The Effects of Visual Merchandising on Purchase Decision and the Role of Emotional States as Mediating Variable (A Study on IKEA Indonesia)

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ABSTRAK

Daya tarik Merchandising Visual telah secara luas dan ekstensif di terapkan di dalam industri mode dan gaya hidup, sementara penerapan di dalam industri ritel furnitur mulai dan turut berkembang secara pesat. Penelitian ini ditujukan untuk menganalisa pengaruh serta hubungan antar konsep merchandising visual, keadaan emosional, dan keputusan pembelian dalam lingkungan ritel IKEA. Penelitian ini mengamati orang-orang di dalam wilayah Tangerang, dimana dipilih bedasarkan letak toko ritel IKEA. Kuesioner dipergunakan sebagai instrumen pengumpulan data dari 300 sample, yang dipilih melalui metode non-probability sampling. Data yang diperoleh, di proses lebih lanjut dengan pendekatan analisa Pemodelan Persamaan Struktural (SEM). Hasil penelitian ini menunjukkan bahwa Merchandising Visual dan Keadaan Emosional memiliki pengaruh positif yang signifikan terhadap Keputusan Pembelian, baik secara langsung maupun tidak langsung. Oleh karena itu, menunjukkan bahwa customer IKEA yang diamati, mengindikasikan bahwa komposisi merchandising visual IKEA memiliki pengaruh yang baik dan signifikan terhadap keadaan emosional yang dirasakan, dimana pengaruh tersebut memiliki dampak yang positif terhadap evaluasi keputusan pembelian mereka.

Kata kunci: merchandising visual IKEA, keadaan emosional, keputusan pembelian

ABSTRACT

Visual Merchandising appeal has long known to be utilizes extensively within the fashion and lifestyle industry, meanwhile its apparent utilization within furniture retailing such as IKEA steadily growing as extensively. This research aimed to analyze and understand the influences and relationship between visual merchandising, emotional states, and purchase decision within IKEA retail environment. The research observes people within Tangerang area, where the IKEA Indonesia store is located. A questionnaire utilized to collect data from a sample size of 300 respondents, in which selected through non-probability sampling. The data collected are further processed through Structural Equation Modeling analysis (SEM). The result indicates that both Visual Merchandising and Emotional States significantly influence Purchase Decision positively, directly and or indirectly. Therefore, shows that observed IKEA's customer favor the visual merchandising arrangement effect on their emotional states, in which along positively influence their respective purchase decision evaluation.

Keywords: IKEA visual merchandising, emotional states, purchase decision

INTRODUCTION

The Research Background

The vast amount of changes both as the causes and effects of globalization has continuously changing the way a retailing business operates. To put advancement in technologies and communications into the equation, so does the interactions between a business and its respective customer.

In contrary however, the existence and significance of a retail operation through its physical channel such as retail store still is a core and preferred approach, despite of the parallel advancement and utilization of digital channel.

Previous researches such as done by Spies et al. (1997) and Hefer and Cant (2013), fundamentally highlights the relevance and importance of a retail store, both researches indicate that the physical retail environment subconsciously affects decision making evaluation and impulsive purchase decision, which only be possible within direct interactions through the physical retail environment.

Physical channel can be perceived as the most direct touch point with a brand and its products, which involves emotional states generated from real time interactions. The physical store can also be considered as a visual medium of a brand, useful for the retailers or brands to express values, messages, and convey a lifestyle directly to the customers, such as through visual merchandising.

Visual merchandising to which helps built a store overall atmosphere, explains how a brand extensively utilizes its physical retail channel as a medium to convey messages, images, and what is the brand all about throughout the deliberate composition of elements it chooses to coordinate and present within the physical spaces (Bastow-Shoop et al., 1991). The effects of the visual merchandising appeal whether purposively being utilized or not, will help explain why some specific retail store and or brand attracts specific customer attention more than the others (Barnes, 2003). In which might be generated and or based on the customer emotive based and or cognitive based evaluation and preferences.

Extensive Visual Merchandising utilization is well known within the fashion and lifestyle industry, however other industry such as furniture retailing started to more consciously and extensively utilizes the concept. Company such as IKEA is well known worldwide to propel the extensive visual merchandising coordination as its retailing approach.

