmosphere | 4.31 | 0.461 | 0.795 | |
| Transactional | 4.03 | 0.649 | 0.694 | |
| Completeness | 3.74 | 0.783 | 0.869 | |
| Referential | 4.25 | 0.561 | 0.695 | |
| Positive Info | 4.09 | 0.424 | 0.738 | |

Table 3 shows the descriptive analysis result for Circle K case. There are 4 variables with several indicators. The first one is in-store variable, consist of 6 indicators (rack arrangement, space allocation, point of purchase, decoration, employee friendliness, and employee helpfulness). Employee friendliness have the biggest mean value with 4.53, indicating that respondents tend to strongly agree with employee' behaviour to serve customer. The lowest mean value is decoration (3.87), indicating that customers agree with the decoration that designed inside Circle K store, while others being neutral.

The second one is ambient variable, consist of 4 indicators (temperature, scent, type of music, and volume). Volume have the biggest mean value with 4.45, indicating that respondents tend to feel pleasant by the volume of music played inside the store. While the lowest mean value is scent (3.97), indicating that most of the customers enjoy the scent designated inside the store.

The third one is out-store variable, consist of 5 indicators (strategic place, outstore design, seats arrangement, parking area, and securiy). Seats arrangement have the biggest mean value with 4.73, indicating that respondents strongly agree with the store placement that easy to be accessed. While the lowest mean value is security (4.15), indicating that most customers agree with the safetiness of the store and give a secure feeling when doing shopping.

The last one is purchase intention, consist of 6 indicators (explorative, atmosphere, transactional, completeness, referencial, and positive information). Explorative have the biggest mean value with 4.41, indicating that customers tend to decide to purchase when visiting the shop. The lowest mean value is completeness (3.74), indicating that most customers agree with the wide range of different products offered by the store.

The cronbach alpha values show that all of the variables are above the 0.05 cut-off value, indicating the reliableness of the construct. While the pearson correlation value are above the cut-off rate 0.05, thus all variables has a significant correlation to explain the variables assessed in Circle K case. Therefore, the questionnaire construct considered valid and appropriate to be used in the further tests.

c. Multiple Linear Regression

To assess the relationship between three independent variables toward the dependent variabel, multiple linear regression analysis is suitable to be used. Tabel 4, explaining the regression result for Alfamart, while Tabel 5 describing the finding for Circle K case.

Table 4 Multiple Linear Regression Analysis
(Alfamart)

| Model | Coefficient (B) | Sig | Colinearity | |
|--------------------|--------------------|-------|------------------|------------|
| Constant | 4.261 | 0.000 | Tolerance | VIF |
| In Store | 0.577** | 0.000 | 0.947 | 1.056 |
| Ambient | 0.226 | 0.000 | 0.523 | 1.912 |
| Cue | | | | |
| Out | 0.086 | 0.247 | 0.522 | 1.918 |
| Store | | | | |
| Adjusted R2 | 0.412 | | | |
| R Square | 0.418 | | | |

**=Sig at $p\text{-value} < 0.05$

Table 5 Multiple Linear Regression Analysis
(Circle K)

| Model | Coefficient (B) | Sig | Colinearity | |
|--------------------|--------------------|-------|------------------|------------|
| Constant | -15.831 | 0.000 | Tolerance | VIF |
| In Store | 0.320** | 0.000 | 0.763 | 1.311 |
| Ambient | 0.351 | 0.000 | 0.670 | 1.492 |
| Cue | | | | |
| Out | 1.033 | 0.000 | 0.670 | 1.676 |
| Store | | | | |
| Adjusted R2 | 0.654 | | | |
| R Square | 0.658 | | | |

**=Sig at $p\text{-value} < 0.05$

Tabel 4 shows that the Adjusted R Square value at 0.412, it means that 41.2% of customer purchase intention has been influenced by the three assessed independent variable, while the rest (58.8%) are described by another factors outside the model. Sig value are all in 0.000, below 0.005 cut-off rate, expect for out-store variable (0.247) therefore in-store and ambient are significantly influencing purchase desicion, while out-store are not significantly influencing purchase desicion for Alfamart case.

Tabel 5 shows that the Adjusted R Square value for Circle K case, at 0.654, it means that 65.4% of customer purchase intention has been influenced by the three assessed independent variable, while the rest (34.6%) are described by another factors outside the model. Sig value are all in 0.000, below 0.005 cut-off rate, therefore in-store, ambient, and out store are significantly influencing purchase desicion.

