

**THE INFLUENCE OF PRICE DISCOUNT, BONUS PACK, AND IN-STORE DISPLAY ON IMPULSE BUYING DECISION IN HYPERMART KAIRAGI MANADO**

PENGARUH DISKON HARGA, BONUS KEMASAN, DAN TAMPILAN DALAM TOKO TERHADAP KEPUTUSAN PEMBELIAN IMPULSIF DI HYPERMART KAIRAGI MANADO

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**Abstract:** *Impulse buying is an unplanned purchase or spontaneous behavior which a shopper makes but has not planned in advance. This happens in consumers who will shop which carry out the purchase decision of goods in the store without planned it. Impulse buying can be affected from any kind of promotion conducted by a retail store. This research object is to know the influence of price discount, bonus pack, and in-store display on impulse buying decision. The sample of this research is consumers who make shopping in Hypermart Kairagi Manado on weekend around 2pm–9pm, as many as 90 respondents. The method used is Multiple Regression Analysis.  $F_{test}$  and  $t_{test}$  used to determine simultaneous influence and partial influence of all independent variables to dependent variable. The result shows that price discount, bonus pack, and in-store display have significant influence on impulse buying decision simultaneously. Bonus pack and in-store display have significant influence partially on impulse buying decision while price discount has partial influence but no significant on impulse buying decision. Hypermart Kairagi Manado should maintain and improve the marketing strategies which is sales promotion in terms of promotional tools especially to price discount in order to attract more consumers make an impulse buying.*

**Keywords:** *price discount, bonus pack, in-store display, impulse buying*

**Abstrak:** *Pembelian impulsif merupakan pembelian yang tidak direncanakan atau tindakan spontan yang dilakukan konsumen tetapi tidak direncanakan sebelumnya. Hal ini terjadi pada konsumen yang akan berbelanja dimana mereka melakukan keputusan pembelian barang pada suatu toko tanpa direncanakan. Pembelian impulsif juga dapat dipengaruhi dari segala jenis promosi yang dilakukan oleh sebuah toko ritel. Penelitian ini bertujuan untuk mengetahui pengaruh Diskon Harga, Bonus Kemasan, dan Tampilan dalam Toko terhadap keputusan Pembelian Impulsif. Sampel penelitian adalah konsumen yang berbelanja di Hypermart Kairagi Manado pada akhir pekan sekitar jam 2 siang sampai jam 9 malam, sebanyak 90 responden. Metode yang digunakan adalah Analisis Regresi Berganda. Uji F dan uji T digunakan untuk menentukan pengaruh secara bersama dan parsial variabel independen terhadap variabel dependen. Hasil penelitian menunjukkan Diskon Harga, Bonus Kemasan, dan Tampilan dalam Toko memiliki pengaruh terhadap keputusan Pembelian Impulsif secara bersama. Bonus Kemasan dan Tampilan dalam Toko memiliki pengaruh parsial yang signifikan terhadap keputusan Pembelian Impulsif sementara Diskon Harga memiliki pengaruh parsial tetapi tidak signifikan terhadap keputusan Pembelian Impulsif. Hypermart Kairagi Manado sebaiknya menjaga dan meningkatkan strategi pemasaran dalam hal ini promosi penjualan seperti bentuk promosi terutama lebih memperhatikan lagi diskon harga untuk menarik lebih banyak konsumen melakukan pembelian impulsif.*

**Kata kunci:** *diskon harga, bonus kemasan, tampilan dalam toko, pembelian impulsif*

## INTRODUCTION

### Research Background

Along with the modern era, a wide variety of business enterprises began to emerge and evolve with the aim of providing product and good service for consumers. One of the rapidly growing business today is the retail business. The retail business is one of the activities of business that sells all kinds of daily necessities for personal or family purposes. With the opening of the entrance for foreign retailers as Presidential Decree No. 118 of 2000, shows this business is very profitable.

Association of Indonesian Retailers (Aprindo) states that the growth of retail business in Indonesia between 10%-15% per year in the period of 2006-2012. There are three types of modern market which are Minimarket, Supermarkets, and Hypermarkets. The main difference lies in the wide range of business and types of traded goods. In the period of 2004-2008, Minimarket and Hypermarket are modern market with significant performance. In 2008, Hypermarket's turnover is Rp23.1 trillion or 41.7% of the total turnover of the entire modern market in Indonesia, while Minimarket and Supermarket are Rp14.55 trillion or 32.1% and Rp17.8 trillion or 26.2%.

