

UNDERSTANDING PURCHASE DECISIONS IN RETAIL: THE ROLES OF EXPERIENTIAL MARKETING, PRODUCT DISPLAY, PRICE DISCOUNTS, AND LOCATION AT HYPERMART IN PEKANBARU

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ABSTRACT

The purpose of this study is to examine the effects of experiential marketing, product display, price discounts, and location on purchase decisions at Hypermart. This study was conducted in Pekanbaru City, Riau. The population consisted of all residents of Pekanbaru City who had previously purchased products at Hypermart. Since the population size was unknown, the Roscoe formula was used to determine the sample size, resulting in 150 respondents selected using the accidental sampling method. Data were analyzed using path analysis with the assistance of SmartPLS. Based on the research findings, the conclusions are as follows: (1) Experiential Marketing has a significant effect on purchase decisions at Hypermart in Pekanbaru City. (2) Product Display has a significant effect on purchase decisions at Hypermart in Pekanbaru City. (3) Price Discounts have a significant effect on purchase decisions at Hypermart in Pekanbaru City. (4) Location does not have a significant effect on purchase decisions at Hypermart in Pekanbaru City.

Keywords: Experiential Marketing; Product Display; Price Discounts; Location; Path Analysis

MEMAHAMI KEPUTUSAN PEMBELIAN DALAM BISNIS RITEL: PERAN EXPERIENTIAL MARKETING, TAMPILAN PRODUK, DISKON HARGA, DAN LOKASI PADA HYPERMART DI PEKANBARU

ABSTRAK

Penelitian ini bertujuan untuk mengkaji pengaruh experiential marketing, tampilan produk, diskon harga, dan lokasi terhadap keputusan pembelian di Hypermart. Penelitian ini dilakukan di Kota Pekanbaru, Riau. Populasi dalam penelitian ini adalah seluruh masyarakat Kota Pekanbaru yang pernah melakukan pembelian produk di Hypermart. Karena jumlah populasi tidak diketahui secara pasti, penentuan jumlah sampel menggunakan rumus Roscoe, sehingga diperoleh sebanyak 150 responden yang dipilih dengan menggunakan metode accidental sampling. Data dianalisis menggunakan analisis jalur (path analysis) dengan bantuan perangkat lunak SmartPLS. Berdasarkan hasil penelitian, diperoleh kesimpulan sebagai berikut: (1) Experiential Marketing berpengaruh signifikan terhadap keputusan pembelian di Hypermart Kota Pekanbaru. (2) Tampilan Produk berpengaruh signifikan terhadap keputusan pembelian di Hypermart Kota Pekanbaru. (3) Diskon Harga berpengaruh signifikan terhadap keputusan pembelian di Hypermart Kota Pekanbaru. (4) Lokasi tidak berpengaruh signifikan terhadap keputusan pembelian di Hypermart Kota Pekanbaru.

Kata Kunci: Experiential Marketing; Tampilan Produk; Diskon Harga; Lokasi; Analisis Jalur

INTRODUCTION

The retail industry plays an important role in the distribution of goods and services by connecting businesses directly with final consumers. Retail activities involve the sale of goods and services for personal, family, and household consumption and represent the final stage of the distribution process. In Indonesia, the retail industry has continued to develop in response to changes in consumer lifestyles, technological advancement, and increasing consumer expectations for convenience and shopping experiences. In general, the Indonesian retail sector can be categorized into modern and traditional retail. Modern retail represents the development of traditional retail practices through the adoption of modern business concepts, technology utilization, standardized store management, and shopping environments that accommodate contemporary consumer lifestyles. Retail businesses therefore do not merely provide products but also create environments in which consumers evaluate alternatives and make purchasing decisions.

Retail businesses encompass all business activities related to the direct sale of goods or services to final consumers for personal, family, or household use. In this context, the majority of sales are directed toward final consumers, while only a small proportion serves business markets (Kurnia & Khasanah, 2022). The increasingly competitive retail environment requires retailers to understand consumer behavior and identify factors that can encourage consumers to make purchasing decisions. Consumer purchase decisions may be influenced not only by product availability and price but also by the overall shopping experience, the way products are displayed, promotional incentives, and the accessibility of the retail location. Consequently, retailers need to develop integrated marketing strategies that address both functional and experiential aspects of the consumer shopping process.

