

The Influence of Service Quality and Store Atmosphere on Customer Loyalty Through Customer Satisfaction as An Intervening Variable at Toko UB Makmur Surabaya

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ABSTRACT

This study aims to analyze the influence of service quality and store atmosphere on customer loyalty through customer satisfaction as an intervening variable at Toko UB Makmur Surabaya. The research subjects were the customers of Toko UB Makmur Surabaya with sample of 115 people. The research method used in this study is a quantitative research method. The analytical technique used is Partial Least Square (PLS) with validity test, reliability test, and hypothesis test. The results of the study prove that service quality has a significant effect on customer satisfaction at Toko UB Makmur Surabaya. Store atmosphere has a significant effect on customer satisfaction at Toko UB Makmur Surabaya. Service quality has a positive and significant effect on customer loyalty at Toko UB Makmur Surabaya. Store atmosphere has a positive and significant effect on customer loyalty at Toko UB Makmur Surabaya. Customer satisfaction has a positive and significant effect on customer loyalty at Toko UB Makmur Surabaya. Service quality has no significant effect on customer loyalty through customer satisfaction at Toko UB Makmur Surabaya. Store atmosphere has a significant effect on customer loyalty through customer satisfaction at Toko UB Makmur Surabaya.

Keywords: *Service Quality, Store Atmosphere, Customer Loyalty, Customer Satisfaction.*

1. INTRODUCTION

Customer loyalty and customer satisfaction are closely related. Zeithaml and Bitner (2018) state that customer satisfaction is the result of customer perceptions about product or service quality, as well as comparing customer expectations with actual performance. Companies need to pay attention to service quality factors and store atmosphere in maintaining customer satisfaction and customer loyalty. In the opinion of Sugiyono (2016), service quality is the ability to meet or even exceed customer expectations in terms of services provided by a company or organization. Quality service will provide satisfaction and a positive impression to customers, so that customers will be more likely to maintain their loyalty to the company or organization.

Apart from service quality, another factor that can influence customer satisfaction in a retail business is the atmosphere of the store. Good management in creating a store atmosphere can have a significant impact on customer satisfaction levels. According to Julianti et al., (2014) shop atmosphere is a condition or atmosphere of the shop which can indirectly influence a consumer's buying interest or it can be interpreted as the shop atmosphere influencing the feelings or mood of consumers who visit the shop thereby influencing their interest in doing so. purchase.

At the start of the establishment of the Toko UB Makmur Surabaya in 2022, several improvements were made to service issues, starting from online ordering via WhatsApp, free delivery service in the area around the store and payment using the Qris system. Initially, store management still used manual counting tools, but starting in 2023 it has been upgraded to use the Visidata POS (Point of Sales) system. Apart from that, the layout of the Toko UB Makmur Surabaya, which previously used wooden shelves in 2022, will be replaced in 2023 with modern shelves. However, there will be a decrease in sales turnover and the number of buyers between 2022 and 2023 at the Toko UB Makmur Surabaya.

2. THEORETICAL FRAMEWORK

Service quality is a company's ability to meet or exceed customer expectations by providing quality, responsive and satisfying services (Tjiptono 2018). According to (Tjiptono 2018), service quality indicators are reliability, responsiveness, assurance, empathy, and tangibles.

Store Atmosphere according to Tjiptono (2019) suggests that the atmosphere of the store is the general impression felt by consumers when entering the store, including the physical atmosphere, psychological atmosphere, and social atmosphere. Store Atmosphere Indicators according to Tjiptono (2019) are product layout and layout; lighting and color; aroma and cleanliness; music or sound in the store; staff friendliness and politeness.

Customer Loyalty according to Utami (2018) states that customer loyalty is a customer's willingness to continue buying products or services from a company because of the satisfaction obtained from previous experience with that company. Indicators of Customer Loyalty according to Utami (2018) are: the level of customer satisfaction with the products or services provided by the company; the level of customer loyalty in using the company's products or services over a long period of time; the customer's likelihood of recommending the company's products or services to others; the level of customer trust in the company and the products or services provided; level of customer satisfaction with the services provided by the company; the level of customer attachment to the brand or company brand.

