

THE FACTOR ANALYSIS ON PURCHASING DECISION MAKING IN STORES X

¹Yenny Rahayu, ²Tina Melinda*

Ciputra University Surabaya
INDONESIA

ABSTRACT

This study examined the factors that made up customers' purchasing decisions in Store X. The purpose of this study was to analyze the factors that determine customers' purchasing decisions in store X. One hundred respondents who purchased the products in store X became the samples of this study. The analytical technique used in this study is confirmatory analysis (2nd Confirmatory Factor Analysis) using the program of smart PLS version 3.0. This study found there were eight factors that determined customers' purchasing decisions in store X including location, merchandise, pricing, communication mix, customer service, store design and display, internal (psychological), external (socio-cultural).

Keywords: *Merchandise, Pricing, Communication Mix, Store Design and Display,*

Internal (Psychology), External (Social Culture).

INTRODUCTION

Retail business in Indonesia has made great progress in the last few years in Indonesia. This can be seen from numbers of shops, offices, the growth of Industry, Small and Medium Enterprises (SMEs), and other types of business. The progress of existing retail business in Indonesia is due to the development of manufacturing business and the market opportunity which is quite open due to the impact of the speed of society condition. These developments have resulted in changes that affect people's lives, one of which is the place of public spending.



Figure 1. The Graphic of *consuming class* Growth
Source: KEN, Indonesia's Economic Projection 2011-2045

The projection of the growth of Indonesia's consumption class in Figure 1 is projected from 2010 to 2030: there will be an increase in income of 5-6%. As a result, potential consuming class will be 90 million. If the income increase is about 7%, there will 125 million people who become consuming class. The increase in income will be accompanied by a change in people's lifestyle standards.