



# The Determinant of Purchase Decisions at Telecommunications Retail

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**Abstract.** This study aims to: determine the effect of retailing mix variables that simultaneously influence purchasing decisions, determine the effect of retailing mix variables that partially influence purchasing decisions, and determine retailing mix variables that have a dominant influence on purchasing decisions at Topsell. The type of research used is explanatory research. This study uses the method of distributing questionnaires for data collection techniques. In this study, 120 people were selected as respondents, and the sample was taken using the purposive sampling method. Data analysis in this study used descriptive analysis and multiple linear regression because the variables in the study were more than two variables. For data analysis, researchers used SPSS application assistance to obtain the results. This study shows that product, place, promotion, price, presentation, and personnel variables together significantly influence purchasing decisions at Topsell. In addition, the individual product, place, promotion, price, presentation, and personnel variables also significantly influence purchasing decisions at Topsell. Furthermore, it is known that personnel is the dominant variable in influencing purchasing decisions at Topsell.

**Keywords:** Retail Mix · Theory of Planned Behavior · Local Retail

## 1 Introduction

Through the community's many needs and the surge in sales of electronic products in the telecommunications sector, retail companies engaged in telecommunications began to emerge to compete for the market, providing for the needs and desires of consumers, which are currently increasing. Retail is a series of business activities that add value to products and services sold to consumers for personal and family use [1]. Therefore, in business competition, a good marketing strategy is needed to add value to win the competition and win the target market.

The Theory of Planned Behavior (TPB), a cognitive framework developed by Ajzen [2], posits that an individual's choice to partake in specific actions, such as engaging in gambling or ceasing to gamble, can be predicted by their intention to participate in said behavior. Intentions are perceived to encapsulate the motivational elements that influence behavior, signifying the extent to which individuals are willing to exert effort

and strive to execute the behavior. Generally, the more robust the intention to participate in a behavior, the higher the likelihood of its performance [3]. The TPB encompasses six constructs that, in unison, signify an individual's actual control over the behavior.

Attitudes refer to the extent to which an individual holds favorable or unfavorable evaluations of the behavior in question, involving contemplation of the potential outcomes resulting from engaging in the behavior. On the other hand, behavioral intention pertains to the motivational aspects that impact a given behavior, with a stronger intention to perform the behavior increases the probability of its execution.

Subjective norms involve beliefs concerning the approval or disapproval of the behavior by the majority, relating to an individual's perceptions about whether influential figures or peers believe they should engage in the behavior. Social norms, in contrast, denote the conventional behavioral codes within a group or broader cultural context, regarded as normative or standard among the group members.

Perceived power encompasses the recognition of factors that may either facilitate or hinder the performance of the behavior, contributing to an individual's perceived control over each factor. The final construct, perceived behavioral control, refers to an individual's perception of the ease or challenge of performing the behavior of interest. This perception varies across situations and actions, leading to differing perceptions of behavioral control depending on the context. The addition of this construct prompted the transition from the Theory of Reasoned Action to the Theory of Planned Behavior.

The application of TPB offers a structured approach for better comprehending the rationale behind purchasing decisions through the retail mix. Retailing mix, a marketing strategy aimed at captivating the target market and influencing purchasing choices, requires retail companies to implement variables within the retail mix effectively. These variables include a diverse product range (product), strategic location (place), consumer-targeted advertising and publicity (promotion), pricing decisions for each product (price), store layout and ambiance (presentation), and personal selling and customer service (personnel). By incorporating TPB, retail companies can better understand customer behavior and enhance their marketing strategies accordingly [4].

Loudon and Bitta [5] argue that the retail mix relates to purchasing decisions. Factors influencing consumers' purchasing decisions are products, promotions, prices, physical facilities, and services. All the factors mentioned are variables contained in the retail mix. Therefore, consumers will make purchasing decisions at stores whose retail mix is by what is prioritized or desired by consumers. For example, consumers who prioritize the convenience of physical facilities and services from their employees choose stores that can provide comfort and good service [6]. This shows a relationship with the TPB theory because consumers are driven by various factors influencing their decisions. For example, good service is closely related to people and can represent subjective norms in TPB. In addition, in every retail mix, there is also a person's attitude in responding to it. Consumers can evaluate whether the retail mix is profitable or not. Furthermore, the retail mix also has conformity with perceived behavioral control, namely consumer perceptions of the ease or difficulty that must be done in purchasing decisions.

