The Influence of Store Layout and Interior Displays against a Purchase Decision (In KFC Fast Food Bandung, Indonesia)

Indah Kusherawati[1], Sri Widiyanesti[2], Khairani Ratnasari Siregar[3]

[1, 2, 3] Telkom University, School of Business and Economics,
Bandung Technoplex South Campus, JL. Telekomunikasi, Terusan Buah Batu Bandung, West Java 40257, Indonesia

Abstract: *An intense competition in the field of fast-food restaurant requires this business to have a competitive advantage. The competitive advantage can be generated by conducting the strategy of differentiation, namely store layout and interior displays. This research aims to find out the respondents' assessments of the implemented store layout and interior displays as well as to find out whether the store layout and the interior displays influence the purchase decision of KFC Store Bandung customers or not. The method of this research is a descriptive causality method. The sample size is determined by using bernoulli method by 100 respondents. The sampling technique is non probability sampling and the sampling of this research is an incidental sampling. The techniques of data analysis and hypothesis test were conducted by using descriptive analysis, simple linear regression, and T-test. The research result is that the responses of the store layout and the interior displays which have been implemented by the KFC Bandung are quite good. The result from the hypothesis of T-test shows that the store layout and interior displays have influences against the purchase decision. Moreover, the determination coefficient test shows that each store layout and interior displays has a same influence against the store layout of 52.2%. It is suggested that KFC Bandung to increase the quality and the convenience of the store layout and interior displays so that the purchase decision will also increase.*

Keywords: Interior displays, Purchase decision, Store layout

1. Introduction

When Along with the progress of time, the development of culinary business is increasingly interesting for businessmen. The culinary business attempts to combine some creative ideas in the offered menu (Barliana, 2014). Besides, the influence of western lifestyle which seems to be more prestigious compared to Asian lifestyle also makes the foreign entrepreneurs engaging in the fast-food restaurant increasing in ASEAN countries, including Indonesia. The fast-food business should have a good service quality in order that the customers can be satisfied by the performance of all restaurant management and it should be able to maintain as well as to add the numbers of the customers (Poerwopoespito and Utama, 2010). Being aware of the competition in this industry, the businessmen must maintain the competitive advantage they have, that is a distinguishing factor from competitors (Andreani et al, 2013).

One of ways to achieve the competitive advantage is through differentiation. It is conducted by giving a pleasant shopping experience in order to encourage the transaction or purchase decision (Sophiah and Syihabuddin, 2008). The shopping experience is a strategy of differentiation conducted by various approaches; either through the services, personnels, channels, or images. The differentiation through the image approach is an approach related to the physical space design of a store (Kotler and Keller, 2009) .

The store layout can influence how long the customers stay in the store, how many products can be seen through the visual contact and route by which customers have to experience. The store layout also can be a strategy of differentiation which gives more shopping experiences to the customers

(Berman and Evan, 2007). Besides, the interior dipslays also gives the shopping experience to the customers. A good interior display can significantly have an influence against the customers to do a purchase. Even if the quality of a product is not equivalent to the competitor, a good and complete interior display can influence the customers to do the purchase (Turley dan Milliman, 2000). As reported in Huffington Post, there are 94845 fast-food restaurants which consist of only 10 popular brands of fast-food restaurants in the world (Wbp, 2012). Meanwhile, the total of fast-food restaurant in Indonesia is 923 stores and half of them are KFC stores (Christiv, 2012).

2. Theory

2.1 Store Layout

According to Berman & Evan (2007: 51), store layout is planned based on the space program which is usually arranged in accordance with the observation of the space needs. Each store has different floor area but the most important thing is that how to divide between the allocation of floor space, the classification given by the store, the determination of traffic flow, the determination of space needs, the mapping of location in a store, and the arrangement of individual product.

2.2 Interior Displays

According to Berman & Evan (2007:555), an interior display provides all information to the customers that can give an additional value for the store atmosphere and it also provides a very important promotion role in a store. The interior diplays consist of assortment displays, theme-setting

displays, ensemble displays, rack and cases, cut cases, poster signs and cards.
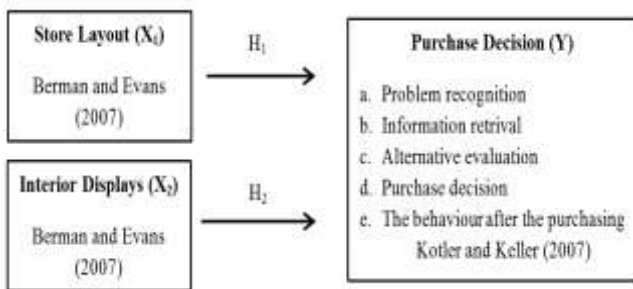
2.3 Purchase Decision

According to Kotler and Keller & Keller (2009:185), stages in a purchase decision are the approach of problem solving which consist of five stages. The stages in the activity process of a purchase are namely the problem recognition, the information retrieval, the alternative evaluation, the purchase decision, and the attitude after the purchase.

