THE EFFECT OF VISUAL MERCHANDISING ON IMPULSIVE BUYING WITH IMPULSIVE BUYING TENDENCY AS MODERATING VARIABLE

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ABSTRACT

This research aims to classify the female consumer demographic segments linked by impulsive buying, to determine the effect of visual merchandising on impulsive buying, and to determine the effect of visual merchandising on impulsive buying with impulsive buying tendency as moderating variable on customers of Gaudi in Taman Anggrek Mall. This research is quantitative research with a total sample of 100 people. Data were obtained by distributing questionnaires to the respondents by cross sectional. Research used Cluster Analysis and Moderated Regression Analysis. Data processing was performed using SPSS software for Windows version 20. Research found that customers of Gaudi were divided into three groups: the way of the world, sufficient money, and promotions. Then, research found that visual merchandising affected impulsive buying. In addition, there visual merchandising had also an effect on impulsive buying with impulsive buying tendency as moderating variable. As a conclusion, moderating variable strengthens the effect of visual merchandising on impulse buying.

Keywords: impulsive buying, visual merchandising, impulsive buying tendency

ABSTRAK

Penelitian bertujuan untuk mengelompokkan konsumen wanita berdasarkan segmen demografis terkait impulsive buying, mengetahui pengaruh visual merchandising terhadap impulsive buying, dan mengetahui pengaruh visual merchandising terhadap impulsive buying dengan impulsive buying tendency sebagai variabel moderator pada konsumen Gaudi di Mal Taman Anggrek. Jenis penelitian adalah kuantitatif dengan jumlah sampel sebanyak 100 orang. Data diperoleh dengan menyebarkan kuesioner pada responden secara cross sectional. Metode analisis menggunakan Cluster Analysis dan Moderated Regression Analysis. Pengolahan data dilakukan dengan menggunakan software SPSS versi 20.00 for Windows. Hasil penelitian menunjukkan bahwa konsumen Gaudi terbagi menjadi tiga kelompok, yaitu kelompok the way of the world, sufficient money, dan promotions. Kemudian penelitian menemukan bahwa visual merchandising berpengaruh terhadap impulse buying. Selain itu, visual merchandising memliki pengaruh terhadap impulsive buying dengan impulsive buying tendency sebagai variabel moderator. Penelitian menyimpulkan bahwa variabel moderator memperkuat pengaruh antara visual merchandising terhadap impulsive buying.

Kata kunci: pembelian impulsif, visual merchandising, kecenderungan pembelian impulsif

INTRODUCTION

Fashion industry is one of the exciting industries in Indonesia because the fashion aspect to be one of the basic needs for all people, especially women. Sudarsono (Koran Sindo, 2014) wrote that in 2013, the fashion industry in Indonesia is able to contribute Rp181.6 billion to Gross Domestic Product (GDP) and the number is the second-largest contributor after the culinary creative economic sectors. Therefore, the fashion industry will trigger the market to continue growing, manufacturers to produce, marketers to sell, and consumers to buy.

Based on the description, there are new opportunities in the fashion industry such as increasing numbers of clothing stores, in which the more number of clothing store the tougher competition between companies in the fashion industry. In connection with the competition that occurs in the fashion industry, marketers must be able to act creatively in the development. It is because the number of deals in the market is now greater than the demand of consumers. Therefore, it requires companies to build competitive advantage and develop or create effective and innovative marketing strategies in order to compete.

Dealing with such matters, PT Dwi Laras Gaudi is a company engaged in fashion industry. It is held at Complex Gading Bukit Indah Blok TA / 22 to 23.25, North Jakarta. PT Dwi Laras Gaudi preserves women's clothing industry with Gaudi brand that has stood since 2004. The interview with Ms. Fitri as Senior Supervisor at Gaudi, Taman Anggrek Mall branch, revealed that in one day the number of arrivals of customers to Gaudi store is around 50-60 people, yet there is only about 50% making purchases, while the rest just have a look and then get out without making any purchase. This indicates that customers are less interested in buying spontaneously. The initial allegation that causes low spontaneous purchase is visual display merchandising in the Gaudi store.

