RETAIL BUSINESS PURCHASE DECISION: THE ROLE OF PRODUCT QUALITY AND STORE IMAGE

Astri Ayu Purwati[2*], Onny Setiawan[2], Wella Sandria[3], Muhammad Luthfi Hamzah[4]

[1,2] Management, Institut Bisnis dan Teknologi Pelita Indonesia, Indonesia
[3] Management, Universitas Muhammadiyah Jambi, Indonesia
[4] Information System, Universitas Islam Negeri Sultan Syarif Kasim Riau, Indonesia

*Corresponding Author: [*]astri.ayu@lecturer.pelitaindonesia.ac.id

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Abstract: The intense competition between companies raises the activities of companies engaged in the same field, such as retail. Currently, the retail sector's development is quite fast. One is in fashion. Mulia Store is one of the retail outlets in Pekanbaru, Indonesia. This encourages companies to market products that are good according to the needs and desires of consumers. This research aims to find out and analyze the influence of product quality and store image on consumer purchasing decisions. The method used is Structural Equation Model analysis using PLS. The sample used was 100 respondents. This study indicates that Product Quality and Store Image have a significant direct effect on purchasing decisions and store image. Store image is also a mediator between product quality and store image.

Keywords: Product Quality, Store Image, Purchasing Decision

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1. Introduction

The increasingly high level of competition in the business world and conditions of uncertainty force companies to achieve a competitive advantage to win the match. One of them is by making something different for consumers. Entrepreneurs must create the right strategy to market their products. Currently, companies must satisfy the needs and desires of consumers to gain profit. Understanding that consumers are the product's target market, if the product is still not considered capable of meeting the needs and desires of consumers, it will be better not to buy the product. Still, if the effect follows the wishes or needs of consumers, they will buy it—activities of companies engaged in the same field, such as retail. Currently, the retail sector's development is relatively rapid, one of which is fashion.

Mulia Store is one of the most crowded retail outlets in Pekanbaru, Riau, Indonesia. This business is engaged in men's apparel which is growing rapidly and provides good quality. Mulia Store was founded in 2007 and this store sells men's clothing such as t-shirts, shirts, Koko shirts, jeans and other men's accessories. At first, Mulia Store only had one shophouse, but this shop managed to expand it into three shophouses and even opened several branches because of the many fans. So far, Mulia Store already has several branches in Pekanbaru. Having many branches is certainly not easy to achieve and attracts many consumers. In recent years these retail outlets have experienced rapid development. Data from Mulia's Store fluctuated every year from 2018 to 2021. The problem that caused this to happen was a situation where there was a relatively large spike in purchases in certain months. In today's era of globalization, fashion today's something ordinary anymore. for society. Fashion is an inseparable part of

everyday style, one can show who he is with style. In addition, the products marketed must have quality and not just ordinary products.

According to Wahyuni & Ginting (2017), product quality significantly affects purchasing decisions. According to research conducted by herawati et al., (2019), product quality has a significant effect on purchasing decisions. According to Darojat (2020), it shows that lifestyle influences buying decisions. Meanwhile, according to Maretha & Kuncoro (2011), store image significantly impacts consumer purchasing decisions. And according to a study conducted by Novansa & Ali (2017), store image has a positive and significant effect on purchasing decisions simultaneously and partially.

Based on the phenomena mentioned above, it shows a problem that arises in consumer purchase decisions at Mulia Store. This study is focused on analysing how product quality and store image impact retail consumer purchase decisions.

