

Cracking The Impulsive Shopping Code (An Intriguing Exploration Of Indomaret In Huko-Huko Village)

Jeanette Tangalayuk

Universitas Sembilabelas November Kolaka

Email: Jeanette.tangalayuk99@gmail.com

Almansyah Rundu Wonua

Universitas Sembilabelas November Kolaka

Email: almansyah.jka@gmail.com

Hanif Kurniadi

Universitas Sembilabelas November Kolaka

Email: 18kurniadihanif@gmail.com

Alamat: Jl. Pemuda No.339, Taho, Kecamatan Kolaka, Kabupaten Kolaka, Sulawesi Tenggara.

***Abstract.** This study seeks to investigate the relationship between discounts and product display in influencing impulsive buying among customers at Indomaret in Huko-Huko Village. The study encompassed all customers of Indomaret in Huko-Huko Village, with a sample of 110 respondents chosen using purposive sampling. The research data was analyzed using the Structural Equation Modeling (SEM-PLS) method. The results of the study indicate that discounts have a positive and statistically significant impact on impulsive buying, and product display also has a positive and significant influence on impulsive purchases.*

***Keywords:** Discount, Impulse Buying, Product Display.*

Abstrak. Penelitian ini bertujuan untuk mengetahui hubungan diskon dan tampilan produk dalam mempengaruhi pembelian impulsif pada pelanggan Indomaret di Desa Huko-Huko. Penelitian ini mencakup seluruh pelanggan Indomaret di Desa Huko-Huko, dengan sampel sebanyak 110 responden yang dipilih menggunakan purposive sampling. Data penelitian dianalisis menggunakan metode Structural Equation Modeling (SEM-PLS). Hasil penelitian menunjukkan bahwa diskon mempunyai pengaruh positif dan signifikan secara statistik terhadap pembelian impulsif, dan tampilan produk juga mempunyai pengaruh positif dan signifikan terhadap pembelian impulsif.

Kata Kunci: Diskon, Pembelian Impulsif, Tampilan Produk

INTRODUCTION

In 2020, Indomaret, operating within Kolaka Regency, adopted a unique marketing strategy that differentiated it from other minimarkets in the area. This differentiation was evident in how they selected their store locations, curated their product offerings, set their prices, executed promotional campaigns, and managed their distribution, all with the goal of attracting customers. The strategies employed by Indomaret appear to have a direct influence on stimulating impulsive buying behavior, as they affect the incentives that drive customers to shop at Indomaret.

Impulse buying can be triggered by stimuli encountered in the shopping environment. This type of buying behavior occurs when a consumer is attracted to a particular product or brand after seeing it, typically because of alluring cues within the store, ultimately leading to

impulsive purchasing (Yuliartin & Sulistyawati, 2020). Impulse buying is not uncommon, and one common catalyst for it is discounted prices. This is in line with perspective of Sonata (2019), which defines price reductions as a strategic, gradual decrease in prices for high-value products over an extended duration.

Beyond price reductions, the organization of products also has an impact on impulsive buying behavior. The primary goal of product arrangement is to attract and engage shoppers, sparking their interest and aiding them in making choices about products. Skillful product arrangement is a critical aspect of outlets and retail stores because it can enhance shoppers' inclination to shop. Sarma (2014) said the art of product styling is a marketing strategy that requires careful attention since it forms an integral component of Point of Purchase Stimuli, or POP Stimuli, which can effectively prompt consumers to make impromptu purchases.

Drawing from the author's preliminary observations, which involved interviews with 30 customers of Indomaret in Huko-Huko Village, it was evident that a significant majority of these customers showed a strong interest in partaking in impulse buying behaviors. This proclivity can be attributed to the consistent implementation of discount strategies by Indomaret, along with the systematic and hygienic arrangement of products in the Huko-Huko branch. Furthermore, the product arrangement strategy stands out for its neat and appealing display, maintained on a regular basis. Particularly for discounted items, they are set apart and presented conspicuously, making it convenient for customers to spot them daily, thus increasing their attraction to make sudden purchases.

