

Purchasing Decisions Based on Product Quality, Location, and Visual Merchandising

Keputusan Pembelian Berdasarkan Kualitas Produk, Lokasi, dan Visual Merchandising

Nursiti¹, Yopie Yulius², Rizky Riviany Azhariputri³
^{1,2,3} (Sekolah Tinggi Ilmu Ekonomi Y.A.I, Jakarta, Indonesia)

nur.siti@stie-yai.ac.id

DOI: 10.55963/jumpa.v12i1.708

Abstract- This study aims to empirically test whether product quality, location and visual merchandising have an impact on purchasing decisions. The study is based on a theory that supports product quality, location and visual merchandising, and purchasing decisions. This study uses primary data while the samples collected through the convenience method, data obtained through google form to Baper Store customers in Pors with a total of 100 respondents. Data analysis uses outer model, inner model, and hypothesis testing. Novelty in researchers using the sem smartpls 4.1 application, previous studies using SPSS. The results of the hypothesis test study indicate that product quality has a positive effect on product purchasing decisions, location has a negative effect on purchasing decisions and visual merchandising has a negative effect on purchasing decisions. The implications of the study for shop owners are important to provide adequate parking facilities, ensure the safety and comfort of customers who bring vehicles, and arrange the arrangement of goods in a more organized and neat manner. By improving these aspects, it is hoped that the store can increase the appeal and shopping experience of customers.

Keywords: Location, Product Quality, Purchase Decision, Visual Merchandising.

Abstrak- Penelitian ini bertujuan untuk menguji secara empiris apakah kualitas produk, lokasi dan visual merchandising berdampak terhadap keputusan pembelian. Penelitian dilandaskan teori yang mendukung tentang kualitas produk, lokasi dan visual merchandising, dan keputusan pembelian. Penelitian ini menggunakan data primer sedangkan sampel yang dikumpulkan melalui metode convenience, data diperoleh melalui google form kepada pelanggan Baper Store di Pors dengan jumlah responden sebanyak 100. Data analisis menggunakan outer model, inner model, dan uji hipotesis. Novelty pada peneliti menggunakan aplikasi sem-smartpls 4.1, penelitian sebelumnya menggunakan SPSS. Hasil penelitian uji hipotesis menunjukkan bahwa kualitas produk berpengaruh positif terhadap keputusan pembelian produk, lokasi berpengaruh negatif terhadap keputusan pembelian dan visual merchandising berpengaruh negatif terhadap keputusan pembelian. implikasi dari penelitian bagi pemilik toko penting menyediakan fasilitas parkir yang memadai, memastikan keamanan dan kenyamanan pelanggan yang membawa kendaraan, serta mengatur penataan barang dengan lebih terorganisir dan rapi. Dengan memperbaiki aspek-aspek ini, diharapkan toko dapat meningkatkan daya tarik dan pengalaman berbelanja pelanggan.

Kata Kunci: Keputusan Pembelian, Kualitas Produk, Lokasi, Visual Merchandising.

INTRODUCTION

The current growing fashion trend creates a huge opportunity for the fashion industry, including the thrifting market. Thrifting is the activity of buying and selling quality second-hand clothes from other countries, which is increasingly popular among the younger generation due to environmental awareness, uniqueness of style, and economic value. The popularity of thrifting in Indonesia is increasing, as seen from the number of offline and online thrifting stores, as well as the high interest of the younger generation. Increasing environmental awareness due to the polluting traditional fashion industry encourages people to choose thrifting as a sustainable alternative. According to the results of a survey on the fashion style preferences of young Indonesians, around 49.4% of respondents have given second-hand fashion from thrifting. The remaining 34.5% have not tried thrifting and 16.1% chose not to ever try buying thrifted goods. Baper Store is a thrifting store that offers a variety of second-hand shoes, outdoor jackets and pants, sweaters, flannels, and vests. Baper Store has become a popular thrifting store among outdoor lovers.

Table 1. Thrifting products sold by Baper Store

No.	Thrifting Product	No.	Thrifting Product
1.	Outdoor shoes	6.	Shirts
2.	Sports shoes	7.	Bulangsa vests
3.	Casual shoes	8.	Sportswear
4.	Streetwear	9.	Sports pants
5.	Sweater	10.	Jackets

Table 1 shows the products sold by Baper Store, including outdoor shoes, sports shoes, casual shoes, streetwear, sweaters, shirts, vests, sports clothes, sports pants, and jackets. The problem faced in the study was the limited variation in shoe product sizes with only one model and one size so that customers with different size preferences felt limited in choosing products.

