THE INFLUENCE OF STORE LOCATION AND STORE ATMOSPHERE ON COSTUMER SHOPPING BEHAVIOR OF MULTI MART MANADO

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ABSTRACT

In this Post-Modern era, the costumer expectation of a retail store are develop. To compensate the market development and satisfy the costumer needs and wants, the marketers have to create a new concept of a store that can give a new shopping experience. The objectives of this research are to analyze the influence of Store Location and Store Atmosphere of Costumer Shopping Behavior of Multi Mart Paal 2. This research is conduct in Manado. This research is a causal type of research where investigate the influence of store location and store atmosphere on costumer shopping behavior and using a multiple regression model to answer the research problem. The population of this study is a costumer of Multi Mart Paal 2 in Manado with sample taken by 100 respondent. In the hypothesis testing, this research conduct a conclusion where there is a simultaneously and significantly influence of store location and store atmosphere on costumer shopping behavior of Multi Mart Paal 2. Partially, the store location have most influencing on costumer shopping behavior and store atmosphere have least influencing on costumer shopping behavior. This study approve that for post-modern peoples just like in Manado, a location and atmosphere of a store will affect the costumer shopping behavior, where they mental decision decide to do their shopping efficiently in a store who have easy transport access with good combination of attractive storefront, good service, and comfortable atmosphere.

Keywords: post-modern, store location, atmosphere, behaviour.

INTRODUCTION

Research Background

Retail businesses is one of the most promising business in the world. That is because retail businesses generally selling the basic human needs, such as food or clothing. Thousands of families in the world shopping in retail store every week. In recent years, retail store businesses are growing rapidly in Manado. There have been so many new retail store coming out. Currently, not just the number of retail store increasing, but the location of those store are expanding drastically. Therefore, this is considered as a phenomenon where there is a good sign gather from the increasing of consumer demand. When the market needs developing in the new level, the marketers must create something to solve the problem. Not just attrack consumer attention but stimulate the consumer physiological. In recent years, retail store businesses are growing rapidly in Manado. There have been so many new retail store coming out. Currently, not just the number of retail store increasing, but the location of those store are expanding drastically. Many unexpected area before, now become a new shopping location.

The store success in offering its product is determined by the provision of strategy and innovation too, which is adjusted to the condition and situation of the target market. An estimation of the market area in which the store is located is a crucial strategic tool in order to enable the store to attract customers. Good locations enable easy access to large number of customers and increase the potential sales. The company has to be smart

to read a potential market share in order to expand their business. With build a new store in new area which is less of competitor and more potential buyer. In this extreme competitive situation, even slight differences in location can have a significant impact on the profitability. Another important element which is playing a very vital part in attack customer attention is store atmosphere. A store atmosphere is an attractive ambience created by eye catching storefront, music, interiors, colors, lightning, etc, to suits the target market and stimulus customer biological response and emotional reaction.

Furthermore, the conceptual framework of retail store has develop to the next level in order to create a favorable and pleasurable shopping experience. How to unite the concept of supermarket, department store, and hangout venue in one place. With a better location and atmosphere, not just will make shopping easier and fun but also give a comfortable feeling to the customer. The consumer does not have to go through in traditional market which are stinky and filthy. It is all potential to make them not too mind about the heavy prices of the product compare with the cost they will spend include transportation or expensive parking area in downtown. They just have to walk around 5-10 minutes or use motorcycle to get in there.

Multi Mart Paal 2 is the third retail store of Multi Mart company which is opened in Yos Sudarso street. The good combination of location and atmosphere make this store almost never slack of customer. Just Like Multi Mart 1 and 2, Multi Mart Paal 2 has everything that customer needs; department store, supermarket, restaurant, electronic centre, etc.

Research Objectives
The objectives of this research are to analyze the influence of:
1. Store Location partially influencing on Costumer Shopping Behavior of Multi Mart Paal 2.
2. Store Atmosphere partially influencing on Costumer Shopping Behavior of Multi Mart Paal 2.
3. Store Location and Store Atmosphere simultaneously influencing on Costumer Shopping Behavior of Multi Mart Paal 2.

