NEW COMER RETAILER MADE SEVERE COMPETITION IN PANDEMIC ERA: XIMIVOGUE JAKARTA CASE

Hedro Prabowo, Perbanas Institute, Jakarta, Indonesia
Umbas Krisnanto, Perbanas Institute, Jakarta, Indonesia

ABSTRACT

This study analyzes the effect of product quality, store atmosphere, and digital marketing in increasing repurchase intention in Ximivogue Jakarta. The data was collected through a questionnaire. The analysis technique used is multiple linear regressions. The results of this study indicate that product quality has a significant positive effect in increasing repurchase intention; store atmosphere has no effect on increasing repurchase intention; digital marketing has a significant positive effect in increasing repurchase intention.

Keywords: Product Quality, Store Atmosphere, Digital Marketing, Repurchase Intention.

INTRODUCTION

The rapid development of the business world causes competition among business actors to become very competitive. The intense competition requires companies to be more creative and innovate their products so that they can be well received by consumers. One of the businesses that have tough competition is the retail business. The retail industry continues to change along with changes in technology, developments in the business world, and consumer needs. Retailers in order to be successful in their competition in the retail market must pay attention to various aspects such as product quality, create a comfortable store atmosphere, and maximize the existing potential of digital marketing. The entry and exit of foreign retailers shows that the Indonesian retail market is still widely opened.

Product quality is the ability of an item to provide results or performance that is appropriate and even exceeds what consumers want Kotler & Armstrong (2018). One of the other strategies that can be applied to retail companies is to design a store atmosphere in a creative and appropriate manner to create a positive impression in the minds of consumers, thus making them comfortable when shopping. Store atmosphere is a combination of the physical characteristics of a store such as architecture, layout, lighting, display, color, temperature, music, and aroma as a whole that will create an impression in the minds of consumers (Utami, 2014).

Along with the advancement of technology, the conditions in the business world must be able to move dynamically, including the retail business. Retail companies need to maximize the potential of technological developments, namely by utilizing digital marketing. Chaffey & Chadwick (2012) say that digital marketing is an effort to achieve marketing goals through the use of digital technology.

LITERATURE REVIEW AND RESEARCH HYPOTHESES

The Effect of Product Quality in Increasing Repurchase Intention: Product quality is the ability of an item to provide results or performance that is appropriate and even exceeds what consumers want Kotler & Armstrong, (2018). By having the product quality expected by consumers, a brand is believed to increase repurchase intention. Tjiptono (2014) Product quality reflects all dimensions of product offerings that generate benefits for customers. Based on the results of research conducted by Rosita (2016), it shows that product quality has a positive and significant effect on repurchase intention.

H1: Product quality has a positive and significant effect in increasing repurchase intention.

The Influence of Store Atmosphere in Increasing Repurchase Intention

The store atmosphere influences the prospect's emotional state that will cause or influence purchases. Berman & Evan (2012) define a store atmosphere as a physical characteristic of a store that can show a store's image and attract consumers. The store atmosphere can be described as a change in the planning of the purchasing environment that produces special emotional effects that can cause consumers to take purchasing actions (Gilbert, 2013). Based on the results of research conducted by Sarahnadia & Suryoko (2017), it shows that there is a positive and significant influence between store atmospheres on repurchases intention.

H2: Store atmosphere has a positive and significant effect in increasing repurchase intention.

The Effect of Digital Marketing in Increasing Repurchase Intention

Digital marketing is an effort to achieve marketing goals through the use of digital technology Chaffey & Chadwick (2012). Digital marketing can also be defined as a marketing activity through digital media in order to reach a wider target market to achieve a marketing goal. According to Meyliana (2011) digital marketing aims to increase the frequency of purchases by consumers, so that buying interest will increase if digital marketing is carried out massively. Based on the results of research conducted by Subawa et al. (2020) show that digital marketing has a positive and significant effect on repurchase intention.

H3: Digital marketing has a positive and significant effect in increasing repurchase intention.

The Influence of Product Quality, Store Atmosphere, and Digital Marketing in Increasing Repurchase Intention. Product quality is an overall evaluation process to customers for improving the performance of a product (Mowen, 2012). Product quality has an interest for consumers in managing good relationships with product providers. The reciprocal relationship between the company and the consumer will provide an opportunity to understand the needs and expectations of consumers. Another strategy according to Levy and Weitz (2012) is the store atmosphere, which is an environmental design through visual communication, lighting, color, music, and fragrances to stimulate customer perceptions and emotional responses, thus influencing customer behavior in buying goods.