Product quality is an important factor in this business, because good quality can increase purchasing interest. The quality control process ensures that each product is fit for use before being sold. Baper Store always carries out strict checks on products to be sold, such as checking the physical condition of the shoes and ensuring that there is no significant damage. This is important to maintain consumer trust and maintain the store's reputation. According to previous studies conducted by Karnawati & Santoso (2023) and Ardrarani & Rachmawati (2023), product quality has a significant and positive effect on consumer purchasing desire. However, product assessment and improvement are still needed because Pasaribu et al. (2022) found that product quality did not have a significant impact on purchasing choices. Biantoro (2021) and Permata Sari (2021) are some previous studies that show that location has a significant impact on purchasing choices. However, according to Cynthia et al. (2022), location is not a big problem in purchasing choices.

The location of Baper Store which is not on the main road makes it difficult for new customers to find it. The arrangement of products that are less attractive and strategic, as well as the unattractive decorations make the store look monotonous and boring. However, visits increase significantly on weekends, especially when there are promotions. Security and comfort are also a major concern, with the addition of employees and the installation of CCTV to maintain security.

Visual merchandising aims to attract customers through attractive product displays. However, Baper Store faces problems with unattractive product displays, less visible shoe size information, and less attractive decorations, which can reduce the store's appeal. Previous studies have shown that visual merchandising has a significant and positive impact on customer purchasing choices (Mutiar et al., 2022; Pasaribu et al., 2022; Sopiyan, 2020). Successful visual merchandising can influence customers to buy more. The problem in the study was formulated in the form of questions, namely whether product quality affects product purchasing decisions, whether store location affects product purchasing decisions, whether visual merchandising affects product purchasing decisions. The update in this study uses a quantitative analysis method using smart-pls version 4.1, previous studies used SPSS and the sample used convenience sampling is a sampling method where respondents are selected based on their availability and ease of accessibility.

LITERATURE REVIEW

Consumer Behavior

The grand theory used in this study is about consumer behavior. According to Pete & Olson, consumer behavior is the dynamics of interaction between influence and awareness, behavior, and the environment where humans exchange aspects of life. The consumer behavior model explains that marketing stimulus or marketing stimulation occurs from information about products or services, prices, distribution and communication. From this stimulus, other stimuli arise with consideration of other factors such as economics, technology, politics and culture, then all this information enters. After that, consumers will process all this information based on consumer psychology and consumer characteristics. Based on Armstrong (2016:27) marketing is related to the process of recognizing and meeting various human and social needs (Swesti et.al, 2023).

Buying decision

The purchasing decision-making process consists of the following steps: identifying needs, gathering related information, evaluating available alternatives, selecting a final option, and then acting on the decision. Part of this decision-making process includes selecting, purchasing, using, and evaluating

products and services to meet needs and wants (Kotler & Armstrong, 2016; Swasta & Irawan, 2008; Swesti Mahardini et al., 2023). Aprilia and Tukidi (2021), citing Kotler and Keller (2016), stated that customers consider many considerations before making a purchase, such as (1) problem recognition with indicators of consumer needs, attractiveness, and desire to buy; (2) information search with indicators of commercial influence, product knowledge, and recommendations; (3) evaluation of alternatives with indicators of alternative goods, product beliefs, and buyer responses; (4) purchasing decisions with indicators of product selection and suitability of desires; and (5) payment methods with indicators of cash, debit cards, and credit cards. According to previous research cited by Kotler and Keller (2016) in Oktaviani (2019), there are five different phases in the decision-making process: identifying needs, gathering relevant information, evaluating available alternatives, making final purchasing choices, and engaging in post-purchase behavior..

Product Quality

Any commodity or service, whether tangible or intangible, is considered high quality if it meets the desires and requirements of its target market. (Kotler & Armstrong, 2014; Kotler & Keller, 2009). According to Tjiptono (2015), product quality includes performance, reliability, ease of use, and aesthetics. Christopher H. Lovelock & Lauren K. Wright (2007) emphasize that product quality influences consumer decisions. Dimensions of product quality according to Kotler & Keller (2016) in Aprilia & Tukidi (2021) include product functions (benefits, characteristics, suitability), product features (shape, design, size), and reliability (durability, quality standards).

Location

Location is where a company operates to generate economic benefits from the goods or services sold (Kasmir, 2016). Accessibility, visibility, traffic, parking, growth, environment, competitiveness, and government regulations are factors that shape a site, according to Tjiptono (2000). How many people pass by and how crowded the place is are metrics used to measure these aspects. According to Tjiptono (2006) as quoted by Anggraeni and Soliha (2020), location indicators include accessibility, visibility, traffic, parking, and expansion.

