THE EFFECT OF PROMOTION, STORE ATMOSPHERE AND SERVICE QUALITY ON PURCHASE DECISION: THE COVID-19 PANDEMIC

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ABSTRACT

This study aims to analyze the effect of promotion, store atmosphere and service quality on purchasing decisions. The population of this research is consumers who make purchases at Superindo supermarkets, Semarang, Indonesia, the number of which is not known with certainty. The sample in this study was 100 consumers. The sampling technique used was purposive sampling. The type of data used is primary. The data collection technique used is a questionnaire. The analysis technique used is descriptive analysis and multiple regression analysis. The results of the study show that: (1) Promotion has an effect on Purchase Decisions. (2) Store Atmosphere has an effect on Purchase Decision. (3) Service quality has an effect on purchasing decisions. Superindo should increase promotions by making advertisements in electronic media such as television and internet media as well as distributing brochures to consumers' homes, providing wider distances between displays and queuing distances at cashiers and providing delivery shopping services during the covid 19 pandemic.

Keywords: promotion; purchase decision; service quality; store atmosphere

INTRODUCTION

Nowadays, the development of the supermarket market in the country seems quite rapid. In almost every provincial capital and other big cities, super markets have sprung up with more complete facilities and services. Super markets as the spearhead of marketing will continue to grow, and the existing ones will continue to be developed to become superstores, namely supermarkets that provide the complete and complete needs of the community. Based on top brand index (TBI) data or well-known brand index in the supermarket category in 2017 – 2019, it can be seen in the following table:

<table>
<thead>
<tr>
<th></th>
<th>Top Brand Index (TBI) Supermarket in Indonesia (2017-2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>f</td>
</tr>
<tr>
<td>Superindo</td>
<td>6.2</td>
</tr>
<tr>
<td>ADA</td>
<td>4.2</td>
</tr>
</tbody>
</table>

Table 1 shows that Superindo and ADA's top brand indexes both experienced decreased. If look at it every year, Superindo has fluctuated (up and down) from 6.2% in 2017 to 10.7% in 2018, but in 2019 it decreased to 10.1%. However, the decrease was not large enough at -0.6%. While ADA is always decreasing. The decline in ADA is still much bigger, from 4.2% in 2017 to 3.5% in 2018 (-0.7%) and even down 2.6% in 2019 (-0.9%). This shows that Superindo supermarket has the opportunity to develop compared to ADA.
However, the Corona Virus Disease 19 (Covid 19) pandemic had an impact on declining sales. Currently, Superindo's operating hours are less, starting at 09.00 am until 08.00 pm. This had an impact on Superindo's declining sales. Almost all products offered by Superindo experienced a decline, except for basic necessities. The decline in sales can be interpreted that consumer purchasing decisions have decreased. Purchase decisions are consumer decisions regarding preferences for brands in the choice set (Kotler and Kler, 2014). According to Fauzan, et al (2015) and Rahmawati, et al (2017), the factors that influence purchasing decisions are promotion, store atmosphere and service quality.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Promotion
Promotion is a means by which companies try to inform, persuade, and remind consumers directly or indirectly about the products and brands being sold (Kotler and Keller, 2014). Another concept of promotion is the element of the marketing mix that focuses on efforts to inform, persuade, and remind consumers of the company's brands and products (Tjiptono, 2015). Another definition of promotion is a marketing activity that seeks to disseminate information, influence, persuade, or remind the target market of the company and its products to be willing to accept, buy, and be loyal to the products offered by the company (Malau, 2017). Another definition of promotion is a process of delivering messages by companies to consumers, either directly or through certain communication media (Suryani, 2017).

Promotion is one of the determining factors for the success of a marketing program. Regardless of the quality of a product, if consumers have never heard of it or are not sure that the product will be useful, then consumers will not be interested in buying it (Tjiptono, 2015). The promotion target is not only encouraging the purchase of the products or services offered, but also post-purchase satisfaction that encourages repeat purchases (Malau, 2017). Promotion is the transfer of information from one party to another. Within the organization, a marketer uses the communication process with respect to products and services. In other words, promotion is communication between individuals internally and externally in business transactions (Malau, 2017).

The ability to understand what is going on is very dependent on the sensitivity of a communicator. When a marketer knows the dynamics of communication, the marketer will be able to read accurately what is going on in a business organization. At the same time, marketers can customize their own messages, using communication networks to get the best out of them. The messages themselves must be conveyed through promotional tools such as sales promotion, advertising, public relations, direct selling and personal selling (Malau, 2017).