IKEA is a Swedish – Dutch based multinational corporation that designs and sells ready to assemble furniture, home and kitchen appliance, and home accessories. IKEA initially founded in Sweden in 1943 by Ingvar Kamprad to be known today as

the biggest furniture retailer in the world (Loeb, 2012). By the end of fiscal year 2017, IKEA owns and operates 355 stores in 29 countries, including Indonesia (IKEA, 2018a). IKEA is unique as they present the products within a segmented exhibition like showroom within the retail space, in which in house curation of assembled products provides the customer with an interactive way of observing and interacting with the products in real time.

The underlying idea to that the research specifically oriented towards the implication of extensive visual merchandising application within furniture retailing, proposed as the current body of knowledge regarding the topic are dominated mostly by the previously mentioned industry such as fashion and lifestyle. Meanwhile, the visual merchandising aspects whether purposively utilizes or otherwise are apparent beyond the restraint of the aforementioned industries.

With authors' interest of understanding how within a grander perspective the approach of visual merchandising within the context of furniture retailing may affect the customer purchase decision, and to what extent the role of customer emotional states as a mediating variable within the relationship entirety. IKEA is deemed a perfect research object as a focus study to the regards of the research topic, as IKEA

provides certain unique elements in which well deemed to accommodate the specific needs and depths of this research. Therefore, IKEA was chosen to be the research object to the observation aimed to understand, analyze, and confirm the effect/s of Visual Merchandising towards Purchase Decision, and the role of Emotional States as mediating variable within IKEA retail environment.

The Research Problem

1. Does IKEA Visual Merchandising affect customer Emotional States?
2. Does IKEA Visual Merchandising affect customer Purchase Decision?
3. Does IKEA's customer Emotional States affect Purchase Decision?
4. Does IKEA Visual Merchandising affect Purchase Decision through the customer Emotional States?

The Research Objectives

1. To understand, analyze, and confirm the effect/s of Visual Merchandising on Emotional States.
2. To understand, analyze, and confirm the effect/s of Visual Merchandising on Purchase Decision.
3. To understand, analyze, and confirm the effect/s of Emotional States on Purchase Decision.

3

4. To understand, analyze, and confirm the effect/s of Visual Merchandising on Purchase Decision through Emotional States.

THEORETICAL FRAMEWORK
Retailing

Retailing is a business or set of business activities, explaining the act of sale of products from one point to end users, through a variety of different channel (Farfan, 2017). The concept is important to take note of as this research specifically observed IKEA Indonesia, a furniture retailing business in which as implied by Farfan (2017), can be classified as a specialty retailer.

Visual Merchandising

As implied by Bastow-Shoop et al. (1991), visual merchandising explains a company marketing attempt/s, which also helps to generates impulsive purchase decision. Visual merchandising is everything the customer sees, both exterior and interior, which creates specific and or distinctive image of the business and resulting in attention, interest, desire and action on the customer side (Bastow-Shoop et al., 1991). It presents to the customer what the brand and business is all about.

Bastow-Shoop et al. (1991) also implied that these features build the store overall atmosphere. As positive experience will attract customer to revisit, merchandisers have to consider the deliberate composition of the four key elements to achieve the goals, in which as proposed by Farese et al. (2009) are:

1. Storefront: Is the exterior of a business. It covers sign, logo, marquee, banners, awnings, windows, the exterior design, ambiance, and landscaping. Storefront express the brand identity and helps the company to be distinguishable and differentiate itself from competitors and nearby stores.

2. Store Layout: Explain how a retailer utilizes its floor spaces to facilitate the business operations, serve customers, and promote sales. Store layout are divided within four areas, which are selling space, storage space, personnel space, and customer space.

3. Store Interior: The consistency of an essential theme and image has to be presented and integrated well throughout the exterior as well as interior. The extensive presentation and utilization of store interior is directed to increase the desire for the goods, present what is available, and encourage both impulsive and planned purchase/s (Štursa, 2009).

4

4. Interior Display: Is what a business chose to present and coordinate within its store interior. A well-arranged interior display allow shoppers to make a quick selection without the assistance of a store clerk. There are five kinds of interior display: closed display, open display, architectural display, point of purchase display, and store decorations.

