

Why do millennials still shop at department stores? The case of Matahari

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Abstract: Retail business is currently facing a very tight competition. One of them is a large-scale business retailer, Matahari Department Store. Generally, business companies must implement mix retail marketing strategies. There are four commonly department stores which are not crowded every day in Bali. Regarding to the crowd of the department stores, millennial generations of Bali especially in Denpasar currently have factors that play a role of their interest the department Store. In addition, the purposes of this research are to study influential shopping factors of millennial generation in the city of Denpasar. The factors were tested such as recent fashion, sales promotion, and store atmosphere. In this study, quantitative and qualitative were used to collect the data. The samples of the research were 100 respondents. The technique of data collection was using a set of questionnaires. Factor analysis was used as the technique of data analysis. As the results of the research, it was found that the influential shopping factors of millennial generation are such as recent fashion factors, consisted of buying products with famous brands, shopping with the latest models, and shopping as needed. Besides, sales promotion factors are consisted of shopping because of a special offer, a special advertisement, a coupon, a discount, and a bundle pack. In store atmosphere, it can be divided into two classes of factor namely exterior and interior factors. Exterior factors are consisted of cashier instructions, clear room fittings, signs with attractive designs, and vehicle security systems. General interior factors are consisted of playing the latest songs, comfortable facilities; lighting makes it easy to see products, poster images, and attractive discounts.

Keywords: Matahari Department Store, Recent Fashion, Sales Promotion, Store Atmosphere

INTRODUCTION

Business development in Indonesia is growing rapidly. One of them is known as a modern retail business. The Indonesian Retail Business Association (Aprindo) reveals about retail business growth in Indonesia reaching 10 percent to 15 percent annually. According to Levy and Weitz (2009), retail is a business that helps in adding value to goods and services in which will be sold to consumers for personal and household consumption.

The promising retail business is retail business that has a large scale. The examples of retail business are malls, supermarkets, general stores, chain stores, and department stores. Retail institutions offer a variety of product lines with quality choices. Usually such stores have large business volumes, stronger financial conditions, and legal entities are limited liability companies or at least CV. Matahari Dept. Store has the most Department Store in Bali. In increasing the number of visitors to the department store, retail Business Company should conduct a strategy by implementing a retail marketing mix strategy. According to Levy and Weitz (2009), the retail mix strategy is a marketing strategy that uses several variables as a reference for satisfying the needs of the target market and influence consumers in the decision making process. Retail marketing

mix strategy consists of products (merchandise assortments), pricing, promotion, customer service, location, as well as store design and display.

The growth development of the retail business is also felt on the island of Bali. Bali as one of the world-famous tourism destinations, has not escaped the attention of investors. In Bali, there are four famous Matahari Department Stores among millennials. The outlets are not always crowded with malls or other department stores now popping up. From the situation, it can be seen that millennial generation has factors that are considered in influencing their interest to visit the Matahari Department Store.

This generation is the first generation to know social media and have integrated technology into their lives. According to Zemke et.al., (2000) in Putra (2016). Millennial generation was born in 1980 to 1999. Millennial generation is currently aged 20 to 39 years.

Based on the background of the problems above, the main problem raised in this study is whether the factors of Recent Fashion, Sales Promotion and Store Atmosphere are factors that influence the millennial generation in Denpasar City to keep shopping at the Matahari Dept. Store.

In accordance with the formulation of the problem above, the purpose of this study is to confirm the Recent Fashion, Sales Promotion and Store Atmosphere Factors that influence the millennial generation in Denpasar City for constantly shopping in Matahari Dept. Store.

LITERATURE REVIEW

Retail Marketing Mix

According to Beneke in Fadly (2014) said that the retail marketing mix (*Retail Marketing Mix*) are the variables used to satisfy and can influence consumer purchasing decisions. According to Levy and Weitz (2009), the digital marketing mix consists of product (merchandise assortment), price (pricing), promotion (customer service), customer service, store design and display, and location (store) location).

Recent Fashion

According to Urquhart (2003), recent fashion is a fashion that is a trend among the people so that if someone wears that mode it will be considered as fashionable (modern).

Sales Promotion

According to Simamora (2007: 614), promotion is a company's effort to influence prospective buyers through the use of all elements or marketing mix.

Store Atmosphere

According to (Ma'ruf: 2006), Store Atmosphere should be made and arranged in such a way that aims to increase customer visits, increase sales, and build a positive image of a store.

