THE INFLUENCE OF SERVICE QUALITY AND STORE ATMOSPHERE ON CUSTOMER LOYALTY THROUGH CUSTOMER SATISFACTION

Fatin Furoida, Ida Maftukhah

Management Department, Faculty of Economics, Universitas Negeri Semarang, Semarang, Indonesia

Abstract

This study aims to determine the direct-indirect influence of service quality, store atmosphere and customer satisfaction as an intervening variable on customer loyalty. The population of this research is customer of Martabak Platinum Ruby Pekalongan Cafe. The number of sample is 116 respondents with purpose sampling technique through Likert scale questionnaire. Data analysis using descriptive percentage and path analysis. The results show that service quality affect customer loyalty, store atmosphere affect customer loyalty and customer satisfaction influence customer loyalty and mediate the influence of service quality and store atmosphere on customer loyalty.

Abstrak

INTRODUCTION

The development of modern era causes customers behavior change regarding needs and wants which make business more competitive. The diversity of goods and services help consumers to choose products or services in accordance as they want. So the entrepreneur should strive to get the attention and to attach the consumer to win the competition (Listiono, 2015).

To survive the business on its activity, customer orientation is the most important to gives attention as usual which is customer satisfaction and it is to be achieved by the company (Fatona, 2010). Companies have to learn and understand the needs and wants of their customers (Shandra & Murwatiningsih, 2016).

Having loyal customers is the purpose of companies because customers can ensure long-term sustainability (Tanisah & Maftukkah, 2015). The concept of loyalty leads more to consumer behaviors compared to their attitudes. A loyal consumer will lead to purchasing behavior that is defined as a regular purchase (Lupiyoadi, 2013).

Loyalty can form when customer feeling satisfied toward services and motivated to continue the relationships with the brand (Selnes, 1993). According to Hasan (2009), satisfied customers are primary to create repeat purchasing and build customer loyalty.

Being consistent in a competitive business, the company must provide customer satisfaction (Prasctio, 2012). Consumers can be defined merely there are needs, wants, and expectations. It all can be fulfilled by the products which consumed (Fatona, 2010).

Some experts and the result from previous researches mention that the determinants of customer satisfaction are about service quality and price (Prasctio, 2012). If the service received and perceived by customer expectations then the quality of service is considered good, in reverse, if the quality of service received and perceived not by their expectations, then service quality is perceived poor (Parasuraman et al., 1998).

One of the actions to make the consumer satisfied is providing service quality effectively and efficiently. Service quality is one of the various factors affects customer satisfaction (Jahanshahi et al., 2011). Service quality effects on customer loyalty too (Bloemer et al., 1998).

Not only customer satisfaction and service quality, but customer loyalty can also be created from the existing of store atmosphere. According to Berman and Evan (1992), "the atmosphere refers to the physical characteristics of stores used to develop images and to attract customers" which means the atmosphere used to develop and attract customers.

Store atmosphere affects the shopper’s emotional situation, which then encourages to increase or decrease purchasing (Mowen & Minor, 2002). Yalçın and Kocamaz (2003) say, retailers, need to realize the importance of store atmosphere to create experiences, which gives satisfaction to the consumer eventually.

According to Chen et al. (2011) the dominance of the environment can also have a significant impact on consumers who will not have an impact on the theory retail companies, but also strongly correlated with consumer loyalty. Dhurrup et al. (2013) add that consumers will not recommend restaurants to other friends if they can not find an exciting atmosphere such as their expectation.

Cafe in Indonesia is growing rapidly. Many cafes with a variety of product, interior and exterior design are offered both by young and old customers, from middle to the rich people. Cafe Martabak Platinum Ruby is one of the cafes which has a different concept where located in Pekalongan City. This cafe had a top menu of martabak with various flavors and located strategically in the center of the city. Cafe Martabak Platinum Ruby has a comfortable and cool place to meet up with friends or families.

Martabak Platinum Cafe Ruby continues to improve its service quality and leads more attention to the existing store atmosphere, but there is still fluctuation of 2016-2017 sales.

The researcher tried to solve the problem at Cafe Martabak Platinum Ruby Pekalongan by researching service quality and store atmosphere considering Cafe Martabak Platinum Ruby has made efforts to improve through two variables but the result dissatisfied. So researchers need to research both variables.