Emotional States

Emotional states is an abstract concept that constantly changing overtime, even within the same individual in a relatively close period of time. Although it might be difficult to be exactly and precisely measured, it is a determinant factor within the set of consumption process.

As implied by Mehrabian and Russell (1974), customer emotions will drive customer into varieties of decisions. By using the Stimulus Organism Response (abbreviated as SOR) model proposed by Mehrabian and Russell (1974), further studies shows that the atmosphere of the environment where the exchange is taking place will have substantial variation of stimuli which affects customer decision making (Baker et al., 2002).

Figure 1. Mehrabian and Russell SOR Model
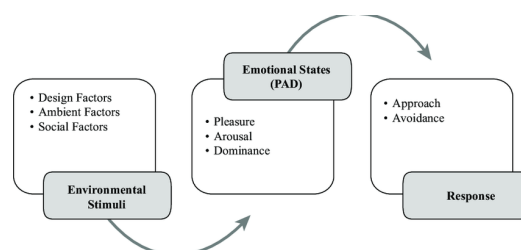
Source: (Richardson et al., 1996, pp.19-28.)

Several researches, such as study from Dawson et al. (1990) and Bitner (1992) presented a conclusion that a retail products are evaluated more positively within an environment projecting pleasant and favorable emotional responses. Emotional states therefore deliberately influence what is and when is purchased.

The Purchasing Decision Process

Customer purchasing or buying decision process is gradual steps in which customer went through on the consumption process of product and or service (Kotler and Keller, 2016). According to Kotler and Keller (2016), customer firstly will realize an unsatisfactory need/s (Problem Recognition Stage), which followed by the Information Search Stage on how to satisfy those specific need/s.

Customer then evaluate the available options (Evaluation of Alternatives Stage) and how they can afford each option, before finally decided on purchasing the preferred option, in the 4th step which is Purchase Decision. The fifth and final stage is Post

Purchase Behavior, however this research observation concern specifically on what and how significance each variable is on affecting Purchase Decision, which are the dependent variable.

Literature Review

Curations of previous studies with similar and or related focus and or approach are being utilized as references in regards of the research subject.

This study refers to the theories and findings of these previous researches to deepen understanding, broaden insights and perspective, prevent repetition, and to support the basis of constructing a research model and conceptualized framework. Core findings related to the research subject from researches such as from Štursa (2009), to which findings shows that through visual merchandising which involves manipulation of artistic design elements, will affect customer behavior and willingness to buy a product.

A research by Burns and Neisner (2006), to which findings show that emotion has a contribution to customer satisfaction. Meanwhile, findings also suggest that cognitive evaluation to contribute more compared to emotion.

Hefer and Cant (2013), research findings shows that visual merchandising guides customer on subconscious level to the direction of products they are seeking, therefore also guides their decision making.

A research done by Spies et al. (1997), shows that within a pleasant store environment, customer impulsively spent more money on products. Through customer mood as a mediating variable.

Hypothesis

H1: IKEA Visual Merchandising has a *direct positive* influence on Emotional States.

H2: IKEA Visual Merchandising has a *direct positive* influence on Purchase Decision.

H3: IKEA's customer Emotional States has a *direct positive* influence on Purchase Decision.

H4: IKEA Visual Merchandising has an *indirect positive* influence on Purchase Decision through the customer Emotional States.

Figure 2. Relationship Structure
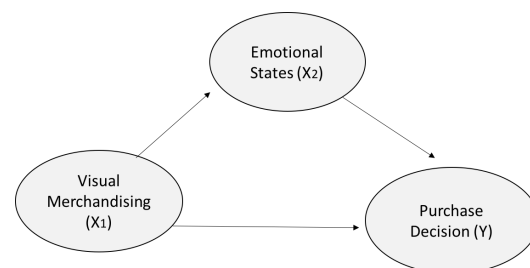
Source: (Researcher, 2018)

RESEARCH METHODOLOGY

Research Scope

This research is designed to the means of seek out, analyze, and expand the understanding of the proposed subject. To discover, develop, and verify a phenomena, event, and knowledge by utilizing scientific method/s. Therefore, based on the formulation of the research problem and objectives, this research can be classified as explanatory research. In the implementation, the observation utilizes an approach of a survey, a method of research that attempt to describes a phenomenon by analyzing the relationship between research variables (Sugiyono, 2017).