One of the major retail chains operating in Indonesia is Hypermart. Hypermart provides a wide range of products to meet consumers' daily needs, including food and beverages, clothing, household products, electronics, and other household equipment. As a hypermarket, Hypermart offers consumers a broad product assortment within a single shopping environment. This characteristic makes Hypermart a relevant setting for examining consumer purchase decisions because consumers are exposed to various marketing stimuli during the shopping process. These stimuli include experiential marketing, product display, price discounts, and location. According to Predegast et al. (2008), consumers who perceive that they have limited time for shopping tend to shorten their purchasing decision-making process. This suggests that the retail environment and the marketing stimuli encountered during shopping may play an important role in facilitating consumers' decisions.

The importance of understanding purchase decisions can be observed from the sales performance of Hypermart at Ciputra Seraya Mall, Pekanbaru. Based on the available sales data for January to May 2021, Hypermart's sales fluctuated considerably during the period. Sales amounted to Rp 2,947,681,800 in January and declined to Rp 2,210,873,000 in February. Sales subsequently increased to Rp 2,637,500,109 in March and reached their highest level of Rp 3,442,512,233 in April before declining again to Rp 2,231,150,289 in May. The decline in February occurred during the COVID-19 pandemic and coincided with the implementation of the government's PPKM policy, which affected activities in shopping malls and resulted in the temporary closure of several stores to reduce crowding. Although sales fluctuations may be affected by external circumstances, these conditions highlight the importance of understanding consumer purchasing behavior and the factors that may contribute to purchase decisions in the retail environment.

To obtain an initial picture of consumer behavior at Hypermart in Pekanbaru City, a preliminary survey was conducted involving 55 respondents. The results showed that all 55 respondents, representing 100% of the sample, had previously shopped at Hypermart. Furthermore, all respondents reported feeling comfortable shopping at Hypermart compared with traditional markets or other retail outlets. In terms of shopping frequency, 25 respondents (45.5%) reported visiting Hypermart once a month, another 25 respondents (45.5%) reported shopping two to five times per month, and 5 respondents (9.0%) reported shopping more than five times per month. These findings provide an initial indication that Hypermart is able to create a shopping environment that is positively perceived by consumers and attracts repeated visits from a substantial proportion of respondents. Nevertheless, the preliminary survey does not explain which specific marketing factors contribute most strongly to consumers' purchase decisions. This provides a basis for further empirical investigation.

Experiential marketing is one factor that may influence consumer purchase decisions because it focuses on creating meaningful and memorable interactions between consumers and brands. Rather than relying solely on functional product attributes, experiential marketing emphasizes consumers' sensory, emotional, cognitive, behavioral, and relational experiences. Previous research has examined experiential marketing in relation to customer satisfaction and loyalty, indicating that consumer experiences can influence subsequent consumer responses (Firdausi, 2020; Hendayana & Solichati, 2021). Kurnia and Khasanah (2022) also examined experiential marketing in relation to customer satisfaction and repurchase decisions. These findings suggest that the experience created during interactions with a business can become an important component of consumer behavior.

Product display represents another important element of the retail environment. The way products are arranged and presented can attract consumers' attention, facilitate product search, and influence perceptions of the products offered. Nugraheni (2013) examined the relationship between product display, promotional activities,

positive emotions, and purchase decisions, while Suprayogi et al. (2022) specifically investigated the effect of product display on purchasing decisions in a retail setting. These studies indicate that the physical presentation of products can function as an important marketing stimulus within a store. An organized, attractive, clean, and easily accessible product display may therefore encourage consumers to evaluate and purchase products.