Customer satisfaction according to Rondonuwu (2020) defines consumer satisfaction as an evaluation carried out by consumers of products or services that have been purchased by considering the extent to which the product or service meets consumer expectations and needs. Indicators of Customer Satisfaction according to Rondonuwu (2020) are: fulfillment of consumer expectations; attitude or desire to use the product; recommend to other parties; quality of service; loyal; good reputation; and location.

H1: It is suspected that service quality influences customer satisfaction at the Toko UB Makmur Surabaya.

H2: It is suspected that the shop atmosphere has an influence on customer satisfaction at the UB Makmur Surabaya.

H3: It is suspected that service quality influences customer loyalty at the Toko UB Makmur Surabaya.

H4: It is suspected that the shop atmosphere influences customer loyalty at the UB Makmur Surabaya.

H5: It is suspected that customer satisfaction influences customer loyalty at the Toko UB Makmur Surabaya.

H6: It is suspected that service quality influences customer loyalty through customer satisfaction at the Toko UB Makmur Surabaya.

H7: It is suspected that the shop atmosphere influences customer loyalty through customer satisfaction at the UB Makmur Surabaya.

3. METHODS

3.1. Population and Sample

The population in this study were all buyers at the Toko UB Makmur Surabaya. There is an unknown and unlimited population, so the determination of the number of samples in this study refers to the theory (Hair et al., 2014) that the number of samples as respondents must be adjusted to the number of question indicators used in the questionnaire, with the assumption of $n \times 5$ observed variables (indicators). In this study, the number of indicators was 23 indicators, so the number of respondents used was 23 items multiplied by 5, which equals 115 respondents. The number of samples used in this research was 115 consumer respondents who had become customers of the Toko UB Makmur Surabaya.

3.2. Analysis Method

The data analysis method used is Partial Least Squares (PLS). PLS is a new analytical method pioneered by Herman World. PLS is usually referred to as soft modeling. With PLS, structural equations with relatively small sample sizes can be modeled and the multivariate normal assumption is not needed. The measurement model is used in testing the validity and reliability of measuring instruments, and the structural model is used in testing causal relationships. PLS path modeling was developed as an alternative to Structural Equation Modeling (SEM) with a weak theory basis.

4. RESULTS AND DISCUSSION

Outer Model evaluation uses reflective indicators in terms of convergent validity, discriminant validity of indicators and composite reliability in the indicator block. The design of the measurement model in PLS is based on theory and empirical research results that researchers have previously explained. All models are reflexive and created as path diagrams.

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4.1. Composite Reliability and Cronbach's Alpha

Composite reliability of indicator blocks that measure a construct can be evaluated with the composite reliability value (pc). A dimension is considered reliable if it has a composite reliability (pc) value above 0.7 (Ghozali, 2016). Validity and reliability criteria can also be seen from the reliability value of a construct. According to Ghozali (2016), a construct is declared reliable if the composite reliability value is above 0.7. Therefore, it can be concluded that all research variables are declared to be reliable or valid.

Table 1. Composite Reliability

	Cronbach's Alpha	Composite Reliability
Customer Satisfaction (Z)	0.977	0.981
Service Quality (X1)	0.903	0.928
Customer Loyalty (Y)	0.959	0.968
Store Atmosphere (X2)	0.969	0.977

4.2. Hypothesis Test

The results of hypothesis testing are carried out by looking at the P-value and comparing the calculated t value with the t table value. If the calculated t value is greater than the t table and has a P-value below 0.05 then the relationship between the variables is significant and can be analyzed further. With a total of 35 data, the t table value ($\alpha = 5\%$) is 2.030. Based on the table 2, it can be seen that of the 7 paths, there are 7 paths that show a significant influence.

