



## Prices, Location, Store Atmosphere and Promotions On Buying Interests at Maju Bersama Medan Mall

Fenny Krisna Marpaung<sup>1</sup> Andrian Chandra Simin<sup>2</sup>, Chyntia Hilda<sup>3</sup>, Derrick Darma Yuniharta<sup>4</sup>, Hardy<sup>5</sup>, Vincent<sup>6</sup>

<sup>1</sup>Management Faculty, Universitas Prima Indonesia, Sekip, Medan, 20118, Indonesia

E-mail: [derrick.yu.dy@gmail.com](mailto:derrick.yu.dy@gmail.com)

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### ABSTRACT

This study aims to determine the effect of price, location, store atmosphere and promotion on buying interest at Maju Bersama Medan Mall. This type of research is explanatory research. The entire population is the average consumer each day who has a member card and has made repeated purchases, totaling 134 people. Due to the large number of population, the sampling technique will be reduced by using the Slovin formula with an error tolerance level of 5% so that there are 100 respondents. In the study which will be distributed with questionnaires measured by a Likert scale. The data analysis used multiple linear regression analysis and the coefficient of determination as well as simultaneous test and partial test. The results showed that price, location, store atmosphere and sales promotion partially or simultaneously have a positive and significant effect on consumer buying interest at Maju Bersama Medan Mall. Based on the results of this study, the implications for management are to further improve pricing for each product, determine a better location, update the store atmosphere to make it look attractive and provide even more attractive promotions.

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## 1. Introduction

Purchase interest is a mental statement from the consumer that reflects the purchase plan for a number of products with a certain brand. Buying interest growth in consumers is necessary for the company survival in order to achieve the goals. To grow consumer buying interest in companies, various strategies and good marketing management are needed. Various factors can influence the increased consumer buying interest, including suitable prices, accessible location, supportive environment and promotions that attract buyers.

PT. Maju Bersama is a retail company that has been established since 1989 and has grown by having several outlets in Medan city, such as: Maju Bersama Mangkubumi, Maju Bersama Glugur, Maju Bersama Medan Mall and others. The company philosophy lies in trust and work responsibility in operating the company where work value and customer satisfaction are a well-integrated correlation. For this reason, the company is committed to increase optimal value in all aspects of their business, both in products and services. However, at one of its outlets, Maju Bersama Medan Mall, it still seems that it has not been able to realize this philosophy properly so that in order to increase consumer buying interest, some improvements are still needed.

Price is the only element of the marketing mix which is the highest income contributor or income for a company that can be changed according to company need. To set a suitable price, there's some indicator that are usually being used by most of company such as consumer purchase potency, consumer willingness, product position in consumer need and the benefit that consumer get by making purchases. If the price set by the company is too high, it can reduce consumer buying interest. In this case, it is known that the price set is higher when compared to other sellers outside Medan Mall so that consumers with low purchasing potency will re-evaluate before making a decision. Some consumers are less willing to purchases products because of these prices. The products offered do provide important benefits for consumers but can be obtained in various places at a more affordable price.

Apart from price, location also determines the success of a company, especially for a supermarket. Usually there's some consideration by company before establish a location such as market research, area, road access, occupation density, competition and future expansion plan. In determining a location, company firstly should making market research. In this case, Maju Bersama has determined one of the appropriate outlet locations,



which is in Medan Mall. However, the specified Mall is not one of the malls that are visited by many consumers and can be said to be quiet malls. Moreover, in consumers perception, Medan Mall is only a place to buy wholesale clothes. The road access to get inside mall is quite difficult, such as difficult to get a parking spot and a narrow road with small parking area.

