The Effect of Visual Merchandising toward Impulse Buying at MINISO Mall Artha Gading Jakarta

Ayu Agustina Pratiwi, Effy Zalfiana Rusfian

Impulse buying is one way that creates faster sales, therefore, MINISO needs to make it a business strategy, especially for a new brand circulating in a country. One of the ways the impulse buying occurs is through visual merchandising. MINISO is a brand based in Japan that is currently expanding its market into Indonesia by establishing its outlets. The purpose of this research is to analyze and influence visual merchandising towards the impulse buying at the MINISO store at Mall Artha Gading. This research also aims at discovering the determining factor of visual merchandising that really impacts the impulse buying at MINISO store at Mall Artha Gading. This research uses a quantitative approach in the form of a questionnaire which was distributed to 100 respondents. A respondent sample used in this research involved a respondent who visited and purchased impulsively at MINISO store at Mall Artha Gading. Sample collections were conducted by a purposive sampling technique. The research model was tested by a multiple regression analysis. The result of this research shows that visual merchandising has a significant impact toward impulse buying and the determining factor that provides the strongest impact from the visual merchandising is the store interior design and the store layout toward the impulse buying at MINISO store at Mall Artha Gading.

Key words: Visual Merchandising, Store Layout, Product Display, Window Display, Store Interior Design, Impulse Buying.
Introduction

Since 2016, the retail business situation in Indonesia has started experiencing a serious obstacle marked by the decreasing number of retail developments in Indonesia. Five years prior to 2016, the development of retail business in Indonesia was able to reach 2 digits however since this, development decreased only 9% in one year (CNN Indonesia 2018). Since 2017, many old retailers such as Debenham, Lotus, Seven Eleven and others no longer operate in Indonesia. On the contrary, there are some new retailers that expand their market into Indonesia. One of those retailers is MINISO, which sells unique goods for the needs of daily urban societies, starting from fashion accessory, household necessity up to electronic product. Miniso has begun operating since end of 2016.

The problem for a retailer like Miniso is they have not been widely known by public or potential customer. The retailers have to make a business strategy that can encourage customer to visit the store and shop there. There are some business strategies to encourage buyers to enter and shop there. One of them is visual merchandising. Stanila & Bratucu (2013) state window display plays an important role so when a customer enters the store, it triggers a purchasing process by the customer. Every retailer tries hard to create a unique identity through visual merchandising in order to produce a positive mood for customers and encourage buying interest, store loyalty and repeated purchase. It can stimulate a customer’s psychological thought to make a purchase impulsively. Underhill (1999) stated that shopping directly in a store could encourage an occurrence of the impulse buying. The impulse buying occurs when the process of decision taking by customer occurs inside the store. As a result, it shows that the longer the customer stays in a store, the more occurrence the impulse buying might occur (Somroo, Kaimkhani, and Iqbal, 2017). Thus, the business strategy that can draw customer’s attention to enter the store is visual merchandising implemented by the retailer in their store.

MINISO Mall Artha Gading and its customers as the subjects are the only focuses in the research. Also, the dependent variable is measured by 2 types of impulse buying; reminder impulse and planned impulse buying. Based on the background and problem above, the purpose of this research is, to firstly analyze the effect of visual merchandising toward the impulse buying at MINISO store at Mall Artha Gading and secondly to analyze the strongest dimension of the visual merchandising in influencing the impulse buying on customers at the MINISO store at Mall Artha Gading. In this research, the following hypotheses are developed:
**H1:** There is an effect between visual merchandising and impulse buying.

**H2:** There is an effect between store layout and impulse buying.

**H3:** There is an effect between product display and impulse buying.

**H4:** There is an effect between window display and impulse buying.

**H5:** There is an effect between store interior design and impulse buying.

**Literature Review**

There are several researches that have discussed a topic related to the visual merchandising and the impulse buying on a retailer. The researches were conducted both domestically and abroad. Some of the researches are by Dash & Akshaya (2016); Somroo, Kaimkhani, and Iqbal (2017); Mohan, Siyakumaran, Sharma (2013); and Jane (2015).