Visual Merchandising

Visual merchandising aims to convey how to use a product or service to customers and attract their interest Bailey & Baker (2014) in Mutiar et al. (2022). In thrifting stores, visual merchandising is important to attract customers and increase sales with creative and innovative strategies. The dimensions of visual merchandising according to P. Mehta & K. Chugan (2013) in Fadhilah (2023) include window displays (visual presentations on the outside of the store), floor merchandising (arrangement of merchandise), and promotional signage (promotional signs). Visual merchandising indicators according to Fadhilah (2023) include displays (product arrangement), color (color selection), lighting (light spotlights), assortment (product diversity), and store interior design (store interior design).

Framework

To clarify the relationship between product quality, location, and visual merchandising as separate variables and their influence on consumer purchasing decisions, the author builds a theoretical framework using a literature review..

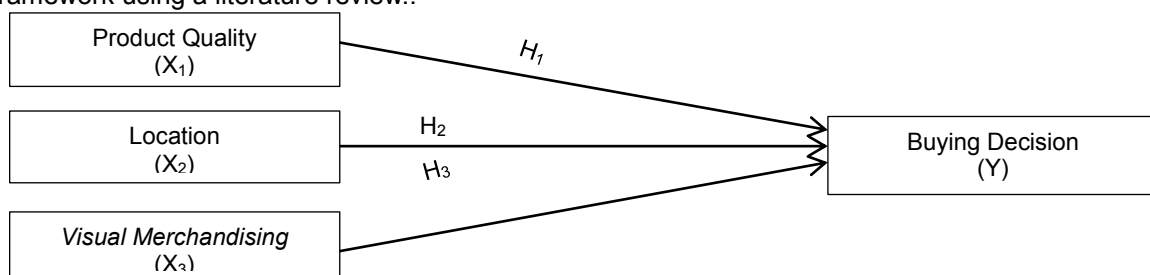


Figure 1. Framework of Thought

Product Quality on Purchasing Decisions

According to Kotler & Armstrong (2014), the definition of product quality is "product quality is the ability of a product to perform its functions". This means that product quality is the ability of a product

to perform its functions. Meanwhile, according to Tjiptono (2015), the conventional definition of quality is a direct description of a product such as performance, reliability, ease of use, aesthetics and so on. In the strategic definition, quality is anything that is able to meet the desires or needs of customers (meeting the needs of customers). The results of research by Ardrarani & Rachmawati (2023); Karnawati & Santoso, (2023); and Soetanto et al., (2020) and show that product quality has a positive and significant effect on purchasing decisions. According to Pasaribu et al. (2022) product quality does not have a significant effect on decisions so that it still requires product improvement evaluation.

The Influence of Location on Purchasing Decisions

Swastha & Irawan (2002) said that location is an area where a business or activity takes place. An important aspect in developing a business is the geographical position of the location in relation to urban areas, accessibility, and travel time from location to destination. As the results of previous research conducted by Permata Sari (2021) where location has a significant effect on purchasing decisions. This is in line with research conducted by Biantoro (2021) and Rachmawati & Widana (2020) which concluded that location significantly influences consumer purchasing decisions. However, this is in contrast to research conducted by Cynthia et al. (2022) who found that the location variable did not have a significant effect on purchasing decisions

The Influence of Visual Merchandising on Purchasing Decisions

Visual merchandising aims to convey how to use or use a product or service to customers, while also providing retailers with the ability to integrate various elements to attract customer interest (Bailey & Baker, 2014). This is supported by research by Mutiar et al. (2022); Pasaribu et al., (2022); and Sopiyan, (2020) showing that there is a positive and significant influence of visual merchandising on consumer decisions. This means that if visual merchandising is well designed, the purchasing decisions made will increase. Sugiyono, (2017) defines a hypothesis as a form of temporary answer to the formulation of the proposed research problem. This hypothesis is provisional or temporary because it still requires empirical testing through data collection to determine its truth. In other words, a hypothesis is a statement that is the basis for testing its validity using empirical data obtained from the research conducted. This testing process aims to test the truth or falsity of the hypothesis and can provide a basis for drawing conclusions or making generalizations related to the phenomenon being studied. Thus, the hypothesis not only functions as an initial answer to the research problem, but also as a basis for validating or rejecting it through objective empirical evidence.

The following are the hypotheses proposed in this study.:

H₁: Product quality has a positive effect on purchasing decisions.

H₂: Location has a positive influence on purchasing decisions.

H₃: Visual Merchandising has a positive influence on purchasing decisions.

RESEARCH METHOD

Population and Sample

Population

Sugiyono (2016) argues that the research population is a broad category of items or individuals selected for investigation based on shared characteristics and attributes. In this study, the population consisted of 1,000 customers of Baper Store, Pors Branch, Central Jakarta, based on data from interviews with Baper Store employees indicating the number of annual customers..