The research is conducted with a classified scope, which require specific source of data attributed to people which have previously visited and made in-store purchase/s from IKEA, within Tangerang area. Therefore, the research location is Tangerang area.

Data Collecting

The population of the research is the people within Tangerang area, in which where the IKEA Indonesia store is located. As not all the population will and can be used, respondent is required to meet the specific arrangement of criteria as to be the subject of the sample, filtered through Non-probability sampling. With a sample size of 300 respondents, collected through the distribution of a research questionnaire.

Operational Definition

The concepts, variables, and indicators utilized in this research are summarized as the followings:

Table 1. Research Concepts, Variables, and Indicators

Variables	Indicators		Identification	Sources
Visual Merchandising (X1)	1.	Storefront	X1-1	Farese et al. (2009)
	2.	Store Layout	X1-2	
	3.	Store Interior	X1-3	
	4.	Interior Display	X1-4	
Emotional States (X2)	1.	Pleasure	X2-1	Mehrabian and Russell (1974)
	2.	Arousal	X2-2	
	3.	Dominance	X2-3	
Purchase Decision (Y)	1.	Approach Behavior	Y-1	Mehrabian and Russell (1974)
	2.	Avoidance Behavior	Y-2	

Validity Test

The test utilizes Pearson Correlation which are denoted by r, and is performed by processing the items respondent required to answers for each variable with the *Pearson Product Moment Correlation* function in the SPSS software. The evaluation was done by comparing the value of generated r with the pre-calculated value of r product-moment table with a significance of 5% (five percent). Items can be identified as valid when the calculated r value is greater than that of tables' r value (Sugiyono, 2017).

Reliability Test

Reliability is the level of stability and consistency of a measuring instrument, therefore the instrument can be trusted to be used to the means of collecting data (Sekaran and Bougie, 2013). According to Sugiyono (2017), the evaluation typically done through only one measurement, then the result is compared with other questions by *Cronbach Alpha Test,* evaluated through a function within SPSS software. The verdict of reliability test can be regarded as to when a variable value of reliability is >0.6 it is reliable and vice versa (Cronbach, 1951).

Data Analysis Technique

The technique utilizes in the research is Structural Equation Modeling (SEM), chosen based on the techniques' capabilities as it is allowing the testing of the relatively complicated sets of relationship between variables simultaneously. According to Hair et al. (2010), structural equation modeling facilitates the appropriate and most efficient technique of estimation to a series of separate *multiple regression* equations processed in simultaneous nature. SEM is an integrated approach between factor analysis, structural model, and path analysis (Solimun et al., 2017). According to Ferdinand (2014b), the followings are steps of the SEM technique:

1. To design and formulate hypothetical model based on concepts and theories.
2. Based on the theoretical model, a path diagram is created. With the path diagram, the causal relationship between variables will be clearly defined, as it will be shown by arrow/s which explains direction of causal relationship between one construct to another. The path diagram is further converted into Structural and Measurement model, to be able to statistically processed.
3. The classical assumption test will be initiated to the model with the collected data set applied, in order to evaluate the properness of the data set for the model to be able to provide a representative result. The data therefore, have to fulfill the basic assumption that there are no symptoms of *normality* and *outlier*.
4. The aforementioned steps directly and simultaneously followed by the evaluation of Goodness of Fit. The *Goodness of Fit evaluation* is necessary to make sure the model and data set being used is well, compatible, and appropriate.
5. Hypothesis Test: The evaluation utilized to test the variables on how each affecting the dependent

8

variable and or each other is by the *significance test*, a procedure to test whether each and every hypothesis can be confirmed or not.

This research utilizes the statistical application module AMOS (AMOS Graphic version 23.00), integrated within IBM SPSS statistics software to processed the data utilizing SEM analysis.