Table 2. Hypothesis Test

	Original Sample (O)	T Statistics	P Values	Hypothesis Result
Service Quality (X1) -> Customer Satisfaction (Z)	0.394	5.143	0.000	H1 Accepted
Store Atmosphere (X2) -> Customer Satisfaction (Z)	0.183	1.995	0.047	H2 Accepted
Service Quality (X1) -> Customer Loyalty (Y)	0.218	2.305	0.022	H3 Accepted
Store Atmosphere (X2) -> Customer Loyalty (Y)	0.442	4.631	0.000	H4 Accepted
Customer Satisfaction (Z) -> Customer Loyalty (Y)	0.254	2.518	0.012	H5 Accepted
Service Quality (X1) -> Customer Satisfaction (Z) -> Customer Loyalty (Y)	0.072	1.843	0.066	H6 Rejected
Store Atmosphere (X2) -> Customer Satisfaction (Z) -> Customer Loyalty (Y)	0.174	3.478	0.001	H7 Accepted

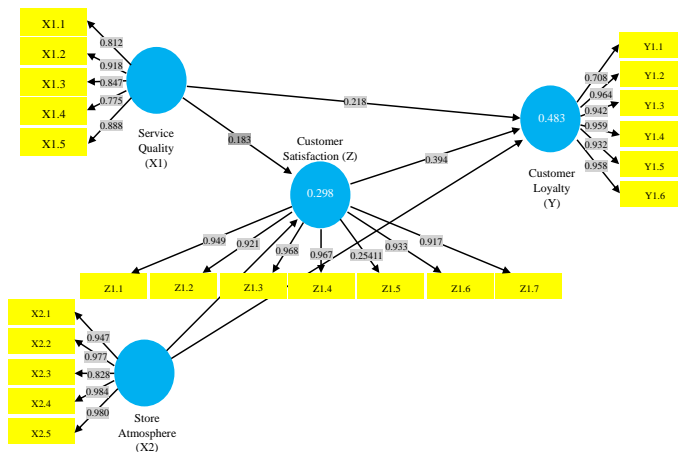


Figure 1 Bootstrapping Model

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5. DISCUSSION

5.1. The Influence of Service Quality on Customer Satisfaction

Based on the hypothesis results that have been presented, it is known that the path coefficient value (original sample) of Service Quality (X1) on Customer Satisfaction (Z) is 0.394, which is positive, and the t-statistic = 5.143 > 1.92 while the P-Values = 0.00 > 0.05, it is concluded that Service Quality (X1) has a significant effect on Customer Satisfaction (Z). Based on these results, the results obtained are that Service Quality (X1) has a significant effect on Customer Satisfaction (Z). The results of this research are in accordance with research results from Tindar (2020) and Hartono (2018) which show that service quality has a significant effect on customer satisfaction.

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5.2. The Influence of Store Atmosphere on Customer Satisfaction

Based on the hypothesis results that have been presented, it is known that the path coefficient value (original sample) of Store Atmosphere (X2) on Customer Satisfaction (Z) is 0.183, which is positive, and the t-statistic = 1.995 > 1.92 while the P-Values value = 0.047 > 0.05, it is concluded that the Store Atmosphere (X2) has a significant effect on Customer Satisfaction (Z). Based on these results, the results obtained are that Store Atmosphere (X2) has a significant effect on Customer Satisfaction (Z). The results of this research are in accordance with the results of research from Tindar (2020) which shows that shop atmosphere has a significant effect on customer satisfaction.

5.3. The Influence of Service Quality on Customer Loyalty

Based on the hypothesis results that have been presented, it is known that the path coefficient (original sample) value of Service Quality (X1) on Customer Loyalty (Y) is 0.218, which is positive, and the t-statistic = 2.305 > 1.92 while the P-Values = 0.022 < 0.05, it is concluded that Service Quality (X1) has a significant effect on Customer Loyalty (Y). Based on these results, the results obtained are that Service Quality (X1) has a positive and significant effect on Customer Loyalty (Y). The results of this research are in accordance with the results of research from Hartono (2018) which shows that service quality influences customer loyalty.

