



PRIMARY RESEARCH

# The impact of store formats and sales promotion towards consumer's purchase decision: Case study of Indomaret in Bandung city

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## Abstract

The main goal of this study is to investigate the influence of store formats and sales promotion on consumers selecting a retail store. The data was collected through an online survey of 230 Indomaret consumers in Bandung and were analyzed using SmarPLS 3. The results reveal that both store format and sales promotion significantly influence consumers' purchase decisions. This current study also shows many students as Indomaret consumers with indicators such as coupons, shopper cards, products line, and customer care that strongly influence the purchase decision. The research results of the present study will contribute to better understanding the incidence of consumers' perception of store formats benefits on their decision to make shopping over sales promotion, thus allowing retailers to perform sales promotion as a perfect technique for boosting their sales effectively. Although sales promotion better impacts consumers' purchase decisions than store format, it's a short-term tool that should be used with great caution so as not to tarnish the brand image. Consequently, this research contributes to the advancement of knowledge, particularly in retailing, by establishing the effect of the store format and sales promotion on consumers' purchasing decisions in an Asian country.

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## INTRODUCTION

Since the modernization of marketing, several efforts have been made by different managers for products creation to meet consumer desires. The products themselves do not matter if they are not consumed. That's why nowadays firms are much more focused on different strategies that could lead consumers to choose their products. We can thus say that today there is a variety of products on the market so it is the problem of customers that companies face; so there is a shortage of consumers. The consumer is very complex especially as regards the motivation of the choice of its products. Given its complexity, marketers have tried to organize the market in different types of retail stores which include mom and pop stores, department stores, category killers, supermarket, street vendors, kiosks, discount stores, hypermarkets and malls (Luekveerawattana,

2016; Kumar, 2014) to lighten the task to customers when making purchasing decisions. The consumer tends to repeat his purchases in stores which gives him more satisfaction. Every company struggles to maintain old consumers and catch the new ones as well. Because the type of retail format is not unique in its area of implementation, the suppliers develop several techniques of sale promotions among which Gifting, Discount Trade/Consumer, Coupons, Financing, Sampling, Bundling, Refunds and Rebates, Exchange Offers, Contests, Free Trial, E-mail Marketing, Exhibitions, Trade Shows, Demonstrations, Continuity Program, and Quantity Discount. All these programs are developed to first help traders to keep their old consumers effectively and also getting new consumers. As regards the quantity discount, it's mainly explained by the quantity as the expression indicates, the quantity of discount obtained depends on

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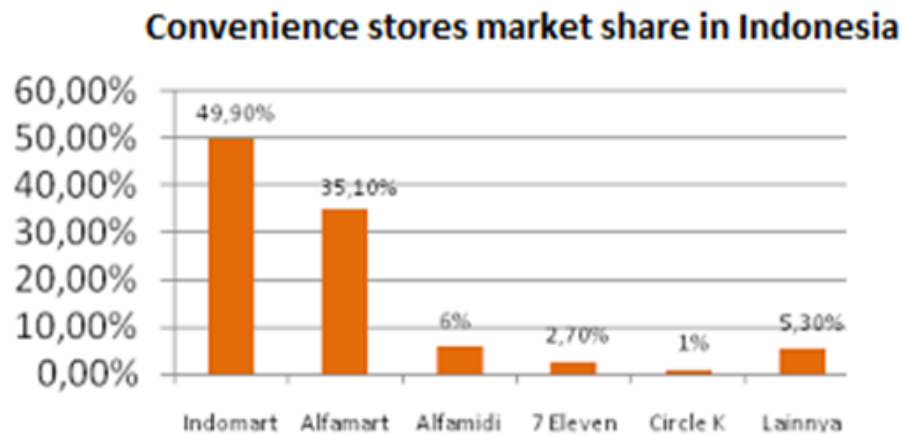
the quantity of products purchased. As an example, a single bottle mineral water may cost \$2; nonetheless, a combined package of a bottle of mineral water, a box of cookies, and facial tissue might cost you \$4, giving you a 50% discount on the purchase. Another evidence is the retailing in Indonesia; the top ten retailers ranking shows that amid all retailers in Indonesia, the convenience store Indomaret's chain tops the ranking since the year 2015 (Euromonitor).

