

The Influence of Merchandise, Location Image, Perceptions of Atmosphere, and the Loyalty of the Car Showroom Area in Indonesia

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Abstract: The importance of choosing a place to shop for consumers, especially in the purchase of valuable products, in this case, the purchase of a car. Especially when a purchase decision will appear. The purpose of this study was to 1. analyze the effect of merchandise directly affecting the loyalty of the Harapan Indah region of Indonesia. 2. analyze the effect of merchandise on loyalty mediated by perceptions of the atmosphere. 3. analyze the effect of location images directly influence loyalty. 4. analyze the effect of location imagery on loyalty mediated by perceptions of the atmosphere. The research respondents were car customers, a total of 100 analytical techniques used were the Structural Equational Model (SEM) with PLS Program. The results of this study indicate that 1. merchandise does not affect the loyalty of the Harapan Indah area of Indonesia. 2. merchandise affects the loyalty of the area mediated by the perception of the atmosphere 3. the image of the location does not directly influence the loyalty of the region. 4. The image of the location directly affects the loyalty of the region mediated by the perception of the atmosphere. The novelty of this research is the perception of the atmosphere can increase car consumer loyalty. The results of this research contribute to the development of consumer behavior models. Develop a business strategy of offering cars in studying consumer behavior.

1 INTRODUCTION

Technological developments shift trade impact shifting consumer behavior. Consumers can easily make purchases without spending energy and can make time-efficient. In the past, car brokers or car dealers used to sell their car merchandise in showrooms that were close to shops that sold various other products, such as clothing, electronics, and other products. When people want to shop for clothes, electronics can also look at cars, but consumers rarely do that. With the times evolving along with changes in consumer behavior so there is a thought of the developers of entrepreneurs building shops in a new area, such as the area of silver craftsmen, batik artisans, etc. Likewise, for used car entrepreneurs to develop an area that is used as a selling place for used cars.

Harapan Indah area is already well-known by consumers who are in Jakarta and even outside Jakarta because there is a place for buying and selling used cars, this area is a very strategic environment and easy to reach by consumers. In this area, there are approximately 20 car showrooms. The showroom is

in the form of community shops, with well-designed shop buildings so that it becomes an attraction for consumers to visit there. Uniqueness, The location of this showroom is not in shops that sell a variety of other products, such as clothing stores, electronics besides selling car showrooms. Cars sold in the region consist of various types of brands, namely Honda, Toyota, Nissan, and other brands. The showroom sells cars for a variety of years, but more cars have been sold in the last five years, from 2015 to 2019. Car prices there follow the generally accepted market price with good quality.

Based on interviews and initial interviews with consumers in a showroom in the Harapan Indah area, it can be identified, that is, consumers come for the first time to search for information about the car needed, but there are also transactions that occur right away, but not all people who do that, sometimes - sometimes come second third new transaction. Also, there is a comparison of the price of the car with the quality of the car with other showrooms. Various kinds of consumer behavior to buy a car, some directly transact at the time, some are not. The description of consumer loyalty in the Harapan Indah

shops area is based on observations, and it seems that there are some shops that are crowded by consumers, some are lonely. Instead, it is interesting to study scientifically because it looks for the cause.

Phenomena that can be observed by showroom owners providing good quality car merchandise, providing small quantities for cars in the last five years. The phenomena that occur in stores in the area of Harapan Indah can be categorized into related concepts, namely merchandise, perception of the atmosphere, and image of the location of the area. In connection with the concepts that have been put forward have been researched by previous researchers, although some of the research has examined at motorbike dealers and car and workshop showrooms. In this case, the researcher wants to do a re-study as previously done by researchers like Sharma (2012), proving that perceived quality can affect loyalty in the American financial services company. Yee and San (2011) prove that perceived quality can affect loyalty in Automobile industry customers in Malaysia. Buil et al. (2013) prove that perceived quality influences brand loyalty on Adidas and Nike brand customers (sportswear), Sony, and Panasonic (electronics); BMW and Volkswagen (cars).

The objectives of this study are (1) Analyzing the effect of merchandise directly affecting the loyalty of the Hope Indonesia region. (2) analyze the effect of merchandise on the loyalty of the area mediated by the perception of the atmosphere. (3) analyzing the influence of the location image directly influences area loyalty. (4) analyze the effect of location imagery influencing the loyalty of the area mediated by the perception of the atmosphere.

