

## Importance of Store Environment in Indonesia Modern Retail to Elevate Impulse Buying Behavior

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### ABSTRACT

Today in Indonesia, the advancement of technology starts to affect various levels of society especially generations X and Y which are experiencing market saturation and market hype. It causes the development of the fashion industry especially in Indonesia's major cities. The developing fashion industry, especially the South Korean fashion industry, is currently a trend for young people in many parts in the world. Purchases in this modern retail frequently happen impulsively due to affordable prices. This research is motivated by that phenomenon. The importance of this research is further emphasized with the use of environmental variables in the midst of the Covid-19 pandemic where offline stores are experiencing fierce competition with online stores. Since the early 2021, Indonesian governments have allowed outdoor activities to be held with the health protocol of the New Normal concept implemented, thus resulting in tighter competition among offline stores. This is a quantitative research with structural equation modelling using AMOS 20. The number of respondents is 200 with nonprobability and purposive sampling method. This study seeks to examine impulse buying by examining the effects of environmental variables. Previous studies stated that environmental variables are important influential variables in creating impulse buying. The results of this research show that 5 of 6 hypotheses tested are supported. The supported hypothesis suggests positive and significant effects of environmental variables on impulse buying.

Keywords: In-Store Music, Lighting, Store Layout, Employee, Positive Affect, Urge To Buy, Impulse Buying, Modern Retail, Indonesia.

## 1. INTRODUCTION

Indonesia's size of middle class is round 74 million, and this number will double by 2020, to roughly 141 million people. It will make Indonesia a market of immense potential for the retail sector to grow. As countries grow in terms of economic development, the middle-class consumers get larger in size and be more prosperous (Manrai & Manrai, 2001). Thus, along the economic development path of countries, middle class seems to be the answer to sustainable growth because of its contribution to consumption and factor inputs as they prosper. It has translated into strong consumer demand, especially for such lifestyle products as personal electronics, clothes, watches, domestic appliances and fashion. Retail industry is one of the most developed sectors in Indonesia. The participants in the retail industry are also developed from the inside and outside the country (Amelia and Ronald, 2017). Foreign retailers in recognize this potential, and have taken a much more aggressive approach to the market in recent years.

Over the past few decades, the retail industry has grown exponentially, resulting in a highly intensive and competitive market (Wanninayake & Randiwela, 2007). In recent years,

the development of the modern era led to the emergence of wide range of businesses whose goal is to meet the needs of its customers. Business competition is causing companies vying to provide a wide variety of products and the best service that can satisfy its customers (Ronald and Amelia, 2017). Modern Retail sectors have shown a fast-pace growth in Indonesia, especially in large cities like Jakarta and Surabaya. Subsequently, due to increasing Indonesian population, economic growth, technology advancement, globalization, and changing lifestyle of Indonesian consumers, there are large changes in the preferences in goods and services consumption (Wijayanto, 2013). As one of the most promising Retail Market in Asia with an increasing household purchasing power and increasingly modern spending habits, especially from those millennials, Indonesia has opened the gate of opportunity for foreign retailers to grow. According to Aprindo, foreign retails of lifestyle goods from East of Asian succeed in penetrating Indonesian market and were able to expansively grow their retails store in such a short period due to the fact that Indonesian consumer's behavior in spending has changed and shifts towards a more leisure and lifestyle goods.

Indonesian retail is dominated by small independent store owners, but modern retail are also involved, particularly in convenience-store chains, supermarkets, and hypermarkets. Those type of stores is now growing twice as fast as those independent stores. Convenience store is getting popular nowadays, especially among millennials who are living in an urban area like Surabaya. Convenience store is basically a store that sell convenient, small products that are cheap, with usually having a high turnover ratio. However, as people are no longer satisfied with merely well-functioning product, they now demand for a product that can enhance their lifestyle. Thus stimulate the growth in demand of lifestyle goods and convenience goods, and that motivates those foreign convenience store chain to open their branches in shopping center in Indonesia. The Foreign Convenience Store that specialized in selling household goods and consumer goods that have entered Surabaya is Miniso, Minigood, Daiso and others. All are targeting Middle-class and Millennials as their market segments, which they offer high quality products with good design and at affordable prices.

Foreign convenience stores that open branches in Indonesia can witness the huge interest of Indonesians, especially youngsters, in daily products with high variants of shapes or colors with the K-Pop concept on it. Moreover, with the current pandemic of Covid-19 that forces the majority of people to stay at home, the convenience of the product for personal use has been a crucial aspect. Moreover, since the early of 2021, the Indonesian government has implemented New Normal protocol where people can have their activities outside with the appropriate health protocol on sight. Despite online stores being the focus of shopping alternatives in the current pandemic, people have grown weary of it and have started visiting shopping malls to relieve the growing weariness. This has become the highlight of this research as it analyses the environmental variable which is a crucial variable for offline stores in the midst of the fierce competition among the convenience stores in the attempt to seize the target market that has grown smaller due to the number of competitors in the field. By the middle of 2021, around 20 million Indonesia's citizen had received the first dosage of the COVID-19 vaccination shot and 11 Million people had got the second dosage of the COVID-19 vaccination shot. The government targeted to reach 181.5 million people (approximately 70% from overall Indonesia's citizen) to get vaccinated in 15 months to achieve Indonesia's herd immunity. Herd immunity towards COVID-19 pandemic could lead human activities back to normal like before, however people will still need some health protocols. Some places in Indonesia such as Jakarta, Surabaya, and other big cities already facing new normal where people could go to work like usual with health protocols implemented.