The research we will do is to determine how influential the retailing mix is on purchasing decisions in retail stores engaged in selling cellphones and electronic products. Research on the influence of the retailing mix on purchasing decisions has previously

existed. The research conducted by Jebarajakirthy [7], that study discusses the context of the retail mix and applies the theory of consumption values. However, this research focuses on the theory of planned behavior. Researchers want to know what factors encourage consumers to make purchases because researchers see that the retail mix can motivate consumers to create buying behavior. Furthermore, the researcher also wants to know whether, during the Covid-19 pandemic, consumers consider the retailing mix owned by the store in making purchasing decisions at Topsell.

The formulation and model of the hypothesis in this study is as follows (Fig. 1):

- H1: Product has a positive and significant effect on purchase decision.
- H2: Place has a positive and significant effect on purchase decision.
- H3: Promotion has a positive and significant effect on purchase decision.
- H4: Price has a positive and significant effect on purchase decision.
- H5: Presentation has a positive and significant effect on purchase decision.
- H6: Personnel has a positive and significant impact on purchase decision.
- H7: Product, place, promotion, price, presentation, and personnel simultaneous ly effect on purchase decision.

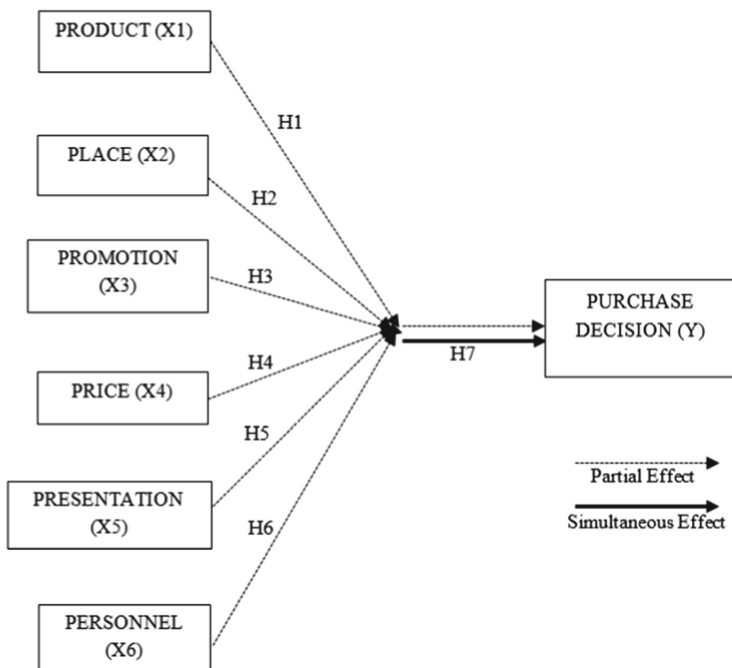


Fig. 1. Hypothesis model.

## 2 Methodology

This study uses quantitative research methods to obtain primary data through surveys and questionnaires. This study uses a Likert scale as a variable measurement scale. The population in this study is consumers who have visited Topsell and those who have made purchases at Topsell.

In taking the sample, the researcher used a purposive sampling technique. Sugiyono [8] states that purposive sampling is a technique based on specific characteristics. According to Ferdinand [9], the optimal number of samples ranges from 5–10 times the number of questionnaire items. Thus this study requires a minimum of 120 respondents.

In this study, the data analysis focuses on multiple regression analysis. Researchers want to know the simultaneous significance or the F test, partial test or t-test, and dominant test, furthermore, for data processing assisted by SPSS software version 17.0.