Sample

According to Sugiyono (2017), the research sample was selected from the population in order to provide an accurate overall picture. The researchers in this study used a convenience sample technique, namely selecting participants randomly from the Baper Store Pors Branch in Central Jakarta, Indonesia, depending on their convenience to participate. This technique was chosen because it allows easy access to relevant respondents. The research sample consisted of 100 respondents, in accordance with the recommendation that a good sample usually ranges from 30 to 500 respondents Sugiyono (2008). The researcher collected respondents for a period of 14 days. The research variable is defined by Sugiyono (2016) as an item that the researcher chooses to explore in order to collect data and draw conclusions. There are a number of elements that influence customer

purchasing decisions; this study examines the relationship between product quality, store location, and visual merchandising.

Table 2. Operational Variables

Research Variables	Definition	Dimensions	Indicator
Buying decision (Y)	Purchasing decisions according to Tjiptono (2015) in Karnawati & Santoso (2023) are a process in which consumers recognize their problems, seek information about certain products or brands and properly evaluate each alternative to solve their problems, which then leads to a purchasing decision..	Problem introduction	1) Fulfillment of consumer needs 2) Product appeal 3) Fulfillment of desire to buy.
		Problem introduction	1) Commercial influence on social media 2) Get to know the product before making a purchase 3) Recommendations from people around.
		Alternative Evaluation	1) Alternative goods. 2) Confidence in goods 3) Buyer response.
		Buying decision	1) Product selection 2) Compliance with customer desires.
Product Quality (X1)	Product quality according to Kotler & Keller (2009) in Suhairi et al. (2023) is something that can be offered to the market to satisfy a desire or need, including physical goods, services, experiences, events, people, places, properties, organizations, information and ideas..	Product Function	1) Product benefits 2) Product characteristics 3) Product conformity.
		Product Features	1) Product form 2) Product design 3) Product size
		Reliability	1) Product durability 2) Product quality standards.
Location (X2)	Permata Sari (2021) said that the business location is a place where the business will be carried out, all activities from procurement of materials to distribution or sales and marketing to consumers or customers. Choosing the right business location will greatly support the development of the business.	Akses	1) Easy to reach location.
		Visibilitas	1) Strategic location 2) The place can be seen clearly from a normal viewing distance.
		Traffic	1) Lots of people passing by 2) Free from density and congestion.
		Parking lot	1) Spacious, comfortable, and safe parking.
		Expansion	1) Spacious place for business expansion.
		Competition	1) Safe location from competitors.
Visual Merchandising (X3)	According to (Bailey & Baker, 2014) Visual merchandising aims to convey how to use or consume a product or service to customers, while also providing retailers with the ability to integrate various elements to attract customer interest.	Display window	1) Appearance 2) Lighting.
		Product layout	1) Product variety 2) Shop interior design.
		Promotional signs	1) Store display color.

Data Analysis Techniques

Data analysis is an activity carried out after collecting data from all respondents or other data sources. This analysis process includes grouping data based on variables and types of respondents, summarizing data from all respondent variables, presenting data for each variable interviewed, and testing the proposed hypothesis, including performing calculations (Sugiyono, 2017). In this analysis method, the data that has been collected is processed first for analysis, so that it can be the basis for compiling the discussion..

FINDINGS AND DISCUSSION

Findings

Descriptive Statistical Test

Descriptive statistical tests in this study include: characteristic analysis consisting of age, gender, and occupation given by respondents. The following is an explanation of the characteristic analysis below.

Table 3. Respondent Characteristics Based on Gender

Gender	Frequency	Percentage (%)
Man	57	57%
Woman	43	43%
Total	100	100%

Source: Primary data google form 2024.

Based on the table above, of the 100 respondents, the majority were male, 57 people (57%), while 43 people (43%) were female.

Table 4. Respondent Characteristics Based on Age

Age	Frequency	Percentage (%)
17-27 years	78	78%
28-38 years	13	13%
29-49 years	3	3%
>50 years	6	6%
Total	100	100%

Source: Primary data google form 2024.

Based on the table above, out of 100 respondents, the majority were aged 17-27 years, as many as 78 people (78%), aged 28-38 years as many as 13 people (13%), aged 39-49 years as many as 3%, and aged over 50 years as many as 6 people (6%).

Table 5. Respondent Characteristics Based on Occupation

Work	Frequency	Percentage (%)
Students	39	39%
Government employees	9	9%
Private employees	44	44%
Businessman	4	4%
Housewife	4	4%
Total	100	100%

Source: Google Form Primary Data 2024.

