



# **The Influence of Store Atmosphere and Service Quality on Loyalty Through Consumer Satisfaction at Miniso Lippo Plaza Jember**

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*Ambient condition, Space, Layout and function, Symbol, signs, and artifact, Word of Mouth, Revisiting intention.*

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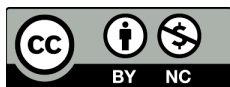
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## **A B S T R A C T**

*This research aims to determine the effect of store atmosphere and service quality on loyalty through consumer satisfaction at Miniso Lippo Plaza Jember. The population and sample in this study were all Miniso Lippo Plaza Jember consumers, totaling 160 people. The analytical method used is the path analysis method with the independent variables store atmosphere and service quality, the intervening variable consumer satisfaction, and the dependent variable, namely loyalty. Primary data in this research was obtained from the results of distributing questionnaires. The results of this research show that partially, the store atmosphere variable has a significant positive effect on the loyalty variable, and service quality partially has a significant positive effect on loyalty. Customer satisfaction partially has a significant positive effect on the loyalty variable. Store atmosphere partially has a significant effect on loyalty through consumer satisfaction, but service quality partially has a significant effect on loyalty through consumer satisfaction.*

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## **1. INTRODUCTION**

Business developments in the modern era have triggered the emergence of various modern retail companies in big cities. Retail business can be defined as activities related to efforts to add value to goods or services sold directly for personal use, not for business use. With the increase in retail business, business competition has become very tight, so retailers are required to start thinking about reliable strategies to improve

facilities and infrastructure in order to retain consumers and attract new consumers. The development of the retail business is marked by the number of traditional retailers starting to reform themselves into modern retail businesses and newly established modern retail businesses. Retailers are trying to expand their business by adding new branches in each region. Indonesian Retail Sales Growth was reported at 16.0 % in 2022-01. This record is an increase compared to the previous one, namely 13.8 % for 2021-12.

Indonesia Retail Sales Growth data is updated monthly, averaging 8.3 % from 2011-01 to 2022-01, with 133 observations. This data reached a record high of 28.2 % in 2013-12 and a record low of -20.6 % in 2020-05. Indonesian retail sales growth data remains active on CEIC and is reported by CEIC Data. [1] (CEICDATA, 2021)

One retail Company that is experiencing rapid development among young people today is Miniso. Miniso is a Japanese-inspired variety store that offers a wide selection of items for today's youth. Miniso was founded in 2013 and was founded by a Chinese entrepreneur, Ye Guofu. Miniso has opened more than 4,200 stores in more than 80 countries and territories in seven years, including the US, Canada, Australia, Spain, Russia, India, Mexico and Indonesia. [2] ([www.miniso.co.id](http://www.miniso.co.id), 2020). In October 2017, Miniso opened a branch in Jember, on the 2nd floor of Lippo Plaza. Miniso focuses on the home and lifestyle segment. Miniso's products mostly meet consumers' basic needs, including household appliances, fashion products, office equipment, stationery, and others. Miniso carries a colorful and calm color theme.

In the midst of a competitive climate, they need to implement strategies to survive; meanwhile, increasing sales & consumer satisfaction in retail companies is influenced by many factors, one of which is the store atmosphere and improving the quality of service. Management is central to formulating company goals to increase consumer satisfaction. One way to achieve consumer satisfaction is by improving service quality.

Service quality is closely related to consumer needs and is directly related to consumer feelings because service quality is the key to the success of a business. Service quality is a benefit felt by consumers after evaluating the product or service and comparing the benefits that consumers expect. Service quality is closely related to consumer needs and is directly related to consumer feelings because service quality is one of the keys to the success of a business. Service quality is the expected level of excellence and control over that level of excellence to fulfill consumer desires. Research [3] (Yulisetiari, 2021) states that service quality has a significant influence on consumer satisfaction. Companies in fulfilling consumer satisfaction are not always measured by service quality alone. However, today's consumers also respond to the retail store atmosphere itself because consumers

consider that shopping is a form of recreation. If you imagine a recreation area, you will definitely think of something that makes you comfortable and peaceful and makes you want to linger in that place the same as In retail, retail companies are required to create a store atmosphere that is comfortable for consumers and makes consumers want to linger in the retail store. Good service quality and a store atmosphere that makes consumers feel happy can increase consumer satisfaction.