Actually Indomaret is the market leader (Figure 2), challenged by Alfamart which is also a convenience store chain, and followed by Matahari Department Store. Nevertheless, this was only possible thanks to effective tactics since some years back it was not Indomaret who had the competitive advantage rather Alfamart especially in 2016 (Euromonitor). This success of Indomaret is first bound to its agility to build a large number of physical stores yet in other hand due to other factors which become the main reason of the present research. Indeed, the presidential decree of 1999 authorizing foreign retailers especially "Carrefour" to expand their retail stores to other cities in Indonesia to the same extent as local retailers has created a rapid development of modern retail and therefore a tough competition fetching "Indomaret" putting strategies in place that stifle competitors. The good performance of Indomaret and its methods especially sales promotion caught our attention

thus leading us to conduct our research on this retail store. In the year 2019, Indomaret currently operates in more than 15,630 stores around Indonesia whilst its direct rival Alfamart has approximately 13,995 outlets. The third spot on the ranking list goes to the retailer "Matahari Department" possessing less than \$1.40 billion in sales, followed by Carrefour and Transmart Carrefour, and Trans Retail Indonesia, which earn roughly \$1.22 billion in its annual sales. Between years 2012 and 2016, the statistics shown in the graph below (Figure 1) indicate that the traditional market holds the largest market share for food products. In fact, the traditional market share is decreasing from 2012 to 2017. The traditional market share which was about 82% in 2012 has gradually decreased to 78% in 2017. This decrease of traditional market share is explained by the modern retail expansion where consumers move from the traditional market and prefer to shop in modern grocery retail market, particularly convenience stores which are increasing. Indeed, convenience stores have extended from a 10% market share in 2012 reaching 13% of total sales in 2017. Statistics clearly show a constancy in supermarket and hypermarket grocery sales. However the unusual fact is that convenience stores are growing on their sales every year resulting in the loss of part of traditional market share along the six year considered.



**FIGURE 1.** Indonesia convenience stores market share



**FIGURE 2.** Indonesia statistic, GTA and euromonitor

## LITERATURE REVIEW

### Store Formats

The overall showing and the sense that the retailer presents to customers are known as store format. Predominately its appearance and arrangement, the type of range it stores and the approach embraced for the price setting of goods and services. The retail format is likewise the store “package” that the seller introduces to the customer to engage him making a decision to buy the product. Some authors gave a definition of store format under another angle, and in concordance with their philosophy, a store format is the intermixture of factors that dealers to work up their business strategies and concoct the blend as assortment, price and transactional convenience and experience” (Kim & Park, 1997; Wartika, Surendro, Satramihardja, & Supriana, 2015). It specification has also been a type of retail combination utilized by a set of retailers (Briesch, Chintagunta, & Fox, 2009). There are miscellaneous types of store formats deriving from different combinations of product price and service performance (Santini, Sampaio, Perin, Espartel, & Ladeira, 2015) in (Ghifari & Saefulloh, 2018; Zulqarnain, Zafar, & Shahzad, 2015). The origin of format comes from the type of retail mix, and then whether the store is a convenience store, hypermarket, supermarket and so forth, a format can be explained as a kind of retail welding, employed by a set of dealers (Zulqarnain et al., 2015). Moreover, Kim and Park (1997) in Briesch et al. (2009) and Zulqarnain et al. (2015) have specified that store formats are formats based on the physical store where the vendor interacts with the customer. It is the mix of variables that retailers use to develop their business strategies and constitute the mix as assortment, price, transactional convenience and experience. For Jiao, Moudon, and Drewnowski (2016) and Behe, Bae, Huddleston, and Sage

(2015) in Nilsson, Gärling, Marell, and Nordvall (2015), it’s the choices between and within stores which are mediated by the context and they also stressed that shopping is part of consumers’ ordinary habits and complex everyday live.

### Dimensions of Retail Formats

#### Location

According to dictionary.com, a location can be defined as a place of settlement, activity, or residence whereas convenience describes a measurement corresponding to the drawbacks linked to the present purchasing activity in the store. Example: This town is a good location for students. To get to their purchasing place as if to go to their workplace, people take a trip and then a carefully analysis purchasing commonness of respondents and the type of store, through a correlation analysis technique brought to unfold a negative correlation of conceivable extent representing with enhancement buying trips regular respondents will like proceeding to shops within residential emplacements; this leads to the conclusion that the location is a factor of consideration when shopping trips of surveys are more in a period of time. Consumers usually prefer go to store near to their location (Boris & Sergey, 2018; Zulqarnain et al., 2015). According to Zulqarnain et al. (2015), more than 67% of shoppers from store within their residential areas indicated more priority for the place to buy from (location). According to findings from Seattle, Washington, USA, grocery purchasing is a substantial economic activity. The average yearly outgoings on nourishment in 2011-2012 is different from one city to another and then as follows the Bureau of Labor Statistics, community experiencing in the Seattle metropolitan, Los Angeles and San Francisco spent 12.8%, 13.6% and 11.5% respectively of their average annual spending on feeding within an average of 12.9% which

means that the convenience and the suitable one is very important for US grocery consumers.