THEORETICAL FRAMEWORK

Theories

Marketing
Ebert and Griffin (2013:252) explain that marketing as a part of a process of planning and executing the conception, pricing, promotion, and distribution of ideas, good and service in order to create exchanges that satisfy the costumers. Furthermore, Marketing deals with identifying and meeting human needs (Kotler and Keller 2006: 5). The American Marketing Association mentions marketing is an organizational function and set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholder. By considering the definition and the title of this research, can be found correlation of each other. Which is in order to distribute the goods and service to the costumers, the retailer must create a concept with identifying the costumer behavior and executing the concept that can satisfying the costumers.

Marketing Mix
Kotler and Armstrong (2010:52) defined that marketing mix is the set of controllable tactical marketing tools : product, price, place, and promotion – that the firm blends to produce the response it wants in the target market. Marketing mix is one of many fundamental concepts in marketing management. To attracting consumers and sales promotion activity, every retail store has to concern about four basic element, there are; product, price, place (distributive channel), promotion. Marketing mix indicates an appropriate combinationof four Ps for achieving marketing goals. Cosidering the title of this research, the one element of four Ps that become the main tools of the research is 'Place'. Place is the important element in order to determined the store location which is strategies or not.

Store Location

Shari Waters (2014) give an explanation where we choose our retail business will have a major impact on everything our shop does. The different between selecting the wrong location and the right site could be the different between business failure And success. Retailers have many store location factor to consider when choosing a place for their business. This is a few of the common types of retail location :

1. Mall space.
2. Downtown area.
3. Shopping center.
4. Free standing location.
5. Office building.
6. Home-based.

Store Atmosphere

Levy and Weitz (2001:576) defined that atmospherics refers to the design of an environment via visual communication, lightning, colors, music, and scent to stimulate customer perceptual and emotional responses and ultimately to affect their purchase. Furthermore, Berman and Evan (2001:602) stated atmosphere refers to the store's physical characteristics that are used to develop on image and draw costumer. From the above definition can be interpreted that for retail store, atmosphere was based on physical characteristic too to build an impression attract customers. By considering all the theory, researcher conclude that the process of creation atmosphere is the activity of designing good environmental ambience which is able to build an impression attract consumer attention based on they physical characteristic.

Consumer Behavior

Consumer behavior as the behavior that consumer display in searching for, buying, using, evaluating and disposing of products and services that they expect will satisfy their needs. Consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption related items. That includes what they buy, why they buy it, when they buy it, where they buy it, how often they buy, how how often they use it, how they evaluate after the purchase and the impact of such evaluations on future purchases, and how they dispose of it. (Schiffman and Kanuk 2003:8). Consumer behavior is interdisciplinary; that it is based on concept and theories about people that have been develop by scientists in such diverse disciplines as psychology, sociology, social psychology, culture anthropology, and economics. (Schiffman, 2010:17).

Costumer Shopping Behavior

In the retail context, Arnold and Reynolds (2003:78) stresses that hedonic shopping are similar to the task orientation of utilitarian shopping motives, only the task is concerned with hedonic fulfillment, such as experiencing fun, amusement, fantasy and sensory stimulation. The economic shopper approaches shopping from an economic perspective, which emphasises merchandise assortment, the product price and quality. The personalising consumer prefers to have a personal relationship with the seller. Shoppers who place more emphasis on the ethical value are called ethical consumers. Lastly, the apathetic shopper does not have an intrinsic interest in shopping.