For a supermarket, the store atmosphere is important in attracting consumers to make purchases. Store atmosphere is one of the strategies to attract consumers attention in the form of a combination of physical characteristics of the store which is divided by four indicator such as exterior, general interior, store layout and interior display including architecture, layout, lighting, display, color, aroma that creates an image in consumers perception. In this case, it is known that the store atmosphere in Maju Bersama Medan Mall is still lacking in creating a good image in consumers perception such as the outside which still looks dull. As for the inside, it looks like it has a smell that consumers don't like and a confusing layout for consumers who want to make purchases on products. Moreover the display of goods and products is less attractive to consumers buying interest.

In attracting consumer buying interest, sales promotion also has an effect on attracting interest. Sales promotion is a marketing activity that provides added value in informing and encouraging demand for marketed products by influencing consumers to buy the products offered. Basically, sales promotion have five indicator to make the promotion success such as coupons, product sample, discount, lucky draw and purchasing contest. It is known that sales promotions provided by Maju Bersama still not attractive to consumers in making purchases, such as small discounts and the lucky draw prize just a Yamaha Mio unit once a year. This makes consumers feel that the lucky draw prize given are not proportional to the number of their purchases during the year.

Based on the phenomenon that occurs in Maju Bersama Medan Mall supermarkets, the researchers conducted a study entitled "Analysis of the Effect of Price, Location, Store Atmosphere and Promotion on Consumer Buying Interest at Maju Bersama Medan Mall."

## **2. Research Method**

### **A. Location and Time**

This research will be conducted at Maju Bersama, located in Medan Mall at M.T. Haryono No.8 Medan. The research time is planned from February 2020 to June 2020.

### **B. Population and Sample**

The population is the average consumer per day who has a member card and has made repeated purchases at Maju Bersama Medan Mall as much as 134 people a day. Because the total population used is as much as 134 people a day, the population will be reduced by using the Slovin formula with a 95% confidence level and an error tolerance of 5%. Then it can be seen that the number of samples in this study is as many as 100 consumers.

### **C. Data Collection Method**

Collecting data through a questionnaire is done by asking questions to parties related to the problem under study. To assess respondents' responses, the author uses the Likert scale which uses several question items to measure individual behavior by responding to 5 choice points on each question item.

### **D. Validity and Reliability Test**

The data obtained needs to be tested for its accuracy and reliability so that the results of data processing can be more precise and accurate. Therefore, it is necessary to know how high the validity and reliability of the measuring instrument (instrument) used.

Based on the research, each variable of the questionnaire item that was tested for validity, all the questionnaires had met the valid criteria and were eligible to be used as a questionnaire in further research. While in reliability test, all variable questionnaire item is reliable and can be used as research instrument.

## **3. Research and Analysis**

### **A. Normality Test**

The residual normality test is used to test whether the residual value resulting from the regression is normally distributed or not. A good regression model is to have residuals that are normally distributed. There is some method to do the normality test such as histogram graphic, normal probability plot of regression graphic and one sample Kolmogorov Smirnov statistic.

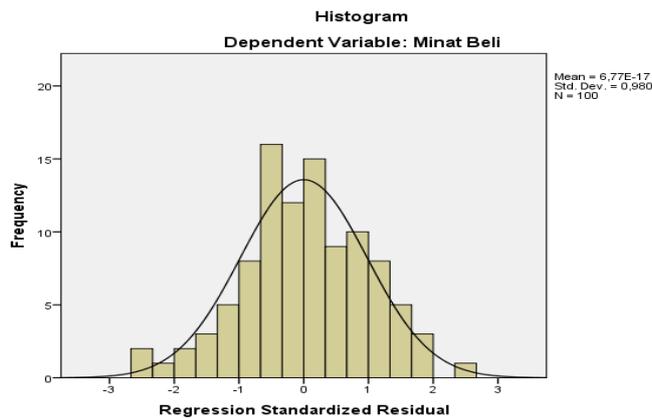


Fig 1. Histogram Graphic

Based on the picture above, it can be seen that the line forming a bell, not going left or right. This shows that the data is normally distributed and meets the assumptions of normality.

