Conference Paper

Factor Analysis of Customer Decisions to Buy Neeyoo Fashion Retail Products in Surabaya

Yoddie Yanuar I. Babuta and Eric Harianto

Vocational Education Program, Management and Business Studies Program, University of Ciputra, Surabaya, Indonesia

ORCID:
Eric Harianto: http://orcid.org/0000-0003-1844-1368

Abstract

This study analyzed what factors shape consumers' decisions to purchase Neeyoo fashion store products, so as to prepare corporate strategies to increase the amount of company turnover. This research used the Exploratory Factor Analysis (EFA) method. The 107 participants were consumers of Neeyoo stores. The study used a survey questionnaire with 5% error based on the Exploratory Factor Analysis. 36 initial variables were included and 7 factors were found that shaped consumer purchasing decisions: service and managerial performance, the right product selection, promotion media design and price according to quality, location / business ease, product suitability to consumer needs, in-store presentation, and reference group. Service and managerial performance had the highest variation values at 35.949%. The results showed that improving customer service can increase turnover at Neeyoo stores.

Keywords: retail, fashion, factor analysis, purchasing decisions

Corresponding Author:
Yoddie Yanuar I. Babuta
yoddie90@gmail.com

1. Introduction

The fashion industry in Indonesia has experienced an increasing trend from 2016 to 2018. Based on data from the Indonesian Ministry of Industry, it shows that in 2017 the textile and apparel industry experienced a growth of 3.83% from the previous year which only experienced growth of -0.09% and in 2018 this industry growth 8.73%. Meanwhile, leather, leather goods and footwear industry in 2018 experienced a growth of 7.2% from 2017. This growth made the author take advantage of this moment by establishing a fashion retail with a vision to become the largest affordable fast fashion retail company in Indonesia. In August 2019, the first physical shop under the name Neeyoo was established in the West Surabaya area with the main target is the local consumers around West Surabaya.

Neyoo has good potential as evidenced by the turnover in September which reached 13 million rupiahs, but then experienced a significant decline in turnover trend until February 2020. Author feel this certainly cannot be underestimated because it can threaten the sustainability of this business. In order to find a solution to this problem, we identified the factors that generate purchasing decisions at Neeyoo stores to be considered as a marketing strategy.

Some of the bases for this research are from the study of Laiwechpittaya & Udomkit (2013) on "A Matter of Shoes: The Analysis of Desired Attributes of Shoes and Its Retail Shops from Bangkok Consumers' Perspectives". They used the 6Ps of retailing mix in his research as a form of improving the marketing mix (4Ps) in Saha's research (2010). As well as referring to Sari's research (2013) on "Analisis Faktor-Faktor yang Mempengaruhi Keputusan Konsumen Dalam Membeli Produk Industri Garment." Namely using variables consisting of product (X1), price (X2), distribution channel (X3), promotion (X4), culture (X5), social (X6), psychology (X7) and personal (X8) taken from marketing mix theory and consumer behavior. Therefore the authors use research variables in the form of 6Ps Marketing Mix coupled with three theories of consumer behavior so that it becomes 9 variables: product (X1), price (X2), place (X3), promotion (X4), service (X5), presentation (X6), social (X7), individual (X8) and culture (X9).

2. Research Framework and Methodology

This research was conducted with a quantitative approach. This research was conducted at the fashion retail store Neeyoo in Surabaya, Indonesia. The study was conducted in September 2019 - April 2020. The population of this study were consumers of Neeyoo stores. The number of Neeyoo shop consumers can be seen from the data on the number of transactions in a period of 8 months, starting from September 1, 2019 to April 30, 2020. Out of a total of 8 months, the average store consumer who made purchases was 145 transactions per month. The sampling technique in this study used non-probability sampling, namely purposive sampling technique. The sample in this study are female consumers of Neeyoo stores aged 15 years and over because they are expected to provide objective feedback according to the company's target market

Primary data collection techniques using a questionnaire with the number of respondents required as a sample based on the Slovin formula with a 5% margin of error is 106.4 or can be rounded to 107 respondents. The questionnaire consists of two parts, the first is the identity of the respondents and the second is the 36 main research questions.

3. Result an Analysis

Of the total 110 questionnaires that have been filled in by respondents, 107 (97.3%) were women and 3 people (2.7%) were men. 99% of the respondents are over 15 years old, so the results of the questionnaire are sufficient for further investigation. In addition, the monthly income data consumers at Neeyoo stores are: under 1 million Rupiah of 52.7%, 1 million - 3 million per month of 42.7%, and the rest is with income above 3 million per month, this shows that the respondent is on target Neeyoo's target market is the middle to lower class.

Testing the validity of the questionnaire items using the Item-Total Statistic table by looking at the Corrected Item-Total Correlation value matched with Pearson's R Table, where the R Table in this study is known to be 0.329 because it has 36 question items with a significant level of 5%. It was found that of the 36 items of the questionnaire there were 7 invalid questions, so that for the reliability test only 29 items were tested further. The reliability test in this study used Cronbach's Alpha, a questionnaire is said to be reliable if it has a Cronbach's Alpha value> 0.6. The results of the reliability test of 29 questionnaire items showed that the Cronbach's Alpha value was 0.943 which was more than 0.6 or reliable.