The development of retail business in particular Hypermarket, has developed very rapidly and much in demand. Nowadays, brand of Hypermarket in Indonesia are Carrefour, Giant, Hypermart, Macro, and Indogrosir. In Manado, Hypermart is the one existing and developing. There are already 3 outlets of Hypermart in Manado and recently opened at Lippo Plaza Kairagi. The opening of Hypermart Kairagi was a 101 outlets of Hypermart. As the increase of outlets, the competition of course increasing. One strategy that can be done to maintain the competitive advantage is promotion, in this case promotion in the store to attract consumers make an unplanned purchases or impulse buying. Impulse buying occur in retail modern consumers which carry out the purchase decision of goods in the store. Impulse buying can be affected from any kind of promotion conducted by a retail store.

Therefore, this research is conducted to know the influence of promotional tools offered by Hypermart Kairagi Manado to the impulse buying decision. In this research the promotional tools are price discount, bonus pack, and in-store display.

### Research Objectives

The objectives of this research are to know the influence of:

1. Price Discount, Bonus Pack, and In-Store Display on Impulse Buying Decision at Hypermart Kairagi Manado simultaneously.
2. Price Discount on Impulse Buying Decision at Hypermart Kairagi Manado partially.
3. Bonus Pack on Impulse Buying Decision at Hypermart Kairagi Manado partially.
4. In-Store Display on Impulse Buying Decision at Hypermart Kairagi Manado partially.

## THEORETICAL FRAMEWORK

### Theories

#### Impulse Buying

Maymand and Ahmadinejad (2011) defines impulse buying as a complicated, spontaneous, sudden, and unnecessary behavior in which the high speed of decision making procedure suppresses the rational and wise scrutiny about the details and other options. Stern (1962) states that as used today, the term "impulse buying" is generally considered to be synonymous with "unplanned buying" that is, it describes any purchase which a shopper makes but has not planned in advance. Based on this, researcher can defined that impulse buying is an activity in which consumers made a purchase in the store without planned it before their enter the store.

#### Sales Promotion

Clow and Baack (2012:330) states that sales promotion consist of all of the incentives offered to customers and channel members to encourage product purchase. Berman and Evans (2007:580) defines sales promotion encompasses the paid communication activities other than advertising, public relations, and personal

selling that stimulate consumer purchases and dealer effectiveness. Based on this, researcher can defined that sales promotion is a promotional tools offered by company to attract consumers make a purchase.

### Price Discount

Kotler and Armstrong (2012:343) defines discount is a straight reduction in price on purchases during a stated period time. Nagadeepa et al. (2015) states that discount is the offer when products are sold at a price lower than the original price. Based on this, researcher can defined that price discount is a price reduction in some products at the certain period.

### Bonus Pack

Clow and Baack (2012:339) states that when an additional or extra number of items are placed in a special product package, it is a bonus pack. Gardener and Trivedi (1998) states that bonus packs offered by the manufacturer adds value to the product by offering additional amounts of the product or unit at the regular price. Based on this, researcher can defined that bonus pack is an additional product can be explains as free merchandise, selling at the same price when there is no additional product or normal price.

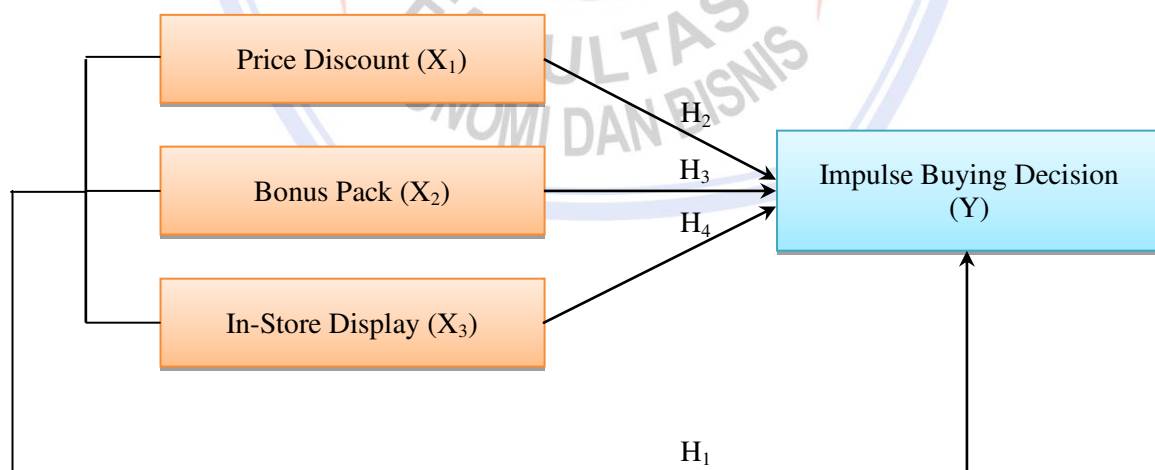
### In-Store Display

Berman and Evans (2007:555) defines in-store display in this case point-of-purchase (POP) display provides shoppers with information, adds to store atmosphere, and serves a substantial promotional role. Based on this, researcher can defined that in-store display is the form of display to promote or shows products to consumers in order to make them easily found a product and attract them to make a purchase.

