The effects of assortment and utilitarian motive to purchase decision in supercenter

A. Wijaya
Universitas Bunda Mulia, Jakarta, Indonesia

ABSTRACT: This research studied about the effect of assortment and utilitarian motive to purchase decision in Transmart Supercenter Cempaka Putih. Indicator of purchase decision was measured by: problem introduction, search information, alternative evaluation, purchase decision, post purchase behaviour, indicator of assortment was measured by price, quantity, variety, display product, and indicator of utilitarian motive was measured by achievement, efficiency, quality of product, quality of services. A field questionnaire survey was adopted using a structured questionnaire with closed questions and 5-point Likert response scale and sampling procedure was taken as much 152 sample with purposive sampling method. Collected data was processed using SmartPLS02. As the result of hypothesis test are H1 accepted, which means that the assortment variable has a significant influence on purchase decision. H2 is accepted, which means utilitarian motive have a significant influence on purchase decision. H3 is accepted, which means utilitarian motive has moderating effect on purchase decision.

Keywords: Purchase decision, Assortment, utilitarian motive

1 INTRODUCTION

Retail Business have facing the a significantly growth and facing the tightly competition. such as dynamic business, the problem in retailing business now have facing the phenomenon of “choice overload”: several researchers have conducted research on the theme of choice overload. Iyengar & Lepper (2000); Chernev (2003); looked at the more diverse products available, which led to the phenomenon of "Choice Overload" which was popularized by Toffler (1971), namely diversity which caused complexity in product selection. The advantage of having a large number of product diversity has been investigated by several previous researchers Kahn & Wansink (2004) in his research saw a different perspective from consumers with the increasing diversity available, giving rise to the intention of comparing existing products. This makes the researchers interested in further research, such as: Reutskaja & Hogarth (2009) assess that with more product diversity it can also result in swelling shop operations. By increasing the number of alternatives, decision making becomes more complex and tiresome (Chowdhury et al. 2009). Having more alternatives is not always favorable (Iyengar & Lepper 2000). This is still happening today. Based on a survey conducted by Nielsen (2010), giving consumers time to choose in-store will reduce purchase intention.

Therefore it is important for business owners to be able to provide precisely the amount of diversity of products in the store. The latest concept of Transmart supercenter aims to create a new shopping experience for consumers amid the increasing dynamic lifestyle changes (Bachdar 2017). This study also aim to reexamine the mini theory that has been done in previous research by (Wijaya and Sander 2017) and investigate the right amount of product diversity in purchasing decisions, using inverted-U theory.

1.1 Purchase Decision

Kotler (2014) defines purchasing decisions as actions of consumers who want to buy or not. Schiffman & Kanuk (2000) defines purchasing decision are the selection of an action from two or more alternative choices. According to Kotler (2014) indicator of purchase decision can be measured by: problem introduction, search information, alternative evaluation, purchase decision, post purchase behaviour.
1.2 Assortment
Kotler (2014) illustrate assortment is a collection of all products and goods offered by sellers to buyers. According to Kotler (2014) assortment has a close relationship with purchasing decisions.: The diversity of retailer's products must be in accordance with the expectations of the shopping of the targets. The retailer must decide on the breadth and depth of product diversity. Thus, a company can offer a diversity of products. According to (Zielke 2010); assortment can be measured by price, quantity, variety, display product.

H1: Assortment has significance positive influence on purchase decision

1.3 Utilitarian Motive
For the middle and especially for lower segments, Kotler (2014) defines utilitarian motive is a process to encourages consumers to buy products because of the functional benefits and objective characteristics of the product and also called rational motives. indicator of utilitarian shopping motives according to (Kim 2006) are: achievement, efficiency, quality of product, quality of services

H2: Utilitarian motive has significance positive influence on purchase decision

H3: Utilitarian motive has mediating effect on purchase decision

Research model in this research was illustrate below based on hypothesis mentioned.

2 RESEARCH METHODS
A field questionnaire survey was adopted to collect data of 152 samples using a structured questionnaire with closed questions and 5-point Likert response scale. The sampling procedure was taken by purposive sampling method, a tool for taking samples with certain criteria. The Criteria of the selected respondents at least had shopping once time at transmart carrefour.