2. Literature Review

Product quality
According to Ferrell & Hartline (2013) product quality is the extent to which the product meets its specifications. The value given by the customer is measured based on trust (reliability), durability (durability), and performance (performance) on the physical form and image of the product. According to Stefani & Xenos (2008) product quality is a combination of properties and characteristics that determine the extent to which the output can meet the prerequisites of customer needs or assess to what extent these characteristics and characteristics meet their needs. The quality of a product in goods or services is determined by its dimensions. Dimensions of product quality according to (Stefani & Xenos 2008): (1) Performance (performance), relates to the basic operating characteristics of a product. (2) Durability, which means how long or the age of the product in question lasts before the product must be replaced. The greater the frequency of consumer use of the product, the greater the power. (3) Conformance to specifications, namely the extent to which the essential operating characteristics of a product meet certain specifications from consumers or no defects are found in the product. (4) Product characteristics are designed to improve product functions or increase consumer interest in products. (5) Reliability (reliability), is the probability that the product will work satisfactorily or not within a certain period. The less chance of damage, the more reliable the product. (6) Aesthetics (aesthetics), relates to how the product looks. (7) Perceived quality (impression of quality), is often said to be the result of user measurements taken indirectly because there is a possibility that consumers do not understand or lack information about the product in question. (8) Serviceability, including speed and convenience for repairs, as well as the competence and friendliness of service staff. It can be concluded that a quality dimension is a requirement for a product's value to enable it to satisfy as expected.

Store Image
According to Amstrong et al., (2014) Store Image is the public's perception of the company or products. So building an image is very important because the image can affect the perception of customers and the public. Store image or store image has an understanding of people's views or perceptions of the people product of the store or it can also be interpreted as determining the position of the store effectively, both in terms of value, quality, and price (Vahie & Paswan 2006). The store's image is the personality of a store that describes what consumers see and feel about a particular store (Amstrong et al., 2014). Creating a good image for consumers means satisfying consumers, considering that satisfied consumers are expected to make purchases, repurchase and even tell other consumers, this will allow the company to place its competitors low or vice versa. Store image can be measured through indicators developed by

Amstrong et al., (2014) as follows: (1) The name of the store has a reputation in the eyes of consumers. (2) Store services perceived by consumers. (3) Completeness of goods in the store. (4) Have good Physical Facilities.

Purchase decision
The purchase decision according to Amstrong et al., (2014) is the stage in the buyer's decision-making process where buyer's actually buy. Consumer purchasing decisions are to buy the preferred brand in various ways. Decision making as an important process in consumer behavior is very important for marketers to understand. Furthermore, Shahid et al., (2017) defines purchasing decisions as activities where consumers buy and consume a product or service in order to fulfill their needs and desires. There are five stages that consumers go through in the decision-making process, namely need recognition, information search, evaluation of alternatives, purchase decisions, and post-purchase behavior.

Framework and Hypothesis
Based on the literature review, the variables in this study consist of life style, product quality and store image as independent variables (independent variable), and purchasing decisions as the dependent variable (dependent variable), so the framework can be described as follows:
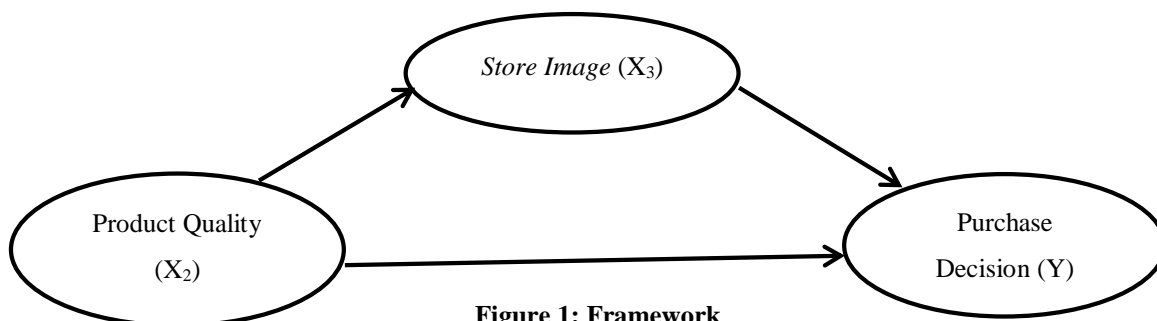

Figure 1: Framework
Source: Processed Data, 2018

The hypotheses in this study are as follows: H1. Product quality has a significant effect on Consumer Purchase Decisions. H2. Store Image has a significant effect on Consumer Purchase Decisions. H3. Store image has a role as mediation in relationship between product quality and consumer purchase decision.