### Previous Research

Nagadeepa, Selvi, and Pushpa (2015) conducted research on Impact of Sale Promotion Techniques on Consumers' Impulse Buying Behavior. The research shown that sales promotion techniques play a significant role in consumers' impulse buying decision which is motivated by discount offer. Bag and Alice (2009) conducted research on In-store Shopping Environment and Impulsive Buying. The result shown that in-store factors of an economic nature such as price and coupons were more likely to influence impulsive buying than those with an atmospheric engagement effect like background music and scent. Hulten and Vanyushyn (2011) conducted research on Impulse Purchases of Groceries. The research shown that French consumers appear to be more attentive to special in-store displays and two-for-the-price-of-one offering on impulse purchases.

### Conceptual Framework



**Figure 1. Conceptual Framework**

*Source: Data Processed, 2015*

### Research Hypothesis

H<sub>1</sub>: Price Discount, Bonus Pack, and In-store Display influence consumer impulse buying decision at Hypermart Kairagi Manado simultaneously.

H<sub>2</sub>: Price Discount influence consumer impulse buying decision at Hypermart Kairagi Manado partially.

H<sub>3</sub>: Bonus Pack influence consumer impulse buying decision at Hypermart Kairagi Manado partially.

H<sub>4</sub>: In-Store Display influence consumer impulse buying decision at Hypermart Kairagi Manado partially.

## RESEARCH METHOD

### Type of Research

This research is causal type of research. This type of research determines if one variable causes another variable to occur or change. This research will determine and investigate the influence of price discount, bonus pack, and in-store display on impulse buying decision.

### Place and Time of Research

This research is conducted in Manado at Hypermart Kairagi during May-June 2015.

### Population and Sample

Sekaran and Bougie (2009:262) defined population is the entire group of people, events, or things of interest that the researcher wishes to investigate. The population of this research are consumers of Hypermart Kairagi Manado. Sekaran and Bougie (2009:276) defined sample is a subset of the population. The sampling method is simple random sampling. The sample of this research are consumers who make shopping in Hypermart Kairagi Manado on weekend around 2pm - 9pm, as many as 90 consumers or respondents.

### Data Collection Method

Data collection method in this research is used primary data that were obtained from questionnaires. According to Sekaran and Bougie (2009:180), primary data refer to information obtained first-hand by the researcher on the variables of interest for the specific purpose of the study.

### Measurement of Research Variables

This research variables will be measure using a Likert scale. Likert scale as a widely used rating scale is designed to examine how strong subjects agree or disagree with statements.

### Data Analysis Method

#### Validity and Reliability Test

To analyze the validity of questionnaire, Pearson Product Moment is used. An instrument measure is valid if the instrument measure what ought to be measured.

Reliability test is established by testing for both consistency and stability of the answer of questions. Alpha Cronbach is reliable coefficients that can indicate how good items in asset have positive correlation one another.

#### Multiple Regression Analysis Model

Sekaran and Bougie (2009:350) defined multiple regression as a statistical technique that simultaneously develops a mathematical relationship between two or more independent variables and an interval scaled dependent variable. The formula of multiple regression is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Where:

Y = Impulse buying decision

a = Intercept

X<sub>1</sub> = Price discount

X<sub>2</sub> = Bonus pack

X<sub>3</sub> = In-store display

## RESULT AND DISCUSSION

### Result

#### Validity and Reliability

**Table 1. Validity and Test Result**

Question	$R_{count}$	$R_{table} (0.05)$	Status
Question 1	0.682	0.207	Valid
Question 2	0.735	0.207	Valid
Question 3	0.831	0.207	Valid
Question 4	0.696	0.207	Valid
Question 1	0.638	0.207	Valid
Question 2	0.775	0.207	Valid
Question 3	0.865	0.207	Valid
Question 4	0.788	0.207	Valid
Question 1	0.698	0.207	Valid
Question 2	0.806	0.207	Valid
Question 3	0.791	0.207	Valid
Question 4	0.754	0.207	Valid
Question 1	0.815	0.207	Valid
Question 2	0.810	0.207	Valid
Question 3	0.885	0.207	Valid
Question 4	0.897	0.207	Valid

Source: Data Processed, 2015

Table 1 give the result of validity test showing that all variables are valid because of the value of  $R_{count}$  is greater than  $R_{table}$  for each variable.