Previous Researchers

Turhan et.al. (2013), Literature Review on Selection Criteria of Store Location Based on Performance. Pathak et.al. (2014), A Study of Factors Influencing Shopping Destination Choice for the Urban Apparel and Grocery Shopping Trips. L. W. Turley and Ronald E. Milliman (2001), Atmospheric Effects on Shopping Behavior: A Review of the Experimental Evidence. Richard Michon, Jean-Charles Chebat, and L.W. Turley (2003), Mall Atmospherics: The Interaction Effects of the Mall Environment on Shopping Behavior.
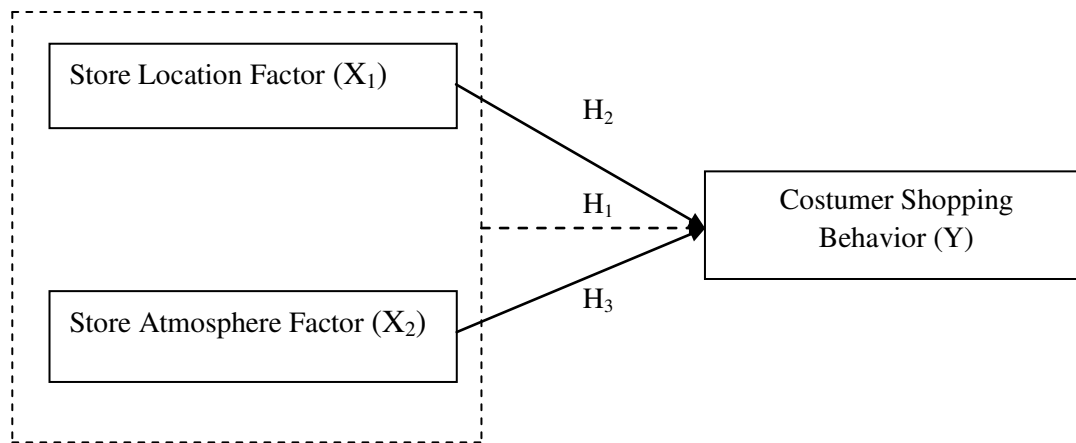
Figure 1 Conceptual Framework
Source: Processed data 2014

Hypothesis

The hypotheses of this research are:

H_1: Store Location and Store Atmosphere have significant influences simultaneously costumer shopping behavior.

H_2: Store Location factors have significant influences partially to costumer shopping behavior.

H_3: Store Atmosphere factor have significant influences partially to costumer shopping behavior.

RESEARCH METHOD

Type of Research

This research is a causal type of research where it will investigate the influence of product bundling on consumer satisfaction and Store atmosphere on Costumer Shopping Behavior of Multi Mart Paal 2.

Place and Time of Research

This study was conducted in Manado City. The questionnaire was distributed directly at Multi Mart Paal 2 where respondents being at. The research was conducted on June to August 2014.

Population and Sample

Population is the entire group or people, events, or things that the researcher desires to investigate (Sekaran and Bougie, 2010:443). The population in this research is for all Telkomsel Bundling iPhone users in Manado. The sample of this research is the Telkomsel bundling iPhone users as much as 100 respondents. The sampling design is sample random sampling that is considered as the best way of getting some basic information quickly and efficient. Sample random sampling is using every element in the population has a known and equal chance of being selected as a subject. This sampling design has the least bias and offers the most generalizability (Sekaran and Bougie, 2010:270).

Data Collection Method

There are two source of data that are used to make an appropriate result, which are : (1) Primary Data use questionnaires were distributed to customers of Multi Mart Paal 2, respectively 100 sheets. And (2) secondary data is method of data collection by studying the relevant literature in order to obtain a theoretical overview from books, journals, and relevant literature from library and internet of the concept of The Influence of Store Location and Store Atmosphere on Costumer Shopping Behavior.

Operational Definitions and Measurement of Research Variable.

Operational definitions of research variables are:

1. Store Location (X_1) is a strategies location where consumer feels comfortable and peace in their shopping activities. A clean and easy access areas, or supported by good facilities such as comfortable parking area directly to shopping well. Environment is signed by (X_1) as dependent variable.
2. Store atmosphere (X_2) is is another important tools to stimulates the consumer perspective about the store environment. Atmosphere care about what they build a good store ambience, store image, and directly create a great consumer shopping experience. Store atmosphere is signed by (X_2) as dependent variable
3. Costumer shopping behavior (Y) is consumer purchaseattitudebased on expectations and experiences, make the consumer perspective about shopping in Multi Mart Paal 2 better than before that supported by factors of surrounding of the store location and store atmosphere with the benefit for them itself to satisfy what their needs.