2 LITERATURE REVIEW

Customer loyalty is defined as the relationship between repetitive attitudes (Dölarslan, 2014). Brand loyalty Long-term commitment that is held firm to consistently repurchase or re-synchronize a product/service from the same brand. Car attributes, high quality, attractive cars, and designed by choosing safer cars, I will buy a durable car. Car queue imagery (Narteh, Odoom, Braimah, & Buame, 2012). The image can be like a brand name; the country of origin is an impression (Dongdae Lee, 1999). Brand loyalty as a whole attitude towards brand loyalty (Chernatony, 2013). Loyalty to buy back a product (Sharma, 2012). Merchandise is concerned with product quality, product choices in stores in the region, types of products offered. Hawkins (1998). Imagery related to travel to the location, the right store hours, the uniqueness of the

place. In general, the perception of an atmosphere of harmony, comfort, joy, towards a brand, (Kotler & Keller, 2012); (Olson, 2010).

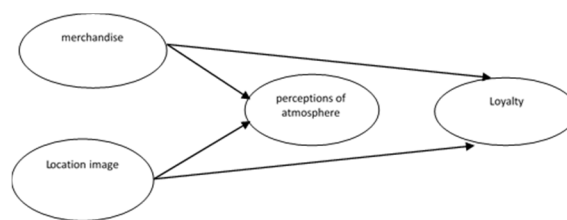


Figure 1: Conceptual Framework

H1: There is a direct influence of merchandise on the loyalty of the Hope Indonesia region.

H2: There is an effect of merchandise on the area's loyalty in mediation by the perception of the atmosphere.

H3: There is an influence of location image directly influencing the area loyalty.

H4: There is an influence of location image on the loyalty of the region mediated by the perception of the atmosphere.

3 RESEARCH METHODS

The unit of analysis for this research is shops in the Harapan Indah Region in Indonesia. The population of all customers who make purchases in the area's stores. The number of respondents is 100 car customers in Indonesia. Hypothesis testing is done by the model of Structural Equation Modeling with PLS (Partial Least Square) to test the effect of variables.

Table 1. Operational Definition

Variable	Indicator / item	Loading Factor
Merchandise image Source: Assael (2006), Zee et all (2007), Minjung Park et all (2009, Amit et al. (2010)	1. Quality of care products,	0.628
	2. Options products in shops in the area,	0.709
	3. car type	0.864
image location Engel (1996); Hawkins et al. (1998	1. Journey to the current location of	0.896
	2. the right store hours	0.901
	3. uniqueness point showroom	0.817

Perception of Atmosphere Engel (1996); Hawkins et al. (1998)	1. Harmony, 2. Comfort, 3. Joy,	0.906 0.846 0.866
Loyalty Anne-Sophie Binninger (2006), Trang TM Nguyen et al. (2006).	1.Repeated behavior in stores in the area 2.Positive mouth-to-mouth communication about shops 3.Commitment to stores	0,859 0,936 0,887

In table 2, all variable indicators show the value of the loading factor overcome 0.6 so that it can be said all indicators are declared valid.

Table 2. Reliability test results

No	Variable	Alpha Cronbach	Description
1	Merchandise image	0.766	Reliable
2	Location image	0.825	Reliable
3	Perceived atmosphere	0.899	Reliable
4	Loyalty	0.915	Reliable

The processed data shows that the Cronbach alpha value has a value above 0,7, so that all variables are declared reliable.

4 RESULTS

Processed data results that show the influence between variables can be seen in figures 2 and 3.

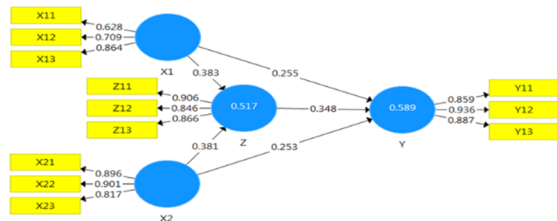


Figure 2. Path analysis results

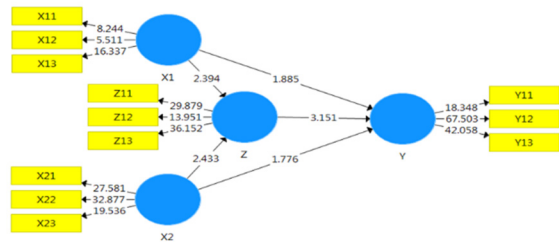


Figure 3. Path analysis

Results Viewing the results of data processing shows that two pathways are not significant. This means that merchandise on loyalty does not directly influence, so does the perception of the atmosphere does not affect customer loyalty. These results are shown in Table 3