There are several studies on the relationship of service quality to customer loyalty. Such as research that has been done by Prasetyo (2013) says that there is significant influence between the quality of service to customer loyalty. However, the research is not similar to research conducted by Kassim and Abdullah (2010) who said that the quality of service does not have a significant effect on customer loyalty.

Store atmosphere is also able to influence customer loyalty, such as research conducted by Astuti et al. (2014) who said that the store atmosphere has a significant influence on customer loyalty. However, the research is reversed with research conducted by Heryati (2015) who said that
the store atmosphere does not have a significant effect on customer loyalty.

In addition to service quality and store atmosphere, satisfaction is also able to influence customer loyalty. Research on previous customer satisfaction has been done by Jahanshahi et al. (2011) who said that there is a significant influence on customer satisfaction on customer loyalty. Nevertheless according to Morgeson et al. (2015) in his research explains that consumer satisfaction has no significant effect on customer loyalty.

Based on the differences of field phenomenon and the differences of research result, the purpose of this research wants to know the direct and indirect influence of service quality, store atmosphere, and customer satisfaction as variable intervening to customer loyalty.

Development of Hypotheses

Service quality can measure how well the level of services as well as their expectations (Tjiptono, 2006). Zangmo et al. (2014) say that customer loyalty or loyalty is the feeling and attitude of the customer provided by the company or service provider and it builds the perception of service quality.

In research conducted by Prasetyo (2013) proves that there is significant influence between the quality of service to customer loyalty. In research conducted by Saleem and Raja (2014) also said that the quality of service has a significant influence on customer loyalty.

H1: There is a positive and significant effect of service quality on customer loyalty.

Quality of service at the company is necessary for a company that focuses on the customer. According to Aryani and Rosinta (2010) the concept of service quality, satisfaction and loyalty are interconnected with one another.

Tjiptono (2006) the company can increase customer satisfaction through the provision of fun services will undoubtedly create a high loyalty to consumers of the company. This means that the better the form of services provided and supported by a high level of satisfaction will undoubtedly form loyalty to consumers.

Research conducted by Mardikawati and Farida (2013) that service quality positively influences customer loyalty through customer satisfaction. In line with research Wijayanti and Wahyono (2015) states that consumer satisfaction mediates the relationship between service quality to customer loyalty.

H2: There is the influence of service quality positively and significantly to customer loyalty through customer satisfaction.

Store atmosphere can be more reason for consumers to be interested and choose where he will visit and buy. Just as Kotler (1973) says when product and price differences are minimal, consumers need more detailed criteria.

In research forwarded by Alfin and Nurdin (2017) prove that the store atmosphere significantly influences customer loyalty. In research conducted by Astuti et al. (2014) also said that the store atmosphere has a significant influence on customer loyalty.

H3: There is a positive and significant influence of store atmosphere on customer loyalty.

According to Kusumawati et al. (2014) store atmosphere could be more reason for consumers to be interested and choose where he will visit and buy. Just as Kotler (1973) says when product and price differences are minimal, consumers need more clear criteria.

Also, to be a different café, the creation of an adequate store atmosphere can provide its satisfaction to consumers. According to research conducted by Dhurup et al. (2013) on the relationship of image attributes of a restaurant to customer satisfaction and loyalty, the impressive atmospherics can improve the word of mouth probability and get chance to turn new consumers to be loyal consumer. Research conducted by Alfin and Nurdin (2017) prove that the store atmosphere positively affects customer loyalty through customer satisfaction. Similar to research conducted by Listiono (2015) states that the store atmosphere positively affects customer loyalty through customer satisfaction.

H4: There is a positive and significant influence of store atmosphere on customer loyalty through customer satisfaction.

Loyalty can be shaped if the consumer is satisfied with the brand or the level of service received and intends to continue the relationship (Selnes, 1993). With the existence of customer satisfaction will be able to create customer loyalty.

By Kotler’s theory (2000) that consumer satisfaction or dissatisfaction will affect consumer behavior. As Zangmo et al. (2014) says, that loyalty can be generated by improving customer satisfaction and deliver high-value products or services.

In research conducted by Aryani and Rosinta (2010) proves that customer satisfaction has a significant effect on customer loyalty. This is also by research conducted by Subagio and Harianto (2013) which says that consumer satisfaction has a significant influence on consumer loyalty.