Based on the table above, out of 100 respondents, the majority were students, 39 people (39%), civil servants, 9 people (9%), private employees, 44 people (44%), entrepreneurs, 4 people (4%), and housewives, 4 people (4%).

Measurement Model Test or Outer Model

Validity Test

In the initial validity test, there were several indicators that showed invalid results or were below the criteria, namely <0.7. When first tested, there were several questions in the questionnaire that were invalid based on the loading factor validity test. The invalid questions include Y.4, Y.5, Y.7, Y.10, X2.6, and X2.7. These questions show loading factor values below 0.70 for each indicator. Therefore, these questions must be removed or deleted from the questionnaire for retesting. After retesting by removing invalid questions, the results can be explained in the table below:

In the table below, the AVE value is 0.5, which means that each construct in the model has good convergent validity. This shows that the indicators used can effectively explain the constructs being measured..

Table 6. AVE Convergent Validity Test

Variable	Average Variance Extracted (AVE)	Information
Buying decision	0,632	Valid
Product quality	0,720	Valid
Lokation	0,655	Valid
Visual Merchandising	0,675	Valid

Source: Data processed by SmartPLS 4.1, 2024.

Table 7. Validity Test-Outer Loading

Construct	Dimensions	Statement	Outer Loading	Information	
Buying decision	Problem introduction	Y.1	0,862	Valid	
		Y.2	0,703	Valid	
		Y.3	0,761	Valid	
	Information search	Y.6	0,782	Valid	
		Alternative evaluation	Y.8	0,784	Valid
			Y.9	0,766	Valid
	Buying decision	Y.11	0,768	Valid	
	Product quality	Product Function	X _{1.1}	0,868	Valid
			X _{1.2}	0,843	Valid
X _{1.3}			0,861	Valid	
Product Features		X _{1.4}	0,847	Valid	
		X _{1.5}	0,795	Valid	
		X _{1.6}	0,814	Valid	
Reliability		X _{1.7}	0,856	Valid	
		X _{1.8}	0,901	Valid	
		X _{1.8}	0,901	Valid	
Location	Access	X _{2.1}	0,759	Valid	
		X _{2.2}	0,785	Valid	
	Visibility	X _{3.3}	0,808	Valid	
		X _{2.4}	0,835	Valid	
	Traffic	X _{2.5}	0,833	Valid	
		Competition	X _{2.8}	0,751	Valid
Visual merchandising	Windows display	X _{3.1}	0,846	Valid	
		X _{3.2}	0,875	Valid	
	Floor merchandising	X _{3.3}	0,796	Valid	
		X _{3.4}	0,811	Valid	
	Promotional signale	X _{3.5}	0,809	Valid	

Source: Data processed by Smart-PLS 4.1 2024.

The final result of the outer loading in the validity test shows that all indicators are valid because they are above 0.70. Several indicators that were previously invalid have been removed or deleted.

Table 8. Fornell-Larcker Values

X ₁	X ₂	X ₃	Y
0,849			
0,788	0,809		
0,239	0,253	0,821	
0,723	0,652	0,249	0,795

Source: Data processed by Smart-PLS 4.1, 2024.

The results of the analysis show that the AVE root value of each construct (numbers on the diagonal) is greater than the correlation between the construct and other constructs (numbers below the diagonal). This indicates that each construct in the model has good discriminant validity. In conclusion, this research model has adequate discriminant validity, which means that each construct is different and unique and can be clearly distinguished from other constructs. Another approach is cross-loadings, this approach compares the indicator factor loading value on the measured construct with the factor loading on other constructs. Good discriminant validity is indicated by a higher factor loading value on the measured construct compared to other constructs. Conversely, if the loading on other constructs is higher than on the measured construct, this indicates a problem in discriminant validity (Sholihin & Ratmono, 2021).

Table 9. Cross Loading

	X1	X2	X3	Y
X _{1.1}	0,869	0,733	0,223	0,705
X _{1.2}	0,842	0,670	0,313	0,586
X _{1.3}	0,860	0,642	0,181	0,639
X _{1.4}	0,848	0,666	0,243	0,644
X _{1.5}	0,796	0,630	0,204	0,536
X _{1.6}	0,813	0,620	0,179	0,548
X _{1.7}	0,855	0,733	0,139	0,595
X _{1.8}	0,901	0,650	0,139	0,624
X _{2.1}	0,531	0,748	0,217	0,390
X _{2.2}	0,603	0,789	0,412	0,469
X _{2.3}	0,640	0,843	0,251	0,504
X _{2.4}	0,743	0,862	0,248	0,584
X _{2.5}	0,648	0,850	0,104	0,554
X _{2.8}	0,626	0,754	0,052	0,606
X _{3.1}	0,122	0,071	0,835	0,033
X _{3.2}	0,291	0,399	0,886	0,326
X _{3.3}	0,040	-0,039	0,789	0,101
X _{3.4}	0,180	0,079	0,794	0,070
X _{3.5}	0,125	0,032	0,798	0,113
Y.1	0,675	0,645	0,101	0,860
Y.11	0,558	0,456	0,201	0,770
Y.2	0,522	0,447	0,299	0,743
Y.3	0,528	0,540	0,233	0,781
Y.6	0,635	0,493	0,166	0,803
Y.8	0,533	0,496	0,131	0,792
Y.9	0,549	0,528	0,285	0,812

Source: Data processed by Smart-PLS 4.1, 2024.