This research variables will be measured using Likert scale as a widely used rating scale that requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements about the stimulus objects. Costumer shopping behavior is obtained total scores obtained for respondent answer to the instrument with the following Likert scale indicator :

1. Strongly Disagrees.
2. Disagrees.
3. Netral.
4. Agrees.
5. Strongly Agrees.

Data Analysis Method

Validity and Reliability Test

The reliability of a measure is established by testing for both consistency and stability. Consistency indicate how well the items measuring a concept hang together as a set, Gronbach's alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another (Sekaran and Bougie, 2010:162). Since reliable scale are not necessarily valid researchers also need to be concerned about validity. It assesses whether scale measure what is supposed to be measured. Thus validity is a measure of accuracy in measurement (Hair et al, 2010:120).

Multiple Regressions on Analysis Method

Linear regression is used to model the value of a dependent scale variable based on its linear relationship to one or more predictors. The method of analysis used in this study is multiple regression models approach the return. Cooper and Schindler (2001:767) stated that multiple regression analysis is techniques to observed value more than one X to estimate or predict corresponding Y value. The formula of multiple linear regressions is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Where:

Y	= Costumer Shopping Behavior
X_1	= Store Location
X_2	= Store Atmosphere
A	= Constant
b1,b2	= The regression coefficient of each variable
e	= Standard error

RESULTS AND DISCUSSION

Result

Validity and Reliability

The validity test of Store Location (X_1) 0.885 and Store Atmosphere (X_2) 0.870 also Costumer Shopping Behavior (Y) 0.914 are above 0.3 which mean that all indicator are valid. The reliability test using Alpha Cronbach. The Cronbach's Alpha parameter, with ideal score more than 0.6. The variable are reliable because the value of Cronbach's Alpha is bigger than 0.6.

Test of Classical Assumption

Multicolinearity
Table 1. Collinearity Statistics

Model		Collinearity Statistics	
		Tolerance	VIF
1	X1	.763	1.311
	X2	.763	1.311

a Dependent Variable: Y (Customer Shopping Behavior)
  Source: Processed Data, 2014

The calculation multicolinearity through VIF and tolerance. VIF value of Store Location (X_1) is 1.311 and Store Atmosphere (X_2) is 1.311 are <10, this means that there is no connection between the independent variables.

Heteroscedasticity

Heteroscedasticity occurs if there are dots which form a certain pattern regularly as waves. Homoscedasticity occurs if there are no certain patterns which are clear, and the dots spread above and below the 0 the Y-axis.
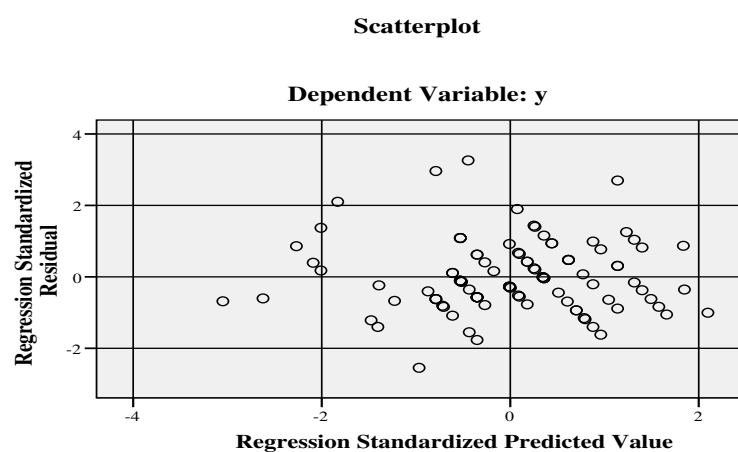
Figure 2. **Heteroscedasticity Results**
Source : Processed data 2014

Figure 2 shows that the patterns of the dots are spreading and the dots are spreading above and below the zero point of Y-axis. So, there is no heteroscedasticity in this regression.