H5: There is a positive and significant effect on customer satisfaction on customer loyalty.
METHOD

The population of this research is customers of Cafe Martabak Platinum Ruby Pekalongan whose number is unknown. Method of taking data using questioner. Sampling technique using nonprobability sampling method purposive sampling. The number of samples was 116 respondents of Martabak Platinum Ruby Cafe customers who made purchases more than once. Data analysis using descriptive analysis of percentage, classical assumption test, hypothesis test with t-test and path analysis. Data analysis using SPSS software version 20.

A study using three research variables, namely the dependent variable, independent variables and intervening variables. The dependent variable in this research is customer loyalty. The indicator used in this research refers to the indicator proposed by Zeithaml and Bitner (1996) which include saying a positive thing, recommend friends, continue purchasing.

The independent variables in this research are service quality and store atmosphere. The indicators used in service quality variables refer to the indicators in the opinion of Lupiyoadi (2013) that is Reliability, Responsiveness, Assurance, Empathy and Tangibility. Then, Indicator store atmosphere according to Mowen and Minor (2002), i.e. layout and building design.

Intervening Variable is a variable whose function influence the direct relation between the independent variable (Independent) with the dependent variable (Dependent). Interval variable in this research is customer satisfaction. An indicator of customer satisfaction by Tjiptono (2011) that is confirmation of expectation and comparison to ideal.

RESULTS AND DISCUSSION

Validity test

The validity test in this research involves 30 respondents with the criteria of validity test if sig. Calculate greater than α (0.05) then the statement is valid and if sig. Count smaller than α (0.05) then the statement is invalid. Based on validity test in this research processed with SPSS 20 software can be known service quality variable with 13 item statements, store atmosphere variable with six statements, customer satisfaction with 6 statement and customer loyalty with nine statements declared valid because of sig value. Calculate each statement greater than α (0.05).

Test Reliability

Data processing is done by using SPSS version 20. Test reliability can be done by statistic test Cronbach alpha. A variable is said to be reliable if it gives a Cronbach alpha value of ≥ 0.70 (Ghozali, 2011).

The result of the reliability test of all instruments of statement is stated reliable because Cronbach alpha ≥ 0.70 follows.

Classic assumption test

Normality test

Normality test aims to test whether, in the regression model, the variable has a normal distribution. Normality test is done by looking at the pattern on spread curve by using IBM SPSS 20 with the result of the variable of service quality, store atmosphere and customer satisfaction to customer loyalty have plot spread around the diagonal line, meaning that data is a normal distribution. In addition to normal charts P-Plot normality test knowing through Kolmogorov-Smirnov non-parametric statistical tests (K-S) which show normally distributed data as obtained by Asymp value. Sig. (2-tailed)> 0.05.

Multicollinearity Test

Multicollinearity test aims to test whether the regression model found a correlation between independent variables. A good regression model is shown in the absence of correlation between independent variables.

The result of Tolerance value in table 1 shows that each independent variable has Tolerance value> 0.10, so also with the Variance Inflation Factor (VIF) <10. So it can be concluded that there is no multicollinearity among the independent variables in the regression model.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether the regression model of variance inequality occurs from one observation to another observation. It can be done by observing the scatterplot graph with the pattern of dots that spread above
and below the axis of the axis. The results of processing using IBM SPSS 20 show that the point spreads randomly, either above or below the number 0 axis Y. So it can be said that the data does not occur heteroscedasticity. To further reinforce that the regression does not occur heteroskedasticity can be done by Glejser test. The results show that none of the statistically significant independent variables affects independent variables or Sig probabilities >0.05, so it can be concluded that there is no heteroscedasticity.