Price discounts are also frequently used by retailers as a promotional strategy to stimulate consumer purchasing. A price discount provides consumers with an economic incentive by reducing the price paid for selected products during a particular period. Previous research has demonstrated the relevance of price discounts to consumer purchase decisions. Febriah and Febriyantoro (2023), for example, examined price discounts together with live video streaming and free shipping in relation to purchase decisions. Gunawan and Yulianthini (2022) also investigated the effect of price discounts, brand image, and the physical environment on purchasing decisions in a minimarket context. In addition, Lystia et al. (2022) discussed price, promotion, and product quality as important determinants of purchase decisions. These findings suggest that consumers' responses to price-related incentives may contribute to their purchasing behavior.

Location represents another factor that may affect consumer purchase decisions because it is associated with accessibility, convenience, and the ease with which consumers can reach a retail outlet. Previous studies have investigated location as a determinant of purchasing decisions in different business contexts. Hardiansyah et al. (2019) examined the effects of location and price on purchasing decisions in a restaurant setting, while Wariki et al. (2015) investigated location, price perceptions, and promotional mix in relation to purchase decisions and consumer satisfaction. These studies demonstrate that location can be relevant to consumer decision-making, although its influence may differ according to the characteristics of the business and its target consumers. Similarly, Pambudi (2019) demonstrated the relevance of store layout and food quality to repurchase intention and customer satisfaction, highlighting the importance of the physical retail environment in shaping consumer responses. Yola and Budianto (2016) also emphasized the relevance of service quality and price in consumer evaluations within supermarket environments.

Although previous studies have examined experiential marketing, product display, price discounts, and location, the existing findings remain fragmented across different variables and research contexts. Experiential marketing has predominantly been examined in relation to satisfaction, loyalty, or repurchase-related behavior (Firdausi, 2020; Hendayana & Solichati, 2021; Kurnia & Khasanah, 2022), while product display has been investigated primarily as a retail stimulus affecting purchase decisions (Nugraheni, 2013; Suprayogi et al., 2022). Price discounts have also been examined in both online and offline retail contexts (Febriah & Febriyantoro, 2023; Gunawan & Yulianthini, 2022), whereas location has been studied across restaurants, housing, and other business settings (Hardiansyah et al., 2019; Wariki et al., 2015). Consequently, limited empirical evidence is available regarding the simultaneous role of these four factors in explaining purchase decisions within a hypermarket context, particularly among consumers in Pekanbaru City. The differences in research contexts and findings also suggest that the relative importance of these factors may depend on the characteristics of the retail environment and consumer preferences.

Therefore, this study addresses the research gap by integrating experiential marketing, product display, price discounts, and location into a single empirical model to examine their effects on consumer purchase decisions at Hypermart in Pekanbaru City. This integrated perspective combines experiential, visual, economic, and accessibility-related aspects of the retail environment, thereby providing a more comprehensive approach to understanding consumer purchase decisions. The study is expected to contribute theoretically by extending the discussion of consumer purchase decisions through the simultaneous examination of multiple retail marketing stimuli. From a practical perspective, the findings may assist Hypermart and other modern retailers in identifying marketing factors that can be strengthened to improve consumers' purchase decisions and enhance the overall shopping experience.

Based on the research gap and the observed retail conditions, this study aims to examine and analyze the effects of experiential marketing, product display, price discounts, and location on purchase decisions at Hypermart in Pekanbaru City.

LITERATURE REVIEW

Purchase Decision

A purchase decision refers to the process through which consumers identify their needs, search for relevant information, evaluate available alternatives, and ultimately determine whether and which product to purchase. According to Alma (2011), purchase decisions are influenced by various factors, including economic and financial conditions, technology, politics, culture, products, prices, locations, promotion, physical evidence, people, and processes. These factors shape consumers' perceptions and attitudes as they process information and select products that are considered capable of satisfying their needs. Purchase decisions are therefore not merely the final act of buying a product but represent a process involving cognitive evaluation, individual preferences, and environmental stimuli.

In the retail context, understanding purchase decisions is particularly important because consumers are exposed to various marketing stimuli before completing a transaction. Product presentation, promotional offers, shopping experiences, and store accessibility may influence how consumers perceive the value and attractiveness of a retailer's offerings. A better understanding of the factors influencing purchase decisions can therefore help retailers develop more effective and consumer-oriented marketing strategies.