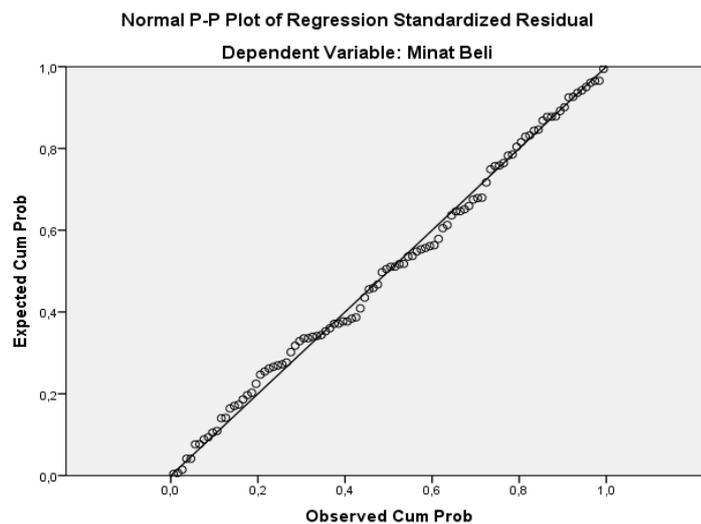


Fig 2. Normal Probability Plot of Regression Graphic

Based on the picture above, it shows that the data (dots) spreads around the diagonal line and follows the diagonal line. So from this figure it is concluded that the regression model residuals are normally distributed.

Table 1  
One-Sample Kolmogorov Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters <sup>a,b</sup>	Mean	,0000000
	Std. Deviation	1,77377719
Most Extreme Differences	Absolute	,045
	Positive	,045
	Negative	-,042
Kolmogorov-Smirnov Z		,455
Asymp. Sig. (2-tailed)		,986

a. Test distribution is Normal.

b. Calculated from data.

Source: Research Result, 2020

Based on the table above, the results of the Kolmogorov-Smirnov normality test prove that the significant value is greater than 0.05, namely 0.986, it can be concluded that the data is classified as normally distributed.

**B. Multicollinearity Test**

Multicollinearity is a condition in the regression model where there is a perfect or near perfect correlation between independent variables where a good regression model should not have a perfect or nearly perfect correlation between the independent variables.



The commonly used test method is to look at the Tolerance and Variance Inflation Factor (VIF) values in the regression model where the VIF value is less than 10 and has a Tolerance value of more than 0.1.

**Table 2**  
Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Price	,597	1,676
	Location	,611	1,637
	Store Atmosphere	,858	1,165
	Sales Promotion	,805	1,243

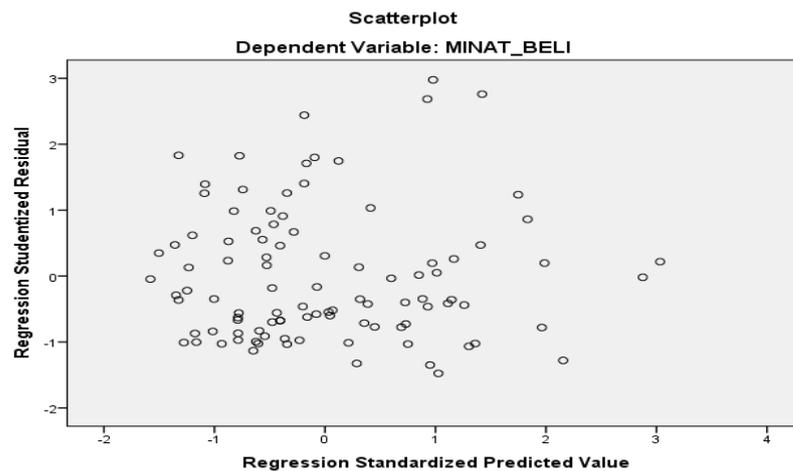
a. Dependent Variable: Buying Interest  
Source: Research Result, 2020

Based on the table above, the test show that all the variables have a tolerance value more than 0.1 and VIF value less than 10 which can be concluded that there is no problem found in multicollinearity test.