With the right store atmosphere, it is believed to be able to attract consumers to make repurchases in the future. Retail companies also need to maximize the potential of technological developments to increase sales by utilizing digital marketing. Digital marketing has its own

characteristics and dynamics that must be studied and understood more deeply in order to be able to use this digital marketing medium effectively, both in terms of marketing tactics or strategies (Taiminen & Karjaluoto, 2015). Based on the results of research conducted by Rosita (2016), it shows that product quality has a positive and significant effect on repurchase intention. The results of other research conducted by Sarahnadia & Suryoko (2017) show that there is a positive and significant influence between store atmospheres on repurchase intention. The results of research conducted by Subawa et al. (2020) show that digital marketing has a positive and significant effect on repurchase intention.

H4: Product quality, store atmosphere, and digital marketing have a positive and significant effect in increasing repurchase intention.

RESEARCH METHODOLOGY

This study designed to examine the possibility of a causal relationship between research variables by paying attention to the magnitude of the correlation coefficient (Sugiyono, 2018). The unit of analysis in this study is individuals in the form of respondents' perceptions of product quality, store atmosphere, and digital marketing in relation to increasing repurchase intention at Ximivogue Jakarta.

The population in this study was Ximivogue consumers, both those who had shopped directly at the store or online. The sampling technique was carried out by using purposive sampling by determining certain considerations in order to obtain samples in accordance with predetermined research criteria. The determination of the sample size in this study uses the provisions according to Widiyanto (2012) which states that if the population is large and the number is unknown. To get better results, the researcher took 1297 respondents that experiences instore and online purchases.

Using SWOT (Strengths, Weaknesses, Opportunities, and Threats) to analysis Likert scale questionaires result. Testing the validity of the research instrument was carried out by distributing questionnaires to be tested to few respondents, so that by using the r table correlation of Pearson's product moment at the 5% significance level, the r table value was obtained at 0.361. The results state that all statements are valid because the value of r counts > r table is 0.361.

According to Hartono (2016) reliability shows the accuracy and accuracy of the measurement. The reliability test used in this study used the Cronbach alpha technique. A variable is said to be reliable if it provides a Cronbach alpha value > 0.60 (Ghozali, 2018). At all variables have a Cronbach's alpha value > 0.60, which means that the data on all variables are reliable?

RESEARCH RESULTS AND DISCUSSION

Respondents profile, 68.3% 29-30 years old, 14,2% 31-40 years old, 10,8% above 40 years old, the rest below 20 years old. Genders 60.8% women. Respondent's occupation 63.5% in private sector, 6.6% government employee, and the rest students.

Respondents shopping frequencies 55% once, 31.6% 2-3 times, and the rest above 4 times. Shopping type, 36,7% household needs, 19.2% fashion and beauty, 16.7% stationery, 15.8% toys and doll, and the rest digital product.

SWOT Ximivogue Jakarta. Strength: had its own hallmark, brightly lighting, high quality product, and much online product choice. Weakness: had no additional features, outside logo not visibly, less online promotions, many similar stores. Opportunity: different appearance, product placement quite visible, easy online transactions, customer recommendation. Threat: had no typical specifications, exterior design quite attractive, many similar products in market place, similar product cheaper.
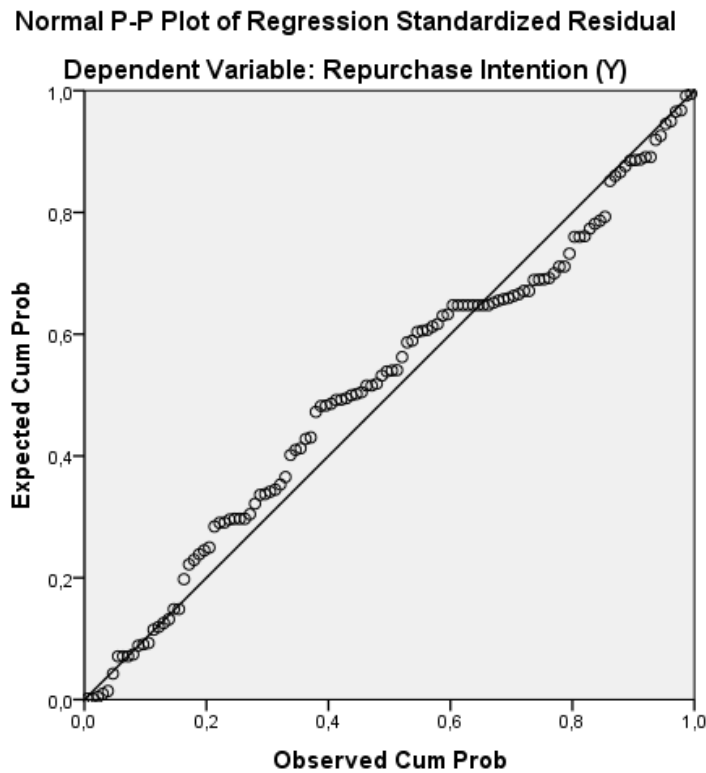