FINDINGS AND ANALYSIS

Respondent Perception on Variables

Table 2. Respondents Perception on Visual Merchandising

Indicators	Items	Mean
Storefront	X1-1	3.93
Store Layout	X1-2	4.02
Store Interior	X1-3	4.02
Interior Display	X1-4	4.00

Source: (Processed Data, 2018)

Table 3. Respondents Perception on Emotional States

Indicators	Items	Mean
Pleasure	X2-1	4.05
Arousal	X2-2	3.85
Dominance	X2-3	3.99

Source: (Processed Data, 2018)

Table 4. Respondents Perception on Purchase Decision

Indicators	Items	Mean
Approach	Y-1	3.96

Indicators	Items	Mean
Avoidance	Y-2	3.90

Source: (Processed Data, 2018)

The accounted responses indicate that majority of customer perceived that each and every indicator is highly compatible with the variable it asserted to, in which also indicate that each aspect of the indicator is present-apparent within the consumption process experienced in IKEA retail environment. In addition to that each indicator to which generated the highest mean value therefore, deemed by the respondents a dominant factor in perceiving and measuring the respective variable it is asserted to (Sugiyono, 2017).

Validity Test Result

Result shows that each item asserted to measure each variable are valid. The validity is awarded by comparing each r value generated to the table's r value with the 0.05 significance, in which listed 0.374 as the benchmark value. As each of both r values and the significance values met that of the benchmark values criteria therefore, indicates that the instrument is valid, and appropriate to accommodate the purpose of the research.

Reliability Test Result

Result shows that each item Cronbach's Alpha value are greater than that of the benchmark value of 0.6. Therefore,

indicates that the instrument is stable, consistent, reliable, and appropriate to accommodate the purpose of the research.

Normality Test Result

Result shows that the data set (n = 300) generated a critical ratio value of 35.690. The value is supposed to be smaller than the critical value of z with alpha of 0.05, in which have listed value of 1.645. As presented 35.690 > 1.645 indicates that the normality assumption is not met.

Based on The Central Limit Theorem however, a sampling distribution will approach a normality in distribution as sample size got larger (n > 30), and the assumption will no longer be appropriate (Statistics How To, 2018c). Therefore, as the sample size utilizes for the research is significantly larger (n = 300) than that of the n = 30 criteria, the assessment of normality can be ignored.

Outlier Test Result

The Mahalanobis distance are evaluated by comparing its d-squared value to a Chi-Square table value based on the degree of freedom accounted to the parameter of the model. Therefore, listed a benchmark value of 32.671. The farthest observation point is 298, with the Mahalanobis d-squared value of 14.294. As the comparison of 14.294 < 32.671 presented that the farthest observation point value is smaller than that

of the Chi-Square table, translated to the non-existence of outlier in every observation point.

Structural Equation Modeling Goodness of Fit

Table 5. Goodness of Fit Evaluation

No	Index	Cut-off Value	Evaluation
1	CMIN/DF	< 2.00	FIT
2	GFI	>0.90	FIT
3	AGFI	>0.90	FIT
4	TLI	>0.95	FIT
5	CFI	>0.95	FIT
6	RMSEA	< 0.08	FIT
7	AIC	Default < Saturated and Independence	FIT
8	ECVI	Default < Saturated and Independence	FIT

Source: (Processed Data, 2018)

Generated results show the model and data met all the asserted indexes criteria. Therefore, the model can be regarded as having a good fit with the specific data set, and be able to accommodate the needs of the research in accordance with the utilization of Structural Equation Modeling.

Structural and Measurement Model Result

Figure 3. Structural and Measurement Model Result
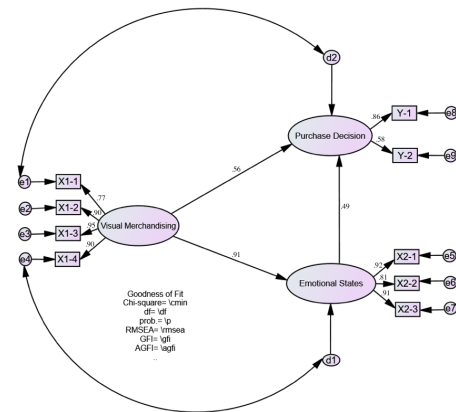
Source: (Processed Data, 2018)