Experiential Marketing

Experiential marketing is a marketing approach that emphasizes the creation of meaningful, memorable, and engaging experiences for consumers. The concept combines the terms *experience* and *marketing*, where experience refers to personal events or responses that arise from particular stimuli provided before, during, or after consumers interact with a product, service, or brand. Unlike conventional marketing approaches that primarily emphasize functional product attributes, experiential marketing focuses on how consumers feel, think, act, and interact with a brand.

According to Schmitt (2020), experiential marketing involves sensory, emotional, cognitive, behavioral, and relational dimensions that allow consumers to engage directly with brands. Through these dimensions, retailers can create experiences that extend beyond the functional benefits of products. In a retail environment, for example, consumers may develop positive perceptions through attractive store environments, enjoyable shopping experiences, opportunities to interact with products, and meaningful interactions with the brand.

Experiential marketing may also contribute to the development of stronger emotional relationships between consumers and brands. By allowing consumers to experience, interact with, or directly evaluate products and services, retailers can create deeper and more memorable impressions. Previous studies have reported a significant relationship between experiential marketing and consumer responses. Chasanah et al. (2018), Budiarto (2019), and Tantowi and Pratomo (2020) found that experiential marketing significantly influences consumer decisions, while Kristiani (2019) reported a negative relationship. The differences in previous findings indicate that the effect of experiential marketing may depend on the characteristics of consumers and the context in which the experience is created.

In the context of Hypermart, experiential marketing is expected to influence purchase decisions because consumers encounter various sensory, emotional, and behavioral stimuli throughout the shopping process. A positive shopping experience may increase consumers' willingness to select and purchase products.

H1: Experiential Marketing has a positive effect on purchase decisions.

Product Display

Product display refers to the arrangement and presentation of products within a store or point of sale in a manner designed to attract consumers' attention and facilitate product selection. In a retail environment, product display represents an important visual marketing stimulus because consumers often encounter product arrangements before deciding whether to purchase. An effective display can increase product visibility, provide useful visual information, facilitate product search, and make products more attractive to consumers.

A well-organized product display can also create a more comfortable shopping environment. Products that are arranged neatly, cleanly, and according to appropriate categories can reduce the effort required by consumers to locate desired products. Conversely, poorly organized displays may make it difficult for consumers to identify products and may reduce the attractiveness of the shopping environment.

Previous research provides evidence that product display may influence consumer purchasing behavior. Nugraheni (2013) examined product display together with promotional activities and positive emotions in relation to purchase decisions. More recently, Suprayogi et al. (2022) found that product display significantly influences purchase decisions in a retail context. However, Zahri et al. (2023), as reported in the original study, found a negative and insignificant relationship between product display and consumer decisions. These different findings indicate that the effectiveness of product display may depend on how consumers perceive the arrangement, accessibility, cleanliness, and attractiveness of products.

At Hypermart, attractive, neat, clean, and easily accessible product displays are expected to facilitate consumers' product evaluation and increase their intention to complete a purchase.

H2: Product Display has a positive effect on purchase decisions.

Price Discounts

Price discounts are one of the promotional strategies commonly used by retailers to encourage consumers to make purchases. A price discount refers to a reduction from the regular selling price of a product or service during a specific period. Discounts may be offered to attract new customers, encourage repeat purchases, stimulate short-term sales, or accelerate inventory turnover.

From a consumer perspective, price discounts can increase the perceived economic value of a purchase because consumers obtain products at prices lower than the regular price. Discounts may therefore create a sense of financial benefit and urgency, particularly when promotions are offered for a limited period or in conjunction

with other promotional programs. In competitive retail environments, price discounts can become an important stimulus influencing consumers' evaluation of purchasing alternatives.

Previous research has demonstrated the relevance of price discounts to purchase decisions. Febriah and Febriyantoro (2023) found that price discounts were associated with purchase decisions in an online shopping context. Gunawan and Yulianthini (2022) also examined price discounts together with brand image and the physical environment in relation to purchase decisions in a minimarket setting. In contrast, Prabarini et al. (2018), as reported in the original study, found a negative and insignificant effect of price discounts on consumer decisions. These contrasting findings indicate that the influence of price discounts may vary according to the retail context, characteristics of consumers, and types of promotional offers.