**Table 2. Reliability and Test Result**

Question	Cronbach's Alpha	Standard Deviation	Status
$X_1$	0.730	0.6	Reliable
$X_2$	0.765	0.6	Reliable
$X_3$	0.750	0.6	Reliable
Y	0.872	0.6	Reliable

Source: Data Processed, 2015

Table 2 give the result of reliability test showing that all variables is reliable because of the value of Cronbach's Alpha is greater than the limitation for each variable.

#### Classical Assumption Test

##### Multicollinearity Test

**Table 3. Multicollinearity**

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Price Discount	.682	1.466
Bonus Pack	.517	1.935
In-Store Display	.592	1.689

Source: Data Processed, 2015

Table 3 shows the tolerance value of price discount is 0.682, bonus pack is 0.517, and in-store display is 0.592 which are more than 0.2. The VIF value of price discount is 1.466, bonus pack is 1.935, and in-store display is 1.689 which are less than 10. It can be concluded that there is no multicollinearity in this model.

### Heteroscedasticity Test

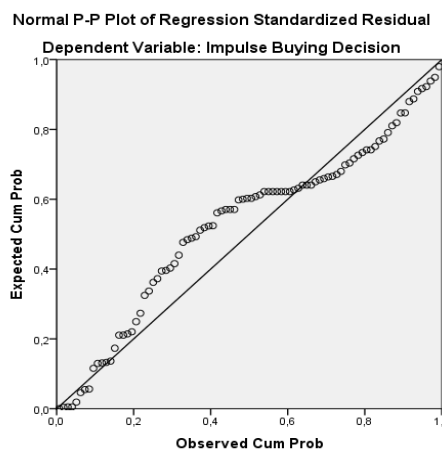


**Figure 2. Classical Assumption Normality Test**

*Source: Data Processed, 2015*

Heteroscedasticity occurs when there is certain pattern is formed. In this research the dots are spreading randomly above and below the number zero (0) in the Y axis, and there is no clear pattern is formed. This proves that the model is free from heteroscedasticity.

### Normality Test



**Figure 3. Classical Assumption Heteroscedasticity Test**

*Source: Data Processed, 2015*

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 spread around the diagonal line of the graph. In this research the dots are spreading around the diagonal line. This proves that the model meet the assumptions of normality.

**Multiple Regression Analysis****Table 4. Multiple Regression Analysis Result**

Model	Understandardized Coefficients
	B
(Constant)	-.316
Price Discount	.070
Bonus Pack	.300
In-Store Display	.595

Source: Data Processed, 2015

The equation is as follows:

$$Y = -0.316 + 0.070X_1 + 0.300X_2 + 0.595X_3$$

The explanation of the equation are:

1. The constant (a) of -0.316 shows the value of Impulse Buying Decision. It means if all independent variables are equal to zero (0) then the value of Impulse Buying Decision (Y) is predicted to be -0.316.
2. Coefficient value of 0.070 means that if there is one unit increase in Price Discount ( $X_1$ ) then the Impulse Buying Decision (Y) will increase 0.070 assuming that other variables are constant.
3. Coefficient value of 0.300 means that if there is one unit increase in Bonus Pack ( $X_2$ ) then the Impulse Buying Decision (Y) will increase 0.300 assuming that other variables are constant.
4. Coefficient value of 0.595 means that if there is one unit increase in In-Store Display ( $X_3$ ) then the Impulse Buying Decision (Y) will increase 0.595 assuming that other variables are constant.

**Coefficient of Correlation (R) and Coefficient of Determination ( $R^2$ )****Table 5. R dan  $R^2$** 

Model	R	R Square	Adjusted R Square
1	.672	.452	.433

Source: Data Processed, 2015

The coefficient of correlation (R) value is 0.672, meaning that the independent variables have very strong positive association with the dependent variable because the value of R is above 0.5. The value of coefficient of determination ( $R^2$ ) is 0.452, showing that the linear relationship in this model is able to explain 45.2% variation in the Impulse Buying Decision (Y) while the rest 54.8% is explained by other factors outside the model or not discussed in this research.