**The Visual Merchandising**

According to Dash & Akshaya (2016, p. 37), the *Visual merchandising is a process through which a retail store’s display of products is made appealing, attractive, and enticing to customer, not only as a stimulus to enter the store, but to create an impression in customer’s mind*. Furthermore, according to Soomro, Kaimkhani, and Iqbal (2017, p. 24), “The Visual merchandising is basically a way of gaining customers attraction by visually making the brand attractive for target customers”. Therefore, it can be concluded that visual merchandising is a basic technique for every retailer in presenting their store and goods to the targeted customer. The visual merchandising is also used as means to convey a message and brand value offered by retailers which is reflected through the customer’s shopping experience. The purpose of the visual merchandising is to create an awareness and improve perception and comfort of customers. Consequently, it can add a value and make the shopping experience easier (Dash & Akshaya, 2016).

Somroo, Kaimkhani, and Iqbal (2017), conducted research about a variable of visual merchandising that is measured by the element of Colour & Lighting, Store Layout, Window Display, and Store Interior Design. Meanwhile, in Dash & Akshaya’s (2016), research a variable of visual merchandising is measured by the element of Store Layout, Product Display, Mannequin Display, and Promotional Display. In this research, the visual merchandising is measured by the elaboration of several elements used in those two researches and also by a concept from Levy & Weitz (2013) and Varley (2006). After the concept elaboration is conducted, the dimensions used to measure the variables of the visual merchandising in this research are:
a. Store layout
A retailer must be able to determine the most appropriate and the best layout for their store. The success of the layout depends on the fixtures & fittings used by the retailer. The proper use of this will support the traffic of customers at the store, create a shopping experience, and display overall products effectively.

b. Product Display
The way a retailer displays or arranges their goods will affect an atmosphere of the store. This arranging technique can be determined by type, size, price, color and shape.

c. Window Display
The window display is very useful in encouraging customers to enter the store. Through the window display, the retailer communicates a brand of their shop and what products are being offered.

d. Store Interior Design
The store interior design plays an important role in creating a positive shopping experience. Signage, fixtures & fittings, lighting and color are all included in the aspect of the store interior design. A good implementation of the store interior design can ease customers to shop at the store, thus, they will feel comfortable. The dimension of the store interior design can be measured by an indicator of the fixtures utilization that is in accordance with the product.

Impulse Buying
The impulse buying is categorized as one of the forms of the buying process. Rook (1987) in Kim (2014, p. 8) defined the impulse buying “as behavior that arises from a sudden, spontaneous urge without thoughtful consideration”. It shows that the impulse buying will occur if there is an immediate encouragement. The impulse buying has a short time range (Kim, 2014; Dholakia, 2000; Rook, 1987). Furthermore, customer that will make a purchase impulsively will not spend much time to find information and quality of the sold product (Kim, 2014; Jones et al, 2003; Cobb & Hoyer, 1986). In the research, it shows that the customer will make a purchase impulsively when they explore the whole store and stay longer inside the store. (Mohan et al, 2013; Beatty & Farrell, 1998; Rook, 1987).

This research focuses on the type of impulse buying as the dependent variable that will be measured on the type of reminder impulse buying and the planned impulse buying. The reminder impulse buying has criterion where the customer implements the impulse buying because they are encouraged by a visual product display at the store to remind them of the needs of a product. A customer will be encouraged to make a purchase when they are
inside the store. Meanwhile, the planned impulse buying has criterion where the customer implements the impulse buying because of their intention to visit a retailer store or they are encouraged by the presence of promotion offered by a retailer. The customer does not make a comparison to other retailer brands similar to MINISO so that they immediately make a purchase impulsively when they are at the store.

Research Method

This research uses a quantities approach. The primary data used in this research is the data collected directly through a questionnaire distribution. 100 customers who have made an impulsive purchase when they are inside the MINISO store at Mall Artha Gading were sampled. The technique of sample collection is by using purposive sampling.

In order to analyze the data in this research, firstly an analysis on validity and reliability is conducted as a pre-test for 30 respondents. The validity analysis in this research will be measured by several factors of the analysis, namely: Keiser-Meyer-Olkin Measure Sampling of Adequacy, Bartlett’s Test of Sphericity, Anti-Image Matrics, Total Variance Explained, and Factor Loading of Component Matrix. Each of those factors have a value required to measure available indicator validity. On the other hand, the reliability analysis of this research will be measured by Cronbach’s Alpha.