## 3 Results

Topsell not only provides a selection of quality products and brands. However, in its offer, Topsell also provides various offers to attract consumers to make a purchase. Discounts, complete accessories packages, special prices for Topsell Indonesia members, and free accessories (such as bonuses from purchases). These are all attractive offers provided by Topsell for consumers. During this Covid-19 pandemic, Topsell also provides a special offer, where Topsell provides COD++ services.

### 3.1 Descriptive Statistics Test Results

From the 120 respondents obtained, it can be seen that Topsell's consumers are dominated by females (61 respondents or 50.8%). Topsell consumers are dominated by those aged 17–22 (33 respondents or 27.5%). Furthermore, respondents in this study were dominated by high school education background, with as many as 78 respondents (65%). Then, Topsell consumers are dominated by their status as private employees (47 respondents or 39.2%). In this study, the income of consumers is dominated by income < IDR 2,000,000 (47 respondents or 39.2%). Furthermore, respondents in this study were also dominated by those who made purchases > 2 times (77 respondents or 64.2%). These results support that Topsell can make its customers loyal. This statement is supported by good employee service, strategic locations, discounts and cashback for consumers, and good presentation outlets.

### 3.2 Validity and Reliability Test Results

In this study, validity and reliability tests were carried out on 30 respondents. In this study, it is known that all the variable items show  $r$  value >  $r$  table with a significance value < 0.05. If in the calculation of validity, it is found that the  $r$  value >  $r$  table, and it is known that the significance is < 0.05, then all items in the study can be valid [10]. According to Ghozali [11], Cronbach's Alpha an item can be said to be reliable if the coefficient value is > 0.6. In the reliability testing conducted in this study, it can be seen that all items have a reliability coefficient value > 0.6. Therefore, all items used are reliable.

**Table 1.** Results of multiple linear regression equation.

Model	Unstandardized coefficients		t	Sig.
	B	Std. Error		
(Constant)	1.091	1.571	0.695	0.489
Product	0.153	0.073	2.089	0.039
Place	0.161	0.076	2.118	0.036
Promotion	0.211	0.090	2.335	0.021
Price	0.258	0.104	2.470	0.015
Presentation	0.118	0.057	2.070	0.041
Personnel	0.266	0.103	2.592	0.011
R	= 0,738			
R2	= 0,544		N	= 120
F <sub>count</sub>	= 22,475		F <sub>table</sub>	= 2,18
Sig. F	= 0,000		t <sub>table</sub>	= 1,981

### 3.3 Multiple Linear Regression Equation

Table 1 shows that the regression coefficients of the product, place, promotion, price, presentation and personnel variables are positive. This can show that with the increase in product, place, promotion, price, presentation, and personnel, consumers' purchasing decisions also increase.

### 3.4 Coefficient of Determination ( $R^2$ )

This test determines how much the ability of the independent variable to explain the variance of the dependent variable. Based on Table 1, it is known that the coefficient of determination ( $R^2$ ) is 0.544 or 54.4%. This figure shows that 54.4% of purchasing decisions are influenced by product, place, promotion, price, presentation, and personnel variables. For the value of the remaining coefficient of determination, it can be interpreted that 45.6% of the purchasing decision variables are influenced by other variables not found in this research.

### 3.5 F Test Results

If the results of the H<sub>0</sub> test are rejected and H<sub>a</sub> accepted, then the results are significant. Meanwhile, if the test results H<sub>0</sub> are accepted and H<sub>a</sub> is rejected, the results obtained are insignificant. Through Table 1, it can be seen that the F<sub>count</sub> is 22.475 and the F<sub>table</sub> is 2.18.

In Table 1, it is also known that Sig. F is 0.000, therefore it is found that the significance value is  $0.000 < 0.05$  and  $F_{\text{count}} > F_{\text{table}}$ , which is  $22.475 > 2.18$ . These results indicate that H<sub>0</sub> is rejected and H<sub>1</sub> is accepted. Thus, it can be concluded that there is

a simultaneous influence between product, place, promotion, price, presentation, and personnel variables on purchasing decisions.