**Hypothesis Test (t-test)**

The partial significant test t shows how far the influence of one individual explanatory/ independent variable in explaining the dependent variable. The relationship of direct influence occurs when one variable affects another variable without any third variable being a variable intervening. In decision-making hypothesis, direct influence is by comparing significant value count with significant alpha value. If the value of sig. Count < significant alpha value (5%) then the hypothesis of direct influence is accepted. Based on the results of Partial Test (t-test) using SPSS version 20.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Sig.</th>
<th>Terms</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H&lt;sub&gt;1&lt;/sub&gt;</td>
<td>.001</td>
<td>&lt;.05</td>
<td>Accepted</td>
</tr>
<tr>
<td>H&lt;sub&gt;2&lt;/sub&gt;</td>
<td>.005</td>
<td>&lt;.05</td>
<td>Accepted</td>
</tr>
<tr>
<td>H&lt;sub&gt;3&lt;/sub&gt;</td>
<td>.000</td>
<td>&lt;.05</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Based on Table 2, shows that service quality significantly affects customer loyalty with significant level <0.05. So the hypothesis 1 that states the quality of customer significant effect on customer acceptance loyalty. The results of this study are in line with research conducted by Saleem and Raja (2014) who said that the quality of service has a significant influence on customer loyalty. The service customers will encourage customers to establish good relationships with the company over the long term. Cafe Martabak Platinum Ruby has provided an excellent service, both regarding service employees and existing facilities, so customers do not hesitate to visit again at Cafe Martabak Platinum Ruby Pekalongan.

Also, Table 9 also shows the significant value of store atmosphere <0.05, so that store atmosphere is found to have a significant effect on customer loyalty. This indicates that hypothesis 2 which states the store atmosphere has a significant effect on customer acceptance loyalty. The results of this study are in line with research conducted by Alfin and Nurdin (2017) which proves that the store atmosphere has a significant effect on customer loyalty. The results of this study indicate that an excellent store atmosphere is one factor in customer loyalty formation. Cafe Martabak Platinum Ruby has created an excellent store atmosphere with attention to the design, layout and other atmosphere factors so that customers do not hesitate to visit again at Cafe Martabak Platinum Ruby Pekalongan.

Meanwhile, the satisfaction variable has a significant influence directly to customer loyalty. With the result of significance <0.05, so hypothesis 3 which express satisfaction have a significant effect on acceptable customer loyalty. The results of this study in line with research conducted by Aryani and Rosinta (2010) to prove that customer satisfaction has a significant effect on customer loyalty. Customer loyalty is a form of manifestation and continuation of customer satisfaction in visiting the Cafe Martabak Platinum Ruby Pekalongan. Customer satisfaction obtained from the fulfillment of customer expectations to Cafe Martabak Platinum Ruby If customer satisfaction is higher, it will be able to generate profits. Satisfied customers will re-purchase. Similarly, if there is no satisfaction can result in customers moving to other cafes.

**Path Analysis (Path Analysis)**

Path analysis aims to explain the direct and indirect consequences of a set of independent variables with a set of dependent variables.
In this study, the intervening variable is customer satisfaction that mediates the relationship between service quality and stores atmosphere to customer loyalty.

Regression analysis only detects a direct relationship between dependent variables and other independent variables. In reality, the relationship between variables is not always straightforward. In path analysis, relationship patterns are indicated by using arrows that show a causal relationship between exogenous variables and endogenous variables. To measure the presence or absence of mediation or intervening effect using path coefficient comparison. Here is the result of Test analysis and Coefficient of Determination (R2) using SPSS version 20.

Based on Table 3 and Table 4 it can be concluded that the result of the direct and indirect influence of service quality and store atmosphere with satisfaction as mediation variable as Table 5. Under path analysis test of service quality to customer loyalty mediated by satisfaction indicate that service quality has positive and significant influence indirectly to customer loyalty through satisfaction as an intervening variable. This is indicated by the total value of indirect effect of 0.444946 greater than the direct effect of only 0.304. So, in this case, the hypothesis that the service quality positively affects customer loyalty through satisfaction is acceptable.

This research by research conducted by Mardikawati and Farida (2013) that service quality positively influences customer loyalty through customer satisfaction. This shows that the higher the quality of service and efficiency provided to customers, then it will directly create customer satisfaction that ultimately affects the level of customer loyalty to services.

Quality service will satisfy customers to a product or service; then it can encourage custo-

Table 3. Model 1 Effect of Service Quality and Store Atmosphere on Satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>Beta</th>
<th>T</th>
<th>Sig.</th>
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</thead>
<tbody>
<tr>
<td>Constant</td>
<td>5.672</td>
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<td></td>
</tr>
<tr>
<td>Quality of Service</td>
<td>.417</td>
<td>4.014</td>
<td>.000</td>
</tr>
<tr>
<td>Store Atmosphere</td>
<td>.286</td>
<td>2.749</td>
<td>.007</td>
</tr>
</tbody>
</table>

Dependent Variable: Customer satisfaction

Table 4. Model 1 Effect of Service Quality and Store Atmosphere and Satisfaction on Customer Loyalty