Table 1. Preliminary Research Findings

Impulse Buying Behavior	Customers
I premeditate my purchases before going shopping, yet I end up acquiring additional items beyond my initial planning.	17 people
I strategize my purchases before heading to the store and adhere to my planned list without purchasing any additional items.	13 people

Source: Primary Data, 2023.

Discount exert an influence on impulsive buying behavior (Kusnanto et al., 2020). In a study carried out by Muthiah et al., (2018) at Matahari Department Store in Makassar, it was revealed that product displays play a prominent and positively influential role in shaping consumer impulse buying behavior. This influence was observed to surpass that of other variables examined in the study. In contrast to the previous statement, alternative studies have demonstrated that product display have been shown to affect impulsive buying, though the influence is relatively modest or not substantial (Kertiana & Artini, 2019). Then discount do not sway someone to engage in unplanned buying (Purwanto et al., 2022).

Building upon the insights derived from prior research and observations, the researchers are motivated to undertake a deeper examination, focusing on the influence of discount and product display on the impulsive buying behavior of Indomaret customers in Huko-Huko Village.

LITERATURE REVIEW

Impulse Buying

Impulse buying is characterized by unplanned, spur-of-the-moment purchases triggered by external stimuli. This phenomenon also includes the acquisition of items that diverge from one's typical shopping patterns, as noted by Abdelsalam et al., (2020). Nevertheless, when consumers encounter dissatisfaction with these impulsive purchases, they frequently express their discontent through negative reviews on online platforms, contributing to negative electronic word-of-mouth (e-WOM). As a result, there is a pressing need to deepen our understanding of impulsive buying behavior to enhance the efficacy of marketing strategies, as underscored by Lina & Ahluwalia (2021). Additionally, impulse buying entails swift decision-making without prior planning, as highlighted by Tumanggor et al., (2022).

In summary, impulse buying is characterized by unplanned purchases triggered by emotional or impulsive impulses when encountering appealing products or offers while shopping. This stands in contrast to planned purchases, where consumers meticulously prepare shopping lists and evaluate product options before entering a store. Impulse buying involves making sudden purchase decisions without extensive deliberation.

Bayley & Nancarrow as cited in Sari (2014), categorize impulsive purchases into four distinct indicators, as outlined below.

1. Spontaneous purchases occur when customers buy items without prior planning.
2. Impulsive buying means that customers frequently make purchases without considering the potential consequences.
3. Rushed purchasing situations involve customers feeling an urgent need to buy something.
4. Emotion-driven buying reflects the idea that customers engage in shopping activities influenced by their emotional states.

Discount

Discounts are essentially price reductions provided by sellers with the aim of stimulating buyer interest in the discounted merchandise. These discounts can fluctuate depending on the current market conditions. A discount signifies a lowering of the regular price for a product or service. The reduction in price is enacted by subtracting the discount value from the gross or total price, leaving the net price that buyers are required to pay (Setyagustina et al., 2022). Discounts frequently serve as a powerful incentive, encouraging a larger number of consumers to engage in shopping activities (Themba, 2021). This is because the allure of reduced prices or special offers can capture the attention of potential buyers and prompt them to take advantage of the cost savings, resulting in increased shopping engagement.

Fitri in Kusnawan et al., (2019) delineates price reductions using three distinct indicators, which are as follows.

1. The discount's extent, which measures the size of the price reduction when a product is discounted.
2. The discount duration, indicating the period for which the discount is in effect.
3. The variety of discounted products, encompassing the range of choices available for discounted items.

Product Display

Product displays serve as a means to convey a company's offerings to consumers, enabling them to visually inspect, explore, and make informed decisions. Consumers engage in this activity primarily because they are enticed by the visual appeal or specific features demonstrated or highlighted by the product. The attractive presentation of merchandise, both within the store and in storefront windows, significantly influences sales (Rahmadana, 2016). Presenting products or showcasing key items is a crucial aspect to consider for businesses or retail stores. Product displays constitute a significant component of a company's initiatives to maximize sales outcomes and also serve as a reflection of the effectiveness of merchandise arrangement strategies (Suprayogi et al., 2022).