3. Method

3.1 Framework and Hypotesis

Based on Berman dan Evans (2007: 51), a good store layout should divide the floor with the allocation of floor space, the classification given by the store, the determination of traffic flow, the determination of space needs, the mapping of location in a store, and the arrangement of individual product. The research conducted by Noviawaty and Yuliandi (2014) argues that an interior display is very crucial for the situation of the store due to it provides clear information to the customers. Its main goal is to increase the sale and advantage obtained from the decision of customers in purchasing. According to Berman and Evans (2007:555), the interior displays consists of assortment displays, theme-setting displays, ensemble displays, rack and case displays, cut case, posters, signs, and cards.

Kotler and Keller (2009:185) said that a purchase decision has five stages in deciding the purchase: the problem recognition, the information retrieval, the alternative evaluation, the purchase decision, and the attitude after the purchase. By referring to the explanation of the background and the theoretical foundation above, it can be concluded that the concept of the framework will be as picture 2.1 below:

Picture 2.1: Framework

Store layout and interior displays are independent variables were the cause of the change or the emergence of purchasing decisions are dependent variable. The hypothesis formulation of the research:

$H_o = 0$, There is no influence between the store layout against the purchase decision of KFC Bandung customers.
$H_1 \neq 0$, There is an influence between the store layout against the purchase decision of KFC Bandung customers.
$H_O = 0$, There is no influence between the interior displays against the purchase decision of KFC customers.

$H_2 \neq 0$, There is an influence between the interior displays against the purchase decision of KFC Bandung customers.

3.2 Sampling Techniques

The sample size is determined by using bernoulli method whose respondents are 100 people with the following formula and calculation:

$$n \geq \frac{[Z_{\alpha/2}]^2 p.q}{e^2}$$

where:
n : the level of minimum sample
$[Z_{\alpha/2}]$: the standard value of normal distribution with
α : accuracy level
p : rejected probability
q : accepted probability ($1 - p$)
e : error level (*sampling error*)

This research uses the accuracy level (α) which is 5%, the confidence level which is 95% so that the Z score is 1.96. The desired error level of sample (*e*) is 10%. Meanwhile, the accepted probability of the questionnaire is 0.5 so that the rejected probability questionnaire is (1-0.5=0.5). Based on the above formula, it obtains the sample numbers as following:

$$n \geq \frac{[1.96]^2 \, 0.5 \, (1-0.5)}{0.1^2}$$
$$n \geq \frac{[3.84] \times 0.25}{0.01}$$
$$n \geq \frac{0.9604}{0.01}$$
$$n \geq 96.04 \approx 100$$

The sampling technique of this research is non probability sampling and the sampling of this research is incidental sampling.

4. Result

4.1 Descriptive Analysis

According to Sanusi (2011:116), a descriptive statistic is a statistic used to analyse the data by describing the collected data as they are without drawing a common conclusion or generalisation. The descriptive analysis is conducted to get the percentage of KFC Bandung customers' perceptions regarding the variable store layout (X_1), interior display (X_2), and purchase decision (Y) through the questionnaire. The calculation of the total score of each variable indicator is as following:

1. Total Score = (the number of respondents who strongly agree × 4) + (the number of respondents who agree × 3) + (the number of respondents who disagree × 2) + (the number of respondents who strongly disagree × 1)
2. Ideal Score = It is likened that all respondents strongly agree x the total number of respondents

The results of descriptive analysis from those three variables can be seen in Table 2.1 below:

Table 2.1: The Results of Descriptive Analysis

Variable	Average of Score	Category	Rating
Store layout (X_1)	79.1%	High	Good
Interior Displays (X_2)	76%	High	Good
Purchase Decision (Y)	78%	High	Good

4.2 Simple Linier Regression

A simple linear regression is used to predict how far the change of the value of dependent variable if the value of independent variable is modified repeatedly. The advantage from this regression result is to decide whether the increase and decrease of the dependent varibale can be done through the increase of the independent variable or not (Sugiyono, 2011:124). Sanusi (2011:131) said that the common equation of simple linear regression is:

$$Y = a + bX$$

where:
Y : predicted score
a : constants or if the price X=0
b : regression coefficient
X : score of independent variable

In this research, the analysis of simple linear regression is calculated by using Statistical Program of Social Science (SPSS) software version 20 for windows. The simple linear regression test result can be seen in the following table:

Table 2.3: Simple Linear Regression Test Result

	X_1	X_2
Unstandardized Coefficients B (constant)	.653	.324
Model	.740	.765

Based on the data processing in table 2.3, it is obtained that the equation model will be as following:

1. $Y = 0.653 + 740X_1$

The constant (a) shows that if the variable store layout (X_1) = 0, so the purchase decsion is 0.653. The coefficient b (X) shows that the variable store layout positively influences against the purchase decision. Or if the variable store layout is increased by one unit, so the purchase decision will increase by 0.740.