For Hypermart consumers, attractive and relevant discounts may increase perceived value and provide an economic incentive to purchase products. Therefore, price discounts are expected to have a positive effect on purchase decisions.

H3: Price Discounts have a positive effect on purchase decisions.

Location

Location refers to the geographical position where a business or retail outlet operates. In retailing, location is closely associated with accessibility, convenience, transportation, proximity, and the ease with which consumers can reach a store. A strategic and accessible location may reduce the effort required by consumers to visit a retail outlet and may consequently support consumers' decisions to shop at that location.

The importance of location may be particularly relevant in retail businesses because consumers often consider travel distance, accessibility, and convenience when selecting where to shop. A location that is easy to access and strategically positioned may increase the attractiveness of a retail outlet. However, the importance of location may differ depending on consumer loyalty, shopping habits, product availability, and the attractiveness of other aspects of the retail environment.

Previous studies have reported different findings regarding the relationship between location and purchase decisions. Aryand and Onsardi (2020), as cited in the original study, found that location has a significant effect on consumer decisions. In contrast, Putri (2021) reported a negative and insignificant effect of location on consumer decisions. Hardiansyah et al. (2019) also examined location and price as determinants of purchase decisions in a restaurant context, while Wariki et al. (2015) investigated location together with promotional mix and price perceptions in relation to purchase decisions and consumer satisfaction. These findings suggest that the effect of location may depend on the characteristics of the business and the consumers involved.

In the context of Hypermart, location is expected to influence purchase decisions because accessibility and convenience may affect consumers' willingness to visit and shop at the store. However, given the inconsistent findings of previous studies and the possibility that consumers may prioritize other retail attributes, the actual effect of location requires empirical examination.

H4: Location has a positive effect on purchase decisions.

RESEARCH METHODOLOGY

Population and Sample

The population in this study consisted of Hypermart consumers in Pekanbaru City, with an unknown population size. Therefore, the Roscoe formula was used to determine the sample size, resulting in 150 respondents. The respondents were selected using the accidental sampling method. Table 1 provides the details about the variable operationalization.

Table 1. Variable Operationalization

No.	Variable	Indicators	Source	Scale
1	Experiential Marketing (X1)	1. Senses 2. Feelings 3. Thinking 4. Behavior 5. Relate	Andreani (2022)	Interval
2	Product Display (X2)	1. Easy to find and see 2. Neat and clean 3. Appropriate placement	Afrianti (2020)	Interval
3	Price Discounts (X3)	1. Promotion attractiveness 2. Promotion accuracy 3. Promotion frequency	Astuti (2011)	Interval
4	Location (X4)	1. Location accessibility 2. Ease of access 3. Proximity of location	Huriyati (2018)	Interval
5	Purchase Decision (Y1)	1. Need recognition 2. Information search 3. Evaluation of alternatives 4. Purchase decision 5. Post-purchase behavior	Kotler & Keller (2020)	Interval

Source: Processed Data, 2024

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Data Analysis Technique

The data analysis technique used in this study was Partial Least Squares Structural Equation Modeling (PLS-SEM). Structural Equation Modeling (SEM) is a statistical technique used to construct and evaluate statistical models, particularly models representing relationships among variables and causal relationships. In this study, PLS-SEM was employed to evaluate the measurement model and structural model and to test the proposed hypotheses.