In this research paper, factors that affect Impulse buying behavior on customers will be researched. This research is bound to collect data by distributing questionnaire that comprises of sets of inquiries targeting the customers of foreign convenience stores such as Miniso,

Minigood and Daiso. The sample will be taken randomly within Surabaya region, with the suitable respondents are those who have visited the physical store and have made any purchase at foreign convenience stores. This research aims to examine the effects of In-Store Music, Lighting, Store Layout, and Employee on Impulse buying through Positive Affect and Urge to buy at foreign convenience stores.

## 2. LITERATURE REVIEW

### 2.1 In Store Music

According to Gobé (2009), Music is defined as a source of motivation and information in making an association with specific organization, stores, brands, or products as it creates certain meanings to people through different types of sounds and music genre. In-Store Music is an important variable in the study of affective states (Bruner, 1990) as a key ambient variable (Bitner, 1992) shaping consumer behavior in store environments through affecting consumers' psychologically and behaviorally physical activity (Yalch and Spangenberg, 1990). According to Garlin and Owen (2006), Pleasant In-Store Music may produce positive affect. Similarly, Milliman (1982) also found that desirable background music may create a pleasurable atmosphere to customers and enhance their shopping behavior.

According to Donovan et al., (1994), by adding upbeat music, using bright colors and implementing other elements that create arousal, retailers can create a store that is perceived by shoppers as more pleasant. According to Morin et al., (2007), pleasant In-Store Music has favorable effects on service outcomes in terms of service evaluations and purchase intentions. Thus, we tested the following hypothesis:

***H<sub>1</sub>: In Store Music has a positive significant effect on positive affect***

### 2.2 Lighting

According to Hultén et al. (2009), Lighting is defined as an instrument that has the ability to create an appropriate mood, which it attracts and captures the consumer's interest. It has the ability to highlight merchandise, to separate one area from another, to form space and to create a mood or a feeling that can enhance the store's overall image. It also has the ability to guide consumers into a store as well as through it, by moving their attention from one feature area to another. According to Babin et al., (2003), Colored light is also known to attract attention to window displays and affect emotional state. According to Donovan et al., (1982), arousal and pleasure are effective gauges of consumers' response to the environment, which the emotional response to environmental cues along general and specific measures, like lighting. According to Mehrabian & Albert (1976), Lighting as its function is to highlight products, it creates excitement and has a positive impact on consumer purchasing behavior. When the lighting used in the retail chain outlets is of good color, consumers are inclined to touch products to assess quality (Areni & Kim, 1994).

According to Yoo, Park, & MacInnis (1998), Stores with proper lighting, music, color, scent and displays will motivate the customers to visit the store again in the future. The main purpose of using brighter lighting in retail outlets is to grab the customers' attention so that they start purchasing from the outlets due to their comfort. From these statements, we can make hypotheses that:

***H<sub>2</sub>: Lighting has a positive significant effect on positive affect***

### 2.3 Store Layout

According to Levy & Weitz (2012), layout refers to the effective flow of used space, traffic control and sales productivity of a retail store in order to ensure that consumers are comfortable while shopping and that the overall appearance of a store is attractive. It refers to the way in

which products, shopping carts, and aisles are arranged, the size and shape of those items, and the spatial relationships among them. The shelves upon shelves of patterned backpacks, various styles of water bottles and plush toys in neat rows. According to Lu and Seo (2015), a successful design of the store layout can influence how shoppers navigate through the store and interact with products, ultimately affecting their shopping experience and sales. According to Aghazadeh (2005), store layout is important as they help present product assortments in an effective way so to deliver positive affects to customers. Create unique store identity and enhance consumers' shopping experience.

According to Shankar et al., (2011), store layout is considered as a critical trigger point in the shopping cycle that can significantly affect the attitude and behavior of shoppers. According to Iyer (1989), increased exposure to stimuli also enhances the chance of recognizing product needs and leads consumers to process new product information if a shopper is next to a product, it must be visible for them to see another products in the same racks. From these statements, we can conclude hypotheses as follows:

***H<sub>3</sub>: Store Layout has a positive significant effect on positive affect.***

## **2.4 Employee**

According to Wang (2004), employees are people who can be creative in making presentations, handling objections, persuading, building customer rapport, and transferring knowledge and skills from other domains to sales problems. According to Baker et al., (1992), the relations between employee and positive affect is described as in shopping scenario, during like when a customer seek help, the employee will work toward the cutsomers to aid them, guide them through the store, asking them what are they looking for, ready to answer any question that they have. Those kinds of help offered by employee in assisting customers influences consumers' willingness to buy.

