

# Factors Affecting Consumer Attitude to Shop at Miniso

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## ABSTRACT

The very rapid development of Miniso outlets in Indonesia and the increasing number of consumers, as marked by the increasing sales value, are the competitive values that need to be investigated further regarding what factors that can cause this phenomenon to occur. Besides, since the appearance of Miniso in Indonesia, several similar retailers have started to appear, but their existence has not been able to beat the Miniso. This research is a causal research and the data collection was done by distributing the questionnaires to 180 respondents using the judgmental sampling technique. Data analysis used the SMARTPLS 3.0 statistical tool. The results show that perceived quality has a significant effect on consumer attitude. Meanwhile, the variables of perceived risk and price consciousness do not have a significant effect on consumer attitude. And finally, consumer attitude variable has a significant effect on the willingness to buy.

**Keywords:** *perceived quality, perceived risk, price consciousness, consumer attitude, willingness to buy*

## 1. INTRODUCTION

Indonesia is a potential market for various business sectors due to the high level of consumption of Indonesian society. The retail business sector is one of the sectors with potential development. Although it experienced a slowdown in growth in 2017, whereas it only grew by 3.7% due to the number of retail outlets that were closed, this is considered a business transformation, because retailers have to follow the trends, especially in terms of services and marketing. However, 2019 would be a golden year for the retail sector, because it was predicted that it would grow by 10% after experiencing a slowdown [1].

One of the modern retailers that is experiencing rapid growth in the Indonesian retail market is Miniso. Miniso is a retail company from Japan founded in 2013, which is engaged in fashion. Miniso is targeted at fans of simple products, both formal and informal, and has a product renewal strategy every seven days and offers the products at low prices [2]. Since 2013 until now, Miniso has the outlets more than 3000 in more than 60 countries around the world, including in Indonesia. Miniso opened its first outlet in Indonesia in 2016. At the start of Miniso's presence in Indonesia, it only had 5 outlets in May 2017, but the number of these outlets has increased very sharply, because the number of Miniso outlets recorded in July 2018 reached 124 outlets, and still continue to open new outlets. with a target of 100-200 outlets in total. In addition to being marketed offline, Miniso also markets its products online by collaborating with various well-known platforms such as Tokopedia, Lazada, Shopee, Blibli.com and others so that the regions that don't have offline stores can enjoy the products marketed by Miniso [3]. The very rapid development of the number of Miniso outlets, indicates that Indonesian consumers really accept the Miniso's presence, as this is evidenced by the average sales of Miniso per day reaching US\$ 1000 - US\$ 2000, and the

highest transaction recorded at US \$ 19,000 per day has occurred at Miniso outlets at Lippo Mall Puri [4]. Since the appearance of Miniso in Indonesia, there have been several similar competitors such as DIY, Usupso, Brun-Brun, and many more. However, some of these competitors have not been able to compete with the existence of Miniso.

The phenomenon that occurs can be discussed further along with the factors that influence consumers so that they have a willingness to buy the products from Miniso. The willingness to buy is an attitude in which consumers are willing to buy a product and are likely to buy the product from a certain place [5].

The willingness to buy is based on the attitude of the consumer. Furthermore, attitude is a description of someone liking or disliking an object. When consumers have a positive attitude towards a brand, it will lead to consumers' willingness to buy the products from that brand [6].

According to [5], a positive attitude in the willingness to buy a product is influenced by several factors, namely perceived quality, perceived risk, and price consciousness.

Perceived quality is the overall consumer view of a product or brand, whether it has good value (quality) or not. If a product or brand is perceived to have good quality, then consumers will have a positive view of the product or brand [5].

Meanwhile, the risk experienced by consumers (perceived risk) is the consumers' expectation to lose something, in this case, the value of usefulness of a product [6].

Price consciousness describes the extent to which consumers will make payments at low prices without considering other attributes. Low prices are an important factor for consumers interested in buying a product or brand. Moreover, the products that have good quality and low prices, will allow consumers to have a positive attitude so that it will increase their willingness to buy such product or brand [5].

## 2. LITERATURE REVIEW

### 2.1. *Perceived Quality, Perceived Risk, Price Consciousness and Consumer Attitude*

#### 2.1.1. *Perceived Quality*

[7] defined perceived quality as a very good or superior consumer assessment of an entity from a product. The dimensions of perceived quality are divided into the value of usability, durability, attractiveness, feasibility, consistency, and product safety.

According to [8], perceived quality gives value to a product or brand in several ways. For example, high quality gives consumers a good reason to buy a product and allows the product to have a uniqueness that makes it different from others. Alternatively, the sellers can also charge a premium price. Perceived quality is also categorized into four categories, namely intrinsic cue, extrinsic cue, physical appearance, and utility value.