3 RESULTS AND DISCUSSIONS
Data had been analyze with SmartPLS02 to described outer model test including validity and reliability test, and inner model involving the coefficient of determination test and significance of path coefficients test.

Figure 2. Model Result

3.1 Outer model
Outer model involves examining individual indicator reliabilities to reach construct’s composite of measures as well as the measures’s convergent and discriminant validity.

3.1.1 Validity Test
Validity test in PLS using convergent validity and discriminant validity.

| Table 1. Convergent Validity Test | AVE        | Communal- |
|-----------------------------------|------------|-----------|
| Assortment                        | 0.532468   | 0.532468  |
| Utilitarian Motive                | 0.541000   | 0.541000  |
| Purchase Decision                 | 0.591326   | 0.591326  |
| Utilitarian Motive*Assortment     | 0.542569   | 0.542569  |

The convergent validity test evaluation carried out by using convergent validity which is as the used measurement (outer) models. The amount of loading factor 0.5 for each variable in AVE and communality is defined (Ghozali 2014).
Table 2. Discriminant Validity Test output from SmartPLS

|       | Assortment | Purchase Decision | Utilitarian Motive | Utilitarian Motive * Assortment |
|-------|------------|-------------------|--------------------|-------------------------------|
| A1    | 0.812594   | 0.429169          | 0.207464           | 0.599490                      |
| A2    | 0.805533   | 0.440812          | 0.206536           | 0.648235                      |
| A3    | 0.811556   | 0.521627          | 0.247806           | 0.588570                      |
| A4    | 0.727343   | 0.185398          | 0.127942           | 0.256893                      |
| PDI   | 0.478981   | 0.719102          | 0.189707           | 0.391193                      |
| PDI2  | 0.369432   | 0.736171          | 0.282987           | 0.431809                      |
| PDI3  | 0.382465   | 0.600015          | 0.266963           | 0.450854                      |
| PDI4  | 0.301699   | 0.710199          | 0.464299           | 0.512660                      |
| PDI5  | 0.462151   | 0.706067          | 0.755935           | 0.451660                      |
| URI1  | 0.176564   | 0.216106          | 0.498184           | 0.426403                      |
| URI2  | 0.741834   | 0.446415          | 0.419446           | 0.708978                      |
| URI3  | 0.745182   | 0.444027          | 0.445843           | 0.724122                      |
| URI4  | 0.667032   | 0.488739          | 0.462031           | 0.667091                      |
| URI6  | 0.302925   | 0.270046          | 0.425887           | 0.475681                      |
| URI7  | 0.183582   | 0.283459          | 0.774632           | 0.596342                      |
| URI8  | 0.612247   | 0.456569          | 0.632505           | 0.784674                      |
| URI9  | 0.603621   | 0.438031          | 0.631857           | 0.786393                      |
| URI10 | 0.521732   | 0.459023          | 0.676087           | 0.758599                      |
| URI11 | 0.270806   | 0.325337          | 0.675049           | 0.731223                      |
| URI12 | 0.179669   | 0.280905          | 0.408644           | 0.571289                      |
| URI13 | 0.618568   | 0.403922          | 0.778476           | 0.755644                      |
| URI14 | 0.649683   | 0.462810          | 0.636177           | 0.810946                      |
| URI15 | 0.570384   | 0.490233          | 0.659485           | 0.766222                      |
| URI16 | 0.270055   | 0.306965          | 0.608303           | 0.679765                      |
| URI17 | 0.268213   | 0.396214          | 0.403523           | 0.725949                      |
| URI18 | 0.597309   | 0.490767          | 0.720043           | 0.634063                      |
| URI19 | 0.608396   | 0.506019          | 0.705791           | 0.562563                      |
| URI20 | 0.527883   | 0.296214          | 0.795132           | 0.628923                      |
| URI21 | 0.311624   | 0.408652          | 0.601220           | 0.622396                      |

Table 3. Reliability Test

|                      | Cronbach’s Alpha | Composite Reliability |
|----------------------|------------------|-----------------------|
| Assortment           | 0.761038         | 0.802422              |
| Utilitarian Motive   | 0.787633         | 0.885828              |
| Purchase Decision    | 0.742840         | 0.788874              |
| Utilitarian Motives* | 0.941985         | 0.911093              |

3.1.2 Reliability Test

The reliability test can be extracted from composite reliability with PLS calculations. The value of a variable is reliable if the composite reliability value > 0.70 and the result of all the items have been met in a rule of thumb (Ghozali 2014).