Measurement Model Analysis

Table 6. Measurement Model Result

Indicator		Loading Factor	Probability
X1-1	Storefront	0.770	0.000
X1-2	Store Layout	0.907	0.000
X1-3	Store Interior	0.953	0.000
X1-4	Interior Display	0.904	0.000
X2-1	Pleasure	0.921	0.000
X2-2	Arousal	0.813	0.000
X2-3	Dominance	0.919	0.000
Y-1	Approach	0.869	0.000
Y-2	Avoidance	0.585	0.000

Probability value shown indicates significance of that smaller than 0.001, in which presented as three asterisks (***) in the AMOS output

Source: (Processed Data, 2018)

The measurement model evaluation asserted to that each and every indicator of each variable, generated a positive loading factor values. The probability value of 0.000 (***), in which smaller than the alpha of 0.05 (5%) indicates that each indicator has a significant effect on measuring the variable its asserted to (Byrne, 2016).

Per measurement model analysis, a variable's indicator to which generated the highest loading factor is regarded as the Dominant indicator to the measurement of the variable. Therefore, indicates that the customer tends to perceives and evaluates the variable more significantly based on the aspect of those respective indicators (Byrne, 2016). The result also indicates that within IKEA retail environment, factors which implies to and or stimulate those respective aspects are the most apparent and significant. Therefore, significantly influence the customer measurement and perceptions of IKEA's Visual Merchandising, their respective Emotional States, and Purchase Decision evaluation.

Structural Model Analysis

Table 7. Structural Model Result

Causal Relationship	Standardized Coefficient	P	Identification
Visual Merchandising v Emotional States	0.912	0.000	Significant
Visual Merchandising v Purchase Decision	0.562	0.000	Significant

Causal Relationship	Standardized Coefficient	P	Identification
Emotional States v Purchase Decision	0.495	0.000	Significant
Visual Merchandising v Emotional States v Purchase Decision	0.452	0.000	Significant

Probability value shown indicates significance of that smaller than 0.001, in which presented as three asterisks (***) in the AMOS output

Source: (Processed Data, 2018)

Per structural model evaluation as proposed by Byrne (2016), the result generated from that of each of the direct and indirect causal relationship indicates to that respectively: There is a direct significant positive influence of visual merchandising towards emotional states. There is a direct significant positive influence of visual merchandising towards purchase decision. There is a direct significant positive influence of emotional states towards purchase decision. There is an indirect significant positive influence of visual merchandising through emotional states towards purchase decision.

Hypothesis Test Result

By referring to the Structural Model result and analysis, in which Structural Equation Modeling hypothesis test result drawn from, therefore the results are presented as follows:

Hypothesis 1: IKEA Visual Merchandising (X1) has a *direct* positive influence on Emotional States (X2).

With the result indicates that there is a significant positive influence of visual merchandising towards emotional states. Therefore, there are sufficient empirical evidence to support and accept Hypothesis 1.

Hypothesis 2: IKEA Visual Merchandising (X1) has a *direct* positive influence on Purchase Decision (Y).

With the result indicates that there is a significant positive influence of visual merchandising towards purchase decision. Therefore, there are sufficient empirical evidence to support and accept Hypothesis 2.

Hypothesis 3: IKEA's customer Emotional States (X2) has a *direct* positive influence on Purchase Decision (Y).

With the result indicates that there is a significant positive influence of emotional states towards purchase decision. Therefore, there are sufficient empirical evidence to support and accept Hypothesis 3.

Hypothesis 4: IKEA Visual Merchandising (X1) has an *indirect* positive influence on Purchase Decision (Y) through the customer Emotional States (X2).

With the result indicates that there is a significant positive influence of visual merchandising through emotional states towards purchase decision. The result therefore, presents that there is sufficient empirical evidence to support and accept Hypothesis 4.

Discussion

Based on the research measurement model result, all of the indicator shown to be essential and significant to the measurement of each respective variable its asserted to. As results shown positive loading factor values and probabilities of that smaller than that of alpha 0.05 (5%), indicating to that the significance and influence of each indicator (Byrne, 2016).