According to [9], perceived quality is a consumer attitude resulting from a comparison between expectations and the actual usefulness. In other words, perceived quality is an evaluation made by consumers regarding how all product quality attributes offered by providers are conveyed to consumers.

#### 2.1.2. *Perceived Risk*

According to [10], perceived risk is the risk of perceived uncertainty and negative consequences in consumer purchasing decisions. Perceived risk is divided into six categories, namely:

- Financial risk, which is the potential financial loss that arises due to product repairs or replacement of other products.
- Performance risk, which is a concern that a product is not as useful as expected.
- Psychological risk, which is expected anxiety or discomfort, such as regret.
- Social risk, which is the concern that the product chosen will influence the opinion of others about the people who use the product.
- Physical risk, which is the risk that arises referring to a threat to the appearance of consumers when using the product.
- Time risk, which focuses on the possibility that it will take a lot of time to purchase a product.

According to [5], perceived quality is a form of uncertainty and negative consequences in the sense that every action taken by consumers will result in a consequence that consumers cannot prevent the uncertainty, and some of them may become unpleasant for consumers.

#### 2.1.3. *Price Consciousness*

[10] defined price consciousness as the extent to which consumers will focus on paying low prices. Consumers are conscious of trying to find low priced products in the market. [11] explained that consumers with high expertise must have the knowledge of prices and must have the sensitivity to price changes to influence consumer attitudes in determining purchasing decisions of a product.

[12] explained that price consciousness is an eternal trend such as the attitude that varies among individuals, for example, a group of individuals will be more aware of the price than others. Therefore, different consumer segments can be differentiated based on their price awareness, that is, consumers with high awareness, are less involved with the purchase price aspect and are also less involved in price search. Meanwhile, consumers with a lower level of awareness, the factor of the size of the discount becomes one of the benchmarks for low prices. Consumers with low awareness will not be motivated to process the information about prices.

#### 2.1.4. *Consumer Attitude*

According to [13], consumer attitude is a learned response which refers to the evaluation of one's concept. It also refers to the degree to which a person has a favorable or unfavorable evaluation of the behavior in question. On the other hand, [14] said that attitude is considered as a factor that determines a person's behavior. People can determine their attitude towards any object or problem. Attitudes can be based on a variety of information. All marketing activities are associated with important tasks that affect consumer attitudes. Attitude is a person's inner feelings that show whether he or she likes or dislikes something (e.g brand, service). Furthermore, it is said that attitude is something that encourages the tendency to act in a good or bad way towards something. The objects can be attitudes, people, product categories, services, organizations, ideas, problems, the internet, and so on.

H<sub>1</sub>: Perceived Quality has a significant influence on Consumer Attitude.

H<sub>2</sub>: Perceived Risk has a significant influence on Consumer Attitude.

H<sub>3</sub>: Price Conception has a significant effect on Consumer Attitude.

### 2.2. *Consumer Attitude and The Willingness to Buy*

[15] explained that the variable of willingness to buy in several other studies has different terms, but has the same meaning. Some of the terms are purchase intention, willingness to purchase, purchase action, and reluctance to buy.

According to [16], the willingness to buy consists of the possibility for consumers to make purchases or recommend a product to others. Meanwhile, according to [17], the

willingness to buy is the extent to which consumers will tend to buy a product under certain conditions.

Furthermore, [17] explained that purchasing decisions are complex processes, because the willingness to buy a product is usually related to the behavior, perceptions, and attitudes of the consumers themselves. Consumer behavior is a key point for consumers to be able to access and evaluate certain products. The willingness to buy a product can be influenced by several things such as price, perceived quality, and usefulness of the product. In addition, consumers are influenced by motivation that comes from internal and external aspects during the buying process. Consumers will think that purchasing a product with low price, simple packaging, and unfamiliar products will be riskier, because these products cannot be trusted.

H4: Consumer Attitude has a significant effect on the Willingness to Buy.