Store Atmosphere
Store atmosphere is a whole that is conveyed through the physical layout, decoration and environment of the store (Pahruddin and Yuniati, 2016). Another understanding of store atmosphere is the design of an environment through visual communication, lighting, color, music and smell to stimulate perceptions and emotions from consumers and ultimately to influence consumer spending behavior (Levy and Weitz, 2007) in Fikri and Mulazid, 2018). According to Kotler and Keller (2014) in Šaputra and Riva'i (2016), store atmosphere is a planned atmosphere that is in accordance with the target market and which can attract consumers to buy.
Each store has a physical layout that makes it easy or difficult for buyers to move around in it (Pahruddin and Yuniati, 2016). Store atmosphere is one of the factors that stores have to attract consumers. For this reason, the store will display and form an atmosphere that is in accordance with the target market so that it can attract consumers to buy. Store atmosphere is a description of changes in the planning of the purchasing environment that produce special emotional effects that can cause consumers to carry out their activities, one of which is by making a purchase. The buying environment formed by consumers will create a store image that can create an attractive and pleasant impression for consumers to buy products offered by the store (Pahruddin and Yuniati, 2016).

**Service Quality**

Service quality is a statement about attitudes towards the comparison between expectations and performance (Kotler and Keller, 2014). Another definition of service quality is the overall assessment between what is received and experienced compared to expectations (Suryani, 2017). Another meaning of service quality is the comparison between the level of service delivered by the company compared to consumer expectations (Tjiptono, 2017). Another definition of service quality is the evaluation of consumers’ long-term cognition (belief) towards the delivery of a company's services (Lovelock and Wright, 2018). According to Lewis and Booms (1983) in Saputra and Riva'i (2016), service quality is a measure of how well a service meets customer expectations.

Before consumers make transactions in a service business, consumers have expectations about service quality based on the needs that exist in consumers, previous experiences and word of mouth recommendations. After consumers make purchases and use these services, consumers will compare the expected service quality with what consumers actually receive (Lovelock and Wright, 2018). Consumers form service expectations from many sources, such as past experience, word of mouth, and advertising. If the service received is below the expected service, the consumer is disappointed. Successful companies are those that are able to add benefits to their offerings so that consumers are not only satisfied, but highly satisfied. Consumers will be very satisfied if they get an experience that exceeds their expectations (Kotler and Keller, 2014).

Service performance that surprises and delights consumers, which is above the desired service level, will be viewed as of higher quality. If the service delivery is within the tolerance zone, consumers will feel this service is adequate. However, if the actual quality is below the level of service that is adequate to what consumers expect, differences or quality gaps will arise between service performance and consumer expectations (Lovelock and Wright, 2018).

**Purchase Decision**

Purchase decision is the selection of two or more alternative purchasing decision options (Schiffman and Kanuk, 2008:485). Another definition of purchase decision is an integration process that is used to combine knowledge to evaluate two or more alternative behaviors and choose one of them (Peter and Olson, 2013). Another description of purchasing decisions is consumer decisions regarding preferences for brands in the choice set (Kotler and Kler, 2014). The decision to buy can lead to how the decision-making process is carried out (Schiffman and Kanuk, 2008). Consumers buy products to meet certain needs, and they judge the results of their purchases according to what was expected from the start. Companies that know consumer needs can help product/service providers understand how and why consumers react to product/service delivery (Lovelock and Wright, 2018).
Needs are rooted deep in people's subconscious minds and are linked to issues of long-term identity existence. When people feel a need, people are compelled to take an action to fulfill it. Abraham Maslow identified that there are five categories of human needs, namely psychological (security, love, self-esteem and self-actualization and stated that basic needs such as food and shelter must be met before other needs are met. Although poverty and deprivation remain a pressing problem in around the world, psychological needs have become a major problem for many people. Increased prosperity means more and more people are looking for social need satisfaction and self-actualization. These needs, which are more complicated, give rise to the need for perfect goods and services (Lovelock and Wright, 2018).