FIGURE 1
NORMALITY TEST RESULTS

The Normal P-P Plot image in Figure 1 shows the plotting data (points) around the diagonal line and following the diagonal line, meaning that the data in this study are normally distributed.
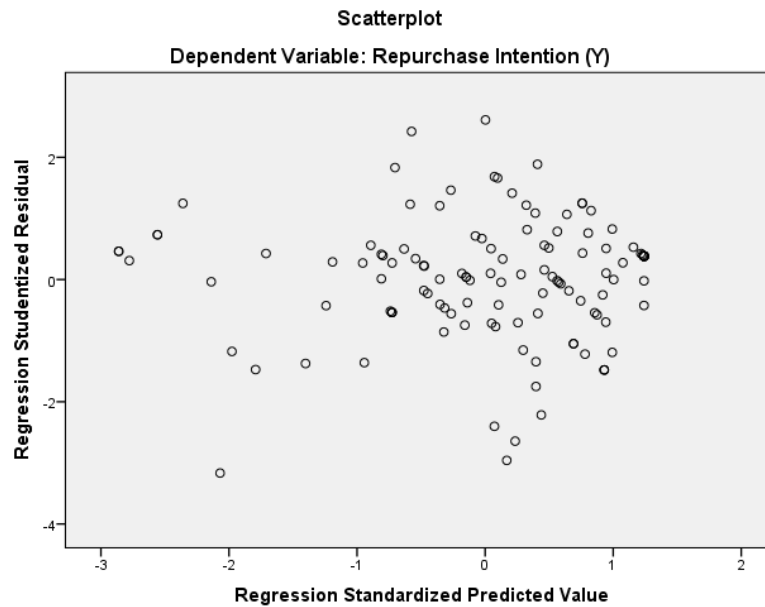
FIGURE 2
HETEROSCEDASTICITY TEST RESULTS

Based on Figure 2, it can be seen that the dots do not form a clear pattern and the points spread above and below the 0 on the Y axis. Thus, in this study the regression model does not experience heteroscedasticity.

<table>
<tr><td colspan="8">Table 1
MULTICOLLINEARITY TEST RESULTS</td></tr>
<tr><td rowspan="2">Model</td><td colspan="2">Unstandardized Coefficients</td><td>Standardized Coefficients</td><td rowspan="2">t</td><td rowspan="2">Sig.</td><td colspan="2">Collinearity Statistics</td></tr>
<tr><td></td><td>td. Error</td><td>Beta</td><td>Tolerance</td><td>VIF</td></tr>
<tr><td>(Constant)</td><td>1,350</td><td>0,140</td><td></td><td>631</td><td>529</td><td></td><td></td></tr>
<tr><td>Product Quality (X1)</td><td>0,590</td><td>0,088</td><td>0,559</td><td>6707</td><td>0,000</td><td>0,386</td><td></td></tr>
<tr><td>Store Atmosphere (X2)</td><td>0,053</td><td>0,093</td><td>0,049</td><td>72</td><td>68</td><td>0,514</td><td></td></tr>
<tr><td>Digital Marketing (X3)</td><td>0,366</td><td>0,085</td><td>0,324</td><td>281</td><td>0,000</td><td>0,788</td><td></td></tr>
<tr><td colspan="8">a. Dependent Variable: Repurchase Intention (Y)</td></tr>
</table>

In Table 1 multicollinearity test results, it was found that all independent variables in this study did not occur multicollinearity because they had a tolerance value > 0.100 and had a VIF value < 10.