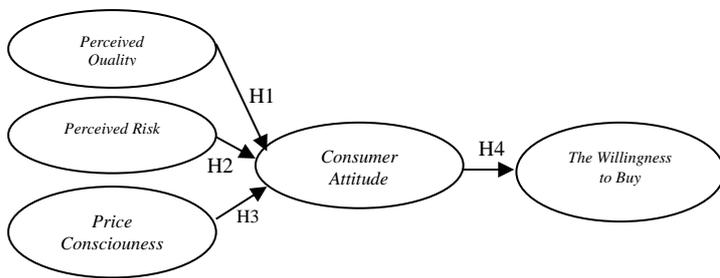


Figure 1 Conceptual Framework

### 3. METHODOLOGY

#### 3.1. Measurements

According to [18], data sources in a research can be obtained by the means of primary and secondary data. The data collection technique used in this study was in form of questionnaire. The questionnaire was distributed via Google Form. The questionnaire in this study consists of 18 items, whereas the measurement used a Likert-scale with a value ranging from 1 to 5. A value of 1 means strongly disagree and a value of 5 means strongly agree. This study used the judgmental sampling technique (sampling based on assessment) whereas the respondents are selected according to the purpose of the research to be carried out and the authors choose the criteria for respondents who can fill out the questionnaire. Because the number of population in the study is unknown, the number of samples used in the study is 5-10 times the number of indicators in the research questionnaire. Thus, the number of respondents in this study is 180 according to [19]

#### 3.2. Data Analysis

The measurement model (outer model) is used to test the construct validity and instrument reliability. To test the construct validity, two methods are used, namely convergent validity and discriminant validity [20].

Meanwhile, for the reliability test, the methods used are Cronbach's Alpha and Composite Reliability.

The convergent validity method is used to test the construct validity (AVE value  $\geq 0.50$ ). For the reliability test, the internal-consistency reliability method is used (Composite Reliability  $\geq 0.70$  and Cronbach's Alpha  $\geq 0.60$ ). The assessment of the structural model (inner model) is carried out using the bootstrap method (non-parametric method), because PLS does not use the assumption of normally distributed data. The path coefficient score or inner model indicated by the t-statistic value must be greater than the two-way test of t-table value ( $> 1.96$ ) with  $\alpha = 5\%$ . To see the magnitude of the change in consumer attitude and the willingness to buy, the coefficient of determination ( $R^2$ ) can be used [21].

## 4. RESULTS

### 4.1. The Profile of Respondents

The results of data processing found the respondent's gender profile in this study, namely male with a total of 56 respondents and female with a total of 124. The majority of respondents were aged between 17-24 years old, which were 121 respondents, and those aged between 25-32 years old were 55 respondents, while the respondents aged  $> 32$  years old were 3 respondents, and  $< 17$  years were 1 respondent. The majority of respondents' occupation was student with a total of 106 respondents, then followed by private employee with a total of 64 respondents, entrepreneur with a total of 5 respondents, civil servant with a total of 1 respondent, and others with a total of 4 respondents. The majority of respondents' one-time expenditure was IDR 100,001 - 250,000, which were 101 respondents, a number of  $< IDR 100,000$  were 67 respondents, between IDR 250,001 - 500,000 were 12 respondents, and no respondent had a one-time expenditure greater than IDR 500,000.

Table 1 The Profile of Respondents

Respondent Profile	Information	Freq	%
Gender	Male	56	31.11%
	Female	124	68.89%
Age	< 17 Years Old	1	0.56%
	17 - 24 Years Old	121	67.22%
	25 - 32 Years Old	55	30.56%
	> 32 Years Old	3	1.67%
Profession	Student	106	58.89%
	Private Employee	64	35.56%
	Civil Servant	5	2.78%
	Entrepreneur	1	0.56%
	Others	4	2.22%
	< Rp. 100,000	67	37.22%

Expenditures in one time shopping at Miniso	Rp. 100,001 - Rp. 250,000	101	56.11%
	Rp. 250,001 - Rp. 500,000	12	6.67%
	> Rp. 500,001	0	0.00%
Shopping Frequency at Miniso	1 - 3 times	53	29.44%
	3 - 6 times	45	25.00%
	> 6 times	84	46.67%
Why do transactions at Miniso?	Cheap Price	40	22.22%
	Quality Products	45	25.00%
	Unique Products	77	42.78%
	The Miniso store is easy to find	18	10.00%
<b>n</b>		<b>180</b>	

Source: Data Processing Results (2020)

#### 4.2. Test of Validity, Reliability and Coefficient of Determination

**Table 2 The Tests of Validity, Reliability and Coefficient of Determination**

Var	CR	AVE	Discriminant Validity (Outer-Loading)	R <sup>2</sup>
CA	0.869	0.571	0.712 - 0.785	0.309
PC	0.875	0.702	0.749 - 0.895	
PQ	0.877	0.704	0.776 - 0.875	
WTB	0.869	0.692	0.784 - 0.906	0.392

Source: Data Processing Results (2020)

From the results of data processing in Table 2, the convergent and discriminant validity test results of all variables used in this study are valid, because the AVE value is greater than 0.5 (the values range between 0.571 and 0.704) and Outer Loading is greater than 0.6 (the values range between 0.712 and 0.906). The reliability test on all variables is considered reliable, because the Composite Reliability is greater than 0.7 (the values range between 0.851 and 0.877). Meanwhile, the coefficient of determination test found that 30.9% of the variation in consumer attitude variable was influenced by the variables of perceived quality, perceived risk, and price consciousness. In addition, as much as 39.2% of the variation in the Willingness to Buy variable was influenced by consumer attitude variable. Meanwhile, the rest (60.8%) was influenced by other variables not examined in this study.