Buying Decisions

According to Schiffman and Kanuk (2007), a purchasing decision is a selection of two or more choices. In other words, alternative options must be available to someone when making a decision. Every consumer makes various decisions about the search, purchase, use of various products and brands at any given period.

Operational Definition

1. Recent Fashion

Based on previous research conducted by Li et al ., 2011 explains that recent fashion can be measured by the following indicators:

- a. Brand prestige
- b. Personality
- c. Practical
- d. Informational

2. Sales Promotion

Philip Kotler & Gary Armstrong (2016: 520) state that there are several indicators that can be measured:

- a. Coupons
- b. Rebates
- c. Price Packs / cents-off-deals.

3. Store Atmosphere

According to Berman and Evan (2001: 604) in Nofiauwaty and Beli Yuliandi (2014), dividing store atmosphere elements into 4, namely:

- a. Exterior
- b. General Interior
- c. Store Layout
- d. Interior Display

4. Purchasing Decision

To examine purchasing decision, there are several indicators according to Soewito (2013) in Harahap Dedy (2015):

- a. Activities before buying.
- b. Behavior when wearing.
- c. Post-purchase behavior.

METHOD(S)

Research Design

This research was conducted using the side accidental method (random sampling) by using purposive sampling technique that is sampling technique based on characteristics. The sample in this study were 100 respondents. The type of data used in this study are primary data

and secondary data. Data collection techniques using questionnaires using the Likert scale 1-5. In this study using factor analysis techniques.

Setting and Participants

This research was conducted in the city of Denpasar. The reason for taking the location of the research city of Denpasar is the most millennial generation in the province of Bali and the city of Denpasar is the center of government, education and economy. The population of this study is the millennial generation in the city of Denpasar, amounting to 356,700 inhabitants.

FINDINGS AND DISCUSSION

Findings

Table 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	df	,808
Approx. Chi-Square	df	1072,550
Bartlett's Test of Sphericity	Sig.	,000

The KMO measure of sampling adequacy is 0.808 with a significance of 0,000. Figures 0.808 are greater than 0.5 and significance values of 0.00 are smaller than 0.05. Thus, the variables and data above can be further analysed.

Table 2: MSA Score

No	Variable	Instrument	Pearson Correlation (Counting R Alpha)	R Alpha Table	Information
1	<i>Recent Fashion</i>	X1.1	0.553	0,195	Valid
		X1.2	0.472	0,195	Valid
		X1.3	0.415	0,195	Valid
		X1.4	0.780	0,195	Valid
2	<i>Sales Promotion</i>	X2.1	0.730	0,195	Valid

		X2.2	0.750	0,195	Valid
		X2.3	0.729	0,195	Valid
		X2.4	0.816	0,195	Valid
3	Store Atmosphere	X3.1	0.457	0,195	Valid
		X3.2	0.519	0,195	Valid

27 indicator factors tested all meet the requirements ie. above ≥ 0.5 then all the variables ie factors can be further analysed.

Table 3: Extraction Communalities Score Communalities

	Initial	Extraction
Prestige brand	1,000	,716
Fit to character	1,000	,717
Based on their needs	1,000	,596
Recent Fashion	1,000	,652
Ads	1,000	,652
Coupon	1,000	,671
Diskon	1,000	,663
Special ads	1,000	,724
bundle pack	1,000	,679
Clear sign	1,000	,511
Interesting Desig	1,000	,734

Has many access	1,000	,560
Safety guaranteed vehicle	1,000	,652
Reachable	1,000	,765
Large area	1,000	,649
Easy to lighting	1,000	,738
Interesting colouring	1,000	,673
Playing song	1,000	,612
Scent of room	1,000	,642
Convenient facilities	1,000	,692
Interior cleanliness	1,000	,473
Space of product	1,000	,692
Categorial products	1,000	,555
Right position cashier	1,000	,751
Clear sign	1,000	,590
Interesting sign	1,000	,757
Interesting poster	1,000	,608

Extraction Method: Principal Component Analysis.

The access indicator (X1.1) is 0.716, indicating that around 71.6% of the variance of the access variable (X.1) can be explained by the factors formed, and so on with the 26 other factors tested in this study.