### C. Heteroscedasticity Test

Heteroscedasticity is a condition where in the regression model there is an inequality of variants from the residuals from one observation to another where a good regression model does not occur heteroscedasticity.

Various kinds of heteroscedasticity test, such as the Scatterplots test, which is done by looking at the pattern points on the graph that spreads randomly and is not in the form of a pattern on the graph, it is stated that there is no heteroscedasticity problem and the Glejser test where if it is significant above 0.05 then it is stated that there is no problem in heteroscedasticity.



**Fig 3.** Scatterplot Graphic

Based on the scatterplot graph presented, it can be seen that the dots spread randomly and do not form a clear pattern and are spread either above or below zero on the Y axis. This means that there is no heteroscedasticity in the regression model, so the regression model can be used to predict performance based on the input of the independent variable.

**Table 3**  
Glejser Test

Model		t	Sig.
1	(Constant)	-,526	,600
	Price	-,069	,945
	Location	,075	,936
	Store Atmosphere	,098	,922
	Sales Promotion	-,285	,776

a. Dependent Variable: Buying Interest  
Source: Research Result, 2020

Based on the table above, it can be seen that the level of significance of each variable is greater than 0.05. From the calculation results and the level of significance above, it is not found that there is heteroscedasticity.

### D. Multiple Linear Regression Analysis

Multiple regression analysis is an analysis to determine whether there is a partially or simultaneously significant influence between two or more independent variables on one independent variable.

**Table 4**  
Multiple Linear Regression Analysis Test

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	1,241	2,733	
Price	,190	,085	,197
Location	,240	,082	,256
Store Atmosphere	,217	,062	,257
Sales Promotion	,310	,071	,331

a. Dependent Variable: Buying Interest  
Source: Research Result, 2020

$$Buying\ Interest = 1,241 + 0,190\ Price + 0,240\ Location + 0,217\ Store\ Atmosphere + 0,310\ Location + e \tag{1}$$

Based on the above equation, then: Constant (a) = 1.241. This means that if the independent variable, namely price, location, store atmosphere and sales promotion is 0, then the purchase interest at Maju Bersama Medan Mall is 1.241. Where if there is an improvement in prices, there will be an increase in buying interest by 0.190. Likewise with locations where if there is an improvement in the location, the buying interest will increase by 0.240. If there is an improvement in the store atmosphere, the buying interest will increase by 0.217 and if there is an improvement in the sales promotion, the buying interest will increase by 0.310.

**E. Coefficient Determination**

Analysis of determination or also called R Square symbolized by R<sup>2</sup> is used to determine the magnitude of the influence of the independent variable (X) together on the dependent variable (Y) where the smaller the coefficient of determination, this means the effect of the independent variable (X) on the dependent variable (Y) is getting weaker. Conversely, if the coefficient of determination is closer to number 1, then the effect of the independent variable on the dependent variable is getting stronger.

Thus, if coefficient determination is 0, this indicates that there is no percentage contribution of influence given by the independent variable to the dependent variable. However, if the coefficient of determination is 1, then there is a contribution that the independent variable gives to the dependent variable is perfect.

**Table 4**  
Coefficient Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,748 <sup>a</sup>	,559	,540	1,811

a. Predictors: (Constant), Sales Promotion, Store Atmosphere, Location, Price  
b. Dependent Variable: Buying Interest  
Source: Research Result, 2020

Based on the table above, the value of the R Square coefficient of determination is 0.559. This shows that the variable ability of price, location, store atmosphere and sales promotion (X4) explains the effect on buying interest (Y) at Maju Bersama Medan Mall by 55,9%. While the remaining 44,1% is the influence of other independent variables not examined in this study such as service quality, product quality, store image, product completeness, customer satisfaction, consumer loyalty, consumer behavior, distribution channels and other factors.