From Table 1 through multiple regression analysis, the regression model of this study is:
$$Y = -1,350 + 0,590X1 + 0,053X2 + 0,366X3$$

The constant value -1,350 is the pure value of the repurchase intention variable without being influenced by the independent variable. This means that if all independent variables have a value of 0 or without the influence of the independent variables, then the magnitude of the repurchase intention variable is -1.350.

The regression value (B1) 0.590 is the contribution of the product quality variable to repurchase intention. This means that if the product quality variable increases by 1 unit, it will affect the change in the repurchase intention variable by 0.590 unit. The regression value (B2) 0.053 is the contribution of the store atmosphere variable to repurchase intention. This means that if the store atmosphere variable increases by 1 unit, it will affect the change in the repurchase intention variable by 0.053 unit. The regression value (B3) 0.366 is the contribution of the digital marketing variable to repurchase intention. This means that if the digital marketing variable is increased by 1 unit, it will affect the change in the repurchase intention variable by 0.366 unit

The result of the regression calculation in Table 1 shows that the coefficient of determination (Adjusted R Square) is 0.762. This shows that 76.2% of the repurchase intention of Ximivogue products is influenced by the Product Quality variable (X1), the Store Atmosphere variable (X2), and the Digital Marketing variable (X3). While the remaining 23.8% of the repurchase intention of Ximivogue products is influenced by other variables not examined in this study.

Based on the Table 1, it can be seen that the t value of the Product Quality variable (X1) is 6.707 > t Table 1.980, so partially the Product Quality variable has a significant effect in increasing Repurchase Intention (Y). The t value of the Store Atmosphere variable (X2) is 0.572 < t Table 1.980, which means that partially the Store Atmosphere variable has no effect in increasing Repurchase Intention (Y). The t value of the Digital Marketing variable (X3) is 4.281 > t Table 1.980, which means that partially the Digital Marketing variable has a significant effect in increasing Repurchase Intention (Y)

Table 2
ANOVAᵃ

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2333,040	3	777,680	123,822	0,000ᵇ
	Residual	728,552	116	6,281		
	Total	3061,592	119			
a. Dependent Variable: Repurchase Intention (Y)						
b. Predictors: (Constant), Digital Marketing (X3), Product Quality (X1), Store Atmosphere (X2)						

Based on the Table 2, the calculated F value 123.822 > F Table 2.68 with a probability 0.000 < 0.05 means that the variable product quality, store atmosphere, and digital marketing simultaneously have a significant positive effect in increasing repurchase intention.

DISCUSSION

The results of the hypothesis test 1 explain that product quality has a partially significant effect in increasing repurchase intention, according to the results of research conducted by Rosita (2016) which shows that product quality has a positive and significant effect on repurchase intention. Product quality is the ability of an item to provide results or performance that is appropriate and even exceeds what consumers want (Kotler & Armstrong, 2018).

Based on the product quality variable hypothesis test with a positive value, it shows that good product quality will increase consumer intention to buy back a product. Conversely, if the product quality is not good enough, it will reduce consumer interest in repurchasing the product. This is in line with hypothesis in this study, namely product quality has a significant positive effect in increasing repurchase intention.

The results of hypothesis testing 2 explain that store atmosphere has no partial effect in increasing repurchase intention. These results are not in line with the results of research conducted by Sarahnadia & Suryoko (2017) which show that there is a positive and significant influence between store atmospheres on repurchases intention. This result is also not in accordance with hypothesis 2 in this study, namely that store atmosphere has a significant positive effect in increasing repurchase intention.

The results of the hypothesis test 3 explain that digital marketing has a partially significant effect in increasing repurchase intention, according to the results of research conducted by Subawa et al. (2020) which shows that digital marketing has a positive and significant effect on repurchase intention. Digital marketing is an effort to achieve marketing goals through the use of digital technology (Chaffey & Chadwick, 2012). Digital marketing can also be defined as a marketing activity through digital media in order to reach a wider target market to achieve a marketing goal. Based on the hypothesis test of the digital marketing variable with a positive value, it shows that effective digital marketing will increase consumer intention to buy back a product. Conversely, if digital marketing is done incorrectly it will reduce consumer interest in repurchasing these products. This is in line with hypothesis 3 in this study, namely digital marketing has a significant positive effect in increasing repurchase intention.