RESULTS AND DISCUSSION

Descriptive Analysis

Table 2. Respondent Characteristics

Demographic	Category	Frequency	Percentage
Gender	Male	70	46.67%
	Female	80	53.33%
Age	18–20 years	7	4.67%
	20–25 years	92	61.33%
	25–30 years	48	32.00%
	>30 years	3	2.00%
Occupation	Housewife	3	2.00%
	Student	26	17.33%
	Private-sector employee	108	72.00%
	Civil servant	5	3.33%
	Entrepreneur	8	5.33%
Income	< Rp 3,000,000–Rp 4,500,000	92	61.33%
	Rp 4,500,000–Rp 6,000,000	49	32.67%
	> Rp 6,000,000	9	6.00%
District	Bina Widya	6	4.00%
	Bukit Raya	9	6.00%
	Lima Puluh	33	22.00%
	Marpoyan Damai	15	10.00%
	Payung Sekaki	21	14.00%
	Rumbai Pesisir	14	9.33%
	Senapelan	7	4.67%
	Sukajadi	13	8.67%
	Tampan	11	7.33%
	Tenayan Raya	14	9.33%
	Tuah Madani	7	4.67%

Source: Processed Data, 2024

Based on Table 2, the study involved 150 respondents. In terms of gender, female respondents constituted the majority, with 80 respondents (53.33%). Regarding age, most respondents were 20–25 years old, totaling 92 respondents (61.33%). In terms of occupation, the majority were private-sector employees, accounting for 108 respondents (72.00%). Regarding income, the largest group reported monthly income in the range of less than Rp 3,000,000 to Rp 4,500,000, with 92 respondents (61.33%). Based on residential district, the largest proportion of respondents lived in Lima Puluh District, with 33 respondents (22.00%).

Outer Model Analysis

The outer model analysis was conducted to determine the relationship between each indicator and its corresponding latent construct. The assessment included convergent validity, discriminant validity, construct reliability, and multicollinearity testing as shown in Table 3.

Convergent validity was assessed by examining the loading factor values of the indicators. The loading factor indicates the strength of the relationship between an indicator and its corresponding latent construct. A loading factor value greater than 0.50 was used as the minimum criterion for convergent validity. The results show that all indicators obtained loading factor values above 0.50. Therefore, the measurement indicators used for the research variables can be considered valid based on the convergent validity criterion. Construct reliability was assessed using composite reliability (CR) and Cronbach's alpha. A construct is generally considered reliable when both composite reliability and Cronbach's alpha values exceed 0.70. An AVE value above 0.50 also indicates adequate convergent validity. The results show that all constructs have Cronbach's alpha and composite reliability values above 0.70, while the AVE values for all constructs exceed 0.50. Therefore, all constructs used in this study demonstrate satisfactory reliability.

Table 3. Outer Model Analysis Results

Construct	Indicator	Loading Factor	Correlation	Cronbach's Alpha	CR	AVE
Experiential Marketing (X1)	X1.1	0.884	0.884	0.909	0.932	0.733
	X1.2	0.827	0.827			
	X1.3	0.855	0.855			
	X1.4	0.836	0.836			
	X1.5	0.878	0.878			
Product Display (X2)	X2.1	0.888	0.888	0.839	0.903	0.757
	X2.2	0.816	0.816			
	X2.3	0.904	0.904			
Price Discounts (X3)	X3.1	0.902	0.902	0.900	0.937	0.833
	X3.2	0.906	0.906			
	X3.3	0.929	0.929			
Location (X4)	X4.1	0.960	0.840	0.952	0.969	0.912
	X4.2	0.946	0.946			
	X4.3	0.960	0.960			
Purchase Decision (Y1)	Y1.1	0.869	0.707	0.930	0.947	0.782
	Y1.2	0.885	0.885			
	Y1.3	0.896	0.896			
	Y1.4	0.886	0.886			
	Y1.5	0.886	0.886			

Source: Processed Data, 2024

Multicollinearity Test

The multicollinearity test was conducted to determine whether correlations among the independent variables could cause problems in the structural model. Multicollinearity was assessed using the Variance Inflation Factor (VIF). A VIF value below 10 indicates that the model is free from problematic multicollinearity.

Table 4. Multicollinearity Test

Variable	Purchase Decision
Experiential Marketing	6.070
Product Display	5.514
Price Discounts	6.059
Location	4.700

Source: Processed Data, 2024

Table 4 shows that the VIF values for all exogenous variables are below 10. Therefore, it can be concluded that there is no indication of problematic multicollinearity among the variables in the model.

