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

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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, personnel, 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 displays 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 (Christiw, 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 displays consist of assortment displays, theme-setting

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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, them-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](image)

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:

H₀ = 0, There is no influence between the store layout against the purchase decision of KFC Bandung customers.

H₁ ≠ 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:

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

where:

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

This research uses the accuracy level (\( \alpha \)) 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:

\[ n \geq \frac{1.96^2 \cdot 0.5 \cdot (1 - 0.5)}{0.12} = \frac{0.12 \cdot 0.25}{0.01} = \frac{0.9604}{0.01} = 96.04 \approx 100 \]

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>
<thead>
<tr>
<th>Variable</th>
<th>Average of Score</th>
<th>Category</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store layout (X₁)</td>
<td>79.1%</td>
<td>High</td>
<td>Good</td>
</tr>
<tr>
<td>Interior Displays (X₂)</td>
<td>76%</td>
<td>High</td>
<td>Good</td>
</tr>
<tr>
<td>Purchase Decision (Y)</td>
<td>78%</td>
<td>High</td>
<td>Good</td>
</tr>
</tbody>
</table>

4.2 Simple Linear 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 variable can be done through the increase of the independent variable or not (Sugiyo, 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>
<thead>
<tr>
<th>Variable</th>
<th>Unstandardized Coefficients</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model</td>
<td>B (constant)</td>
<td>.653</td>
</tr>
</tbody>
</table>

Table 2.3: Simple Linear Regression Test Result

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

1. \[ Y = 0.653 + 740X₁ \]
   The constant (a) shows that if the variable store layout (X₁) = 0, so the purchase decision 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. \[ Y = 0.324 + 765X₂ \]
   The constant (a) shows that if the variable interior displays (X₂) = 0, so the purchase decision is 0.324. The coefficient b (X) shows that the variable interior displays positively influences against 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 Hypothesis Testing

The significance test of each regression coefficient is needed to find out whether the influence from each independent variable (X₁) and (X₂) 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 \( t_{\text{calculate}} > t_{\text{table}} \), \( H₀ \) is rejected and \( H₁ \) 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 \( H₀ \) is rejected and \( H₁ \) is accepted.

b. If \( t_{\text{calculate}} < t_{\text{table}} \), \( H₀ \) is accepted and \( H₁ \) 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 \( H₀ \) is accepted and \( H₁ \) is rejected.

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

<table>
<thead>
<tr>
<th>Variable</th>
<th>( t_{\text{calculate}} )</th>
<th>( t_{\text{table}} )</th>
<th>Sig.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>X₁</td>
<td>10.334</td>
<td>1.984</td>
<td>0.000</td>
<td>Influential</td>
</tr>
<tr>
<td>X₂</td>
<td>10.335</td>
<td>1.984</td>
<td>0.000</td>
<td>Influential</td>
</tr>
</tbody>
</table>

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 \( t_{\text{calculate}} \) of 10.344 with \( t_{\text{table}} \) of 1.984 so that \( t_{\text{calculate}} > t_{\text{table}} \) can be concluded that the variable X₁ 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 \( H₁ \) is accepted and \( H₀ \) is rejected.

b. Variable interior displays has \( t_{\text{calculate}} \) of 10.335 with \( t_{\text{table}} \) of 1.984 so that \( t_{\text{calculate}} > t_{\text{table}} \) can be concluded that the variable X₂ 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 \( H₁ \) is accepted and \( H₀ \) is rejected.

4.4 Determination Coefficient 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 (Ridwan & Sunarto, 2010:81) is as following:

\[ KD = R^2 \times 100\% \]

where:
- KD = Determination Coefficient
- \( R^2 \) = Value of Correlation Coefficient

The determination coefficient test can be seen in table
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.

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

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References

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