The results of the hypothesis testing 4 explain that product quality is the most dominant variable in increasing repurchases intention. Table 1 explains that the product quality variable has the highest t value, 6.707. Furthermore, the digital marketing variable with a calculated t value of 4.281. While the store atmosphere variable has the lowest t value, which is equal to 0.572. Thus product quality is a variable that has the most dominant influence in increasing repurchase intention.

CONCLUSION

Product quality has a significant positive effect in increasing repurchase intention to Ximivogue Jakarta. This is evidenced by the results of the t test with a t value of 6.707> t table 1.980. Consumer perception on product quality became the main Ximivogue strength.

Store atmosphere has no effect in increasing repurchase intention to Ximivogue Jakarta. This is evidenced by the results of the t test with t count of 0.572<t table 1.980. Consumer perception on exterior logo design became the main Ximivogue weakness.

Digital marketing has a significant positive effect in increasing repurchase intention to Ximivogue Jakarta. This is evidenced by the results of the t test with the t value of 4.281> t table 1.980. Consumer perception on the website became the main Ximivogue strength.

Product quality, store atmosphere, and digital marketing simultaneously have a significant positive effect in increasing repurchase intention to Ximivogue Jakarta. This is evidenced by the results of the F test with a calculated F value of 123.822>F Table 2.68 with a significance of 0.000 <0.05.

Suggestion

Ximivogue Jakarta better introduce more clearly the additional features of its products so that consumers could know and understand these features. Ximivogue Jakarta needs to redesign shop exterior, for example, to make the logo brighter, so that it attracts visitors to come. Ximivogue Jakarta needs to add live chat or other additional features to its website to make it more interactive for its customers. Ximivogue in store atmosphere layout need improvement.

REFERENCES

Berman, B., & Evans, J.R. (2012). Retail Management (12th ed.). Jakarta: Pearson.

Chaffey, D., & Chadwick, F.E. (2012). Digital Marketing: Strategy, Implementation, and Practice. New York: Pearson Education.

Ghozali, I. (2018). Aplikasi Analisis Multivariate dengan Program IBM SPSS. *Semarang: Universitas Diponegoro.*

Gilbert, D. (2013). Retail Marketing Management. England*: Pearson Educated Limited.*

Hartono, J. (2016). Metodologi Penelitian Bisnis. *Yogyakarta: BPFE UGM*.

Kotler, P., & Armstrong, G. (2018). Prinsip-Prinsip Pemasaran (13th ed.). Jakarta: Erlangga.

Levy, M., & Weitz, B.A. (2012). Retailing Management. Jakarta: Salemba Empat.

Meyliana. (2011). Analisa Strategi E-marketing dan Implementasinya. Jakarta: EGC.

Mowen, J.C. (2012). Perilaku Konsumen. *Jakarta: Erlangga, 90*.

Rosita, R. (2016). Pengaruh Lokasi, Kelengkapan Produk, Kualitas Produk, Pelayanan, Harga, dan Kenyamanan Berbelanja Terhadap Minat Beli Ulang Konsumen pada Lottemart Bekasi Junction. *Jurnal Ilmiah Widya Ekonomika. 1*(2); 98-103.

SARAH, N. (2017). *PENGARUH STORE ATMOSPHERE, LOKASI DAN HARGA TERHADAP REPURCHASE INTENTION* (*Studi kasus padakonsumen Carrefour DP Mall Semarang*) (Doctoral dissertation, Faculty of Social and Political Sciences).

Subawa, N.S., Widhiasthini, N.W., & Suastika, N.P.M.W.S. (2020). The effect of experiential marketing, social media marketing, and brand trust on repurchase intention in Ovo applications. *International research journal of management, IT and social sciences,* 7(3), 11-21.

Sugiyono. (2018). Metode Penelitian Kuantitatif, Kualitatif, dan R&D. Bandung: *Alfabeta*.

Taiminen, H., & Karjaluoto, H. (2015). The Usage of Digital Marketing Channels In SMEs. *Journal of Small Business and Enterprise Development. 22*(4); 633-651.

Tjiptono, F. (2014). Pemasaran Jasa. Yogyakarta: Andi.

Utami, C.W. (2014). Manajemen Ritel: Strategi dan Implementasi Ritel Modern. *Jakarta: Salemba Empat*.

Widiyanto, M.A. (2012). Statistika Terapan. *Jakarta: PT Elex Media Komputindo*.