Meanwhile, the primary data analysis is conducted by a descriptive data analysis and multiple regression analysis (Determining Coefficient Test, F Test, and t Test). The whole primary data test uses SPSS 24 as shown in Table 1.1 below:
Result and Discussion

Table 1.1: KMO Measurement—Measure Sampling of Adequacy, Bartlett’s Test of Sphericity, and the Total Variance Explained

<table>
<thead>
<tr>
<th>Dimension</th>
<th>KMO-MSO &gt;0.500</th>
<th>Bartlett’s Test of Sphericity &lt;0.05</th>
<th>Total Variance Explained &gt;60%</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable of Visual Merchandising</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store Layout</td>
<td>0.788</td>
<td>0.000</td>
<td>63.01% Valid</td>
<td></td>
</tr>
<tr>
<td>Product Display</td>
<td>0.729</td>
<td>0.000</td>
<td>62.03% Valid</td>
<td></td>
</tr>
<tr>
<td>Window Display</td>
<td>0.774</td>
<td>0.000</td>
<td>72.59% Valid</td>
<td></td>
</tr>
<tr>
<td>Store Interior Design</td>
<td>0.807</td>
<td>0.000</td>
<td>60.19% Valid</td>
<td></td>
</tr>
<tr>
<td>Variable of Impulse Buying</td>
<td>0.851</td>
<td>0.000</td>
<td>63.50% Valid</td>
<td></td>
</tr>
</tbody>
</table>

Source: Result of data processing using SPSS 24

Table 1.2: Measurement of Research Dimension Reliability

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Cronbach’s Alpha ≥0.60</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable of Visual Merchandising</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store Layout</td>
<td>0.918</td>
<td>Valid</td>
</tr>
<tr>
<td>Product Display</td>
<td>0.879</td>
<td>Valid</td>
</tr>
<tr>
<td>Window Display</td>
<td>0.910</td>
<td>Valid</td>
</tr>
<tr>
<td>Store Interior Design</td>
<td>0.860</td>
<td>Valid</td>
</tr>
<tr>
<td>Variable of Impulse Buying</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 1.3: Model Summary – Test of Determining Coefficient

<table>
<thead>
<tr>
<th>Research Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Influence of Visual Merchandising toward Impulse Buying</td>
<td>0.717</td>
<td>0.514</td>
<td>0.494</td>
<td>0.711</td>
</tr>
</tbody>
</table>

Source: Result of data processing using SPSS 24

Table 1.4: ANOVA Test

<table>
<thead>
<tr>
<th>Research Model</th>
<th>N</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Influence of Visual Merchandising toward Impulse Buying</td>
<td>100</td>
<td>25.143</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Result of data processing using SPSS 24

Table 1.5: Regression Coefficient

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Regression Coefficient</th>
<th>Std. Error</th>
<th>t</th>
<th>Sig.</th>
<th>Significance of Relation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.071</td>
<td>0.000</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store Layout</td>
<td>0.315</td>
<td>0.126</td>
<td>2.500</td>
<td>0.014</td>
<td>Significant</td>
</tr>
<tr>
<td>Product Display</td>
<td>-0.064</td>
<td>0.132</td>
<td>2.500</td>
<td>0.014</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Window Display</td>
<td>0.187</td>
<td>0.107</td>
<td>1.743</td>
<td>0.085</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Store Interior Design</td>
<td>0.365</td>
<td>0.123</td>
<td>2.957</td>
<td>0.004</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Result of data processing using SPSS 24
Table 1.1 and 1.2 show that the pre-test results of each research dimension conducted to 30 respondents has been valid and reliable. As the pre-test result is valid and reliable, the research is continued by distributing a questionnaire of 100 samples to respondents. From the primary research results the mean value for each dimension in this research was discovered, this is shown in Table 1.3.

Subsequently, in order to prove the main hypothesis, the coefficient test and ANOVA were used to determine the result. Based on Table 1.3, the result of determining coefficient test for R square of this research is discovered, which is in the value of 0.514. It indicates that the customer’s perception on the visual merchandising gives an influencing contribution at 51.4% toward the impulse buying at the MINISO store at Mall Artha Gading. The rest, which is 48.6% of the forming of the impulse buying is affected by other factors. According to Iram & Chacharkar (2017), besides the visual merchandising, there are other factors that can encourage customers to buying impulsively, such as personal selling impact, personal factors, product characteristic, and circumstances. The result in Table 1.3 also shows that R value is 0.717. That R value near 1 figure, means there is an influence that is quite strong from the visual merchandising along with its 4 (four) dimensions, namely: store layout, product display, window display, and store interior design toward the impulse buying.