Product display encompasses the presentation and arrangement of a product for consumers in a physical store, an online retail platform, or any sales environment. This includes several components, such as how products are organized on store shelves, the lighting used to emphasize them, the setup of items in storefront windows, product showcases at trade exhibitions, and more. The primary objective of product display is to capture the attention of consumers, enhance a product's visual appeal, and stimulate impulse purchases. Effective and appealing presentation can distinguish a product amidst the multitude of choices available in the market, thereby augmenting sales prospects. Moreover, the product's presentation can significantly impact the brand's image and convey specific messages to consumers regarding the product's quality and style. Hence, product display serves as a critical component within business marketing and sales strategies.

Pentecoast & Andrews as cited in Ningsih (2019) categorizes product organization into four distinct indicators, outlined as follows.

1. Visibility, which refers to the necessity for shoppers to feel at ease while having access to conveniences such as clear product visibility.
2. Accessibility, signifying the importance of shoppers feeling comfortable by having access to the products with ease.
3. Orderliness in product organization, emphasizing the importance of product tidiness and cleanliness, which significantly influences buyers' willingness to closely examine products.
4. Aesthetic appeal, which encompasses elements like color combinations, packaging design, product utility, and a sense of purpose, all contributing to the creation of a pleasant shopping atmosphere.

RESEARCH METHODS

This study employs quantitative research methods with a focus on explanatory research. The research was conducted at an Indomaret store located on the Kolaka-Pomalaa highway in Huko-Huko Village, which falls under the jurisdiction of the Pomalaa District. Out of the total population, a sample size of 110 individuals was selected for this study. The sample selection method employed Hair formula due to the lack of precise knowledge about the exact population size (Hair et al, 2021). The acquired data underwent analysis employing the Structural Equation Modeling (SEM) approach, with a specific focus on two models, namely the outer model and inner model.

FINDINGS AND DUSCUSSION

The research findings involved several stages of analysis. Firstly, in the assessment of the outer measurement model, reflective indicators were used, which included an examination of construct reliability. Subsequently, validity was assessed through convergent and discriminant validity criteria, while construct reliability was measured using composite reliability. The initial step in the analysis was the assessment of convergent validity, and the results are presented in the following table.

Table 2. Loading Factor and AVE

Variables	Item	Loading Factor		AVE
Discount	X1.1	0.970		0.885
	X1.2	0.938		
	X1.3	0.913		
Product Display	X2.1		0.940	0.894
	X2.2		0.955	
	X2.3		0.944	
	X2.4		0.944	
Impulse Buying	Y1.1		0.926	0.903
	Y1.2		0.964	
	Y1.3		0.957	
	Y1.4		0.953	

Source: Primary Data, 2023.

The table presents the loading factors for each variable in this study, indicating values greater than 0.7, and the Average Variance Extracted (AVE) values for each variable exceed 0.5. From these results, it can be concluded that, overall, these indicators can be considered valid. The next step is to conduct a discriminant validity test, the results of which will be presented in the following table.

Table 3. Cross Loading

Variables	Item	Cross Loading Factor		
Discount	X1.1	0.970	0.816	0.775
	X1.2	0.938	0.737	0.754
	X1.3	0.913	0.801	0.790
Product Display	X2.1	0.804	0.940	0.746
	X2.2	0.808	0.955	0.725
	X2.3	0.792	0.944	0.676
	X2.4	0.753	0.944	0.734
Impulse Buying	Y1.1	0.839	0.804	0.926
	Y1.2	0.755	0.689	0.964
	Y1.3	0.780	0.712	0.957
	Y1.4	0.739	0.682	0.953

Source: Primary Data, 2023.