#### 4.3. Hypothesis Testing

The results of data processing to test whether to accept or reject the hypotheses can be seen in Table 3.

**Table 3 Hypothesis Testing**

Hypothesis	t-Statistics	p-Values	Result
PQ -> CA	7.769	0.000	<b>H<sub>1</sub> was Accepted</b>
PR -> CA	0.579	0.563	<b>H<sub>2</sub> was Rejected</b>
PC -> CA	1.699	0.090	<b>H<sub>3</sub> was Rejected</b>
CA -> WTB	11.886	0.000	<b>H<sub>4</sub> was Accepted</b>

Source: Data Processing Results (2020)

From Table 3, it can be seen that H<sub>1</sub> was accepted, because the t-statistics is 7.769 (> 1.96) and the p-value is 0.000 (< 0.05). This means that the variable of perceived quality has a significant effect on consumer attitude. The hypothesis 4 was also accepted, because the t-statistics is 11.886 (> 1.96) and the p-value is 0.000 (< 0.05), which means that the consumer attitude variable has a significant effect on the willingness to buy. Meanwhile, the hypothesis 2 in this study was rejected, because the t-statistics is 0.579 (< 1.96) and the p-value is 0.563 (> 0.05), which means that the variable of perceived quality did not have a significant effect on consumer attitude. Last, the hypothesis 3 was also rejected, because the t-statistics is 1.699 (< 1.96) and the p-value is 0.090 (> 0.05), which means that the price consciousness variable does not have a significant effect on consumer attitude.

### 5. CLOSING

#### 5.1. Conclusions

The result of the test on hypothesis 1 in this study is in accordance with [6] which stated that if a product or brand is perceived to have good quality, then consumers will have a positive view of the product or brand. This indicates that the products sold by Miniso are those that have quality in accordance with what the consumers want. So, when the products' quality meets the consumers' expectations, then the consumers have a positive attitude towards Miniso products and do not hesitate to buy them. In fact, in addition to its unique products, Miniso also maintains the quality of the products so that they are not inferior to those of competitors that are increasingly popular nowadays such as DIY, Usupso, Brunei, and so on.

The result of the test on hypothesis 2 in this study is different from that of the previous study [7]. However, the result of this study supports the research conducted by [23], in which perceived risk has no significant effect on consumer attitude. The risk faced is a mismatch between the expectations and reality received by consumers. So, when it does not meet the expectations, consumers will feel insecure about a product or brand, and will create a negative attitude, and vice versa. But in

fact, this research does not have a significant effect, because Miniso consumers already have confidence in the products sold at Miniso, so that consumers do not feel worried about the products purchased, as this is evidenced by most Miniso consumers who make transactions more than six times.

The result of the test on hypothesis 3 in this study is also different from that of previous study [6]. In contrast, the result of this study supports the research conducted by [24], whereas price consciousness has no significant effect on consumer attitude. Low prices are an important factor for consumers who are interested in buying a product or brand. Moreover, the products that have good quality and low prices will allow consumers to have a positive attitude so that it will increase their willingness to buy such product or brand. But in fact, the result of this study is different, in which price awareness does not affect the attitude of Miniso consumers. This is because Miniso consumers do not have sensitivity to the prices of Miniso products, because the respondent's profile (in Table 1) explains that the main factor that affects the Miniso consumer attitude is the uniqueness of the products given to consumers, which is not at low prices. The result of the test on hypothesis 4 is in accordance with that of previous study [6], in which the positive attitude of consumers will affect their willingness to buy a product. It is undeniable that the good quality and the uniqueness of Miniso products makes the Miniso consumers have a positive attitude which influences them to buy such products, especially when being viewed from the demographic distribution of respondents which was dominated by females, whereas the tendency to like the unique products will be higher.

From the results of the research that has been conducted, it can be concluded that among the four hypotheses tested in this study, there were two accepted hypotheses, namely  $H_1$  and  $H_4$ , and two hypotheses that were rejected, namely  $H_2$  and  $H_3$ .

### *5.2. Limitation and Suggestion for Future Research*

This study has several limitations. First, the number of measurement items in this study is still limited to only 18 items, so that further research may add other measurement items so that more respondents will be studied in order to represent consumers as a whole. Second, further research may add the store image variable as a dependent variable that affects consumer attitude, because according to [22], a good store image will affect the attitude or behavior of consumers to make purchases on a product.

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