3. Method

Population and Sample
The population is a combination of all elements in the form of events, things, or people with similar characteristics that are the centre of attention by researchers because they are seen as a research environment. The population in this study is the Mulia Store's consumers in Pekanbaru. The population in this study is scattered and the number is unknown with certainty, so sampling was carried out for this study. The number of samples in this study was determined based on the opinion of Roscoe so that the results were 100 respondents.

Data Collection Procedure
The techniques used in data collection efforts for this research is a questionnaire, a research tool in the form of a list of statements to obtain information needed from respondents on the services provided by the company and the effect of variables on student satisfaction. The

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measurement scale used is the Likert Scale. Likert scale is used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena.

Data Analysis Method Validity Test and Reliability Test

Validity test is used to determine whether a questionnaire is valid or not. A questionnaire is said to be valid or valid if the questions on the questionnaire can reveal something that the questionnaire will measure. While the reliability test of this test is carried out to ensure that the instrument used is reliable and trustworthy so that if it is used repeatedly, it will get the same results.

Data analysis technique

There are 2 data analysis techniques in this study, namely, descriptive analysis and Structural Equation Model (SEM) analysis with AMOS 21.

Table 1. Research Instrument

Variable	Indikator	Source
Product Quality (X_2)	1. Performance 2. Durability 3. Conformance to specification 4. Features 5. Reliability 6. Aesthetic 7. Perceived quality 8. Serviceability	Stefani & Xenos (2008)
Store Image (X_3)	1. The name of the store has a reputation in the eyes of consumers. 2. Store services perceived by consumers. 3. Completeness of goods in the store. 4. Have good physical facilities	Amstrong et al., (2014)
Purchase Decision (Y)	1. RecognBuyer'sf Needs 2. Information Search 3. Evaluation of Alternatives 4. Purchase Decision 5. Post Purchase Behavior.	Shahid et al., (2017)

4. Result and Discussion

Characteristics of Respondents

The general description of respondents from this study includes age, gender, occupation, income, and the sample used is 100 respondents. Mulia store is a retailer that sells various products for men, this makes the majority of male respondents who make purchases at Toko Mulia, which is 66%. Meanwhile, when viewed by age, the age group of 17-25 years is the number that makes the most purchases because this age range has a higher productivity level and is more consumptive, making them want to try new, exciting products. And the respondents based on that occupation are the majority of students, namely 52%, because the products sold in this store are more fashionable according to the style of today's young people.

Validity and Reliability Test Results

Based on the validity test results, Rcount value > 0.30. So from these results it can be concluded that all statements to measure product quality, store image and purchase decision are valid. Reliability testing was carried out using Cronbach Alpha. If the value of the valid variable has a Cronbach of 0.6. All variabel in this study are reliable.

Normality Test Result
Based on the normality test results (multivariate normality) using Amos 21, it can be seen that the critical ratio (c.r) value of multivariate in kurtosis is ±2.58. The critical ratio (c.r) multivariate value is 2.410, which means < 2.58. Thus it can be concluded that all variables in this study are normally distributed, so they can be analyzed further.

Goodness Of Fit

Table 2. Goodness Of Fit Results

No	Goodness of Fit Index	Cut off Value	Results	Conclusion
1	Chi-Square		103,937	Good Fit
	Significant Probability	≥ 0.05	0,05	
2	RMR	≤ 0.05	0,031	Good Fit
3	G F I	≥ 0.90	0,859	Marginal Fit
4	A G F I	≥ 0.90	0,788	Marginal Fit
5	T L I	≥ 0.90	0,952	Good Fit
6	C F I	≥ 0.90	0,963	Good Fit
7	N F I	≥ 0.90	0,897	Marginal Fit
8	I F I	≥ 0.90	0,964	Good Fit
9	RMSEA	0.05 - 0.08	0,079	Good Fit

Source : Data Processed (AMOS 21)

Based on the results presented in the table above on the model suitability test, it can be seen that the Chi Square, probability, RMR, TLI, CFI, IFI and RMSEA indexes are within the expected range of values, while several other criteria, namely GFI, AGFI and NFI are in the marginal area. , which means that the results obtained have not exceeded the limit value of the criteria, but the value results are close to the recommended value limit. This shows that the minimum value has been met, which means that the model is good or fit.