The table's cross-loading analysis results indicate that, when utilizing reflective indicators within the measurement scale, the factor loadings exceed the 0.7 threshold. Therefore, it can be deduced that all Aten variables now exhibit a more robust level of discriminant validity compared to the indicators in the alternative block.

In addition to evaluating construct validity, the reliability of these constructs is also assessed. The reliability of the constructs is examined by reviewing the composite reliability and Cronbach's alpha coefficient, which are calculated from a set of indicators measuring each construct or latent variable. Detailed results of these assessments can be found in the following table.

Table 4. Composite Reability

Construct	Composite Reability
Discount	0.959
Product Display	0.971
Impulse Buying	0.974

Source: Primary Data, 2023.

The table data strongly indicates that the constructs demonstrate a high level of reliability. A construct is deemed highly reliable when the composite reliability exceeds 0.7, and Cronbach's alpha is greater than 0.7 (Abdillah & Hartono., 2015).

Apart from the outer measurement, an inner measurement analysis is also undertaken. Evaluation is performed while assessing the inner model, considering R-square (the indicator reliability level) for constructs that act as dependent variables, and an assessment is made on the T-statistic values for testing the path coefficient.

Table 5. R-Square

Konstruk	R-Square
Impulse Buying	0.695

Source: Primary Data, 2023.

From the provided table data, it is evident that the R-Square value for the impulse buying factor stands at around 0.695, accounting for 69.5%. This percentage is the result of the combined impact of the discount and product display variables, leaving the remaining 30.5% affected by unexplored factors beyond the scope of this study. This leads to the conclusion that discounts and product displays wield significant influence in explaining impulsive buying behavior.

Table 6. Path Coefficient

Hipotesis	Original Sample Estimate (O)	T-Statistic (10/STERR)	P Values
Discount -> Impulse Buying	0.611	4.601	0.000
Product Display -> Impulse Buying	0.253	1.787	0.065

Source: Primary Data, 2023.

Based on the data presented, it's evident that the initial sample estimate of the impact of discounts on impulse buying is notably positive, standing at 0.611, which translates to 61.1%. The associated P-Value is 0.000, signifying a strong and significant influence, indicating that discounts have a substantial effect on impulse buying, accounting for 61.1%. Hence, it can be inferred that the first hypothesis is substantiated by these results.

Moreover, it's noticeable that the initial sample estimation for the impact of product appearance has a positive value of 0.253, which corresponds to 25.3%, and a P-Value of 0.065. This indicates a positive relationship, albeit a relatively weak one. Despite the modest strength of this influence, it can be reasonably concluded that the second hypothesis is supported.

CONCLUSION AND RECOMMENDATION

Several observations can be made. Initially, it is evident that price reductions have a notably favorable effect on spontaneous purchases made by customers at Indomaret in Huko-Huko Village. Price discounts have a twofold impact. They not only influence purchasing decisions in a positive way but also have a substantial effect in stimulating impulsive buying behaviors in the store. This indicates that discounted price offerings have strong appeal and play a crucial role in encouraging impulsive purchases within that retail environment.

Moreover, the manner in which products are displayed has a substantial and positive effect on impulsive purchases made by customers at Indomaret in Huko-Huko Village. Intelligent and visually appealing product presentation holds a significant function in captivating the interest of customers, igniting their curiosity, and ultimately motivating them to engage in spontaneous, unplanned buying choices. Through the design of efficient product arrangements, retailers can establish an atmosphere that triggers impulsive shopping, thus enhancing their sales outcomes.

Considering that the factors of price reductions and product placement are deemed crucial in comprehending and shaping impulsive purchasing behavior, this study will also lay the groundwork for future investigations delving into additional variables, including location, promotional strategies, gift-giving, and the psychological elements influencing impulsive buying. Thus, this research is poised to provide a valuable contribution to a comprehensive understanding of consumer behavior in the realm of impulsive purchases and offer practical insights to business professionals seeking to enhance their marketing strategies.

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