According to Yang, Huang, and Feng (2011), basically there is one factor that can support or improve spontaneous purchase. Basically the factor is also supported by visual merchandising, which is impulsive buying tendency. In addition, Gaudi also wanted to know the consumer grouping customers based on demographic variables related to impulsive buying. Hence, this study was conducted additional analysis to solve the problems.

Based on the research background mentioned, the main issues raised in this study are as follows. First is how the customer grouping of women in Gaudi, Taman Anggrek Mall branch, by demographic segment associated with impulsive buying. Second is how visual merchandising (X) affects on impulsive buying (Y). Third is how visual merchandising (X) affects on impulsive buying (Y) with impulsive buying tendency (X') as moderator variable. Research was conducted with the following objectives: (1) to group the female customers in Gaudi Taman Anggrek Mall branch by demographic segment associated with impulsive buying; (2) to determine the effect of visual merchandising on impulsive buying; and (3) to determine the effect of visual merchandising on impulsive buying with impulsive buying tendency as moderating variable.

This study is beneficial to be a reference to PT Gaudi Dwi Laras, Taman Anggrek Mall branch, to find potential customers and a way to entice them to make impulsive buying. Besides, the company would apply attractive design in visual merchandising to increase sales and impulsive buying from customers.

Levy and Weitz (2011) revealed that visual merchandising is the presentation of a store and merchandise that will attract the attention of potential customers. Visual merchandising aims at improving the attractiveness of certain brands and products on display rack, influencing consumers to

buy more, and getting more sales and profit. In this study, the dimensions of visual merchandising are window display, store display, and promotional signage.

According to Stern, impulsive buying tendency is the tendency of customers to behave to buy spontaneously and suddenly, or want to buy because of whatever they thought, be suggested to buy, or will be planned to buy (Semuel, 2006). Many retail stores are set up wares to maximize impulsive buying as an eye-catching display to create a unique design and attractive packaging to improve impulsive buying. Impulsive buying tendency variable includes cognitive and affective aspects (Herabadi, 2003). The cognitive aspect is the intellectual abilities of a person in thinking, planning, and solving problem. While the affective aspect is the attitude, interest, emotion, and the value of one's own life.

According to Hoyer and Maclnnis (2010) impulsive buying occurs when consumers suddenly decided to buy something that was not planned before to buy a product. However, impulsive buying is a condition when the individual experiences a sense of urgency or sudden impulse that cannot be resisted (Solomon, 2007). Impulsive buying has several characteristics, which are spontaneity, power, compulsion and intensity, excitement and stimulation, and disregarded of consequences.

METHOD

This type of research is quantitative. Data were obtained in the form of numbers using descriptive and associative approach. Descriptive study aims to describe the characteristics of a person, event, or certain situations (Sekaran & Bougie, 2013). Meanwhile, the associative research aims to determine the relationship of two or more variables (Sugiyono, 2011). The analytical method used is Cluster Analysis and Moderated Regression Analysis. The data used in this study are primary data, in the form of numbers taken through a direct survey by distributing questionnaires to Gaudi customers at Taman Anggrek Mall. Questionnaires were distributed during the two weeks and performed in late November to early December 2014. Time horizon for this study is single-cross sectional in which data collection was only done once in a specific time from one group of respondents.

RESULTS AND DISCUSSION

Results of cluster analysis show that the largest number of subscribers is in the first group with a membership of 56 people, followed by the second group with a membership of 25 people, and the third group with a number of members is 19 people (see Table 1). This is in line with Yang et al. (2011), that members of the cluster of the way of the world and cluster sufficient money have the highest score in making impulsive buying. So the implication for Gaudi is to focus on attracting customers in the first cluster, always update the latest trends, and thus increasing the number of customers that is easy to purchase impulsively due to following the trend.