Inner Model Analysis and Hypothesis Testing

Based on the SmartPLS 4.0 analysis presented in Table 5, the structural path equation can be expressed as follows:

$$Y = 0.360X1 + 0.219X2 + 0.336X3 + 0.072X4$$

The R-squared value represents the proportion of variance in the endogenous variable that can be explained by the exogenous variables. An R^2 value of ≥ 0.75 indicates a strong model, an R^2 value of 0.50 indicates a moderate model, and an R^2 value of ≤ 0.25 indicates a weak model.

The results show an Adjusted R-Square value of 0.880, indicating that 88.0% of the variance in purchase decisions can be explained by experiential marketing, product display, price discounts, and location. The remaining 12.0% is explained by other factors that are not included in the research model. Therefore, the structural model demonstrates strong explanatory power.

The hypothesis testing results indicate that experiential marketing has a positive and significant effect on purchase decisions, with a path coefficient of 0.360, a t-statistic of 3.377, and a p-value of 0.001. Product display also has a positive and significant effect on purchase decisions, with a path coefficient of 0.219, a t-statistic of

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2.416, and a p-value of 0.016. Price discounts have a positive and significant effect on purchase decisions, with a path coefficient of 0.336, a t-statistic of 3.698, and a p-value of 0.000. In contrast, location has a path coefficient of 0.072, a t-statistic of 0.589, and a p-value of 0.556, indicating that its effect on purchase decisions is not statistically significant.

Table 5. Inner Model and Hypothesis Testing

Model	Original Sample	Hypothesis	t-statistic	t-table	p-value	Result
Experiential Marketing (X1)	0.360	+	3.377	1.975	0.001	Significant
Product Display (X2)	0.219	+	2.416	1.975	0.016	Significant
Price Discounts (X3)	0.336	+	3.698	1.975	0.000	Significant
Location (X4)	0.072	–	0.589	1.975	0.556	Not Significant
Adjusted R-Square	0.880					

Source: Processed Data, 2024

DISCUSSION

The Effect of Experiential Marketing on Purchase Decisions

The results of the study indicate that experiential marketing has a positive and significant effect on purchase decisions at Hypermart in Pekanbaru City. Experience-based marketing provides positive perceptions among customers and can encourage them to make purchase decisions. When customers have positive experiences with a retailer, these experiences may create favorable perceptions that can also influence potential customers who have not previously made purchases at the store.

The respondent characteristics show that a substantial proportion of respondents were private-sector employees, who may influence other potential customers through their colleagues and social networks. Positive experiences and testimonials shared by customers can increase other consumers' willingness to make purchase decisions. Furthermore, the respondents' perceptions indicate that Hypermart offers a wide variety of products, which contributes to customer satisfaction and encourages customers to continue shopping at Hypermart despite the presence of other competitors. A comprehensive product assortment can make customers feel more comfortable and interested in making purchases, while positive experiences shared by other consumers may further strengthen their purchase decisions. Therefore, experiential marketing plays an important role in encouraging customers to purchase their daily necessities at Hypermart in Pekanbaru City.

This finding is consistent with the studies conducted by Chasanah et al. (2018), Budiarto (2019), and Tantowi and Pratomo (2020), which found that experiential marketing has a positive and significant effect on purchase decisions.

The Effect of Product Display on Purchase Decisions

The results indicate that product display has a positive and significant effect on purchase decisions. This finding suggests that retail stores need to arrange and present their products effectively because consumers are more likely to be attracted to products that are displayed neatly and systematically. An effective product display facilitates consumers in finding and evaluating the products they need while simultaneously increasing their interest in purchasing products offered by Hypermart.

The respondent characteristics show that female respondents constituted the majority of the sample. This may be relevant because consumers who pay greater attention to product arrangement may find neat and well-organized displays more convenient when searching for desired products. Age characteristics may also influence consumers' preferences regarding the shopping environment, with consumers potentially preferring product arrangements that are simple, organized, and visually appealing. Therefore, an appropriate product arrangement can contribute to consumers' purchase decisions. The respondents' perceptions also indicate that product display is not the only important consideration; cleanliness is equally important in maintaining the quality and attractiveness of the products presented. A clean and well-organized display can therefore create a more comfortable shopping environment and encourage consumers to purchase the products offered.