Effect of Promotion on Purchase Decision
Promotion or advertising is a form of non personal communication by marketers to inform, educate, or persuade target consumers (Lovelock and Wright, 2018). Advertising is the most widely used form of promotion by companies in promoting their products. This is because it has the main function of informing the public about the ins and outs of the product, influencing the audience to buy, refreshing the information that has been received by the audience and creating a pleasant atmosphere when the audience receives and digests information (Malau, 2017). Advertising can be done in various ways, either using print media (newspapers, tabloids, magazines) and electronic media (television, internet). The more often a product or service is advertised through various media, the more it will be recognized by consumers, thus enabling consumers to make purchases. This is in accordance with the results of research by Fauzan, et al (2015) and Setiawan and Rabuani (2019) which states that advertising has an effect on purchasing decisions. Based on this description, the following hypotheses can be made:

H₁: Promotion has a positive effect on Purchase Decisions.

Influence of Store Atmosphere on Purchase Decision
Store atmosphere is the design of an environment through visual communication, lighting, color, music and smell to stimulate perceptions and emotions from consumers and ultimately to influence consumer spending behavior (Fikri and Mulazid, 2018). Store atmosphere that is tailored to a person's personal characteristics will create different responses. Store atmosphere can affect consumer behavior and affect the behavior and psychological responses of store employees themselves. A consumer determines the type of store he will visit or chooses the goods he will buy based on the consumer decision-making theory that has been discussed previously. Consumers evaluate alternative retail and other marketing channels in order to meet their needs such as catalogs, advertisements (Welsa and Khoironi, 2019). The more attractive the store atmosphere in a store, it will affect consumer decisions to make purchases. This is in accordance with the results of research by Pahruddin and Yuniati (2016), Ayuniah (2017), Rahmawati, et al. (2017), Warahma and Mudiantono (2017) and Fikri and Mulazid (2018) which state that store atmosphere influences purchasing decisions. Based on this description, the following hypotheses can be made:

H₂: Store Atmosphere has a positive effect on Purchase Decisions

The Influence of Service Quality on Purchase Decision
Service quality is a statement about attitudes towards the comparison between expectations and performance (Kotler and Keller, 2014). Service quality is highly dependent on the ability of employees to provide services, this illustrates that service quality includes employees who provide services to consumers (Kotler and Keller, 2014). The internal relationship between employees and consumers will have a very strong influence on perceptions of service quality.
This shows that the ability of employees greatly affects consumer perceptions in assessing service quality. Consumers want their expectations to be the same as what kind of service the company should provide to consumers. The expectations of these consumers are based on word of mouth information, personal needs, past experiences, and external communication because they have made previous product purchases. This is in accordance with the research results of Fauzan, et al (2015), Taufik (2015), Pahruddin and Yuniati (2016), Ayuniah (2017), Rahmawati, et al (2017), Warahma and Mudiantono (2017), Fikri and Mulazid (2018), Setiawan and Rabuani (2019) and Welsa and Khoironi (2019) which stated that service quality had an effect on purchasing decisions. Based on this description, the following hypotheses can be made:

H3: Service quality has a positive effect on purchase decision

METHOD

The population of this research is consumers who make purchases at the supermarket Superindo Semarang whose number is unknown. Samples were taken as many as 100 consumers. The type of data in this study is primary data, namely data collected by the researcher himself directly from the first source or the place where the object of research is carried out (Siregar, 2017). The data collection method used is a questionnaire or questionnaire.

Operational Definition and Measurement of Variables

I. Independent variables, namely variables that cause or change/ influence other variables (dependent variables). Also often called predictor, stimulus, exogenous or antecedent. (Siregar, 2017).

- The independent variables in this study are:
  1. Promotion (X₁)
  2. Store Atmosphere (X₂)
  3. Service Quality (X₃)

II. Dependent variables, namely variables that are influenced or become the result of other variables (independent variables). Also often called response or endogenous (Siregar, 2017). The dependent variables in this study is:

- 1. Purchase Decision (Y)

Operational definitions and measurement of variables used in this study are:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Definition of Conceptual and Operational Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion (X₁)</td>
<td><strong>Dimention</strong></td>
</tr>
<tr>
<td></td>
<td>On target</td>
</tr>
<tr>
<td></td>
<td>a. Clear explanations</td>
</tr>
<tr>
<td></td>
<td>b. In various media</td>
</tr>
<tr>
<td></td>
<td>(Setiawan dan Rabuani, 2019:6)</td>
</tr>
<tr>
<td></td>
<td><strong>Definisi Operasional</strong></td>
</tr>
<tr>
<td></td>
<td>1. Advertisements according to the wishes of the audience</td>
</tr>
<tr>
<td></td>
<td>2. Advertising according to audience needs</td>
</tr>
<tr>
<td></td>
<td>3. Advertisements are delivered clearly</td>
</tr>
<tr>
<td></td>
<td>4. Ads delivered attractively</td>
</tr>
<tr>
<td></td>
<td>5. Advertising through media</td>
</tr>
<tr>
<td></td>
<td>6. Advertising through online media</td>
</tr>
</tbody>
</table>
### Variables Definisi Operasional