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5.4. The Influence of Store Atmosphere on Customer Loyalty

Based on the hypothesis results that have been presented, it is known that the path coefficient value (original sample) of Store Atmosphere (X2) on Customer Loyalty (Y) is 0.442, which is positive, and the t-statistic = 4.631 > 1.92 while the P-Values value = 0.000 < 0.05, it is concluded that the Store Atmosphere (X2) has a significant effect on Customer Loyalty (Y). Based on these results, the results obtained are that Store Atmosphere (X2) has a positive and significant effect on Customer Loyalty (Y). The results of this research are in accordance with the results of research from Syahrone (2020) which shows that shop atmosphere has a significant effect on customer loyalty.

5.5. The Influence of Customer Satisfaction on Customer Loyalty

Based on the hypothesis results that have been presented, it is known that the path coefficient value (original sample) of Customer Satisfaction (Z) on Customer Loyalty (Y) is 0.254, which is positive, and the t-statistic = 2.518 > 1.92 while the P-Values = 0.012 < 0.05, it is concluded that Customer Satisfaction (Z) has a significant effect on Customer Loyalty (Y). Based on these results, the results obtained are that Customer Satisfaction (Z) has a positive and significant effect on Customer Loyalty (Y). The results of this research are in accordance with the results of research from Hartono (2018) which shows that customer satisfaction has a significant effect on customer loyalty.

5.6. The Influence of Service Quality on Customer Loyalty through Customer Satisfaction

Based on the hypothesis results that have been presented, it is known that the path coefficient value (original sample) of Service Quality (X1) on Customer Loyalty (Y) through Customer Satisfaction (Z) is 0.072, which is positive, and the t-statistic = 1.843 < 1.92 while the P-Values = 0.066 > 0.05, it is concluded that Service Quality (X1) has a significant effect on Customer Loyalty (Y) through Customer Satisfaction (Z). Based on these results, the results obtained are that Service Quality (X1) has no significant effect on Customer Loyalty (Y) through Customer Satisfaction (Z).

The results of this research do not match the research results from Tindar (2020). The difference between the results of this research and Tindar's (2020) research at JM Sukarami Palembang which involved 170 respondents is one factor in the differences in results. Tindar's research (2020) shows that there is a positive and significant relationship between service quality, customer satisfaction and customer loyalty. Differences in the number of respondents and differences in research locations could be factors that influence differences in results between these two studies.

5.7. The Influence of Store Atmosphere on Customer Loyalty through Customer Satisfaction

Based on the hypothesis results that have been presented, it is known that the path coefficient value (original sample) of Store Atmosphere (X2) on Customer Loyalty (Y) through Customer Satisfaction (Z) is 0.174, which is positive, and the t-statistic = 3.478 > 1.92 while the P-Values = 0.001 > 0.05, it is concluded that the Store Atmosphere (X2) has a significant effect on Customer Loyalty (Y) through Customer Satisfaction (Z). Based on these results, the results obtained are that Store Atmosphere (X2) has a significant effect on Customer Loyalty (Y) through Customer Satisfaction (Z). The results of this research are in accordance with research results from Tindar (2020) and Hartono (2018) which show that shop atmosphere has a significant effect on customer loyalty through customer satisfaction.

6. CONCLUSIONS

After conducting research, based on collecting and analyzing the data obtained from respondents using PLS analysis, the conclusions in this research are as follows:

1. Service Quality has a significant effect on Customer Satisfaction at the Toko UB Makmur Surabaya.
2. The atmosphere of the shop has a significant effect on customer satisfaction at the UB Makmur Surabaya shop.
3. Service Quality has a positive and significant effect on Customer Loyalty of the Toko UB Makmur Surabaya.
4. The atmosphere of the shop has a positive and significant effect on customer loyalty at the UB Makmur Surabaya shop.
5. Customer Satisfaction has a positive and significant effect on Customer Loyalty at the Toko UB Makmur Surabaya.
6. Service Quality has no significant effect on Customer Loyalty through Customer Satisfaction at the Toko UB Makmur Surabaya.
7. Store atmosphere has a significant effect on customer loyalty through customer satisfaction at the Toko UB Makmur Surabaya.

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