The dominant indicator of Visual Merchandising is Store Interior (0.953), therefore indicates that IKEA's customer perceived and evaluates IKEA's visual merchandising deliberately based on the store interior aspect. The result shows that within IKEA retail environment, its store interior traits play an essential and favorable role in conveying positive image, impression, and attachment to its customer. The result is in accordance with a previous research result done by Štursa (2009), which implied that an extensive store interior presentation increases the desire of goods and encourage both impulsive and planned purchase/s. Therefore, signifies the influence of Store Interior to the measurement of IKEA visual merchandising, as also shows a correlation on how the structure at large influence the other variables within the construct.

The dominant indicator of Emotional States is Pleasure (0.921), therefore indicates that IKEA's customer perceived and evaluates their respective emotional states evaluation in regards of IKEA store (retail environment) deliberately based on the pleasure's stimuli felt. The result shows that within IKEA retail environment, the stimulation of traits which implies to pleasure play an essential role for the customer in further evaluation and decision making within their IKEA consumption process. The dominant indicator of Purchase Decision is Approach (0.869), therefore indicates that IKEA's customer perceived and evaluates their purchase decision evaluation deliberately based on the approach aspect. The result shows that within IKEA's customer purchasing decision process, the needs of approach generated within the retail store is the determinant factor in deciding whether or not to make a purchase/s.

The result is comparable with a previous research result done by Burns and Neisner (2006), in which implied that emotion has a contribution to customer satisfaction which relates to the desires of further interaction (approach behavior). Meanwhile, the

findings also suggest that cognitive evaluation to contribute more compared to emotion. Therefore, signifies that the approach aspect of purchase decision is highly dependent on the availability and access to interaction and or information that IKEA's able to generates. Compared to depends entirely on a more emotive based factor. The result shows that within the context of the research, observed customer evaluates IKEA is currently able to provide.

The result of the structural model shows how variables relate to one another within the construct through its respective standardized coefficient value and probability value. The generated probability value of 0.000 (***) asserted to each relationship indicates that there is a significant effect from one variable to another. As the significance of each relationship are presented through each asserted standardized coefficient value generated (Byrne, 2016). There is a direct influence of Visual Merchandising on Emotional States, as it is confirmed in the hypothesis test result. The highly positive value of correlation (0.912) indicates that there is a significant influence of IKEA's visual merchandising aspect perceived by the observed customer, which affect their emotional states. The relationship indicates that the customer perceived IKEA's visual merchandising attempt positively, in which

per positive coefficient can be drawn that IKEA's effort in visual merchandising are favored by its customer. Therefore, made a highly positive influence to emotional states aspect felt by the customer, as also generates an equally significant value (0.562) in regards of influencing the customer purchase decision directly.

The result shows that customer evaluates IKEA's visual merchandising efforts as greatly influential to their respective emotional states and purchase decision evaluation within their consumption process. The results further add to a previous study towards apparel retailers done by Hefer and Cant (2013), which implied that visual merchandising guides customer on subconscious level to the direction of products they are seeking, therefore also guides their decision making. A study by Baker et al. (2002), in addition also implied that the atmosphere of the environment where the exchange is taking place will have a substantial variation of stimuli which affects customer decision making. In conjunction with the aforementioned previous studies, the research result in regards to the direct relationship of emotional states towards purchase decision also shown a positive and significant value (0.495). In which shows that emotional states felt by IKEA's customer is greatly evaluated to the regards of decision making, specifically purchase

decision. Which implies to that the more positively the favorable emotional states felt, the higher the rate of purchase/s made.

Each of the aforementioned direct influences are essential in order to be able to measure the indirect influence, as the indirect significance measurement can only be generated by the evaluation of (0.912*0.495), which derived from the direct relationship of visual merchandising towards emotional states, and emotional states towards purchase decision respectively. Which are calculated as proposed in Baron and Kenny's steps requirement (Baron and Kenny, 1986). The result shows that there is an indirect influence of IKEA's visual merchandising towards purchase decision, in which the customer evaluates through their respective emotional states.