Due to the traveling cost, the store location plays a major role as demonstrated by [Briesch et al. \(2009\)](#), [Familmaleki, Aghighi, and Hamidi \(2015\)](#), [Ghifari and Saefulloh \(2018\)](#); [Zulqarnain et al. \(2015\)](#). Another study had been found by Kahn and Schmittlein in 1989 and indicates that the store choice depends on the moment of purchasing travel, and consumers inspect smaller native stores for brief “fill-in” trips and bigger stores for frequent shopping travels.

### **Store atmosphere**

In marketing, atmosphere is a word employed to characterize a perplexed notion of a region in order to create a desired effect on customers. It is the attempt to conceive a shopping environment that produces emotional effects on the individuals so that to raise the likelihood to catch them purchasing in a store ([Kim & Park, 1997](#)). Number of authors have found that the store atmospheric is composed by a set of components conscript “atmosphere factors” that are music, scent, colors and the retailers devote to play over on these factors to change consumer behavior ([Antony, Palsuk, Gupta, Mishra, & Barach, 2018](#); [Kim & Park, 1997](#); [Pechey & Monsivais, 2015](#); [Recker & Kostyniuk, 1978](#); [Sabrina, 2014](#)). The research results of El-Bachir Sabrina of the university of Mascara supported these theories of Kotler because it has been validated that store atmospheric perception influences the time spent by the consumer inside the store-room; the incidence of the environment on the number of shopping goods which can also clear up the fluency access to the products ranges or shelves, and the greatly setup of products ([Sabrina, 2014](#)). No surprisingly these factors are in concordance with some studies carried on by ([Arango, Huynh, & Sabetti, 2015](#); [Azeem & Sharma, 2015](#); [Schultz & Block, 2014](#)).

According to [Kim and Park \(1997\)](#) in [Ashraf, Rizwan, Iqbal, and Khan \(2014\)](#), the physical surroundings of the store influence consumers purchase decision. In fact, when the interior of the shopping mall is designed all right, the probability of purchasing from there is high. Consumers are impressed by the nice odor of the shopping place and they really appreciate to shop their products from large retail stores especially malls where the scent is often decent.

### **Variety and assortment**

The term assortment refers to the number and type of products that retailer displays for consumers. There is some dissimilarity between variety and assortment; while variety refers to the number various products sold by the retailer,

assortment stands for the number of diverse articles that are offered or Stock Keeping Unit (SKU) in goods type. Businesses provide many categories of products for sale, which represent the assortment. The products assortment is characterized by the breadth of product lines that a firm produces or a retailer carries ([www.google.com](#)).

According to a lot of authors namely [Arce-Urriza, Cebollada, and Tarira \(2017\)](#), [Platzer and Reutterer \(2016\)](#) it has been reported that shoppers find the retail assortments as one factor that affects their storehouse option decision and it is ranked third position hereafter some other factors which are low prices as a choice criterion and convenient location. Indeed, shoppers prefer to purchase in stores with large assortments ([Briesch et al., 2009](#)).

The results of journal of marketing research show that consumers’ favorite brands and a multiple brands offer have a positive influence on store choice; therefore this transposes that the dealers must make available a large number of different products or brands to increase the likelihood that the buyers can find their products or brands in their stores and indirectly the probability that the store will be chosen. It’s thus to say the huge variety in a store attracts more consumers ([Briesch et al., 2009](#)). When we compute both price elasticities and assortment elasticities at  $\pm 1$  heterogeneity standard deviation, it discloses higher amplitude elasticities of assortments in all cases. Accordingly, changes in assortment across households seem like affecting store choices in high proportion than the price ([Briesch et al., 2009](#)).

### **Price**

In marketing field, the definition of price can be understood as the value that is granted to a service or a product and is the result of a complex set of calculations, research, comprehension and risk taking ability. Pricing takes into consideration several parameters mainly segments, ability to pay, market conditions, competitor actions, input costs, and trade margins amongst others. According to [Pechey and Monsivais \(2015\)](#), the price refer to the amount of money imposed for a service or product.

To examine the prime role of price for shoppers, Bell, Ho, and Tang comment that customers undergo lower variable costs (i.e., pay lower prices), nevertheless higher fixed costs (i.e., less convenient locations) with everyday low price (EDLP) stores than with Hi-Lo stores.

With a sample size of 860 respondents on the topic relating to the factors involving in the selection of stores for the urban grocery buying journey as regards over than 150 stores in US including various variables, showed that consumers

are expected to shop in stores that may provide large products in the store and less expensive. For example, when there are rises of about 20% and 15% in a point of view of convenience of floppy discount department stores and supermarkets in shopping plazas, respectively, it can be expected a 10% increment to counterbalance in the trip times to these stores (Iranmanesh, Jayaraman, Zailani, & Ghadiri, 2017). According to the Journal of Public Administration and Governance, the relationship between price discount and consumer behavior has been shown and it's has been seen a much positive correlation between price reduction and the buying behavior with a significance value less than 0.05.