Table 1 Cluster Analysis

Cluster Name	Number of Member
The way of the world	56 people
Sufficient Money	25 people
Promotions	19 people

(Source: Data Processing, 2015)

Results for the second and third objectives can be seen in Table 2. The regression test before there was a moderating variable showed that a significant difference to the value of 0,000 and the coefficient of determination (R Square) of 0.633. Visual Merchandising has a significant influence on Impulsive Buying 63.3%. However, the balance of 36.7% is explained by other variables outside the model. It means that the more increases in the value of Visual Merchandising, the more increases in the value of Impulsive Buying and vice versa. So when Visual Merchandising applied is more interesting, then the interest of the customer impulsive buying will also increase. On the contrary, if the Visual Merchandising is not neatly arranged, then the interest of the customer impulsive buying will decline. This is consistent with Mehta and Chugan (2013) which stated that there is a significant influence of impulsive buying behavior on window display, floor merchandising, and promotional signage. Nonetheless, in-store form does not have a significant impact on impulsive buying, yet in-store form indicates that there is a correlation with impulsive buying behavior.

Tabel 1 Summary of R Square and Sig Coefficient

Construct	R Square	Sig Coefficient
1 Visual Merchandising ⟶ Impulsive Buying	0.633	0.000
2 Visual Merchandising ⟶ Impulsive Buying Impulsive Buying Tendency	0.635	0.032

(Source: Data Processing, 2015)

Based on the result, the company must make the appearance of Visual Merchandising as attractive as possible to be applied at Gaudi in Taman Anggrek Mall in order to increase customer interest in impulsive buying. The company can increase impulsive buying interest by evaluating the factors that make up the Visual Merchandising. This can be done by calculating the lowest average of the questionnaire results regarding Visual Merchandising at Gaudi in Taman Anggrek Mall. It is found the lowest average was in indicator 4 "*I rely on in-store display clothing when making purchase decisions*" of 2.38. Therefore, the company needs to improve the look of the clothes on display in the store to look more attractive. It is supposed the preparation of clothes by the category, the color, the size, or it may be added a display mannequin. While the Visual Merchandising indicator which needs to be retained was in indicator 8 "*Signs of promotion such as sale or new arrivals near the product, I was interested to see the products offered*" of 3.25. It means the arrangement of promotional signage must be maintained to increase customer buying impulses.

Furthermore, the Regression Test after there was moderating variable shows that there is a significant influence by sig. value of 0.032 and the coefficient of determination (R Square) increased by 0.002 into 0.635. It means moderating variable between the Visual Merchandising strengthens the influence on Impulsive Buying. If the company wants to increase impulsive buying behavior of customers, it will be better they have customers' tendency of impulsive buying behavior. The impulsive buying tendency can be built by arranging store atmosphere in which the customers feel comfortable when shopping, and reminding salesman/woman to be always be flattering when customers try on clothes. Salesman/woman should also provide a reference model that is suitable to mix and match. Hence, customers can increase buying impulses when shopping for clothing products.

CONCLUSION

Based on results and analysis, this research's conclusions are as follows. First, by using the cluster analysis method, Gaudi's female customers at Mal Taman Anggrek can be classified into three groups: the first group is the way of the world, the second group is sufficient money, and the third group is promotions. Most cluster members are in the first cluster. Second, Visual Merchandising has a significant effect on customer impulsive buying. If the visual display merchandising is more appealing then the interest of customers to buy impulsively will also increase. Third, Visual Merchandising has a significant effect on impulsive buying by Impulsive Buying Tendency as moderating variable. The addition variable (Impulsive Buying Tendency) can give the effect of strengthening the influence of Visual Merchandising on Impulsive Buying, wherein if a customer has a tendency to buy impulsively, then s/he will make impulsive buying.

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