Table 4: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8,025	29,724	29,724	8,025	29,724	29,724
2	1,970	7,295	37,019	1,970	7,295	37,019
3	1,607	5,953	42,972	1,607	5,953	42,972
4	1,416	5,245	48,216	1,416	5,245	48,216
5	1,396	5,171	53,387	1,396	5,171	53,387
6	1,208	4,474	57,861	1,208	4,474	57,861
7	1,058	3,920	61,780	1,058	3,920	61,780
8	1,044	3,866	65,647	1,044	3,866	65,647
9	,946	3,504	69,151			
10	,823	3,048	72,199			
11	,785	2,909	75,107			
12	,773	2,863	77,970			
13	,707	2,617	80,587			
14	,677	2,506	83,093			
15	,601	2,226	85,319			
16	,568	2,105	87,423			
17	,514	1,904	89,327			
18	,449	1,662	90,989			
19	,397	1,471	92,460			
20	,377	1,398	93,858			
21	,316	1,172	95,030			
22	,284	1,052	96,082			
23	,276	1,022	97,104			

24	,254	,941	98,045			
25	,198	,734	98,779			
26	,186	,687	99,467			
27	,144	,533	100,000			

After knowing that eight factors are the most optimal amount. Then the Matrix Components table shows the distribution of the 27 variables on the eight factors formed. While the figures in the table are factor loading, which shows the magnitude of the correlation of a variable with factor 1, factor 2, factor 3, factor 4, factor 5, factor 6, factor 7, factor 8.

Table 5: Rotated Component Matrix

	Component							
	1	2	3	4	5	6	7	8
Mplaying up to date	,458	-,024	,317	,049	,418	,312	,016	,091
Comfortable facilities	,869	,146	,100	,182	,208	,065	-,033	,202
Great cashier desk	,168	,288	,062	,192	,042	,695	-,030	,261
Clear Cashier sign and fitting room sign	,273	,384	,119	,085	,398	,294	,355	-,185
Attractive cashier sign and fitting room sign	,460	,278	,006	-,087	-,279	,260	,176	,475
Product with famous brand	,054	,484	,398	,367	-,303	,029	-,232	-,097
Shopping with the latest product	,091	,123	,052	,950	,071	,088	,116	,024
Shopping caused offering ads	,091	,123	,052	,950	,071	,088	,116	,024

Shopping caused special ads	,159	,138	,476	,009	,467	,241	,163	,284
cleanliness interior	,162	,001	,215	,055	,117	,819	,048	-,064
Clear sign	,105	,094	,238	,063	,187	,054	,035	,766
attractive sign	,167	,488	,315	,165	,183	,060	,256	-,258
Vehicle safety system	,063	,738	-,069	-,028	,041	-,042	,107	,158
Attractive colouring room	,322	,253	,518	,071	,429	,081	-,121	-,003
Easy to find location	,290	-,029	,639	,072	,006	,259	,223	,175
Easy lighting to see the product	,679	-,002	,222	-,074	,001	,202	,122	-,206
Scent of room	,869	,146	,100	,182	,208	,065	-,033	,202
Based on their needs	,089	-,001	-,114	,056	,700	-,016	,141	,009

coupon	,064	,553	,177	,421	,062	,126	,080	,057
attractive poster and discount poster	,081	,626	,239	,189	,190	,318	-,257	,159
Discount	,149	,390	,187	,058	,578	,170	-,060	,157
bundle pack	,085	,471	,333	,279	,374	,302	-,100	,011
Large area	,237	,097	,463	,063	-,074	,018	,508	,292
Has many access	,053	,175	,792	,058	-,002	,092	-,126	,077
Fit to character	-,040	,010	-,079	,174	,143	,002	,823	,017

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 10 iterations.

From the table above there are several factors whose variables are less than 3. Because they are less than 3, they must be re-rotated. So the results there are 4 factors. And each factor consists of 3 variables.

Table 6: Rotated Component Matrixa

	Component			
	1	2	3	4

Playing up to date song	,094	, 300	,413	,544
Comfort facilities	,244	, 101	,086	,917
Clear sign and fitting room	,368	,216	,535	, 250
Product with famous brand	,663	,050	,247	-,462
Shop cause by special offering	,214	,589	, 269	,360
Attractive design.	, 293	,085	,470	,255
Vehicle safety system	-,124	,056	,599	,115
Attractive colouring	,329	,335	,284	, 501
shopping with latest product.	,707	,324	,048	,007
Good lighting to find the product	-,051	,049	,258	,629
Special ads	,244	,917	,086	,101
Based on their needs.	, 778	,069	-,035	,015
Coupon.	,104	, 714	,126	,037
attractive poster and discount	,077	,144	,237	,754
Discount	,448	, 492	,252	,194
bundle pack	,146	,647	,367	,249
Has many access.	,228	,024	,793	-,108

Rotation Method: Varimax with Kaiser

Normalization.

a. Rotation converged in 5 iterations.