The cross loadings table shows that all indicators have the highest loading on their respective constructs compared to other constructs. This indicates good discriminant validity for constructs X1, X2, X3, and Y in the analyzed model..

Reliability test

Statistical methods used to measure the consistency and stability of a measuring instrument. Reliability testing is carried out in two ways, namely Cronbach's alpha and composite reliability (CR). A construct is declared reliable if the composite reliability and Cronbach's alpha values are above 0.70 (Ghozali & Latan, 2015). In the context of research, reliable data means data that is consistent, trustworthy, and can be used for research.

Table 10. Reliability Test

Variable	Cronbach's Alpha	Composite Reliability	Information
Buying decision	0,903	0,923	Reliabel
Product quality	0,944	0,954	Reliabel
Location	0,894	0,919	Reliabel
Visual merchandising	0,917	0,912	Reliabel

Source: Data processed by Smart-PLS 4.1, 2024.

Based on the results of data analysis, the following values were obtained: 1) high Cronbach's alpha value = 0.903, composite reliability = 0.923 indicates that the Purchase Decision variable has good internal reliability. This means that the items in this variable are consistent in measuring the same concept. 2) High Cronbach's alpha value = 0.944, composite reliability = 0.954 indicates that the Product Quality variable has good internal reliability. This means that the items in this variable are consistent in measuring the same concept. 3) High Cronbach's alpha value = 0.917, composite reliability = 0.912 indicates that the Location variable has good internal reliability. This means that the items in this variable are consistent in measuring the same concept. 4) High Cronbach's alpha value =

0.894, composite reliability = 0.919 indicates that the visual merchandising variable has good internal reliability. This means that the items in this variable are consistent in measuring the same concept.

Structural Model or Inner Model Test

Structural model or inner model tests are used to evaluate and predict causal relationships between variables studied in a model. Tests conducted in the inner model include the r-square test and the f-square test.

R-Square

R2 shows the combined effect of independent variables in predicting the dependent variable. A higher R2 value indicates that the model is better at explaining the variation of the dependent variable, and thus has more predictive power). R-square values of 0.75, 0.50, and 0.25 can be concluded that the model is strong, moderate and weak. In this study, the r-square values are explained through the table below.

Table 11. R-Square Model Evaluation

	R-Square	R-Square Adjusted
Buying decision	0,544	0,530

Source: Data processed by Smart-PLS 4.1, 2024.

The r-square (R²) value of 0.544 indicates that 54.4% of the changes in endogenous constructs can be influenced by exogenous constructs in this model. Based on model predictions according to (J. Hair et al., 2017), the R² value of 0.544 is included in the moderate category. Meanwhile, the adjusted r-square (adjusted r²) of 0.530 adjusts the R² value by considering the number of exogenous constructs. This adjusted R² shows that after adjustment, around 53% of the changes in endogenous constructs can still be influenced by exogenous constructs. The small decrease from R² to adjusted R² (only 0.014 or 1.4%) indicates that the addition of exogenous constructs is not excessive and each exogenous construct makes a significant contribution. In conclusion, this model is moderate and efficient in explaining changes in endogenous constructs. This model is not overfitted, meaning that the number of exogenous constructs used is appropriate and relevant.

F-Square

The f-square test shows whether all independent variables in the model have a joint influence on the dependent variable. The f-square value or magnitude at the structural level is as follows: if the f2 value = 0.02 the small effect of the exogenous variable on the endogenous variable; If the f2 value = 0.15 the moderate/heavy effect of the exogenous variable on the endogenous variable; If the f2 value = 0.35 the large effect of the exogenous variable on the endogenous variable.

Table 12. F-Square Model Evaluation

	F-Square
Product quality -> purchasing decision	0,246
Location -> purchasing decision	0,035
Visual merchandising -> purchasing decisions	0,009

Source: Data processed by Smart-PLS 4.1, 2024.