However, the research indirect relationship significance value (0.452) is relatively smaller than that of the value of direct relationships its derived from. Therefore, suggest that although IKEA's customer evaluation of purchase decision is influenced by the visual merchandising through their emotional states, the evaluation is not as significant as the evaluation of purchase decision influenced by either visual merchandising or emotional states directly.

The result therefore shows that based on the Baron and Kenny's steps evaluation criteria, emotional states only partially partake in the entirety of the relationship. In which shows that the inclusion of emotional states plays a partial mediator role to the relationship of visual merchandising towards purchase decision, which therefore as implied by MacKinnon (2008), the role can be classified as *partial mediation*. Therefore, it can be said that within the relationship of visual merchandising on purchase decision, emotional states partake a partial mediation role. However, the evaluation of emotional states within the relationship also shown to be less pivotal. As the purchase decision evaluation is perceived more positively without being mediated by emotional states. Therefore, projected that although not to the extent of being a burden and or redundant. The mediation role of emotional states within the relationship as felt in IKEA retail environment, plays a partial role in which not necessarily essential.

Therefore shows, although IKEA's visual merchandising is effective and highly significant on projecting favorable emotional states, the balance utilization and coordination which able to accommodate both customer with a more cognitive and or emotive based preferences is what ultimately influence the customer decision making. Therefore, determines their respective purchase decision.

Implication

As the proposition to the underlying idea to that the research specifically oriented towards the implication of extensive visual merchandising application within furniture retailing, proposed as the current body of knowledge regarding the topic are dominated by a specific type of industry such as fashion and lifestyle. Meanwhile, the visual merchandising aspects whether purposively utilizes or otherwise are apparent beyond the restraint of the aforementioned industries.

Placing the ideas into perspective shows that the research fundamentally and extensively able to integrates, examines, adds, and expand the current body of knowledge related with the subject. This study therefore, while further relates, integrates, and utilizes the current readily available body of knowledge. On the other end through the results its produced adds, reaffirm, enrich, and extent the subject at large. As also along provides cues to how the furniture retailing business (IKEA) can improve its current operation. While doing so strengthen and enrich the existing body of knowledge by both integrating and contributing to the topic at large.

CONCLUSION

1. The more favorable a customer perception is on IKEA visual merchandising, the more favorable emotional states felt.

2. The more favorable a customer perception is on IKEA visual merchandising, the more positive the evaluation of purchase decision made.

3. The more favorable emotional states a customer felt within IKEA retail environment, lead to a more positive evaluation of purchase decision made.

4. The more favorable a customer perception is on IKEA visual merchandising, the more favorable emotional states the customer felt within IKEA retail environment, along with a more positive evaluation of purchase decision being made.

5. Both visual merchandising and emotional states perceived and evaluated within IKEA retail environment, significantly influence the customer purchase decision positively. Meanwhile, IKEA's customer tends to perceive and evaluate the influences even more positively as its own separately, instead of one through another. In which highly based on the individual needs, appeal, and or preferences.

Therefore, also shows that each of the direct relationships exist even without the inclusion of Emotional States as a mediator. In which shows that the inclusion of emotional states only partakes partial

mediation role within the relationship as its entirety.

RECOMMENDATION

1.   Future studies can extent the measurement of purchase decision by integrating more items in regards of measuring avoidance. As to identify the evaluation process to that if whether a customer that made a purchase/s, despite of the stimuli of avoidance felt within the process.

2.   Future studies with similar scope of observation can extent the measurement of purchase decision by adding and integrating items in regards of measuring customer revisit intention.

3. IKEA can improve its coordination of the visual merchandising efforts to be able to better generate traits in which well accommodate every customer type of needs and preferences. Whether it is a customer with a tendency towards cognitive and or emotive based evaluation.

4. IKEA can provide customer with an in-store electronic catalogue, therefore customer would be able to have an alternative to swiftly and directly assess availability, pick up point, and or point of purchase without have to feel 'forcibly' walk through the entire retail space to access the information.

5. IKEA can improve its coordination of the visual merchandising efforts to be able

to better generate traits in which stimulate impulsive purchase decision. As the currently applied interactive room-setting display store layout is deemed as favorable and unique, it is not necessarily the only aspect which determines to that customer will made a continuous purchase/s.

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