In Alfamart case, the relation of in-store variable towards customer purchase intention has a positive and significant effect, so that ambient cue. However, outstore factor is found not affecting significantly. In Circle K case, noted that all independent variables, which are in store, ambient cue, and out store has a significant influence on buyer purchase decision.

Based on the findings, therefore, it can be conclude that on Alfamart case, H1: In-store has a significant positive influence on consumer purchase intention and H2: Ambient cue has a significant positive influence on consumer purchase intention are supported, while H3: Out store has a significant positive influence on consumer purchase intention are not supported. On Circle K case, H1: In-store has a significant positive influence on consumer purchase intention, H2: Ambient cue has a significant positive influence on consumer purchase intention, and H3: Out store has a significant positive influence on consumer purchase intention are all supported.

6. DISCUSSION

Various evidences are found and most of them has one similar highlight: Store atmosphere is an important factor in determining customer purchase intention. As it is expected to be the identity of brand in customer' mind, the importance of store atmosphere started from building the environment around the store [19]. This method will impact customer judgement of the brand as a whole and trigger interest of buying more. This study attempt to measure how significant the influence that store atmosphere can deliver on buyer purchase decision, by using in-store factor, ambient cue, and out-store factor.

The combination of several store atmospheric elements would give the better result on attracting customer attention. As the main theme in conducting certain feeling, situation inside the shop have to be maintained in the proper way. From organising the shelf, product assortment, display, point-of-purchase, layout, decoration, to the involvement of employee [10], all of them would predispose customer state of mind in term of purchasing the goods. The retail industry, with the fast moving business style have to preserve the advantages of occupying people' psychology [14]. These study support the finding of this study that inside the store factor, the combination of rack arrangement, posters and signs, and employee' involvement, have a positive and significant impact towards customer purchase intention.

While in-store factor built through a tangible aspects, ambient cue focusing more on make customer feel secure and comfort [32]. This is a way the retailers do by using a pleasant smell in the store or playing a smooth music and instrument to accompany shopping activities with the goals of tempting customer' perceive when making the purchase decision [33]. The light management would also give a benefit for retail brand, as it is not only help customer' flow in searching and choosing the products, but also increase people' interest and keep them on check [10]. Its empirical assessment states that the application of intangible factors, such as fragrance, temperature control, and sound management to arouse customer sense have a major impact on buying decision [11]. It is relevant to the research findings which state that ambience cue, conducted by lighting, scent, music, and air condition are highly influencing customer purchase intention.

As the vocal point of this created-on-purpose surrounding, the elements out side the store can appeal people' mindset regarding the outlet. The supporting facilities such as seats, parking lot,

electricity, and layout [32] design can make people give a glaze and attracted to visit the shop. This is relevant with research findings that explained about out-store factor that has a positive and significant influence on customer buying intention. Outstore also could give a positive first impression to customer regarding the brand [34]. As the aspect that get in touch with people in earlier stage, outstore design could affect customer to pay a visit to certain store [35].

7. CONCLUSION

This research examines the influence of store atmospheric factors toward customer purchase intention on Alfamart and Circle K outlets. Measured by multiple linear regression analysis in SPSS, the results are as follow: in-store, ambient cue, and out-store atmosphere has a positive influence on customer purchase decision for both Alfamart and Circle K stores. These findings support several previous studies with similar topic [10, 11, 32, 33, 34, 35] and as one of the strong aspects in retail store, store atmosphere has proved to be one of the factor that influencing customer purchase intention.

8. LIMITATION & SUGGESTION

There are several limitations from this research. The first one is the fact that this study conducted only by two minimarket brands as the subjects, therefore its hardly represent minimarket industry altogether. The second one is although this study provides empirical assessment on store atmospheric factors influencing customer purchase intention, the same model may not give a similar result due to the time frame differences, place taken, and the subject that being studied. The previous study with similar model also happen to deliver different findings from time to time. The third limitation is due to the type of respondents. The respondents that assign to answer the questionnaire are the people whom live or do their activity mostly in Bandung Raya area. The difference of findings may occur while the research data are obtained in another area.

While for the suggestion, the first one is regarding the model that used in this research. Conducted based on atmospheric factors, the model consist of out-side factor, ambient cue, and in-store atmosphere. Using a different type of atmospheric factors or combine it with another related variables may lead to a different result. The second one is these findings discovered that in-store, ambient cue and out-store has a significant influence on customer purchase decision in both Alfamart and Circle K stores. Therefore, designing a planned model to ensure store surrounding becomes a necessity. The application and selection of fragrances used in the store should

be noted, as well as the indoor temperature setting. While, for aspects outside the store, retailers could provide benches, complete with an in-range power source, and strengthen security controls around the outlet.

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