2. $Y = 0.324 + 765X_2$

The constant (a) shows that if the variable interior displays (X_2) = 0, so the purchase decision is 0.324. The coefficient b (X) shows that the variable interior displays positively influences agains the purchase decision. Or if the variable interior displays is increased by one unit, so the purchase decision will increase by 0.765.

4.3 Hypotesis Testing

The significance test of each regression coefficient is needed to find out whether the influence from each independent variable (X_1) and (X_2) against the dependent variable (Y) is significant or not. Related to this, the significance test is used to examine the hypothesis of the research (Sanusi, 2011:

138). Through this test, it is concluded whether the independent variable store layout and interior displays influence each other significantly against the purchase decision or not. The bases of the purchase decision are as following:

a. If $t_{calculate} > t_{table}$, H_0 is rejected and H_a is accepted which means that the independent variable individually influences against the dependent variable and the value of Sig. is less than the value of probability of 0.05, so H_0 is rejected and H_a is accepted.
b. If $t_{calculate} > t_{table}$, H_0 is accepted and H_a is rejected or the independent variable does not individually influence against the dependent variable and the value of Sig. is not less than the value of probability of 0.05, so H_0 is accepted and H_a is rejected.

The hypothesis test result through the statistic of T-test can be seen from table 2.4 as following:

Table 2.4: Hypothesis Test Result

Var	$T_{calculate}$	t_{hable}	Sig.	Description
X_1	10.334	1.984	0.000	Influential
X_2	10.335	1.984	0.000	Influential

Based on the table 2.4 and the criteria of making decision above, each variable can be explained as following:

a. Variable store layout has $t_{calculate}$ of 10.344 with t_{table} of 1.984 so that $t_{calculate}>t_{table}$ can be concluded that the variable X_1 has contribution against the variable Y. Besides, the value of Sig. is smaller than the value of probability of 0.05, or the value of 0.000 < 0.05, so H_1 is accepted and H_0 is rejected.
b. Variable interior displays has $t_{calculate}$ of 10.335 with t_{table} of 1.984 so that $t_{calculate}>t_{table}$ can be concluded that the variable X_2 has contribution against the variable Y. Besides, the value of Sig. is smaller than the value of probability of 0.05, or the value of 0.000 < 0.05, so H_2 is accepted and H_0 is rejected.

4.4 Determination Ceofficient Test

The examination of determination coefficient aims to see the variety of independent variable's capability in explaining its influence against the dependent variable. The value of determination coefficient is 0 (zero) and one. R^2 value which is close to 0 (zero) means that the capability of independent variables in explaining the dependent variable is very limited. Meanwhile, the value which is close to one means that the independent variables give all needed information to predict the variety of dependent variable. The formula of Determination Coefficient (Riduwan & Sunarto, 2010:81) is as following:

$$KD = R\ Square \times 100\%$$

where :
KD = Determination Coefficient
R *Square* = Value of Correlation Coefficient

The determination coefficient test can be seen in table

Paper ID: SUB153481

Table 2.5: Determination Coefficient Test Result

Model	R *Square*	KD
X_1	0.522	**52.2%**
X_2	0.522	**52.2%**

Based on the table above, each variable can be explained as following:

a. The purchase decision is influenced by store layout of 52.2%, meanwhile the rest of 47.8% is influenced by other factors.
b. The purchase decision is influenced by interior displays of 52.1%, meanwhile the rest of 47.9% is influenced by other factors.

5. Conclusion

5.1 The Influence of Store Layout against the Purchase Decision

a. The percentage of KFC Bandung customers responses related to store layout is 79.1%, which is included into a high category. It shows that according to KFC Bandung Bandung customers, the store layout in the store has been in a good criterion. It is caused by each component of store layout by which the division of floor area implemented by KFC store has created a comfortable and intersting situation for the customers.
b. Accepting H_1 and rejecting H_0. Thus, there is an influence between store layout against the purchase decision. In making the purchase decision, the customers will look for the store where they will feel comfortable to seat and eat. The purchase decision which is previously planned before entering the store will increase if it is supported by the situation of the store layout which raises the emotion of the customers to purchase. The impulsive purchase will also increase if it is supported by the implemented store layout.
c. The store layout can influence the purchase decision made by KFC Bandung Bandung customers of 52.2% so that over 50% of purchase decision made by the customers is influenced by the store layout implemented by KFC Bandung Bandung.