### **Service**

One of the fundamental element that controls consumers' destination while purchasing is as well their service perceived in the store. Shoppers will tend to repeat their purchases in the same type of store when they are satisfied of the prior service. Service definition draws its perceived meaning from several sources of marketing's experts. The American Marketing Association has defined services as "activities, benefits and satisfaction which are given for sale or are provided in connection with the sale of wares".

In accordance with Kakkos, Trivellas, and Sdrolias (2015), the service has a broad definition which states that, it's something that can be provided to a market to make a pet of a want or need, comprising some elements such as products, physical goods, events, experiences, properties, information, ideas, people, places, and organizations. As follows Philip Kotler, a service can be seen as an act of accomplishment that one party can offer to another which is essentially intangible and doesn't result in the ownership of anything. Thus, its production may or may not be related to a physical thing; e.g., the laptop or phone reparation in Bandung Electronic Center; the teaching of student in a college.

### **Sales Promotion**

In modern retailing, producing good products is necessary for consumers; however provide affordable prices and easy access products is of utmost importance for the buyer. Promotion that is also referred to Integrated Marketing Communication (IMC). Dictionary.com defines sales promotion as one element of promotional mix which utilizes both media and non-media marketing communication tools for a limited and pre-determined time to boost consumer demand, arouse market demand or to perfect product availability. According to Pechey and Monsivais (2015), sales promotion consists of various incentive tools collec-

tion, typically short term planned to encourage quicker or greater shopping of peculiar product or service by dealer or consumer. For Behe et al. (2015), retail marketing mix puzzles out all goods and services a store can tender to its consumers. It's also all the programmed efforts that marketers deploy to suit the market environment and stores.

Because of the impact of sales step in the retail area, Kapferer and Shimp said, the potential influence of sales promotion and other promotional activities are areas which hadn't been studied yet (Kumar, 2014; Santini et al., 2015) in (Schultz & Block, 2014). Both academics and professionals have a long argued that the end-user's view of brand value is affected by sales promotion (Arce-Urriza et al., 2017; Schultz & Block, 2014). In one's element, Bhasin (2018), because of consumers' willingness to buy a product arises from the promotion activities so the authors found timely to make a purchase over sales promotion period (Ashraf et al., 2014).

### **Coupon**

A coupon is defined as being a kind of ticket or document redeemable for rebate or financial discount at the time of purchasing. Usually, coupons are issued by manufacturers of packaged consumer goods or by retailers for use in retail stores as part of sales promotion. Bhasin (2018) argued that many sales promotion can stimulate the consumer to shop in the store nevertheless coupons are the primordial tools to be used whether you would like to see the customer come back to repurchase in the store (Ashraf et al., 2014). Abundant studies have tackled the case of sales promotion that best impacting the business and simultaneously increasing the profit and then according to (Ghifari & Saefulloh, 2018), one of the best sales promotion technique to use by marketers to achieve their businesses goals especially in business to consumer (B to C) level is coupons (Iranmanesh et al., 2017).

### **Free sample**

According to Don E. Schultz and Martin P. Block findings on 19 sales promotion techniques over ten-year led between 2002-2012 in USA, free sampling (product samples delivered to home) is seen as the second sales promotion tool after the coupons with percent influence of 48.5% (Schultz & Block, 2014). According to Pramataris et al., providing little number of goods to customers without any cost is one beautiful technique that can incites the customer to buy to product in the near future.

By virtue of other scholars specifically Sabrina (2014), grant a free sample of product has an effect on clients purchas-

ing behavior. Abundant in the same direction Al-Ali, Bazin, and Shamsuddin (2015) said the free samples positively the sales of the product in immediate run and Nilsson et al. (2015) have acknowledged the sizeable link of free sample with product test behaviour of customer (Schultz & Block, 2014).

### Shopper card

Due to retail stores proliferation, sellers multiply sales promotion including the consumer shopping card strategy that typically tends to create a brand loyalty. Consumer once possessing the shopping card of one store will like to make his shopping in that store to earn more points as long as every shopping will be credited as points for the consumer and then these points could later be converted into cash or product for consumer.

Results from the integrated marketing communication department, northwestern university, Evanston, Illinois, USA on the sales promotion techniques have ranked store loyalty cards as the forth influencing technique with the percent influence of 47.7% behind product samples in-store which ears the third place by 48.2% over the study led on 19 sales promotion tools between 2002-2012; thus shopper card appears not negligible in marketing (Schultz & Block, 2014).