According to Hoch and Loewenstein (1991), employee often encourages or persuades customers to purchase more products in the store. Similarly, Han et al., (1991) proposed that impulse buying was influenced by the amount of interactions with a salesperson in the store, which induces emotional attraction to a desired product throughout interactions with a salesperson can stimulate buyers to accept sudden and unexpected buying ideas during shopping. Thus, the following hypothesis is proposed:

***H<sub>4</sub>: Employee has a positive significant effect on positive affect.***

## **2.5 Positive affect**

According to Silvera et al., (2008), Positive Affect is a well-established instrument with strong psychometric properties. Positive affect has emerged reliably as the dominant dimensions of emotional experience, as an individual emotional reactivity. According to Dholakia (2000), consumers who are more susceptible to emotions or affective states have been found likely to experience an irresistible urge to buy. According to Rook and Gardner (1993), Consumers with positive emotions exhibit greater impulse buying because of feeling less restrained, the wish to reward themselves, and high energy levels. Consumers who are in positive emotional states are inclined to experience less decision complexity and shorter decision times (Isen & Aubman, 1984) and are more willing to spend more time and money in the store (Donovan et al., 1982).

According to Beatty and Ferrell (1998), there is a positive relationship between positive affect and urge to buy impulsively. In the aspect of psychology, when one person is in a superior mood such as experiencing positive influence he/she is more engaged in approaching behavior than evasion behavior. The mood (positive affect) influences approach buying behavior and the effect of negative mood remains minimal. Thus, the following hypothesis is proposed:

***H<sub>5</sub>: positive affect has a positive significant effect on Urge to Buy.***

## 2.6 Urge to Buy

According to Mohan et al., (2013), Urge to buy impulsively is a state of desire that is experienced upon encountering an object in the shopping environment. According to Lee et al., (2009), The urge to buy impulsively is a desire that blocks people from searching for alternatives, and it leads customers to exhibit impulsive buying behavior. According to Weinberg and Gottwald (1982), it appears feasible to consider decision and behavior separately. Thus felt urge to buy impulsively is a state of desire that is experienced upon encountering an object in the environment. It clearly precedes the actual impulse action. Consistent with the literature, it is spontaneous and sudden. It involves the actual purchase of this product or fulfillment of the urge. Obviously, as more urges are experienced, the likelihood of engaging in an impulse purchase increases. According to Brake and Danelly (2001), the consumer's desire to buy the product almost immediately after viewing the product without thinking in the time period between the stimulus to see the product and as a result, the purchase of the product is very short. Thus, the following hypothesis is proposed:

***H<sub>6</sub>: Urge to Buy has a positive significant effect on impulse buying.***

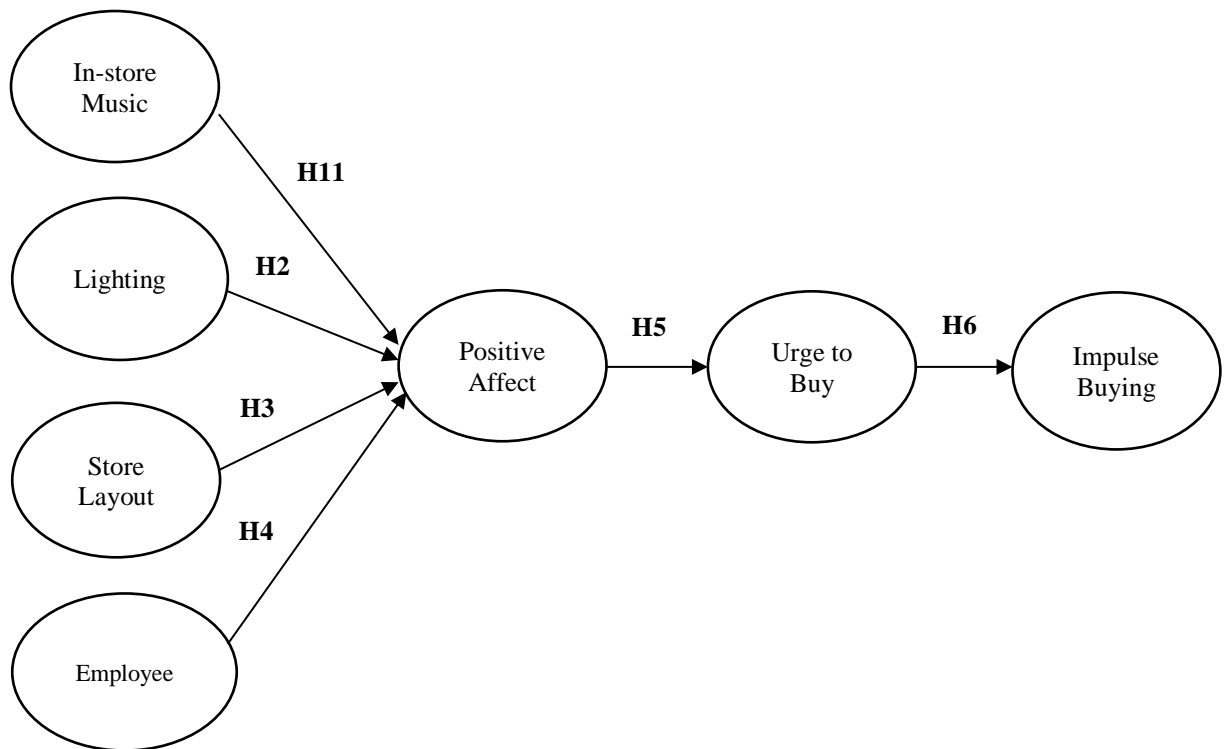
## 2.7 Impulse Buying

According to Elliot (1997), Impulse buying is defined as an unplanned, on the spot purchase triggered by stimulus sensory marketing and the possibility to touch the products, by clear and visible information about special offers and tie-ins to help the consumer remember what they need. According to Block and Morwitz (1999) enunciated the definition of impulse purchase as consumer buying an item with little or no deliberation after the result of a sudden, powerful urge. According to Sharma, et al (2010), Impulse buying is a hedonically complex buying behavior that prevents any conscious consideration of alternatives or future consequences, and is emotionally driven and cognitively intractable consumer behavior which manifests itself in an irresistible desire to make a purchase in the presence of an appealing object. According to Parboteeah (2005), Impulse buying is a purchase that is unplanned, the result of an exposure to a stimulus, and decided on-the-spot. After the purchase, the customer experiences emotional and/or cognitive reactions.

## 3. RESEARCH ISSUE AND METHODOLOGY

### 3.1 Research Issue

Research method that is used in this study is a quantitative method. Population that is used in this research are the customers of foreign convenience stores in Surabaya that have visited the physical store separately and have made at least two purchases in the last two months. The foreign convenience stores used in this research are Minigood, and Miniso in Surabaya. Population that are going to be used in this research include population categories with unknown number, which is a population that comprises of element that with limitation that are hard to find. Population in this research covers female and male in Surabaya, within age range of 18 to 60 year old (Kotler and Armstrong, 2009), have make purchase at least twice in the last two months prior to the questionnaire is being filled, with an assumption that the customer within that age range have their own income to be able to afford buying the products without others intervention or opinion, thus can be assumed as homogenous. Customers within those age range is also assumed to have the ability to think properly in fulfilling the questionnaire on their own, so to ensure the validity of the result findings. Total sample that need to be collected are 200 respondents. Research model can be seen below.



**Figure 1. Research Model**  
Source: Analysis, 2020

#### 4. FINDING AND DISCUSSION

##### 4.1 Findings

This study used Structural Equation Modelling in testing between the variables. Statistical analysis tool used to answer the problem formulation of this research is AMOS 20.0. Once the questionnaires were returned, the next step that must be conducted is descriptive statistic-analysis.

In Table 1, it shows that respondents who fill out questionnaires are mostly done by women, this can be seen from 128 respondents (64%) of respondents who purchase on foreign convenience stores while 72 respondents (36%) are men. This indicates that customer of foreign convenience stores mostly is female.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	128	64.0	64.0	64.0
	Male	72	36.0	36.0	100.0
	Total	200	100.0	100.0	

Source: own calculation

From the results in Table 2, it can be seen that the characteristics of respondents based on age are dominated by age group 18-35 which is 193 respondents (96.5%), followed by 36-50 age group which is 6 respondents (3%), and last age group which is become respondents is age group 51-60 which is 1 respondents (0.5%). This shows that the majority of respondents are in the age subgroup of generation X and Y and baby boomers, the last are from the senior age group.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-35	193	96.5	96.5	96.5
	36-50	6	3.0	3.0	99.5
	51-60	1	.5	.5	100.0
	Total	200	100.0	100.0	

Source: own calculation

	N	Mean	Std. Deviation
Mu1	200	4.050	.6555
Mu2	200	4.100	.7569
Mu3	200	3.900	.9188
Mu	200	4.016	.6355
Li1	200	4.210	.7060
Li2	200	4.140	.7896
Li3	200	4.275	.7363
Li	200	4.208	.6156
La1	200	4.295	.8070
La2	200	4.340	.7598
La3	200	3.925	.9401
La	200	4.186	.6398
Em1	200	3.990	.8019
Em2	200	4.295	.7353
Em3	200	4.320	.7000
Em4	200	4.250	.6478
Em5	200	3.925	1.0607
Em	200	4.156	.5521
PA1	200	4.175	.7664
PA2	200	3.910	.8399
PA3	200	4.210	.7270
PA	200	4.098	.6597
UR1	200	4.005	.8357
UR2	200	3.860	.9722
UR3	200	3.785	1.0412
UR4	200	3.910	1.0035
UR5	200	4.025	.8879
UR	200	3.917	.7506
IB1	200	4.025	1.0047
IB2	200	3.980	.9973
IB3	200	3.830	1.0180
IB4	200	3.855	1.0954
IB	200	3.9225	.87447
Valid N (listwise)	200		

Source: own calculation

Based on the results from data processing in table 3, it shows that all average score of the mean for overall indicator is above 3.61. This shows that all indicators of variables that tested can be perceived positive by all respondents. In addition, the standard deviation is under 2.0. This shows that the answers given by respondents are homogeneous or relatively the same. It is known that the highest mean average is lighting is 4.208. This may indicate that the indicators of lighting are best perceived by the respondents than other variables. Positive affect has the highest score for standard deviation that is 0.66. This may indicate that the respondents give answers for positive affect least homogeneous compared with other variables.