Hypothesis Test
The structural equations produced in this study can be seen from the output of Amos 21 on the Standardized Regression Weights in the following table:

Table 3. Standardized Regression Weights

No	Veriabel Eksogen		Variabel Endogen	Estimate	C.R.	P	Conclusion
1	Product Quality	→	Store Image	0.794	5.883	.000	Sig
2	Product Quality	→	Purchase Decision	0.324	2.282	.023	Sig
3	Store Image	→	Purchase Decision	0.672	4.498	.000	Sig
4	Mediation of Store Image			0,882	5,346	.000	Sig

Source : Data Processed (AMOS 21)

Effect of Product Quality on Purchase Decisions
It is known that product quality variables significantly affect consumer purchasing decisions at Mulia Store. Toko Mulia is willing to be responsible for the products they sell by providing consumers with a product replacement guarantee in the event of a defect. Given that in buying a product, consumers will always consider the quality of the product. If the product is good, it is expected that a repeat purchase of the product will occur. As stated by Ling et al., (2010)

product quality is a product or service that has met or exceeded customer expectations, the better the product quality. is expected to attract consumers to believe and buy the product. From the research results conducted by previous researchers, namely Handi et al., (2018), product quality has a significant influence on purchasing decisions. Previous research is in line with the study conducted that product quality variables affect consumer purchasing decisions at Mulia Store.

Effect of Store Image on Purchase Decision

It is known that the store image variable does not have a significant effect on consumer purchasing decisions at Mulia Store. However, respondents have an excellent response to the store image at the Muia Store Pekanbaru. In the eyes or minds of consumers, Mulia Store has a good reputation, but this is not the case for location. Consumers feel that Mulia Store is not strategically located. This study indicates that creating a good image for consumers means satisfying consumers, considering that satisfied consumers are expected to make purchases. As stated by Chen et al., (2009), the store image is the store's personality that describes what consumers see and feel about a particular store. From the results of research conducted by previous researchers, namely Amron (2018) that store image has a significant influence on purchasing decisions, previous research is not in line or there is a difference with research conducted at this time that the store image variable has no significant effect on consumer purchasing decisions at Mulia Store Pekanbaru.

Mediating effect of Store image in relationship of Product Quality on Purchase Decision

The results show that store image mediates the relationship between product quality and purchase decisions. As is the case in purchasing products based on the image inherent in the product, the image of the store or store image also affects the decision-making process in buying (Mbete & Tanamal 2020), and the same opinion also supports this statement by Seo et al., (2020). In the buying process, consumers are not only looking for information about the product, but also information about the store or merchant where they will buy the product they are looking for, such as if you want to buy a product at a low price, the store with a cheaper selling price than other stores is the right choice, or if you want to find a store with a good atmosphere and service, a supermarket is the right choice. Therefore, product attributes, especially the quality of products owned by the store also play a role in determining purchasing decisions, this can explain that with the support of a good store image, the quality of products that are already good will be able to improve purchasing decisions further.

5. Conclusions

Based on the study results, conclusions can be drawn: Product Quality Variable has a significant effect on consumer purchase decisions at the Mulia Store. Store Image has a significant impact on consumer purchase decisions at the Mulia Store and also store image has mediating effect in the relationship between product quality and purchase decision. Through the results of this study, the noble store can improve consumer purchasing decisions through a strategy of continuous product quality improvement and improve the store's image. Further researchers can develop variables that are more suitable for research in retail businesses such as retail service quality and others.

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