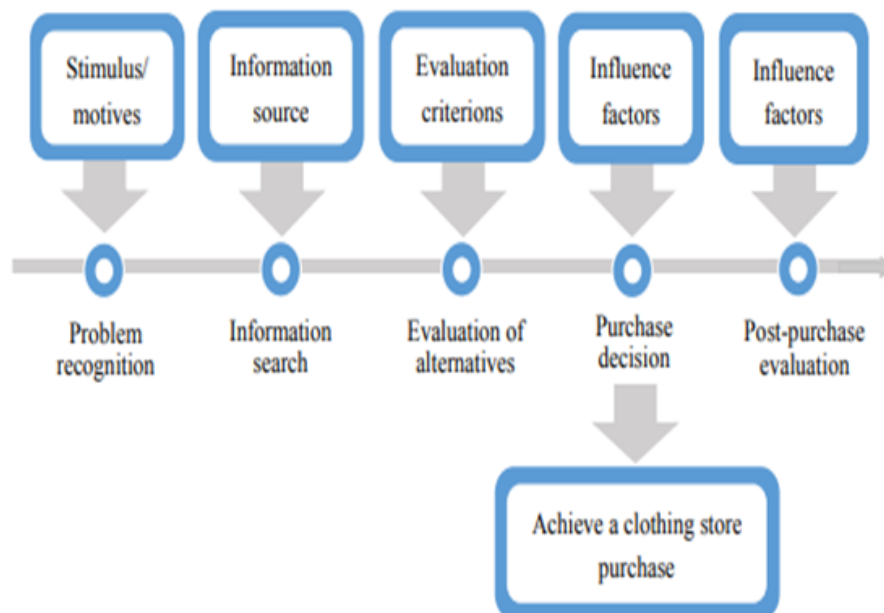
### Price reduction

Competition is increasing in the market; the profit being the main purpose of every business so the companies try to imply the appropriate techniques to increase their profit and amid these techniques is price reduction. It's a process by which businesses can reduce their costs and increase their profits due to the impact of that technique on sales.

As follows Azeem and Sharma (2015), any company can cut its prices and then it will of course follow by the sales raise because even the irregular users will tend to acquire the product too and the non-regular consumers, would probably return to the favorite brand in their pocket book after taking advantage of the discount rather than purchase the promoted brand at its normal price (Schultz & Block, 2014). According to Behe et al. (2015) among the promotional instruments that may persuade customer's product test behavior, product prices reduction plays a key role in that persuasion (Schultz & Block, 2014).

### Purchase decision

Purchase decision is the act or process of deciding, by making a judgment to acquire something by the payment of money or its equivalent. A purchase decision is accurately how it sounds. Specifically, through a purchasing decision making, the psychologist John Dewey recognized there are five phases that consumers carry out as it's shown in the figure below:



**FIGURE 3.** A buyer's decision-making process. (Source: Al-Ali et al. (2015) consumer purchase decision-making process based on the traditional clothing shopping Form. J fashion technol textile eng)

Under Santini et al. (2015), everyday life is overpowered by purchasing behavior and also patronage gained from spots like shops, entertaining park, shopping centers, city centers, sightseeing centers, and so on; where certain motivating shafts can found. Buying assessment criteria are determined by the social class, said Falk, Kunz, Schepers, and Mrozek (2016) who specified that several factors such as the attitude creation, earnings, brain wave, value orientation, and socialization level pendent the infancy and schooling will no doubt affect the person's social class. However when making buying decision, individuals from lower income social class doesn't automatically show that basis limited choice is due to the low income, clarified Familmaleki et al. (2015).

Depending on Nilsson et al. (2015), three key elements including salesperson, sales environment and purchasing power influence clothes buying practice among women

with an obedience without resistance (impulsive). Purchase decision involves various factors (variables) including purchase timing which may be understood as the best time that consumers select to acquire a product by the payment of money or its equivalent, product choice, brand choice, and purchase amount that refers to the quantity of money to acquire some product. It's also the total amount of money made available to make purchases so as to meet his needs and wants. It's also the total amount of money made available to make purchases so as to meet his needs and wants. Another element of purchase decision is the purchase amount which might be understood as the way or technique used for compensation after buying a product.