Before going for hypotheses testing, first steps that must be conducted is the testing of the validity and reliability to prove that the data from the questionnaire is valid, reliable and able to be used for the next analysis.

### 4.1.1 Validity Test

Indicator	FL	Indicator	FL	Indicator	FL	Indicator	FL	Indicator	FL	Indicator	FL	Indicator	FL
In Store Music		Lighting		Layout		Employee		Positive Affect		Urge to Buy		Impulse Buying	
Mu1	.53	Li1	.70	La1	.71	Em1	.58	PA1	.67	UR1	.57	IB1	.86
Mu2	.78	Li2	.87	La2	.69	Em2	.80	PA2	.69	UR2	.61	IB2	.87
Mu3	.72	Li3	.77	La3	.61	Em3	.81	PA3	.63	UR3	.79	IB3	.75
						Em4	.45			UR4	.79	IB4	.863
						Em5	.57			UR5	.70		
Source: own calculation													

Based on validity test result above, we can see that all indicators are valid, because the value of loading is greater than 0.4.

### 4.1.2 Research Result

Based on the results of testing the quality of the data, it is stated that the processed data can pass the evaluation of normality, outliers evaluation namely univariate outliers and multivariate outliers, evaluation of Multicollinearity and Singularity, and validity test for each indicator through confirmatory factor analysis. Then the data is processed for the Full Structural Equation Model, with the following results:

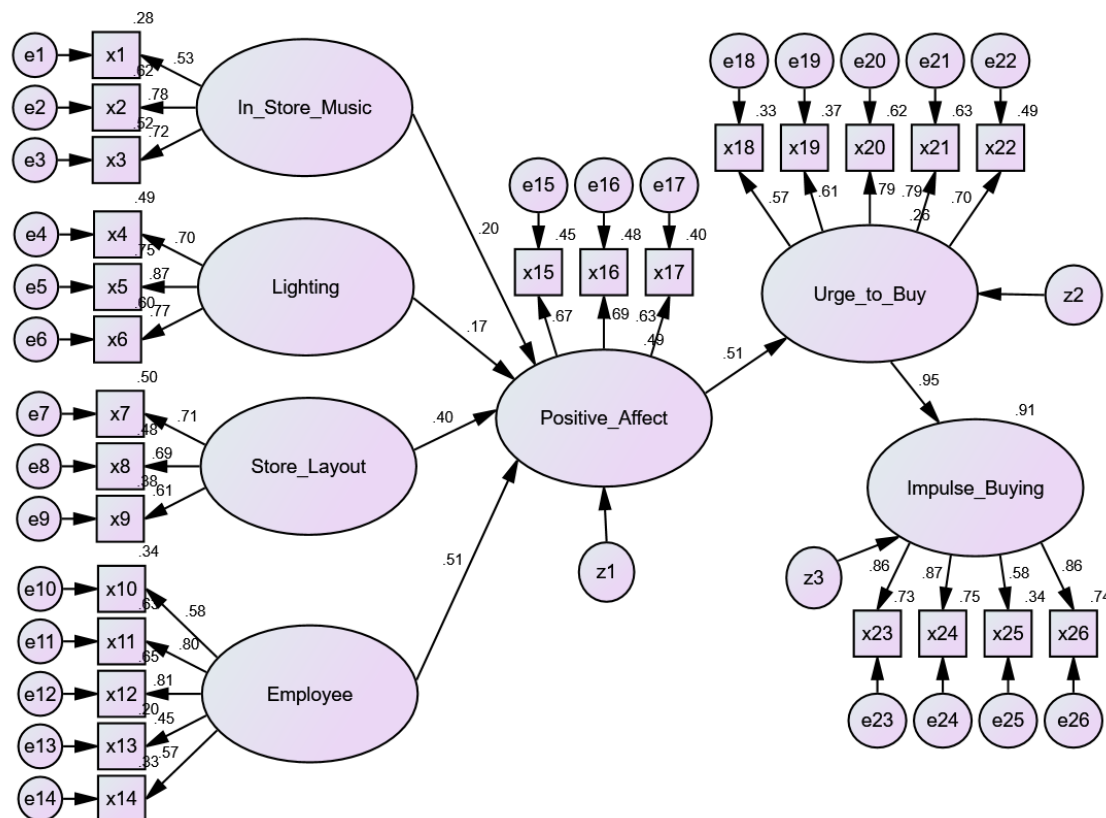


Figure 2. Research Results

### 4.1.3 Hypotheses Testing

Based on this fit model, we will test the six hypotheses proposed in this study



				C.R.	P	Regression	Result
H1	Positive Affect	<---	In Store Music	2.336	0.02	0.205	Accepted
H2	Positive Affect	<---	Lighting	1.733	0.083	0.166	Rejected
H3	Positive Affect	<---	Store Layout	3.37	***	0.399	Accepted
H4	Positive Affect	<---	Employee	4.411	***	0.51	Accepted
H5	Urge to Buy	<---	Positive Affect	5.549	***	0.51	Accepted
H6	Impulse Buying	<---	Urge to Buy	6.802	***	0.955	Accepted

Table above describes the six hypotheses proposed in the conceptual framework model, the seven hypotheses have a significant influence, and one hypothesis is rejected. This can be seen based on the value of  $CR > 2$  or the probability value  $< 0.05$  which explains that the influence between two variables is significant. Hypotheses that is rejected is hypothesis two.