5.2 The Influence of Interior Displays against the Purchase Decision

a. The percentage of KFC Bandung Bandung customers' responses related to interior displays is 76% which is included into a high category. It shows that according to KFC Bandung Bandung customers, the interior display in the store has been in a good criterion. The implemented interior displays as product information and various product arrangements by KFC Bandung can create an informative and comfortable situation for the customers so that they will not feel confused in selecting the products or looking for the store facilities.
b. Accepting H_2 and rejecting H_0. Thus, there is an influence between the interior displays against the purchase decision. As we know in the previous research, the interior display which has been well conducted also influences the process of purchase decision. This research also proves that the implemented interior display has an influence against the purchase decision of KFC Bandung customers.
c. The interior displays can influence the purchase decision made by KFC Bandung Bandung customers of 52.2% so that over 50% of purchase decision made by the customers is influenced by the interior displays.

6. Other Recommendations

Equalize the length of your columns on the last page. If you are using *Word*, proceed as follows: Insert/Break/Continuous.

References

[1] Andreani, Fransisca.,Kristanti Monika, Yapola, Adiguna. 2013. *Pengaruh Store Layout, Interior Displays*, Human Variable terhadap *Customer Shopping Orientation* di restoran dewandaru.
[2] Amir, M.Taufiq. 2004. Manajemen Ritel : Panduan Lengkap Pengelolaan Toko Modern. Jakarta : Edisi Pertama, PT.Ikrar Mandiriabadi
[3] Barliana. 2014. Untung Besar, Bisnis kuliner kian menjamur.[online].http://www.harianterbit.com/m/welcome/read/2014/04/21/1022/31/21/ Untung-Besar-Bisnis-Kuliner-Kian- Menjamur[13 Agustus2014]
[4] Berman, Barry and Evans R Joel. 2007. *Retail Management*. New Jersey: Prentice Hall Internasionel,Inc
[5] Cristov. 2012. Inilah para jawara bisnis resto cepat saji.[online].http://www.berita bisnis.com/data-bisnis/1105--inilah-para- jawara-bisnis-resto-cepat-saji.html[13 Agustus 2014]
[6] Heyzer, Jay & Barry Render. 2009. Manajemen Operasi Edisi *9*. Terjemahan oleh Chriswan Sungkono. Jakarta: Salemba Empat
[7] Kotler, Philip, dan Kevin Lane Keller. 2009. Manajemen Pemasaran Jilid 1, edisi Ketiga Belas, Terjemahan Bob Sabran, MM. Jakarta: Penerbit Erlangga
[8] Poerwopoespito, O. dan Utomo, T. 2010. Menggugah Mentalitas Profesional & Pengusaha Indonesia. Grasindo Gramedia Widiasarana Indonesia. Jakarta. Hal: 52-54
[9] Riduwan, (2009). Metode dan Teknik Menyusun Tesis, Bandung , Alfabeta
[10] Riduwan, dan Sunarto. 2010. Pengantar Statistika untuk Penelitian Pendidikan, Sosial, Komunikasi, Ekonomi, dan Bisnis. Bandung : Alfabeta.
[11] Sanusi, Anwar. (2011). Metodologi Penelitian Bisnis, Jakarta, Salemba Empat
[12] Sopiah dan Syihabudin. 2008. Manajemen Bisnis Ritel. Yogyakarta: Andi Offset.
[13] Sugiyono. (2011). Metode Penelitian Kuantitatif Kualitatif dan RD. Bandung: Alfabeta
[14] Turley, L. W.& Milliman, R.E. 2000. *Atmospheric Effects On Shopping Behaviour: A Review Of The Experimental Evidence*.
[15] Wbp. 2012. Inilah 10 Jaringan *fast food* terbesar. [online].http://www.beritasatu.com/food- travel/63983-inilah-10-jaringan-fast-food- terbesar.html [13 Agustus 2014]

Author Profile

Indah Kusherawati born in july 21, 1993. Undergraduate from Telkom University and will received the Bachelor in Management Business from Telkom University (2011). In late 2015 will be graduated.

Sri Widiyanesti born in april 10, 1982. Received the Bachelor in Engineering (2005) from Pasundan University and Master of Management (2010) in Telkom Institute of Management. In 2011 start to joint Telkom University as lecturer for School Of Business and Economics until now.

Khairani Ratnasari Siregar born in august 16, 1981. Received the Bachelor in Science (2006) and Master of Engineering in Industrial Engineering from Bandung Institute of Technology (2008). In late 2010 start to joint Telkom University as lecturer for School Of Business and Economics until now.