From the table above there are several factors whose variables are less than 3. Because they are less than 3, they must be re-rotated. So the results there are 4 factors. And each factor consists of 3 variables

Thus, the 27 variables reduced only consist of 4 factors, namely:

1. Factor 1 consists of: buying products with famous brands, shopping with the latest models, shopping as needed,
2. Factor 2 consists of: shopping because of a special offer, a special ad, a coupon, a discount, a bundle pack
3. Factor 3 consists of: cashier instructions and clear room fittings, signs with attractive designs, vehicle security systems, have lots of access
4. Factor 4 consists of: playing up to date songs, comfortable facilities, attractive coloring, lighting makes it easy to see the product, poster images and attractive discount.

Table 7: Multiple Linear Analysis Test Results

Coefficients ^a			
Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	1,327	,575
	X1	-,007	,021
	X2	-,046	,052
	X3	1,561	,037
	X4	1,876	,045

While, based on count magnitude of influence of the variable

- A constant coefficient of 1,327 which means that if the variables are recent fashion, sale promotion, exterior, interior at zero (0) then the purchase intention (Y) is constant at 3,963.
- Recent fashion regression coefficient value of -0.07 means that any increase in the recent fashion variable can improve purchasing decisions. If recent fashion has increased by 1 unit, the purchasing decision will increase by -0.07.
- The sales promotion regression coefficient value is -0.46 meaning that any increase in the variable sales promotion can improve purchasing decisions. If sales promotion has increased by 1 unit, purchasing decisions will increase by -0.46.
- The exterior regression coefficient value is 1.561 meaning that any increase in exterior variables can improve purchasing decisions. If the exterior has increased by 1 unit, the purchasing decision will increase by 1.561.
- The value of the interior regression coefficient is 1.876 meaning that any increase in exterior variables can improve purchasing decisions. If the exterior has increased by 1 unit, the purchasing decision will increase by 1.876.

Discussion

- a. Recent Fashion Factors consist of: buying products with famous brands with a loading factor of 0.6633, shopping with the latest model with a loading factor of 0.707, shopping as needed with a loading factor of 0.778.
- b. Sales Promotion Factors consist of: shopping because of a special offer with a loading factor of 0.917, a special advertisement with a loading factor of 0.589, a coupon with a loading factor of 0.714, a discount with a loading factor of 0.492, a bundle pack with a loading factor of 0.647.
- c. Exterior factors consist of: cashier instructions and clear room fittings with a loading factor of 0.535, an attractive design sign with a loading factor of 0.470, a vehicle safety system with a loading factor of 0.599, have plenty of access with a loading factor of 0.793
- d. General Interior Factors consist of: playing up to date songs with a loading factor of 0.544, convenient facilities with a loading factor of 0.917, an attractive coloring room with a loading factor of 0.501, lighting makes it easy to see products with a loading factor of 0.629, poster images and attractive discounts with loading factor 0.754.

CONCLUSIONS

Based on the analysis and discussion of data dated factors - factors that influence millennials still shop at the sun dept store, then a conclusion can be drawn. Thus, the 27 variables that are rotated only consist of 4 factors, namely:

- a. Recent Fashion Factors consist of: buying products with famous brands with a loading factor of 0.6633, shopping with the latest model with a loading factor of 0.707, shopping as needed with a loading factor of 0.778.
- b. Sales Promotion Factors consist of: shopping because of a special offer with a loading factor of 0.917, a special advertisement with a loading factor of 0.589, a coupon with a loading factor of 0.714, a discount with a loading factor of 0.492, a bundle pack with a loading factor of 0.647
- c. Exterior factors consist of: cashier instructions and clear room fittings with a loading factor of 0.535, an attractive design sign with a loading factor of 0.470, a vehicle safety system with a loading factor of 0.599, have plenty of access with a loading factor of 0.793
- d. General Interior Factors consist of: playing songs up to date with a loading factor of 0.544, convenient facilities with a loading factor of 0.917, an attractive coloring room with a loading factor of 0.501, lighting makes it easy to see products with a loading factor of 0.629, poster images and attractive discounts with loading factor 0.754

Meanwhile, based on the calculation of the magnitude of the influence of variables X1, X2, X3, X4 on Y that:

- a. Variable X1 has a significance of 0.732 which means that there is no effect on the Y variable.
- b. Variable X2 has a significance value of 0.383 which means that there is no effect on the Y variable.
- c. Variable X3 has a significance value of 0,000 which means that there is an influence on the Y variable
- d. Variable X4 has a significance value of 0,000 which means that there is an influence on the variable Y

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