## 4.2 Discussion

The results of this study shows that the variables which In Store Music, Store Layout, and Employee have positive and significant effects on Positive Affect. Also, Positive Affect have positive and significant effect on Urge to Buy, and Urge to Buy have positive and significant effect on impulse buying. So, the conclusion is that from six proposed hypotheses, five hypotheses are supported, and hypothesis for lighting has significant effect to positive affect is rejected.

The first hypothesis stating that In Store Music has a positive significant effect on Positive Affect is supported. The first hypothesis stating that In Store Music has a positive effect on Positive Affect is supported because the p value is 0.02, below 0.05. This shows the consistency results of this study with Morin et al., (2007) that states that In Store Music have a significant positive effect on Positive Affect.

The second hypothesis stating that Lighting has a positive significant effect on Positive Affect is rejected. The second hypothesis stating that Lighting has a positive effect on Positive Affect is supported because the p value is 0.083, greater than 0.05. This research result is contradictive with the statement stated by Mehrabian & Albert (1976), which he proposed that Lighting has the ability to arouse individuals, which individual who is highly aroused will become stimulated, jittery, and alert. However, current research finding is in line with the study conducted by Pragita et al., (2013), which also found that lighting does positively influence emotion but not significant. The quality of the lighting at foreign convenience stores in Surabaya are pretty standard and are similar to the lighting used in other retail stores. This similarity will no longer excites the customers as they can find the same excitement from the lighting factor on other similar retail stores. Upon this discussion, it can be concluded that Lighting does not significantly influences Positive Affect, which means that the second hypothesis is rejected.

The third hypothesis stating that Store Layout has a positive significant effect on Positive Affect is supported. The third hypothesis stating that Store Layout has a positive effect on Positive Affect is supported because the t test value is 0.000, below 0.05. This shows the consistency results of this study with Lu and Seo (2015), that states that Store Layout have a significant positive effect on Positive Affect.

The fourth hypothesis stating that Employee has a positive significant effect on Positive Affect is supported. The fourth hypothesis stating that Employee has a positive effect on Positive Affect is supported because the t test value is 0.002, below 0.05. This shows the consistency results of this study with Hoch and Loewenstein (1991), that states that Employee have a significant positive effect on Positive Affect.

The fifth hypothesis stating that Positive Affect has a positive significant effect on Urge to Buy is supported. The fifth hypothesis stating that Positive Affect has a positive effect on Urge to Buy is supported because the t test value is 0.000, below 0.05. This shows the consistency results of this study with Beatty and Ferrell (1998), that states that Employee have a significant positive effect on Positive Affect.

The sixth hypothesis stating that Urge to Buy has a positive significant effect on Impulse Buying is supported. The sixth hypothesis stating that Urge to Buy has a positive effect on Impulse Buying is supported because the t test value is 0.000, below 0.05. This shows the consistency results of this study with Brake and Danelly (2001), that states that Urge to Buy have a significant positive effect on Impulse Buying.

## **5. CONCLUSION, LIMITATION, AND RESEARCH EXTENSION**

### **5.1 Conclusion**

This model was developed in order to research Impulse Buying for foreign convenience stores in Surabaya especially in pandemic Covid 19 situation resulting in the fierce competition among offline stores. This research model formed an influence relationship between In Store Music, Store Layout, Lighting and Employee to Positive Affect. Also, Positive Affect have positive and significant effect on Urge to Buy, and Urge to Buy have positive and significant effect on impulse buying. So, the conclusion is that from six proposed hypotheses, five hypotheses are supported and one hypothesis is rejected.

The result can be explained as when customers feel the urge to buy during the purchase, they will most likely have bigger impulsive buying. Urge to Buy can be seen as the urge that has existed from the very beginning which is however suppressed due to the Covid-19 situation which has forced customers to shop for the necessity and wants through online platforms; the same reason that heightened the urge to buy when they can finally see and experience the products directly that strengthen the impulsive buying of a consumer. When customers are having a positive effect during the purchase, it will increase their urge to buy. It can be explained psychologically as when people are in the positive feeling or mood such as happy and delighted, it will affect their judgement and feeling towards a product and will tend to have a positive approach on it unconsciously. As the result, people are less controlled regarding their impulse purchase behavior when they are in a high positive energy.