The next step is to perform a factor analysis by looking at how many factors can be formed through the Total Variance Explained Table and it is known that there are 6 factors that can be formed from 29 variables, then all of these variables are weighted and perform several factor rotations and tested the reliability of the factors formed, so that the results of the Exploratory Factor Analysis (EFA) show that there are four factors that are declared valid and reliable.

4. Conclusion and Managerial Implications

Factors that shape the purchasing decision for fashion products at Neeyoo stores consist of four main factors which consist of Service(1), Place / Location(2), Presentation(3) and Cultural(4). The service factor has the highest variation value, namely 43.178%.

The service factor consists of four forming variables, there are responsive employees(1), informative employees (2), friendly employees (3), fast service (4). Responsive, informative, friendly and fast employee service performance is one of the reasons why consumers buy products at Neeyoo stores with a variance value of 43.178% which is the dominant factor of the four factors that shape purchasing decisions at Neeyoo stores. Some things that Neeyoo stores can do according to the results of this study if

TABLE 1: The EFA result

No	Factor	Variable Code	Variable Name	Factor Loading	Variance %
1	Service	Pp2	Neeyoo store clerks are responsive	.822	43.178
		Pp3	Informative employees (good at providing information about products)	.806	
		Pp1	Friendly shop clerks	.683	
		Pp4	Neeyoo store clerk service is fast	.669	
2	Place ? Location	T3	Easy to find a parking spot at the Neeyoo shop	.850	11.059
		T2	The Neeyoo shop is easily visible from the main road	.690	
		T4	Access to Neeyoo stores is very easy from the consumer's home	.649	
3	Presentation	Pre3	Consumers feel the atmosphere of the Neeyoo shop is comfortable	.857	9.849
		Pre4	Store displays look neat and it's easy to find products	.707	
4	Cultural	B2	The product is suitable for use in the environment where I work / do activities.	.853	9.286
		B1	Products are fit to the culture in the environment	.836	

they are adjusted to the conditions and resources that Neeyoo stores have, including increasing responsiveness, speed and employee friendliness, by designing Standard Operational Procedures (SOPs) in serving customers and conducting routine product knowledge training so that employees understand the product better and can explain it to consumers in more clarity and detail.

The location / place factor consists of three forming variables, namely: Easy to find a parking spot(1), The shop is easily visible from the main road(2) and very easy access to Neeyoo stores from consumers' homes(3). The place / location factor that is meant is that the convenience of consumers to access Neeyoo stores, the ease with which consumers can see the physical store from the main road (shop visibility) and the ease of finding a parking spot at Neeyoo stores can shape product purchasing decisions at Neeyoo stores. What can be implemented from the results of this research if it is adjusted to the current condition of the Neeyoo store, then things that can be improved are increasing the visibility of the Neeyoo shop by installing a Neon box or some kind of business signboard and increasing the light intensity on the front of the Neeyoo shop so that the shop is more seen again from the highway by consumers who have not

known the Neeyoo store so far and second Neeyoo can make a guidelines for parking so that the parking lot is neat and no one is parking carelessly.

The presentation factor consists of two forming variables, namely: Neeyoo's store's atmosphere is comfortable (1) and the shop display looks neat and easy to find products (2). The two forming variables are presentation variables. Interestingly, in this factor the focus is on the inside (interior) of the shop. In other words, a comfortable and neat store interior design makes consumers feel comfortable lingering in the store and then creates a desire to buy which then helps in purchasing decisions. What can be implemented is to create a floor map display so that the store always looks neat and organized according to its categories and SOPs in arranging and keeping the display neatly in place.

Cultural factors consist of two forming variables, namely: Products suitable for use in the environment where consumers work / do activities (1) and Products in accordance with the existing culture in the consumer environment (2). This factor is formed because of the suitability of the product if it is used in their work or activity environment and the environment in which consumers live. Because consumers feel the products in Neeyoo stores are suitable for use in any environment they live and do activities. Strategies that can be implemented include always finding out what are the latest fashion trends in the neighborhood so that consumers are always curious about new products sold at Neeyoo stores. In addition, Neeyoo stores also need to know what consumers really need for our products so that the products we sell match their desires.

5. Limitation and Recommendation for Future Research

This research has several limitations, first is the process of collecting primary data in the form of a questionnaire carried out during the Covid-19 virus pandemic, which is right in April 2020 - May 2020 so that visitors drop drastically so that researchers have a bit of difficulty in data collection and it is feared that data will not be the same if done under normal conditions. The second limitation is that the total 36 variables in this study are extracted from the retail mix and consumer behavior. Second, from 6 elements of retail mix and 3 elements of consumer behavior, each element is extracted into 4 variables so that it becomes 36 independent variables. It would be nice if further research focuses more on the discussion such as in retail mix only or consumer behavior which is used as the basis of variables but with the number of variables per element is more and more complete so that the factors that will be formed will be clearer. Third, this research was conducted in 2020, in the era of 4.0 or digital era, so that most retail stores that

have physical stores like this have changed to online entrepreneurs / online stores and the use of social media and marketplaces is very important for a retail store. Therefore, further research is expected to include new variables from the elements inherent in online stores and marketplaces so that research is more appropriate to its era.

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