From the table above it can be concluded that: 0.246 of product quality has a large effect on purchasing decisions; 0.035 of location has a small effect on purchasing decisions; 0.009 of visual merchandising has a small effect on purchasing decisions

Hypothesis Testing

To understand the significant influence between variables by looking at the parameter coefficient values and the significance of the t-statistic using the bootstrapping method.

Table 13. Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Product quality -> purchase decision	0,545	0,557	0,161	3,379	0,001
Location -> purchase decision	0,205	0,202	0,116	1,764	0,078
Visual merchandising -> purchasing decisions	0,067	0,067	0,098	0,688	0,492

Source: Data processed by Smart-PLS 4.1, 2024.

From the results above, the following conclusions can be drawn: product quality has a positive and strong influence on purchasing decisions, as seen from the original sample (O): 0.545. Sample Mean (M): 0.557, which indicates that the average influence remains positive and stable. While the standard deviation (STDEV): 0.161 variation in estimated influence. Location has a positive influence on purchasing decisions, but not as strong as product quality, as seen from the original sample (O): 0.205. Sample mean (M): 0.202 indicates that the influence is stable. Standard deviation (STDEV): 0.116 variation in estimated influence.

Visual Merchandising has an influence but is very weak on purchasing decisions showing Original Sample (O): 0.067. Sample Mean (M): 0.067 shows its influence is stable. Standard Deviation (STDEV): 0.098, variation in estimated influence.

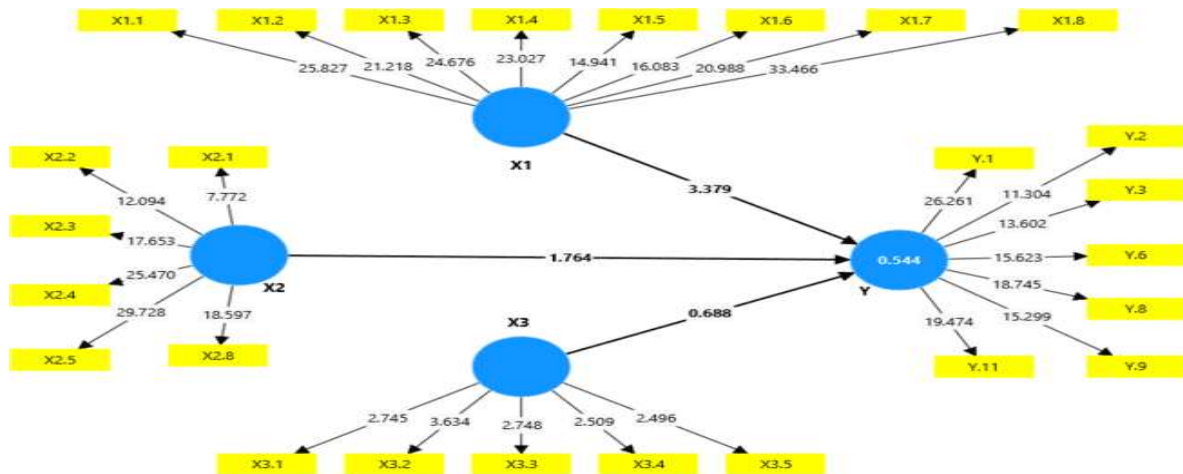


Figure 2. Inner Model Bootstrapping Results Framework

In the bootstrapping method, the results of the hypothesis test are evaluated based on the t-statistic and p-value. A t-statistic value that exceeds 1.96 indicates statistical significance, while a value below it indicates the opposite. Meanwhile, a p-value above 0.05 is considered to have a negative effect. This indicates that the independent variable does not have a significant effect on the dependent variable, while a p-value below 0.05 is considered to have a positive effect.

Table 14. Hypothesis Testing

	T-Statistics	P-Values	Information
Product quality -> purchasing decision	3,379	0,001	Positive influence
Location -> purchasing decision	1,764	0,078	Positive influence
Visual merchandising -> purchasing decisions	0,688	0,492	Positive influence

Source: Data processed by Smart-PLS 4.1, 2024

Based on the results of the hypothesis testing, it is known that each variable is in line with the hypothesis, including: 1) the effect of product quality (X1) on purchasing decisions has a t-statistic > t-table, namely 3.379 > 1.96 and has a p-value of 0.001 < 0.05. This shows that product quality has a positive and significant effect on purchasing decisions. 2) The effect of location (X2) on purchasing decisions has a t-statistic of 1.764 < 1.96 and has a p-value of 0.078 > 0.05. This shows that location has a negative and insignificant effect on purchasing decisions. 3) The effect of visual merchandising (X3) on purchasing decisions has a t-statistic of 0.688 < 1.96 and has a p-value of 0.492 > 0.05. This shows that visual merchandising has a negative and insignificant effect on purchasing decisions.