<table>
<thead>
<tr>
<th>Variables</th>
<th>Dimention</th>
<th>Indicator</th>
</tr>
</thead>
</table>
| **Store Atmosphere (X<sub>2</sub>)** | a. Wall texture  
b. Design interior  
c. Room temperature  
(Pahruddin dan Yuniati, 2016:10) | 1. Strong wall structure  
2. Quality building materials  
3. Attractive interior design  
4. Interior design provides comfort  
5. Cool air temperature  
6. Room temperature according to the size of the room, |
| **Service Quality (X<sub>3</sub>)** | a. Reliability  
b. Responsiveness  
c. Guarantee  
d. Empathy  
e. Bukti fisik  
(Kotier dan Keller, 2014:52) | 1. Provide services as promised  
2. Reliable in dealing with problems  
3. Doing the service right the first time  
4. Provide services at the promised time  
5. Maintain error-free records  
6. Employees have the knowledge to answer questions  
7. Inform consumers about when the service will be performed  
8. Timely service for consumers  
9. Willingness to help customers  
10.Readiness to respond to customer requests  
11.Employees instill confidence in customers  
12.Make customers feel safe in transactions  
13.Politeness of employees in serving consumers  
14.Give personal attention to customers  
15.Employees deal in a caring manner  
16.Prioritizing the best interests of customers  
17.Employees understand customer needs  
18.Convenient business hours  
19.Modern equipment  
20.Visually appealing looking facilities  
21.Neat and professional appearance  
22.Service-related materials have visual appeal |
| **Purchase Decision (Y)** | a. Priority buying products  
b. Buy because of product quality  
c. Bought because the price is affordable  
(Pahruddin dan Yuniati, 2016:10) | 1. Bought because the products is complete  
2. Bought because the types and sizes vary  
3. Bought because of product quality  
4. Bought because it fits the health standards  
5. Affordable price  
6. Competitive price |
Data Analysis Method
The method of analysis in this research is Multiple Regression. Formula (Ghozali, 2016):
\[ Y = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \]

Description:
Y: Purchase Decision
\( \beta_1, \beta_2, \beta_3 \): Regression Coefficient
X_1: Promotion
X_2: Store Atmosphere
X_3: Service Quality
e: error

RESULTS

Validity test
The results of the validity test showed that the KMO value in each item was more than 0.5 and sig. Bartlett's test 0.05, while the value of the loading factor is more than 0.4 so that the questionnaire from the variables of promotion, store atmosphere, service quality, and purchasing decisions is declared valid to be used as a variable measuring instrument.

Reliability Test

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach’s Alpha</th>
<th>Result</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promosi</td>
<td>0.922</td>
<td>&gt; 0.70</td>
<td>Reliable</td>
</tr>
<tr>
<td>Store Atmosphere</td>
<td>0.908</td>
<td>&gt; 0.70</td>
<td>Reliable</td>
</tr>
<tr>
<td>Service Quality</td>
<td>0.966</td>
<td>&gt; 0.70</td>
<td>Reliable</td>
</tr>
<tr>
<td>Purchase Decision</td>
<td>0.887</td>
<td>&gt; 0.70</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Based on the results of the reliability test, it shows that the value of Cronbach's alpha of the promotional variables, store atmosphere, service quality, and purchasing decisions is above 0.70. This means that the indicators/questionnaires of all variables are proven to be reliable or reliable.

Regression Analysis
Regression analysis is used to determine the effect of the independent variables, namely promotion, store atmosphere, and service quality on the dependent variable, namely purchasing decisions. The regression results can be seen in the following table:

<table>
<thead>
<tr>
<th>Variable Equation</th>
<th>Koefisien (( \beta ))</th>
<th>t-Test Sig.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect of Promotion on Purchase Decision</td>
<td>0.385</td>
<td>0.001</td>
<td>Hypothesis Accepted</td>
</tr>
<tr>
<td>The Effect of Store Atmosphere on Purchase Decision</td>
<td>0.293</td>
<td>0.002</td>
<td>Hypothesis Accepted</td>
</tr>
<tr>
<td>The Influence of Service Quality on Purchase Decisions</td>
<td>0.253</td>
<td>0.004</td>
<td>Hypothesis Accepted</td>
</tr>
</tbody>
</table>