To prove the main hypothesis from the ANOVA test, the value of F table must firstly be discovered. With the belief degree of 95% or \( \alpha = 0.05\% \) and df value of 99 (\( n-1 = 100 - 1 = 99 \)), then the value of F table is 3.938. In the Table 1.4 above, it shows that F calculation obtained from the ANOVA calculation using SPSS is F calculation = 25.143. The result shows that F calculation > F table, so it indicates a significant result. It can also be seen Sig. value in the amount of 0.000 is smaller than 0.050, which means that there is a significant impact. As a result, from F calculation value and Sig. value collected from the regression calculation using SPSS 24, it shows that the independent variable of the visual merchandising significantly influences the dependent variable of the impulse buying.

The acceptance of the first hypothesis of this research is in line with the argument expressed by Dash & Askhaya (2016). Dash & Askhaya (2016) added that a good and proper implementation of the visual merchandising could draw customer’s attention and make them stay longer and explore the store. Somroo, Kaimkhani and Iqbal (2017) also expressed an argument that the visual merchandising had an important role in the success of the retailer through its effect on the number of sales. A psychological behavior of customers can be affected by a visual communication conducted by the retailer in offering their product to customer (Pegler, 2011; Somroo, Kaimkhani, and Iqbal, 2017). It is proven by the results from the statistical test, which shows that the visual
merchandising at MINISO Mall Artha Gading has a significant impact toward customer’s impulse buying.

The last method is the T test, which was conducted in order to prove the derived hypothesis of this research. In the T test, the independent variable that is used is 4 (four) dimensions, which form the visual merchandising. From Table 1.5, the t value for 100 respondents ($\text{df} = n – 1 = 100 – 1 = 99$) and $\alpha = 0.05$ is 1.9844. In Table 1.5 also, the store layout has the t value of 2.500, which means that the store layout significantly influences the impulse buying. On the other hand, the product display and the window display have a t value in the amount of -0.482 and 1.743 respectively, which means both variables (dimensions) do not significantly influence the impulse buying. Lastly, the store interior design has a T value of 2.957, which means the store interior design has a significant influence toward the impulse buying.

Besides viewed from the T value of each variable (dimensions), it is also viewed from the available Sig. value. Based on the Table 1.5 above, the store layout and the store interior design have the Sig. value of 0.014 and 0.004 respectively, which means both of them have a Sig. value of $<0.050$. Therefore, it can be indicated that the store layout and the store interior design indeed significantly influence the impulse buying. On the other hand, the product display and the window display have a Sig. value of 0.631 and 0.085 respectively, which means both of them have Sig. value of $>0.050$. Consequently, it can be indicated that it is true the product display and the window display have no significant impact toward the impulse buying.

In this research, the store interior design is one of the dimensions that can produce a shopping experience for customer through utilization of the store’s interior design. The store interior design consists of the use of fixtures & fittings, signage, color, and lighting. These four things are the indicators of the store interior design, which can produce the atmosphere of the store in the customer’s mind. Moreover, these four indicators can also facilitate customers to browse until they find a product they need. Somroo, Kaimkhani and Iqbal (2017) give an opinion that the store interior design plays an important role in the visual merchandising. The store interior design is closely related to the store layout in which the placement of fixtures & fittings must be adjusted and placed properly so it can create a good traffic in the store later (Hoc & Purk, 2000; Somroo, Kaimkhani and Iqbal, 2017). In addition, the signage, lighting and color are also important at a store to ease customers in finding the product they need so that it can stimulate customer to give a look to a product.

By seeing the strongest influence of the store interior design dimension toward the impulse buying, it thereby shows that the respondents of this research are more
dominantly encouraged to implement the impulse buying because of the good implementation of store interior design. The good implementation of the store interior design of MINISO store at Mall Artha Gading has facilitated customer in browsing the displayed product so it can draw customer’s attention to see the displayed product. Another dimension that has another significant impact is the store layout dimension. In this research, the store layout dimension is a dimension that can determine a level of shopping comfort of customer.