Normality

Normality test can be identifying by using graph of P-P Plot. The data will distribute normally if the value of P-P Plot is near diagonal line of the graph.

Normal P-P Plot of Regression Standardized Residual
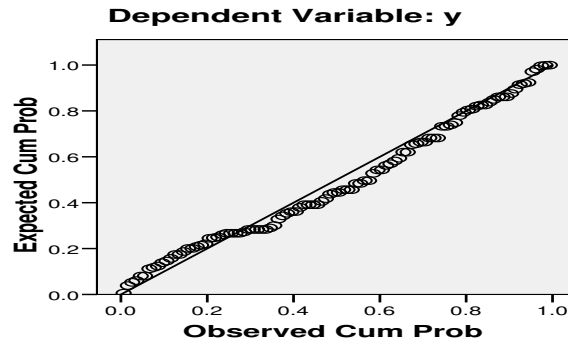

Figure 3. **Normality Results**
Source : Processed data 2014

Figure 3 shows the dots spread near the diagonal line and follow the direction of the diagonal line. Therefore, the data is distributed normally.

Multiple Regression Analysis

Table 2. Multiple Regression Result

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.154	.123		1.245	.216
	X1	.570	.036	.649	15.765	.000
	X2	.388	.037	.428	10.407	.000

Source: Processed Data, 2014

From the analysis, obtained by linear regression equation as follows:

$$Y = 0.154 + 0.570 X_1 + 0.388 X_2$$

From the multiple linear regression equation above, it can inform the interpretation as follows:
1. Constant 0.154 shows the influence of Store Location (X_1), Store Atmosphere (X_2) and Costumer Shopping Behavior (Y). It means that, in a condition where all independent variables are constant (zero), Costumer Shopping Behavior (Y) as dependent variable is predicted to be 0.154.
2. X_1 (Store Location) has an effect to Y (Costumer Shopping Behavior) as many as 0.570. In condition where other variables are constant, if there is one unit increasing in X_1 (Store Location), Y (Costumer Shopping Behavior) is predicted to be increased by 0.570.
3. X_2 (Store Atmosphere) has an effect to Y (Costumer Shopping Behavior) as many as 0.388. In condition where other variables are constant, if there is one unit increasing in X_2 (Store Atmosphere), Y (Costumer Shopping Behavior) is predicted to be increased by 0.388.

Coefficient Determination (r^2)

Table 3. Table R and R^2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.935(a)	.875	.872	.20926

a Predictors: (Constant), X_2, X_1
b Dependent Variable: Y
   Source: Processed Data, 2014

To determine the contribution The Influence of Store Location (X_1) and Store Atmosphere (X_2) on Costumer Shopping Behavior (Y) of Multi Mart Paal 2 can be seen that the determinant of the coefficient (r2) in the table above. R2 value of 0.875 in this study may imply that the contribution of The Influence of Store Location (X_1) and Store Atmosphere (X_2) on Costumer Shopping Behavior (Y) of Multi Mart Paal 2 of 87.5% while the remaining 13.5% is affected by other variables not examined in this study.

Hypothesis Testing

Table 2 F-Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	29.674	2	14.837	338.831	.000(a)
	Residual	4.248	97	.044		
	Total	33.922	99			

a Predictors: (Constant), X_2, X_1
b Dependent Variable: Y
   Source: Processed Data, 2014

Value of 338.831 of F_{Count} significant 0.000. Because the sig <0.05 means the confidence of this prediction is above 95% and the probability of this prediction error is below 5% which is 0.000. Therefore H_0 is rejected and accepting H_a. Thus, the formulation of the hypothesis that Store Location (X_1) and Store Atmosphere (X_2) on Costumer Shopping Behavior (Y) of Multi Mart Paal 2 Simultaneously, accepted.