3.2 Inner model

Evaluation for inner model involving coefficient determination test and estimating the path coefficient.

The results are: purchase decision had been affect by assortment, and utilitarian motive by 40.35%, the rest of 59.65% influenced by other variables not examined in this study.

According to the results of hypothesis test researched in this study are: H1 accepted, which means that the assortment has a significant effect on purchase decision. H2 is accepted, which means utilitarian motive has a significant effect on purchase decision. H3 is accepted, which means utilitarian motive has moderating effect on purchase decision.

4 CONCLUSION

Based on the results, then the following conclusion is assortment has a significant effect on purchase decision, because consumers feel the product diversity can being benefit to influence in purchasing decision in Carrefour Supercenter. Another variable is utilitarian motive has a significant effect on purchase decision; the consumers feel the higher utilitarian motive in their feeling can assist to purchase decision in transmart supercenter. We also suggested to another researcher to find the other variables in purchase decision research such as bundling promotion, and hedonic motive to seeking the customer blackox before purchase decision. Another point need to be addressed is seeking preference in size, colour, using choice model for useful planogram for efficiency and investigate the right amount of product diversity in purchasing decisions, using inverted-U theory.
REFERENCES

Toffler, A. 1971. *Future Shock*. New York: BantamBooks Inc.

Bachdar, S. 2017. *Transmart Berbenah Lahirkan Konsep Ritel 4 in 1*. Retrieved from http://marketeers.com/transmart-berbenah-lahirkan-konsep-ritel-4-1/

Chernev, A. 2003. Product Assortment and Individual Decision Processes. *Journal of Personality and Social Psychology*. 85(1): 151-162.

Chowdhury, T. G., S. Ratneshwar, & K. K Desai. 2009. The role of exploratory buying behavior tendencies in choices made for others. *Journal of Consumer Psychology* 19(3): 517-525.

Ghozali, I. 2014. *Structural Equation Modeling Metode Alternatif Dengan Partial Least Squares (PLS)*. Edisi 4. Semarang: Badan Penerbit Universitas Diponegoro.

Iyengar, S. S. & M. R. Lepper. 2000. When Choice Is Demotivating: Can One Desire Too Much of a Good Thing? *Journal of Personality and Social Psychology* 79 (6): 995–1006.

Kahn, B. E. & B. Wansink. 2004. The Influence of Assortment Structure on Perceived Variety and Consumption Quantities. *Journal of Consumer Research* 30(4): 519–33.

Kim, H.S. 2006. Using Hedonic and Utilitarian Shopping Motivations to Profile Inner City Consumers. *Journal of Shopping Center Research* 13 (1): 57-7.

Kotler, P. & G. Armstrong. 2014. *Principle of Marketing*, 15th edition. New Jersey: Pearson Prentice Hall.

Nielsen A.C. 2010. *Global Consumer Confidence Concern and spending, A Global Nielsen Consumer Report*. Jakarta: Nielsen Company. Retrieved from https://www.nielsen.com/content/dam/niel sen/en_us/documents/pdf/White%20Papers%20and %20Reports%20II/Q2-2010-Global-Consumer-Con fidence.pdf

Reutskaja, E. & R. M. Hogarth. 2009. Satisfaction in Choice as a Function of the Number of Alternatives: When ‘Goods Satiate.’ *Psychology and Marketing* 26 (3): 197–203.

Schiffman L. G. & L. L. Kanuk. 2000. *Consumer Behavior*. Internasional Edition, Prentice Hall.

Wijaya A. & O. A. Sander. 2017. Eksplorasi motif Patronase pada toko ritel di Universitas Bunda Mulia Studi Kasus: TURLA dan LAWSON. *Working papers*. Jakarta: Bunda Mulia

Zielke, S. 2010. How Price Image Dimensions Influence Shopping Intentions for Different Store Formats. *European Journal of Marketing* 44(6): 748–77.