A good implementation of the store layout can also increase a possibility of customers to stay longer inside the store and make them explore the whole area of the store (Garaus, Wagner and Kummer, 2015; Somroo, Kaimkhani, and Iqbal, 2017). Based on the result of this research, it can be seen that the influence of the store layout toward the impulse buying at MINISO store at Mall Artha Gading is also strong. It is supported by a high number of customers who is encouraged to implement the impulse buying after staying longer inside the store and exploring the whole area of the store. Thereby, it shows that the store layout of MINISO store at Mall Artha Gading has made customers comfortable with the created traffic so it makes the customer feel pleased to stay longer inside the store.

Next, the hypothesis test of the dimension of product display and window display, proves that both dimensions do not give a big impact in this research. The product display dimension is a technique in visual merchandising, which is implemented in order to draw customer’s attention by utilizing a product placement. A proper product display method can produce the impulse buying (Varley, 2006). In addition, generally, a retailer uses a certain unique idea in order to draw attention of customers. To create an impulsive behavior in the customer’s mind, generally, a retailer will place a certain product near cashier or in the area that is levelled with customer’s sight (eye level). These two ways are regarded as capable of creating the impulse buying (Somroo, Kaimkhani, and Iqbal, 2017).

However, the previous result of statistical test shows that the product display does not significantly impact the impulse buying. The above results show the majority answers of product display lead to an agreement. It indicates that the product display does not become one of factors that has a big impact and becomes a strategy in creating the impulse buying. It might occur because customer and product have not reached the level of encouraging customers to directly implement the impulse buying. However, the product display still becomes an important technique in the visual merchandising in order to attract customer’s attention. Also, with the result of this research, it can used as an illustration for MINISO store at Mall Artha Gading in order to fix their display product technique so that they can create the impulse buying.
The window display dimension also shows an insignificant result in its effect toward the impulse buying. According to Levy & Weitz (2012), the window display is an effective means to create a store image for customers. Furthermore, the window display is also the first element of the visual merchandising that has a function to make customers enter the store (Somroo, Kaimkhani and Iqbal, 2017). However, based on the statistical test result, the window display does not have a significant effect in encouraging an occurrence of the impulse buying. However, if seen from the previous respondent’s assessment, it shows that majority of answers state an agreement. It can be an indication that the window display does not become the main factor that encourages the occurrence of the impulse buying as it corresponds to the fact it does not have a quite large window display. However, they use an open store concept, which means customer who passes by can directly see what is sold at MINISO store at Mall Artha Gading.

**Recommendations for Further Research**

Based on the analysis result of this research, there are several suggestions proposed so the MINISO store at Mall Artha Gading can improve their sales through the creation of the impulse buying at the store or other general suggestions. Those suggestions are as follows:

1. The dimension of product display and window display shows an insignificant result in affecting the impulse buying on this research. Therefore, the retail management needs to hold a deeper evaluation on these two elements of the visual merchandising, later, it can encourage the impulse buying through the window display at MINISO store at Mall Artha Gading. It can be done by utilizing the front area, which is opened by displaying various promotional banners or new products. On the other hand, in terms of the product display, MINISO store at Mall Artha Gading can arrange its products in the form of package or arrange their products as attractive as possible so that it can encourage customer to make an impulsive purchase.

2. The management of the MINISO store at Mall Artha Gading is suggested to maximize the store interior design since the particular dimension is the one that the provides most impact to impulse buying. It can be done by making a change of the store’s interior design on a scheduled basis, which can prevent from customer’s boredom of the store’s atmosphere. The interior design of the store can also be adjusted according to a certain theme. In addition, the use of bright light must also be managed routinely and the retail management should display brief information of every product.

3. Future research is expected to be able to expand the research scope toward MINISO. Hence, it is not only limited to one MINISO store in Indonesia, but also to several MINISO stores in other cities or maybe even other countries. It is good that if the future research can firstly research a previous variable of the impulse buying such as customer attention. Therefore, it will give a deeper result on either the retail brand of MINISO or other brands.
Conclusion

Based on the analysis result of this research, there are found 2 (two) conclusions as follows:
1. There is a significant effect between the visual merchandising toward impulse buying at the MINISO store at Mall Artha Gading
2. The strongest dimension that affects the visual merchandising and impulse buying of customers at MINISO store at Mall Artha Gading is store interior design.
REFERENCES


277