### Model Conceptualization and Hypothesis Development

Relying on the literature review and the theoretical framework, the following theoretical paradigm can be formulated:

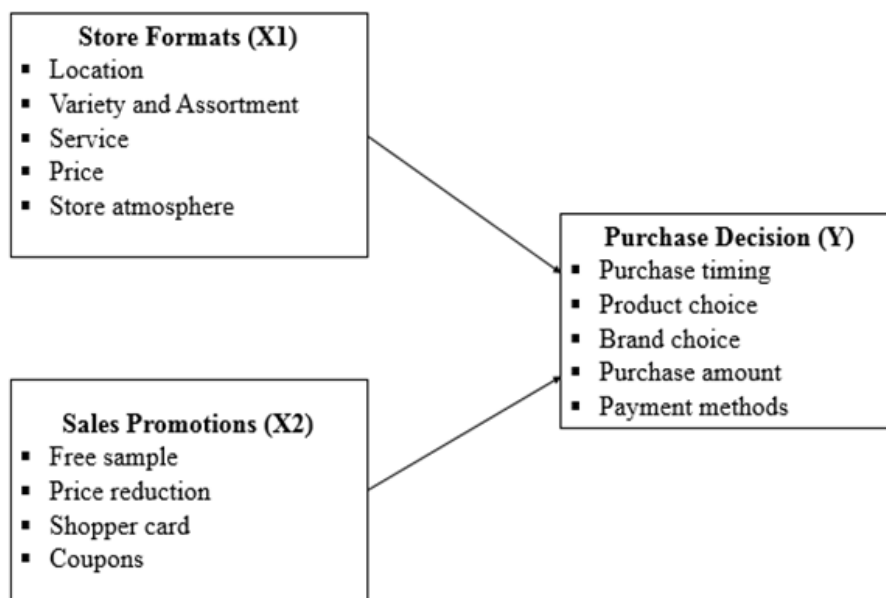


FIGURE 4. Model

Based on aforementioned problem identification, theory, previous relevant studies and the theoretical framework, the writer proposes the following research hypotheses:

1. Store format have an influence on consumers' purchase decision.
2. Sales promotion affects consumers' purchase decision.
3. Store formats and sales promotion simultaneously influence consumer's purchase decision.

### Objectives of the Study

The objectives of this study are:

1. Examine and analyze the influence of sales promotions

and store format on consumers' purchase decision.

2. Study the relationship between sales promotion and consumers' purchase decision.
3. Investigate and analyze the factors that affect the choice of consumers in grocery retail store selection.

### RESEARCH METHODOLOGY

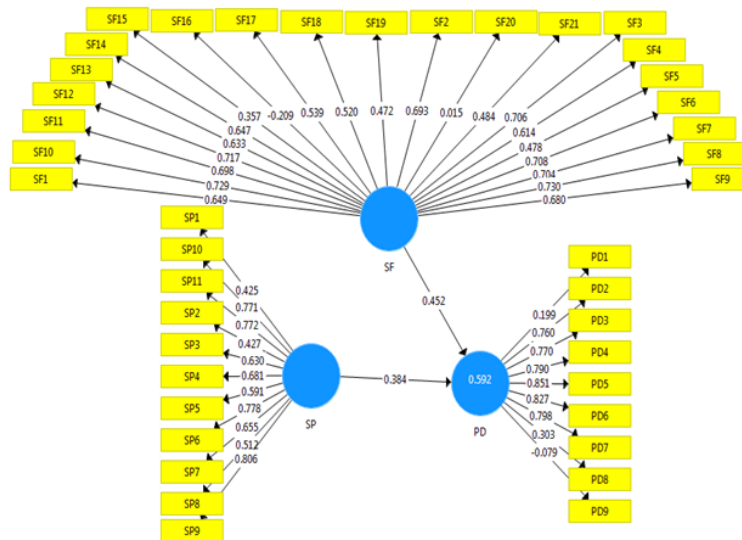
In the current research, the prime instrument used for data collection was questionnaire and both primary and secondary data were collected through a survey. Primary data was obtained from 230 respondents in Bandung city, Indonesia. The study has applied a random sampling method.

The collected data was processed, analyzed and interpreted to draw valid inferences. Lastly, suitable statistical techniques were employed to analyzing the data and providing the realities of the research results.

**RESULTS**

**Validity Test**

By running the data collected from 230 respondents in SmartPLS 3, the graph below has been obtained:

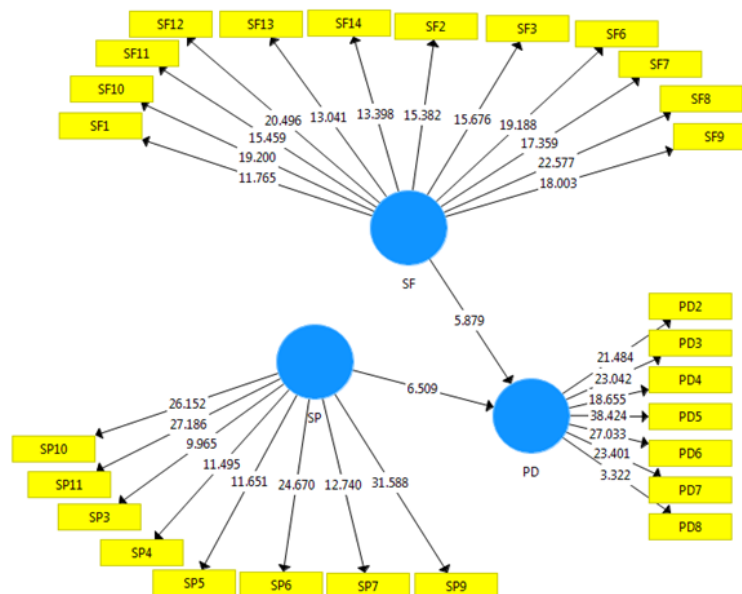


**FIGURE 5.** Construct of factors eligibility

To measure the validity of each indicator, the value of each item has been compared to 0.5 following the criteria:  
 If  $t\text{-statistic} < 0.5$ , so the item is being said not valid.  
 If  $t\text{-statistic} > 0.5$ , thus the item is being said to be valid.

**Reliability Test**

To test the statistical significance of the results, two tailed test has been applied with a sample of 500 at a significant level of 0.05 by always using Smartpls 3 as it's indicated in the graphic and the table below:



**FIGURE 6.** Constructs correlation



**TABLE 1.** Construct reliability

| Variable | Cronbach's Alpha | Rho_A | Composite Reliability | Average Variance Extracted (AVE) |
|----------|------------------|-------|-----------------------|----------------------------------|
| PD       | 0.855            | 0.886 | 0.895                 | 0.564                            |
| SF       | 0.911            | 0.913 | 0.925                 | 0.506                            |
| SP       | 0.867            | 0.883 | 0.896                 | 0.522                            |

Notes: Significance level  $p < 0.05$ , Purchase Decision (PD), Store Formats (SF), Sales Promotion (SP)

**TABLE 2.** Mean, Standard Deviation, *t*-Values, *p*-Values

|          | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | <i>t</i> -Statistics ( O/STDEV ) | <i>p</i> Values |
|----------|---------------------|-----------------|----------------------------|----------------------------------|-----------------|
| SF -> PD | 0.418               | 0.424           | 0.071                      | 5.879                            | 0.000           |
| SP -> PD | 0.425               | 0.423           | 0.065                      | 6.509                            | 0.000           |

Note: \*Alpha coefficient in confidence level 95%, two-tailed.

**TABLE 3.** *R*-squared & *R*-squared adjusted

|    | <i>R</i> -squared | <i>R</i> -squared Adjusted |
|----|-------------------|----------------------------|
| PD | 0.592             | 0.584                      |

Notes: PD\* Purchase Decision

From the information provided in Table 3, it appears that  $R^2$  is equal to 0.588, that's 58.8%. Accordingly 58.8% of the variance for purchase decision which is the dependent variable is elucidated by the independent variables, store

formats and sales promotion. The remaining percentage 41.2% are explained by other factors which are not concerned by the present research. It can be then said that the data fit the regression model.

**TABLE 4.** The results of hypotheses testing

| Hypotheses  | Results  |
|---|----------|
| H1: Store format has an influence on consumers' purchase decision                             | Accepted |
| H2: Sales promotion affects consumers' purchase decision                                      | Accepted |
| H3: Store format and sales promotion simultaneously influence on consumers' purchase decision | Accepted |

## DISCUSSION AND CONCLUSION

The study discusses and analyzes the impact of store formats and sales promotion towards consumers' purchase decision. The data has been collected in Bandung city with 230 samples which included different categories of consumers. Students were found to be the majority who patronize from Indomaret with a percentage of 46%. This category of consumers lead the occupation list of consumers due the fact that Campus are in the cities and as Indomaret success is thank to its market mix communication fit tools but also and mostly thank to its large numbers of stores. Indomaret owns 15,199 convenience stores in Indonesia and top retailers list with US\$4.89 billion in sales follows by Alfamart that possesses 13,599 convenience stores (source: Euromonitor International).

The hypotheses that have been estimated in this study have yielded very interesting results, which are doubtless interpretable. Indeed, sales promotion has a significant and stronger influence on purchase decision compared to store formats because Indomaret shoppers are mostly students

and have a small income so they have a demand with respect to the price which is elastic and then a small reduction of the product prices may affect their purchase decision. All the three hypotheses stated in the present study have been accepted. The results of hypotheses testing can be retrieved from the Table 4.