In creating the positive effect, one of the most influencing factors is employees. This is caused by the restriction of activities outside due to the current pandemic Covid-19 situation that has forced all shopping activities to be done online. Thus, people are eager to have the social interactions and guidance from employees which might hardly be found during the online shopping experience. It is an important reminder of one of the characteristics of Indonesians which have the tendency to gather and interact in groups, which results in the slightest attention and guidance from employees can directly and significantly create a positive effect for customers. On the other hand, another significant matter to note from foreign convenience stores is the implementation of appropriate health protocols for both employees and customers in the stores. The second variable is the store layout. In this pandemic of Covid-19 situation, when customers are entering an offline stores that implement the appropriate health protocols as per the government instructions such as putting distance between one shelf towards others, wider store's valleys, and the arrangement of the cashiers that allow customers to have safe distance among each other, customers will feel less anxious and have lower stress from the thought of possible virus infection, which is what further boost the positive effect on customers. The third variable is the in-store music, as in the hard times of this pandemic Covid-19, cheerful and relaxing music can help boost the mood during the offline shopping experience - an experience that can't be found in online shopping. This is what significantly creates a

positive effect on customers. The Fourth variable is lighting, which has a positive effect though not significantly due to the reason that lighting in every store tends to be similar to one another. However, it is crucial to maintain good and appropriate lighting in stores in order to maintain the positive effect despite the low influence.

As derived from the research outcomes, variables such as In-Store Music, Lighting, Store Layout, Positive Affect, and Urge to buy are factors that are important to note as those variables have critical influence toward Impulse Buying on customers at foreign convenience stores in Surabaya. Therefore, the managerial implication must be concentrated upon those variables.

The findings of this study indicate that predominantly who have the biggest influence on customers making to impulse purchase during shopping trip at foreign convenience stores is the urge to buy. This can be seen from the weight of the causal relation regression of Urge to Buy variable towards Impulse Buying.

Thus, supports the theoretical evidence that says Urge to buy has a significant influence on Impulse Buying (Mohan et al., 2013).

The managerial implications of these findings can be based on the theories that have been developed as follows.

First, Employee is a crucial aspect of store environment that need to be improved especially in this pandemic Covid 19 situation. This element can be improved by giving trainings to the employees. Foreign convenience stores can highlight on the SOP of the employees where employees must always strictly enforce health protocols for all the employees using mask, face shield and gloves and always make sure that all the customers put mask, body temperatures are checked and using hand sanitizer provided by the stores before come inside the stores. Also, the most important are employee must put on a warm smile, must always welcome customers with a warm greeting and offer shopping basket, train the employees on how to be more communicative and responsive, and properly adjust the way the communication flows with the customers. As pleasing as it feels being welcomed by the employees' friendliness, receiving assistance during shopping is also important. The personal touch that can be given directly by the employee can't be done by online stores that's why it is really important. Therefore, foreign convenience store may consider putting on a noticeable campaign on the store wall or every corner of the store that says "Need help? Don't hesitate to tell us!". Consider also to include a picture of an employee smiling, portraying how customers are encouraged to ask for any help when needed. Moreover, getting a right and proper recommendation of products from the employees can be a good reason that maintain customers being happy during their whole shopping trip. Stores can therefore consider giving training on how properly give suggestion or recommendation of the right products for each customer. For example, by observing the item inside the customers basket, then recommend related items that go well with the item that the customers are purchasing, for example such as sunglasses goes well with cap, nail remover and nail polish, wallet and handbags, make up pouch with travel size bottle set, and many more.

The fact that an employee is a potential ambassador of a product gives a reason for the management to conduct a regular training, where employees are being prepared for the products knowledge and health protocols especially in this pandemic Covid 19 situation. So when customers are asking for assistance, employees can offer knowledge and educate the customers on the products details such as differences between the two products in terms of the materials and the usage, that is why every employee need to be well informed about the material of the product in order to be able to recommend best material that goes well with the one that the customer is looking for. By letting the customer to make their own choices rather than sort of forcing one specific product to them can generate more positive responses from the customers. Another important aspect to be paid attention to is on how well the employees are dressing. To

improve this aspect, management can conduct daily inspection in terms of the uniform and the aprons, employees' cleanliness from head to toe, for example providing new aprons in exchange for the old wear off aprons.

Secondly, Store Layout is another environment aspect to be improved on in order to spread more positive effects on customers. Foreign convenience stores appropriate health protocols as per the government instructions such as putting distance between one shelf towards others, wider store's valleys, and the arrangement of the cashiers that allow customers to have safe distance among each other. Also stores, may consider arranging their shelves in a way that it works like one shopping route where the customers unconsciously walk from the front part all the way to the back of the store. The shelves are to be arrange in a one flow direction, leaving enough space for the customers to walk through and move to one and other part of the room conveniently. As to provide a less stressful shopping experience, stores can provide tags label placed on top part of each shelves indicating the products category such as hair accessories, beauty, fashion (bags, wallet, clutch, etc.), so that the customers can find the products that they want faster and with less frustration. Another important thing to note is stores should set and use shelves that are not too high, preferably on the eye level of the customers, so that when customers need help they can easily learn the employee's whereabouts without having to go through between each shelves to find where the employee is at any moment.