This finding is consistent with Suprayogi et al. (2022), who found that product display has a positive and significant effect on purchase decisions.

The Effect of Price Discounts on Purchase Decisions

The results demonstrate that price discounts have a positive and significant effect on purchase decisions. This finding can be explained by the fact that consumers generally perceive discounted products as providing greater economic benefits. Price discounts can encourage consumers to purchase products because they provide an opportunity to obtain products at prices lower than the regular selling price. Hypermart frequently offers price discounts to customers, particularly members, which may increase consumers' willingness to shop and their satisfaction with their purchasing experience. In addition, Hypermart frequently promotes its "Muraah Banget" branding as part of its promotional strategy.

The respondent characteristics show that the largest income group was between Rp 3,000,000 and Rp 4,500,000, which is within the range of the minimum wage level in Pekanbaru. This income characteristic may explain why consumers are attracted to price discounts, particularly during periods such as the end of the month or payday. The respondents' perceptions also indicate that Hypermart offers not only price discounts but also other promotional benefits, such as buy-one-get-one-free promotions. These promotional programs may attract new customers while also encouraging existing customers to remain loyal to Hypermart because of the perceived benefits they receive.

This finding is consistent with Febriah (2015), who reported that price discounts have a positive and significant effect on purchase decisions.

The Effect of Location on Purchase Decisions

The results show that location differs from the other variables examined in this study. Location does not have a significant effect on purchase decisions at Hypermart in Pekanbaru City. This finding indicates that the location of a retail store is not necessarily a decisive factor for customers when making purchasing decisions. Even when a store is located relatively far from consumers' residences, loyal customers may still be willing to visit the store because of other factors that they consider more important. Therefore, location may not play a dominant role in determining customers' purchase decisions.

The respondent characteristics show that a relatively large proportion of respondents lived in Lima Puluh District. There is no shopping mall containing a Hypermart outlet in this district, suggesting that consumers may already be accustomed to traveling beyond their immediate residential area to shop at Hypermart. Consequently, geographical distance alone may not determine their purchase decisions. The respondents' perceptions also indicate that accessibility and strategic location remain important aspects of a retail outlet. Hypermart's location within a shopping mall provides consumers with an accessible and integrated shopping environment. Nevertheless, the statistical results indicate that location itself does not have a significant effect on purchase decisions in this study.

This finding is consistent with Putri (2021), who reported that location does not have a significant effect on purchase decisions. However, it differs from Aryand and Onsardi (2020), who found that location has a positive and significant effect on consumer decisions. The difference in findings may be attributed to differences in research settings, consumer characteristics, and the nature of the businesses examined.

CONCLUSION

This study aimed to examine the effects of experiential marketing, product display, price discounts, and location on purchase decisions at Hypermart in Pekanbaru City. Based on the empirical findings, several conclusions can be drawn. First, experiential marketing has a positive and significant effect on purchase decisions at Hypermart in Pekanbaru City. Second, product display has a positive and significant effect on purchase decisions. Third, price discounts have a positive and significant effect on purchase decisions. Fourth, location does not have a statistically significant effect on purchase decisions at Hypermart in Pekanbaru City. These findings indicate that consumers' purchase decisions at Hypermart are more strongly associated with experiential and promotional aspects of the retail environment, particularly experiential marketing, product display, and price discounts, whereas location does not appear to be a significant determinant in this study.

Based on these findings, several recommendations can be proposed. For Hypermart, the results can serve as an evaluation basis for developing strategies to strengthen consumers' purchase decisions, particularly by improving the shopping experience, optimizing product displays, and maintaining attractive and relevant promotional programs. For academics and future researchers, this study can provide an additional reference and empirical insight into consumer purchase decisions in the modern retail sector. Future studies may consider incorporating other variables and examining different retail businesses, locations, or research periods to provide a broader understanding of the factors influencing consumer purchase decisions.

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