### 3.6 T-test Results

This test determines whether product, place, promotion, price, presentation and personnel variables can partially influence purchasing decision variables. The results of the t-test can be significant if  $t_{\text{count}} > t_{\text{table}}$ , which means  $H_0$  is rejected and  $H_a$  is accepted. In this t-test, the  $t_{\text{table}}$  of 1.981 is obtained from the formula  $t_{\text{table}} = (α/2; n-k)$  and comes from the table of percentage points of the t distribution.

Table 1 shows that the results of the t-test between product variables and purchasing decisions show  $t_{\text{count}}$  2.089. Therefore, in this variable, it is found that  $t_{\text{count}} > t_{\text{table}}$ , which is  $2,089 > 1,981$ . These results show that  $H_0$  is rejected and  $H_1$  is accepted, which means that the product variable can partially influence purchasing decisions.  $H_2$  in the study can be accepted in the t-test. Table 1 shows that  $t_{\text{count}} > t_{\text{table}}$ , which is  $2.118 > 1.981$ . Furthermore, it is also known that promotion can influence purchasing decisions, the results can be interpreted that  $H_3$  is acceptable. Supported by the results in Table 1 which shows that the promotion variable  $t_{\text{count}} > t_{\text{table}}$ , which is  $2,335 > 1,981$ .

Table 1 also shows that price, presentation, and personnel influence purchasing decisions. This study shows that  $H_4$ ,  $H_5$ , and  $H_6$  are acceptable. This statement is supported by the results in Table 1, which shows that it is found that the price variable  $t_{\text{count}} > t_{\text{table}}$ , which is  $2,470 > 1,981$ . Furthermore, it is also shown that the presentation variable  $t_{\text{count}} > t_{\text{table}}$ , which is  $2,070 > 1,981$ . Then, it is also known that the personnel variable  $t_{\text{count}} > t_{\text{table}}$  is  $2,592 > 1,981$ .

### 3.7 Dominant Test Results

The test results determine which independent variable is the most dominant in influencing the dependent variable (purchase decisions). This test can be done by comparing the Beta coefficient ( $β$ ) between variables, for the one with the most significant coefficient is the variable with the most dominant influence. Table 1 shows that the most dominant variable is the personnel variable because this variable has the most significant coefficient compared to other variables, which is 0.266.

## 4 Discussion

This study aims to test how well the retailing mix influences purchasing decisions and can show that the retailer wins the market competition. This research shows that Topsell's consumers are dominated by those aged 17–22 (generation Z). Ensari [12] and Dudek [13] explain that Generation Z is a term for those born after 1995. It is not surprising that most consumers are Generation Z, whose lives are very close to telecommunications equipment such as those sold by Topsell. Dolot [14], also explains that Generation Z has a close life with mobile devices because it can make it easier for them to find and check information according to what they need.

Furthermore, consumers from Topsell are dominated by females. These results indirectly indicate that females prefer to shop for telecommunications equipment than males. These results are supported by the research of Ameen et al. [15], in this study was able to explain also that females are more interested in using mobile phones and mobile applications. Ameen et al. [15], explained that the supporting factor of this interest was the affordable price of mobile phones that females liked.

The results of this research support that the retailing mix is the reason or driving motivation for consumers to make purchases in accordance with the TPB developed by Ajzen [2]. Supporting motivations represented by product, place, promotion, price, presentation, and personnel are shown to influence purchasing decisions in the retail context. These results are in line with research by Blut et al. [16].

The product shows a positive and significant relationship in influencing purchase decisions. This shows that Topsell can offer a complete product and the good quality. This result is in line with the research of Jebarajakirthy et al. [7]. Their research also explains that the presence of various products influences purchasing decisions. Furthermore, Blut et al. [16] explain that the product can influence purchasing decisions if the product is of high quality.

This research shows that place significantly and positively influences purchasing decisions. These results mean that Topsell is located in easy to remember, strategically and easily accessible to its consumers. Topsell consumers also pay attention to the store's location because it can help them get products easily. These results are similar to the explanation of Utami [6], the store's location is a factor that retailers must consider because the strategic location can influence and attract consumers to visit the store and even shop at the store.