Third, In-Store Music is one of the aspects to be improved on as it significantly influences Positive Affect. Foreign convenience stores can use in-store music to lessen the burden of pandemic Covid 19 and bring up happy mood of the customers. Stores can consider installing a remote volume control so that the employee can easily adjust volume to suit real-time noises level. By paying attention to the volume control, it ensures that the tune do not fade into the crowd noise. For example, an application that enables centralized dashboard control such as RockBot Remote App. Other than ensuring the volume and the consistency of sound, it is also important to pay attention to what kind of music playlist to be played, stores can consider switching to a slower tempo music that is more likely to be unfamiliar to the ear of customers, for example, by playing Korean drama music instead of popular Kpop Idol song so that the music presence can be felt by the customers, but not to the point that they are too immerse to the music. Another way to intensify the presence of music is by combining the music with aromas, for example, during Christmas, Christmas theme music was played combined with vanilla scent, whereas during the Valentine's Day, the music that are played are more likely to be a sweet or romantic melody and combined with sweet chocolate scent.

Fourth, Lighting is not significant but still have to be consider by foreign convenience stores since still has a positive effect to increasing positive affect. Aside from its core function to highlight merchandise, lighting has the potential to create excitement and has a positive impact on consumer purchasing behavior, where when the lighting of the store is of good color, the merchandise are more visible and make customers feel more comfortable to shop. The lighting aspect can be improved by switching their regular bulbs to those sophisticated bulbs that can change colors either adjusted to warm tone or cool tone, and sort of easy to control in terms of the brightness and the intensity, thus the amount of brightness that stores wants to provide at the moment can be easily controlled and adjusted. As efficient as installing controllable bulbs, stores may consider installing extra lights on the area that may not receive enough lighting from the main bulbs on the ceiling such as the bottom part of the shelves. And stores may also consider upgrading the lighting system to a novel, high contrast stimuli in order to draw customer's attention from afar. It can be done by highlighting promotion area with extra lighting that are brighter and more colorful that point directly to the promotion area.

Fifth, Positive Affect as an important aspect that gives a significant effect on the frequency of buying urges experienced the customers. To create a sense of excitement during the customers' shopping trip at foreign convenience stores can be in induced by holding some

small events such as for their beauty product, they may have a collaboration with celebgram for beauty makeover event. Another way to induce positive affect is by providing sufficient amount of full body mirrors at each corners of the store for customers to try on products. Meanwhile, the management can consider getting direct responses to evaluate the overall performance by providing customers rating on the computer screen on the cashier, such as “How satisfied are you during this trip?”. This can be a great tool for future improvement in terms of providing a more pleasant shopping trip for customers especially to reduce anxiety of going out but still adhere to health protocols.

Sixth, Urge to buy is an important factor that affects the frequency of impulse purchases being made inside the store throughout the day. Urge to buy can be encouraged by the management of foreign convenience stores by displaying weekly or monthly top selling products around the cashier. Since stores have pretty spacious room, they can consider surround the queueing line with impulse purchases products, so on each side along the queueing line are surrounded by those items in intention to increase the chance of them touching and interacting with the products while keeping their queueing spot. Another way to initiate more urges is by regularly introducing seasonal items or limited-edition collaboration for the product design (current happening characters or popular cartoon characters such as Lilo Stitch, Sanrio series, etc.) tagged with “Limited Edition, Special Collaboration with Sanrio”. Customers might purchase it as it is a one-time offering, which if it is being missed on, the thought of regretting is bigger, which create more urges. Stores may also consider introducing a new sale spot containing products for daily uses, “SPECIAL DEAL! BRING THESE CUTIES HOME, ALL 25K ONLY”. So, even when customers do not need it at the moment, but the thought that it is cheap and they might need it later will create urges to buy. Another strategy to increase buying urges is by distributing current popular product with attractive design on a new but noticeable selling area such as currently hype Kpop idol hair accessories are displayed beside each shelves. In order to create more urges to buy can also by displaying complementary products next to core products such as for example, nail remover next to the nail polish, facial electric brush with the brush refill, book notes next to the pens, etc.

Seventh, Impulse Buying carries several indicators that are very crucial in affecting the numbers of actual purchase made on impulse, which is an unplanned purchase that are made spontaneously during the shopping trip. It is important for convenience foreign stores to take note on the products offering, especially to emphasize on value for money products such as “Buy 1 Get 1 Free” for supple products such as hair accessories, nail polish, earrings, bracelets, stationery, etc. Another way to increase the frequency of impulse purchases is by getting a new sale spot of a table containing Monthly Top Ten Sales products with some persuasive words such as “Are You Sure Not Taking Me Home Today”, displayed in front, near the entrance, or near the cashier in order to increase the frequency of impulse purchase. Another strategy to increase impulse buying is by holding regular event such as dart game play for a free coupon. So for example for customers who purchase above Rp100.000 will get one chance to throw a dart to get free vouchers of 10k, 20k, or any type of small prizes, which the coupon should be limited to only certain days, so most likely the customers would use it on the same day which they no longer have any products on mind to purchase, there increases sales of products around that price. As effective as it might be from giving free vouchers, selling products in bundle which contain several of related-functioning products on sale and tagged with “Hot Deal!” so to ensure that customers are feeling that they are making a good choice of purchasing even it is an unintended purchase.

## **5.2 Limitation and Research Extension**

This study has limitation which is only examining situation in Indonesia. Future study can conduct comparative studies between Indonesia and other countries where there are cultural

differences that can be additional research attractiveness. Specifically, we take respondents residing in Surabaya only. Also, this research only uses foreign convenience stores as research object. Using other companies can produce different results.

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