Discussion

This study aims to evaluate the impact of product quality, location, and visual merchandising on product purchasing decisions from Baper Store in Pors, Central Jakarta, using Smart-PLS 4.1 analysis, the results are as follows:

The Influence of Product Quality on Purchasing Decisions

Based on the results of the hypothesis test, the influence of product quality (X1) on purchasing decisions has a t-statistic > t-table, namely 3.379 > 1.96 and has a p-value of 0.001 < 0.05. This shows that product quality has a positive and significant effect on purchasing decisions. The influence of

product quality at Baper Store which has good performance affects customer purchasing decisions. The most dominant indicator is indicator 2, showing that Bapaer Store products have characteristics that support their function optimally. Based on respondent responses, products with good functions tend to increase purchasing decisions among Baper Store customers. According to Tjiptono (2015), the conventional definition of quality is a direct description of a product such as performance, reliability, ease of use, aesthetics and so on. In the strategic definition, quality is everything that is able to meet the desires or needs of customers (meeting the needs customer). The results of research by Ardrarani & Rachmawati (2023); Karnawati & Santoso, (2023); and Soetanto et al., (2020) and showed that product quality has a positive and significant effect on purchasing decisions. According to Pasaribu et al. (2022) product quality does not have a significant effect on decisions so that product improvement evaluation is still needed..

The Influence of Location on Purchasing Decisions

The results of the analysis show that the location variable does not have a significant effect on purchasing decisions. The p-value of 0.078 is greater than the significance value of 0.05, and the t-statistic value of 1.764 is smaller than the t-table of 1.96. Therefore, hypothesis 2 is rejected. The strategic location of the Baper Store does not affect customer purchasing decisions, the 4th indicator, namely the number of people passing by around the Bapre Store. Customers feel that the crowds around the store do not increase their purchasing decisions. Swastha & Irawan (2002) said that location is an area where a business or activity takes place. Important aspects in developing a business are the geographical position of the location in relation to urban areas, accessibility, and travel time from location to destination. As the results of previous research conducted by Permata Sari (2021) where location has a significant effect on purchasing decisions. This is in line with research conducted by Biantoro (2021) and Rachmawati & Widana (2020) concluded that location significantly influences consumer purchasing decisions. However, this is in contrast to research conducted by Cynthia et al. (2022) who found that location variables did not have a significant effect on purchasing decisions..

The Influence of Visual Merchandising on Purchasing Decisions

Based on the results of the analysis, the visual merchandising variable does not have a significant effect on purchasing decisions. The p-value of 0.492 is greater than the significance value of 0.05, and the t-statistic value of 0.688 is smaller than the t-table value of 1.96. Although Baper Store has good window displays, this does not affect the purchasing decisions of its customers. In addition, it is known that the most dominant indicator is the 2nd indicator, namely the lighting of the Baper Store shop windows makes it look more attractive, but this does not affect purchasing decisions for Baper Store customers. This is also in line with research conducted by Kertiana & Artini (2019) and Nurhuda (2019) where visual merchandising has a negative and insignificant effect on impulsive buying. Visual merchandising aims to convey how to use or use a product or service to customers, while also providing retailers with the ability to integrate various elements to attract customer interest (Bailey & Baker, 2014). This is supported by research by Mutiar et al. (2022); Pasaribu et al., (2022); and Sopiyan, (2020) showed that there is a positive and significant influence of visual merchandising on consumer decisions..

CONCLUSION

Based on the results of the study conducted with several tests that have been explained previously, it was concluded that product quality has a significant and positive effect on buyer decisions. Location does not have a significant effect on buyer decisions, this is also in line with research conducted by Cynthia et al. (2022) found that the location variable does not have a significant effect on purchasing decisions. and visual merchandising does not have a significant effect on buyer decisions, this is in line with research conducted by Kertiana & Artini (2019) and Nurhuda (2019) where visual merchandising has a negative and insignificant effect on impulsive purchases. This implies that shop owners should consider providing adequate parking facilities and paying attention to the comfort and safety of customers who bring vehicles. By improving these aspects, it is hoped that the store can increase its appeal and comfort for customers, even though location is not the main factor in

purchasing decisions. In addition, shop owners also improve the arrangement of goods to make it easier for customers to find and take the goods they want. The layout of the placement of goods must be more organized and neat so that customers can easily choose the desired items. By improving these aspects, it is expected that the store can improve the convenience and shopping experience for customers, although visual merchandising is not the main factor in purchasing decisions. Further researchers are advised to explore other variables such as customer service, price and promotion with different methods and can also consider consumer demographic or psychographic factors for a more comprehensive understanding of purchasing behavior at Baper Store or similar stores..

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