<table>
<thead>
<tr>
<th>Model</th>
<th>Beta</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>15.224</td>
<td>.000</td>
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</tr>
<tr>
<td>Quality of Service</td>
<td>.304</td>
<td>3.316</td>
<td>.001</td>
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<tr>
<td>Store Atmosphere</td>
<td>.254</td>
<td>2.868</td>
<td>.005</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>.338</td>
<td>4.343</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer loyalty

Table 5. Recap Value of Path Coefficient Direct and Indirect Effects of Quality of Service, Store Atmosphere, and Satisfaction of Customer Loyalty

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Influence</th>
<th>Satisfaction</th>
<th>Loyalty</th>
<th>Info.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>KL</td>
<td>L</td>
<td>.417</td>
<td>.304</td>
<td>.140946</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>.417</td>
<td>.444946</td>
<td>Mediation</td>
</tr>
<tr>
<td>2</td>
<td>SA</td>
<td>L</td>
<td>.286</td>
<td>.254</td>
<td>.096668</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>.510</td>
<td>.350668</td>
<td>Mediation</td>
</tr>
<tr>
<td>3</td>
<td>KP</td>
<td>L</td>
<td>.338</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>TL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>.338</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
mers to be loyal to the company. If Martabak Platinum Ruby Cafe provides good service quality, it will create customer satisfaction that will ultimately affect customer loyalty. The ability of Martabak Platinum Ruby Cafe to build and improve customer satisfaction and provide quality services that meet and exceed customer expectations, can increase customer loyalty.

Based on path analysis of store atmosphere to customer loyalty mediated by satisfaction indicate that store atmosphere has positive and significant influence indirectly to customer loyalty through satisfaction as an intervening variable. This is indicated by the total value of indirect effect of 0.350668 greater than the direct effect of only 0.254. So, in this case, the hypothesis stating that the store atmosphere has a positive effect on customer loyalty through acceptable satisfaction.

This research by research conducted by Alfin and Nurdin (2017) that store atmosphere positively affects customer loyalty through customer satisfaction. This means that when the company can create a functional store atmosphere, it will be able to increase customer satisfaction and impact on customer loyalty. The impressive atmospheres can increase satisfaction and increase the potential to turn new consumers into loyal consumers. Martabak Platinum Ruby Consumer has responded well and positively to the atmosphere created by Martabak Platinum Ruby Cafe. This means that Martabak Platinum Cafe has been able to create an atmosphere by consumer expectations that make them satisfied and loyal for example marked by willing to come back and recommend to others.

CONCLUSION AND RECOMMENDATION

Based on the results of research and discussion then concluded that the quality of service directly affects directly to customer loyalty. The more service quality is met, then the level of customer loyalty will increase. Quality of service has a positive and significant influence on customer loyalty through customer satisfaction. Satisfaction can mediate between the quality of service to customer loyalty. Excellent service quality will lead to customer satisfaction and increase customer loyalty. Store atmosphere has a direct positive effect on customer loyalty. The more store atmosphere fulfilled, the level of customer loyalty will increase. Store atmosphere has a positive and significant influence on customer loyalty through customer satisfaction. Satisfaction can mediate between store atmosphere to customer loyalty. A good store atmosphere will generate customer satisfaction and increase customer loyalty. Customer satisfaction has a direct positive effect on customer loyalty. The more customer satisfaction is met, then the level of customer loyalty will increase.

Based on the conclusions of this study then it can be given management advice Martabak Platinum Ruby should be able to improve the quality of service to customers, especially regarding employee service. Management can provide sufficient training to employees to improve the knowledge and ability of employees at work. Thus, employees can do the work professionally and able to deliver good quality of service.

Related to the store atmosphere, the management of Martabak Platinum Ruby Cafe need to pay attention to the store atmosphere in order to create an impressive atmosphere and can increase customer satisfaction. Desk and chair visitors need to be considered to look unique and attractive in the eyes of customers. Cafe Martabak Platinum Ruby can choose a table and chairs with matching colors with the existing cafe theme in order to produce a beautiful and unique effect on the room to attract customers.

Companies can conduct periodic surveys to customers, so they will know how much customers can feel satisfied, trust and loyal to Martabak Platinum Ruby Cafe and can know what the customer feels directly.

REFERENCES