Adjusted R Square: 0.742
F: 96.146
Sig.: 0.000
Based on the regression results in Table 4, multiple linear regression equations can be made as follows:

\[ Y = 0.385 X_1 + 0.293 X_2 + 0.253 X_3 \]

This equation can be interpreted as follows:

a. Promotion \( (\beta_1) = 0.385 \), the positive value obtained shows that everytime there is an increase in promotion, it will increase purchase decision.

b. Store atmosphere \( (\beta_2) = 0.293 \), the positive value obtained shows that everytime there is an increase in store atmosphere, it will increase purchase decision.

c. Service quality \( (\beta_3) = 0.253 \), the positive value obtained shows that everytime there is an increase in service quality, it will increase purchase decision.

**Test Model**

**Coefficient of Determination (R\(^2\))**

The coefficient of determination is used to measure how much the independent variable is capable of explaining the dependent variable. The results of the coefficient of determination can be seen in the Adjusted R Square. Based on Table 5 shows that the value of Adjusted R Square is 0.742. These results can be interpreted that the ability of promotion, store atmosphere, and service quality in explaining purchasing decisions is 74.2% while 25.8% purchasing decisions are explained by variables other than promotion, store atmosphere, and service quality.

**Model Significance Test**

This F-test is used to determine the effect of the independent variables on the dependent variable together or simultaneously. The simultaneous influence can be seen from the value of sig. F 0.05. In Table 4.5 shows the results of the F-test of 96.146 with sig. 0.000 is less than \(<\) 0.05. This shows that promotion, store atmosphere, and service quality have a significant effect on purchasing decisions simultaneously, so the regression model used is good or fit.

**Hypothesis Testing**

1. The results of the t-test promotion on purchasing decisions obtained sig. 0.001 is smaller \(<\) 0.05. This means accepting the hypothesis which states that promotion has an effect on purchasing decisions.

2. Test results - t store atmosphere on purchasing decisions obtained sig. 0.002 is smaller \(<\) 0.05. This means accepting the hypothesis that the store atmosphere has an effect on purchasing decisions.

3. The results of the t-test of service quality on purchasing decisions obtained sig. 0.004 is smaller \(<\) 0.05. This means accepting the hypothesis which states that service quality has an effect on purchasing decisions.

**DISCUSSION**

The results of the study explain that promotion is able to improve purchase decisions. This proves that promotion has a strong role in the purchase decision. Promotion with the support of strategies that lead to decision making so as to improve purchase decisions. Research results store atmosphere is also able to improve purchasing decisions. It also has a strong role to play with the support of increased purchase. In addition, service quality has a strong role to improve purchasing decisions, this role has a role for purchases where every activity prioritizes service quality.
CONCLUSION
All hypotheses are proven to be significant and the most dominant variable influencing purchasing decisions is promotion. Promotion has a positive effect on purchasing decisions.
3. Store atmosphere has a positive effect on purchasing decisions so that it can be concluded that with an increase in store atmosphere, it will further improve purchasing decisions at Superindo. Service quality has a positive effect on purchase decisions.

RESEARCH LIMITATIONS
The results of the coefficient of determination show that the ability to promote, store atmosphere, and service quality in explaining purchasing decisions is 74.2%, so there are other variables that influence purchasing decisions that are not raised in the study. This research only takes place at Superindo supermarket, Semarang, even though Superindo has opened many branches in Semarang City.

RESEARCH IMPLICATIONS
1. In the promotional variables, Super Indo should increase promotions that are in accordance with the conditions of the Covid 19 pandemic, such as making advertisements in electronic media such as television and internet media and distributing brochures to consumers' homes so that consumers can get product information that Superindo sells even though they are inside House.
2. In the store atmosphere variable, Superindo should improve the store atmosphere according to the Covid 19 pandemic conditions, such as providing a wider distance between displays and the queue distance at the cashier so that consumers are interested in coming to shop at Superindo because it applies health protocols
3. On the service quality variable, Superindo should improve the quality of services that are adjusted to the conditions of the Covid 19 pandemic, such as providing delivery shopping services so that it can be a consumer choice to make purchases safely at Superindo.

FUTURE RESEARCH RECOMMENDATIONS
1. Subsequent research should add research variables such as product quality raised by Pahruddin and Yuniati (2016) so that other variables that influence purchasing decisions at Superindo Semarang.
2. Subsequent research should add research locations throughout Superindo in Semarang City.

REFERENCES