The novelty of the present study can be seen in two dimensions. The fact that this study is the first in its kind combining store formats and a promotional tool, of sure helps to understand part of marketing strategy implemented by Indomaret including the way the market is segmented, targeted and how a possible repositioning might be planned keep old consumers and attract new ones with Indonesia leader retail company called Indomaret. With this study, the factors that enable Indomaret to keep the retailing lead in Indonesia are now known from the public. Consumers whose get influenced the most by the marketing selling techniques set in place have become readers' reach. Another novelty in this study is that consumers don't find the importance of prices displayed in store however have a strong desire to

price reductions. So, they question is that, how can the consumer believe that effectively they cut off the price if he or her has no knowledge of the product price upstream? This for example rejects previous research findings that stated for prices obtrusive in the store.

### **SUGGESTIONS AND RECOMMENDATIONS**

The results of this study reveal a significant influence of store format as well as sales promotion towards consumers purchase decision. However each variable has a different level of influence when consumers are making a purchase decision. Sales promotion strongly influences on decision making than store format. Based on these results, the following suggestions and recommendations can be formulated:

#### **Store Format**

- Indomaret should keep building a large number of stores which are easy to access so that it creates more proximity with consumers.
- A diverse range of brands, products line and a large number of choices have to always be provided for customers in order to create customer loyalty.
- The company should avoid to have its stores close to competitors so that consumers will not shift easily to patronize from neighbors.
- The creation an important number of cash registers and the possession of a multitude number of online payments is very necessary for consumers' quick check out after their shopping.

#### **Sales Promotion**

- Keep providing shopper cards and coupons to consumers is a very influencing technique that makes customer loyal.
- Indomaret must supply different brands from its competitors so that it will keep old customers and catch new customers to come for brands trial and then main objective which is to quick boost sales will be achieved.
- The company should associate other marketing mix communication tools so that it can still the retailers' leader in the long run without tarnishing brands image.
- The company must always include these elements in its sales promotion strategy, which are selecting the right target audience, set measurable goals, promote extensively but wisely and afford real value.

### **MANAGERIAL IMPLICATIONS**

The results of the present study may have virtual implications for both companies and consumers. Firstly, the consumers can understand that the promotion is done to quick

boost the retailer sales. The findings indicate that sales promotion as well as store format have a positive impact on consumers buying settlement therefore the company can know from now on which attributes of store format and sales promotion they have to strongly play to attract new customers without losing the old customers. Consumers have the opportunity to shop an excellent product at Indomaret with a lower price. With the loyalty program promotion that is provide in sales promotion, the company can approximately has an idea about its consumers' size. Indomaret should apply promotional mix tools by taking into account the country and each region situation as long as every region is different to another (Ashraf et al., 2014). When a retail store promotes some of its products, it's direct at customers, which is an action focus-promoting opportunity.

The results of this research have plenty effects that can be gainful for traders, customers, and researchers in the prospective. This study is an opportunity for marketers to get data which is helpful to assimilate consumers' purchase decision and it can also assist traders to adjust their promotional techniques and most effective situational factors in attracting customers. This research has a great important not only for Indomaret but also for any retail organization because every enterprise wish minimizing costs and maximizing profit. Another managerial implication of this research is in recognition of Indomaret as retailers' leader in Indonesia and sales promotion techniques that are relevant to the management of the clients in the first place in Bandung city.

### **LIMITATIONS AND FUTURE STUDIES**

Several researches on purchase decision have been carried out by many writers but on different ways. The results of the study consist of examining and analyzing the impact of store formats and sales promotion on consumers' purchase decision are then different from these previous studies which have constituted a reference for this study. This research nevertheless, didn't include some parameters that reflect the real promotional mix tools implemented by Indomaret and which make the organization a very competitive retail. Albeit this research has taken categorical steps to spot factors that affect consumers purchase decision, it also has some limitations. First, this study has been carried out in Bandung and its results may not be applied for other countries since some important factors like culture, life style, desires, social and economic status are factors that can individually or collectively impinge the buying arrangement and this requires a deep study. The survival of the organization in the long term is ultimate goal of any or-

ganization whereas sales promotion techniques meet only short-term goals, it is therefore urgent to find and rethink methods that go in the direction of long run. In addition, the small sample size may not mirror the real image of obtained results. Thus, the more adequacy sample size might affect the results of this research. Moreover, respondents answered the questionnaire by self-reporting, that constitutes a common method bias. Therefore, perceptual bias may occur in the study. That is why further research should focus analyzing methodically the different trip types organized by buyers and the factors influencing these trips. Also, the organized study of marketing communication mix tools

in connection with the different store formats would more closely align both sellers and buyers and strengthen the results of this study. When we take a look on online grocery market, we can see a speed expansion of the grocery market. Online grocery market rose from single to double between 2017 and 2018 which means 13.0 billion to 26.0 billion respectively, (source: Business insider intelligence estimates). Forecasts from the same sources indicated figures of 117.0 billion in 2023; therefore, further research may also focus on a comparative study between online grocery shopping and purchase in-store.

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