In this research, promotion can have a positive and significant effect on purchasing decisions. These results can mean that Topsell can provide promotions and discounts that encourage consumers to make purchasing decisions. This statement can also be proven in the field that Topsell does provide lots of promos and discounts, especially cashback and other discounts [17]. These results are supported by Neha and Manoj's [18] research, showing that promotion can play an important role in influencing purchasing decisions because promotions can most influence consumers.

Furthermore, price is also a variable that can positively and significantly influence purchasing decisions. Therefore, it can be seen that Topsell can provide lower prices than its competitors and can offer prices according to the benefits provided by the product. The price offered by Topsell is relatively cheap, this is evidenced by the price of mobile phones starting at IDR 1,400,000 [17]. This result is to the explanation from Utami [6] that price has a relationship with the basic value of consumer perception based on the overall retail mix elements to create an experience in transactions. This result also agrees with the research results of Jebarajakirthy et al. [7].

This study's results indicate that presentation can influence purchasing decisions positively and significantly. That means that the product placement in the store can be well organized and make it easier for consumers to find products. In addition, the inside of the Topsell store is also not narrow, making consumers comfortable and deciding to make a purchase. The results in this study are in line with the explanation of Utami

[6], the presentation of a store must be able to facilitate and provide convenience for consumers so that consumers make purchases at the store because it is comfortable.

Furthermore, this study also shows that personnel can influence purchasing decisions positively and significantly. Personnel also has a very strong influence in influencing purchasing decisions. These results indicate that in making purchases, consumers prioritize service from employees and assistance from employees is needed by consumers, especially in solving problems to find a suitable cellphone or electronic device. This result is in line with the explanation from Utami [6] that the type of personnel service a retailer offers can differentiate retail store services from its competitors. In addition, these results agree with the research of Blut et al. [16], who explained that there is a very close meaning between personnel and customer service. However, these results are not in accordance with the research of Jebarajakirthy et al. [7], because the research results show that personal has a negative and significant effect.

The results of the F test in this research are acceptable. These results indicate that product, place, promotion, price, presentation, and personnel can simultaneously influence purchasing decisions. Based on these results, it can be seen that Topsell can implement the entire retail mix very well. Topsell can provide various products according to consumer needs, and these products are sold at low prices and many discounts. In addition, the location chosen is also strategic. Furthermore, the product placement is good, and the inside of the store is comfortable. The employees can also serve consumers well and patiently.

Loudon and Bitta [5] also explain: "*There are several factors that influence consumer store choice behavior. They are include price, assortment product, store location, physical design, sales promotion, advertising, personnel, and service*". Through this statement, it can be seen that every purchase decision at a retail store will be influenced by all the variables contained in the retail mix of the store. That is influenced by the variables of price, product, store location, atmosphere or store design, promotions, and personnel owned by the store.

Theoretically, this research can provide a broad view of the retailing mix. Research can show how much influence the retailing mix has in purchasing decisions, especially during the Covid-19 pandemic. Furthermore, this study can also show that the TPB theory has a relationship with the retailing mix because the driving motivation is indirectly contained in the motives in TPB.

Furthermore, this study has limitations, mainly because the research sample is too small. In addition, the object taken is less extensive and only focuses on one object, this is Topsell. In addition, this research is only focused on research conditions during the Covid-19 pandemic.

Future research may be able to develop the concept of this research by adding several other supporting variables and finding a more aligned theory. Future research is also expected to be able to enlarge the object, perhaps by researching retail nationally. In addition, to develop this research, future researchers can also examine conditions after the Covid-19 pandemic.



## 5 Conclusion

The results of this study can show the importance of the retail mix in influencing someone to make a purchase, especially in purchasing telecommunication or electronic equipment. The results found show that there is a positive and significant influence when product, place, promotion, price, presentation, and personnel affect purchasing decisions either simultaneously or partially. This result shows how important it is for retailers to provide the best retail mix for their consumers. Especially for local retailers must be able to apply the retail mix well to compete with other telecommunication retailers. Therefore, this finding can have implications for other retailers, especially local retailers, in facing market competition and Topsell is expected to maintain good customer service through its personnel.

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