**F. Simultaneous Hypothesis Test (F Test)**

F test or regression coefficient test is used to determine whether simultaneously the independent variable has a significant effect on the dependent variable. In this case, to find out whether simultaneously the independent variable has a significant effect on the dependent variable or not. The test uses a significance level of 5%.

The criteria for evaluating the hypothesis in this F test are:

H<sub>0</sub> Accepted if: F<sub>count</sub> < F<sub>table</sub>

H<sub>a</sub> Accepted if: F<sub>count</sub> > F<sub>table</sub>



**Table 5**  
ANOVA Test

Model	F	Sig.
1 Regression	30,090	,000 <sup>a</sup>
Residual		
Total		

a. Predictors: (Constant), Sales Promotion, Store Atmosphere, Location, Price  
 b. Dependent Variable: Buying Interest  
 Source: Research Result, 2020

Based on the table above, it is found that the value of  $F_{table}$  (2.00) and significant  $\alpha = 5\%$  (0.05), namely  $F_{count}$  (30.090) and sig.a (0.000a). This indicates that the results of the study accept  $H_a$  and reject  $H_0$ . Comparison between  $F_{count}$  and  $F_{table}$  can prove that simultaneously price, location, store atmosphere and sales promotion have a positive and significant effect on consumer buying interest at Maju Bersama Medan Mall.

**G. Partially Hypothesis Test (t Test)**

The t test or partial regression coefficient test is used to determine whether partially the independent variable has a significant effect on the dependent variable or not. In this case, to find out whether partially the independent variable has a significant effect on the dependent variable or not. The test uses a significance level of 0.05 and a two-sided test.

The criteria for evaluating the hypothesis in this t test are:

$H_0$  Accepted if:  $t_{count} < t_{table}$

$H_a$  Accepted if:  $t_{count} > t_{table}$

**Table 6**  
Coefficient Test

Model	t	Sig.
1 (Constant)	,454	,651
Price	2,230	,028
Location	2,941	,004
Store Atmosphere	3,493	,001
Sales Promotion	4,357	,000

a. Dependent Variable: Buying Interest  
 Source: Research Result, 2020

Based on the table above, it can be concluded that price, location, store atmosphere and sales promotion partially have a positive and significant effect on consumer buying interest at Maju Bersama Medan Mall which can be seen at the  $t_{count}$  is greater than  $t_{table}$  (1,661) and the significant is less than 0,05.

**4. Conclusion**

The conclusions that researchers can draw from the results of this study are as follows:

- The results of the t test state that the price variable has a value of  $t_{count}$  (2,230)  $>$   $t_{table}$  (1,661), which means that there is a partially significant positive effect between price on consumer buying interest at Maju Bersama Medan Mall.
- The results of the t test state that the location variable has a value of  $t_{count}$  (2,941)  $>$   $t_{table}$  (1,661), which means that there is a partially significant positive effect between location on consumer buying interest at Maju Bersama Medan Mall.
- The t test results indicate that the store atmosphere variable has a value of  $t_{count}$  (3,493)  $>$   $t_{table}$  (1,661) which means that there is a partially significant positive effect between store atmosphere on consumer buying interest at Maju Bersama Medan Mall.
- The t test results indicate that the sales promotion variable has a value of  $t_{count}$  (4,357)  $>$   $t_{table}$  (1,661) which means that there is a partially significant positive effect between sales promotions on consumer buying interest at Maju Bersama Medan Mall.
- The results of the F test also state that the value of the test  $F_{count}$  (30.090)  $>$   $F_{table}$  (2.00) where simultaneously price, location, store atmosphere and sales promotion have positive and significant effect on consumer buying interest at Maju Bersama Medan Mall.



- f. The results show that the variable price, location, store atmosphere and sales promotion explain their effect on buying interest at Maju Bersama Medan Mall by 55,9%. While the remaining 44,1% is the influence of other independent variables not examined in this study such as service quality, product quality, store image, product completeness, customer satisfaction, consumer loyalty, consumer behavior, distribution channels and other factors.

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