Table 3. t-Test

Model	T	Sig.
Product Assortment	15.765	.000
Choice	10.407	.000

a Dependent Variable: Y
   Source: Processed Data, 2014

The calculations in the table above, the interpretation as follows:
1. T-count for Store Location (X_1) 15.765 greater than the value of 1.984 t_{table} means Store Location (X_1) in partial influence on Customer Shopping Behavior (Y) of Multi Mart Paal 2. The sig. value at 0.000 means that prediction of Store Loation (X_1) influence Customer Shopping Behavior (Y) of Multi Mart Paal 2 doing errors is 0.0%, thus the confidence of this prediction is above 95%. Therefore, H_a received.
2. T-count for Store Atmoshere (X_2) 10.407 greater than the value of 1.984 t_{table} means Store Atmosphere variable (X_2) in partial influence on Customer Shopping Behavior (Y) of Multi Mart Paal 2. The sig. value at 0.000 means that prediction of Store Atmosphere influence on Customer Shopping Behavior (Y) of Multi Mart Paal 2 doing errors is 0.0%, thus the confidence of this prediction is above 95%. Therefore, H_a received.

Discussion

Store Location and Store Atmosphere significantly and simultaneously influence on Consumer Shopping Behavior of Multi Mart Paal 2 . It shows that the respondents are interested to do their shopping activities in a good location and atmosphere which is more comfortable for them. The result confirm that the consumer who shopping in Multi Mart Paal 2 influencing by Store Location and store atmosphere of the store, they are attracted by the location in strategic area of Yos Sudarso street Paal 2 which is have easy access and good parking area. They also attracted by the storefront model. Thus, they come and doing their shopping activity in Multi Mart Paal 2.

Pathak and Lal (2014) research study of a factors influencing shopping destination choice for the urban apparel and grocery shoping trips had supported this current research. Where the factor that influential in the shopping destination choice are accessibility, parking facility, and etc. The T-test result shows that store location and store atmosphere partially and signifacntly influencing on costumer shopping behavior based on multiple regression analysis method. It means as independent variables, the store location and store atmosphere have partially influences the costumer shopping behavior of the Multi Part Paal 2 store. The store location is the most influencing variable to the costumer shopping behavior. The public transportations access becom the main factor that influence the result.

The research also showed that store atmosphere is the one variables that has least influencing to the costumer shopping behavior of Multi Mart Paal 2. The survey showed that the customer still influencing by the attractives storefront and appearal but not most of them come to shopping cause of that. Most of the costumer come shopping to the Multi Mart because the location is easy to access with public transport or car and motorcycle.

This result confirms that, the post-modern consumer in Manado really concern with the location and atmosphere of a store in order doing their shopping activities. Post-modern consumers is more critical on where they will shopping and Multi Mart Paal 2 is an option. Multi Mart has been known by the peoples in Manado. The Multi Mart itself is known by the good services. Consumers in Manado are very concern about the access of the location and mostly attracted by the storefront and Store Atmosphere. It becomes recommendation to marketers of retail store in Manado that they should give more attention about the concept of a store, and how they attract the post-modern consumer especially in Manado.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

There are three constructive findings that can be concluded from the overall result in this research, which are listed as follow:
1. Store Location and Store Atmospere influence Costumer Shopping Behavior simultaneously and significantly.
2. Store Location Costumer Shopping Behavior partially and significantly.
3. Store Atmosphere influence Costumer Shopping Behavior partially and significantly.

Recommendations

There are two practical recommendations that can be concluded from the overall result in this research, which are listed as follow:

1. As a big store with a great concept, the management can make something to more attract not just a costumer but the investors too. The store is look a little bit empty because of the size of the store is big, management need more investor to joint them. The first floor and second floor have empty room that can be fullfil by café or others tenant.

2. The other hand, the management must more concern about the parking space. Because for some costumers, complaint about the parking space which is too small in the back of the store. Maybe the management can share the parking area for their company vehicle only with their consumers, because the parking area for company vehicle is big and the car and mini truck that parking in there is not too much. There is some space left that can be use by consumer of Multi Mart Paal 2.

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