**Hypothesis Testing****Table 6.  $F_{test}$  and  $T_{test}$** 

Model	Ftest		Ttest	
	F	Sig	T	Sig
Constant			-.151	.880
Price Discount			.526	.601
Bonus Pack	23.619	.000	1.888	.062
In-Store Display			4.740	.000

Source: Data Processed, 2015

$F_{test}$  use the criteria if  $F_{counted} \geq F_{table}$  then the independent variables simultaneously influence the dependent variable. Since  $F_{counted} = 23.619 \geq F_{table} = 2.71$ , then  $H_0$  is rejected and  $H_1$  is accepted, meaning that price discount, bonus pack, and in-store display simultaneously influence the impulse buying decision.  $T_{test}$  use the criteria if  $t_{counted}$  is  $\geq t_{table}$  then the independent variables partially influence the dependent variable. Price discount is 0.526 while the  $t_{table}$  is 1.662, means that  $t_{counted} < t_{table}$  then  $H_0$  is accepted and  $H_1$  is rejected, showing

that price discount partially has no influence the impulse buying decision. Bonus pack is 1.888 while the  $T_{table}$  is 1.662, means that  $t_{counted} > t_{table}$  then  $H_0$  is rejected and  $H_1$  is accepted, showing that bonus pack partially influence the impulse buying decision. In-store display is 4.740 while the  $t_{table}$  is 1.662, means that  $t_{counted} > t_{table}$  then  $H_0$  is rejected and  $H_1$  is accepted, showing that in-store display partially influence the impulse buying decision.

## Discussion

### Price Discount and Impulse Buying Decision

Price discount has no influence the impulse buying decision at Hypermart Kairagi Manado. The finding has a different result with Nagadeepa, et al (2015), which found that impulse buying decision motivated by discount. According to the consumers of Hypermart Kairagi Manado, some of them did not agree or did not feels the benefit of discount that offered by Hypermart. They argued based on experiences, Hypermart Kairagi Manado didn't make a realization the promotion well, in this case price discount so consumers make a complain. Some respondents in this research buy a product that has a price discount but in cashier is shown the normal price. This circumstances that make consumers of Hypermart Kairagi Manado not always make an impulse buying decision through the promotion of price discount that offered.

### Bonus Pack and Impulse Buying Decision

Bonus pack has influence the impulse buying decision at Hypermart Kairagi Manado. Based on the data obtained from questionnaires, most respondents or consumers agree to make an impulse buying decision through the bonus pack promotion, which is the BOGO's promotion: buy one get one free. The purchase of products with a promotional of bonus pack is very beneficial because they get a quantity or additional products with normal price or similar price when consumers make purchases when there is no promotional of bonus pack. According to Clow and Baack (2012), customers enjoy bonus packs because it feels like they are getting free merchandise. The additional value of bonus pack is generally obvious to the consumer and can have a strong impact on the purchase decision at the time of purchase.

### In-Store Display and Impulse Buying Decision

In-store display has influence the impulse buying decision at Hypermart Kairagi Manado. Based on the data obtained from questionnaires, most respondents or consumers agree to make an impulse buying decision through the in-store display, especially when they see the direction sign. The direction sign can make them easy to search the product. In addition, the special offers on display attract consumer attention also to do an impulse buying. So even with a display posters and banners. Views are displayed by the Hypermart Kairagi Manado has a very significant influence on impulse buying decision. It can be seen from the  $T_{test}$  analysis that in-store display has the very strong influence. According to Berman and Evans (2007), a strategic displays can then be devised that help to increase sales especially through unplanned purchases by consumers. Signs and in-store media educate and draw attention to consumers about product availability and attributes.

## CONCLUSION AND RECOMMENDATION

### Conclusion

The conclusion drawn for this reseach are as follows:

1. Price Discount, Bonus Pack, and In-Store Display simultaneously has influence the Impulse Buying Decision at Hypermart Kairagi Manado.
2. Price Discount partially have no influence the Impulse Buying Decision at Hypermart Kairagi Manado.
3. Bonus Pack partially have influence the Impulse Buying Decision at Hypermart Kairagi Manado.
4. In-Store Display partially have influence the Impulse Buying Decision at Hypermart Kairagi Manado.

### Recommendation

Therefore, several recommendation given are:

1. In-store display is the most significant influence on impulse buying decision. This suggest that Hypermart Kairagi Manado should keep and maintain the display inside the store, make an interesting displays, especially in terms of promoting goods.



2. Hypermart Kairagi Manado should consider that in-store display has the most influence to the impulse buying decision. It means that in-store display will contribute a positive result on impulse buying decision when it is conducted well.
3. Hypermart Kairagi Manado should continuously maintain and improve the marketing strategies that have been carried out which one of them the sales promotion in terms of promotional tools especially to price discount in order to attract more consumers to continue to make impulse buying at the store.

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