Table 3. Table results

Variables Influence	Coefficients Line	Significance Level
X1- Y	0.255	0.060
X1-Z	0,383	0,017
X2-Y	0,253	0.076
X2-Z	0.381	0.015
Z-Y	0.348	0.002

4.1 Hypothesis Testing

Hypothesis testing first; There is the influence of merchandise directly affect the loyalty of the Indah Indonesia hope area. Hypothesis Testing First; Based on Figure 4.1 shows merchandise has no direct effect on the loyalty of the Indah Indonesia hope area, the path coefficient = 0.255 (P-value = 0.060). Merchandise does not significantly influence loyalty (H1 not proven). In other words, merchandise is related to the quality of care products, product choices in stores in the region, the type of car has no effect on repetitive behavior in the store, positive mouth-to-mouth communication about stores, commitment to stores in the Harapan Indah region. This study does not support the theory and previous research, namely Assael (2006); Assael (2006), Zee et all (2007), Minjung Park et all (2009, Amit et al. (2010), Florence Kremer (2012).

Testing of the second hypothesis: merchandise directly affects the loyalty of the region mediated by the perception of the atmosphere. Determine the perception of the atmosphere as mediating or cannot be considered the path of each variable, in this case, the influence of the merch Andise does not have a direct significant effect, automatic perception of atmosphere in this research model is mediation so that perception of atmosphere is an important variable that

needs to be created in this region. The perception of the atmosphere must be created to create customer loyalty. The perception of the atmosphere is related to harmony, comfort, the excitement of car buyers in the Harapan Indah region.

Third hypothesis testing; There is the influence of the location of the image that does not directly affect the loyalty of the Indah Indonesia hope area. Third hypothesis testing; Based on Figure 4.1, the location image has no direct effect on the loyalty of the Indah Indonesia hope area; the path coefficient = 0.253 (P-value = 0.076. Location image does not significantly influence loyalty (H1 not proven).

Testing the fourth hypothesis; location image has no effect on the loyalty of the area mediated by the perception of the atmosphere Hypothesis testing: To determine the perception of the atmosphere as mediating or not being able to pay attention to the path of each variable, In this case, the influence of the location image does not significantly directly influence, automatically the perception of the atmosphere in the model is mediated so that the perception atmosphere is an important variable that needs to be created in this region Proven perception of atmosphere must be created so as to create customer loyalty Ambience perception is related to harmony, comfort, joy. The rest of 19.85% is influenced by other variables that cannot be detected by the PLS model.

Determination Coefficient (R square)

Perception of atmosphere (R21) = 0.517

Loyalty (R22) = 0.589

predictive relevance

$$Q^2 = 1 - (1 - R^2_1) (1 - R^2_2)$$

$$= 1 - (1 - 0.517) (1 - 0.589)$$

$$= 1 - (0.483) (0.411)$$

$$= 1 - 0.1985$$

$$Q^2 = 0.8015$$

5 CONCLUSIONS AND SUGGESTIONS

(1). Merchandise's image does not have a direct effect on the loyalty of the Hope Indonesia region. (2). The merchandise image of the area's loyalty is mediated by the location's image. (3). The perception of the atmosphere has a direct effect on regional loyalty. (4). The perception of the atmosphere influences the loyalty of the area mediated by the image of the location.

This research shows that merchandise image has no direct effect on regional loyalty, but merchandise image has an effect on customer loyalty mediated by the perception of the atmosphere. In addition, this study shows that the location image has no direct

effect on regional loyalty, but location image has an effect on customer loyalty mediated by perceptions of the atmosphere. Dalah, this perception of the atmosphere needs to be created so that customers can be loyal to the Harapan Indah area. It is expected that customer purchases at shops in the region become his choice in buying a car.

The contribution of the theory is to develop theories of consumer behavior, especially merchandise images, location images, perceptions of atmosphere, and customer loyalty in showrooms in the Harapan Indah region. Practical contributions for the owner to develop strategies in building the atmosphere of the region to increase customer loyalty.

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