The store atmosphere is a combination of physical messages that have been planned. Store atmosphere can be described as changes to the planned purchasing environment that produce special emotional effects that can cause consumers to take purchasing action. Store atmosphere itself is one of the elements used by companies to attract consumers to visit their outlets. Consumers not only respond to the goods and services offered but also respond to the purchasing environment created; in this case, the Company must have its own strategy in determining its store atmosphere; the more attractive the appearance of its outlet will provide added value for the Company, especially the response Consumers feel satisfied because not only the products they get but also the comfortable retail atmosphere, which is reinforced in research conducted by [3] Yulisetiari and Mawarni (2021) states that store atmosphere has a significant influence on consumer satisfaction. In relation to store atmosphere, the design of Miniso Jember itself is displayed very attractively with an eye-catching color combination that makes consumers comfortable inside; apart from that, the floors at Miniso Jember are also clean & neat. Arranging product layouts, which are sorted according to the type & color of the product, makes consumers comfortable and able to spend a long time visiting Miniso Jember. The first impression given when entering the shop area is that it is clean, colorful, and fragrant, which really spoils the eyes of consumers who visit. Miniso Jember itself provides the best service to its consumers through employees who are equipped with several abilities and procedures that employees must follow. Retail companies generally serve consumers less intensely because when consumers buy products, they choose and pick up their own products without asking for help from employees, but some consumers still need employees in the purchasing process, and there are consumers who feel

satisfied even without being served. Apart from that, one of the things that makes Miniso Jember visited by consumers is the atmosphere in the shop or store atmosphere.

Kotler and Keller [4] (2016: 139) state that satisfaction is a person's feeling of happiness or disappointment that arises because of their expectations of the product (or results) they perceive and compare with its performance. According to Yulisetiari, Susanto, and Saputra (2019)[5], consumer satisfaction needs special attention regarding the response to a product or service offered. Basically, satisfaction is the goal of the Company. The more satisfied consumers are, the more profitable the Company will be, so consumers will enjoy the same product or service again and become loyal to the Company. Research conducted by Yulisetiari, Indraningrat, and Hijriah (2019)[5] shows that consumer satisfaction has a significant effect on consumer loyalty.

According to Kotler [4] (2016: 138), loyalty is a deeply held commitment to buy or support a preferred product or service again in the future despite the influence of situations and marketing efforts that cause consumers to switch. One indicator of consumer loyalty is providing positive testimonials by recommending the Company's products to other people. Therefore, it is very important to have loyal consumers because loyal consumers will maintain the Company's survival by continuing to increase profits, whereas if you lose loyal consumers, it will have an impact. Bad for the Company and causes losses. Research conducted by Yulisetiari, Indraningrat, and Hijriah (2010)[5] shows that service quality has a significant effect on consumer loyalty. [18] Winarjo and Japarianto's (2017) research shows that store atmosphere has a significant effect on consumer loyalty. Line research by Yulisetiari and Mawarni (2021)[3] shows the same results: Store Atmosphere has a significant effect on consumer loyalty.

The subject of this research is a retail company in the city of Jember, namely Miniso Lippo Plaza Jember. By looking at consumers who continue to arrive and the high level of business competition in modern retail companies today, the Company must further improve the uniqueness of its products so that the public and consumers will be loyal and satisfied with Miniso products and have a good brand in the future. Based on the explanation above, researchers are interested in

researching "The Influence of Store Atmosphere and Service Quality on Loyalty Through Consumer Satisfaction at Miniso Lippo Plaza Jember".

## **2. LITERATURE REVIEW**

### **Store Atmosphere**

According to Berman and Evan [6] (2014:508), atmosphere refers to the physical characteristics of a shop that project an image and attract customers. According to this definition, it can be concluded that atmosphere is defined as the physical characteristics of a shop that project an image and attract customers. According to Kotler and Keller [4] (2016:65), the definition of store atmosphere is that each store has a physical layout that makes it easier or more difficult to move around in it. According to Berman and Evan [6] (2014:545), there are four indicators for store atmosphere, namely:

- a. General interior
- b. General exterior
- c. Store Layout
- d. Interior Displays

### **Service Quality**

According to Tjiptono (2019:59)[7], service quality is the expected level of excellence, and control over this level of excellence to fulfill customer desires. The higher the quality level, the higher the resulting level of consumer satisfaction. Kasmir [8] (2017: 64) believes that service quality is the ability of a company to provide services that have a direct impact on customer satisfaction in accordance with their needs and desires. Quality is closely related to consumer satisfaction. Quality will provide a special incentive for consumers to establish long-term profitable relationships with the Company. According to [7] Tjiptono (2019:64), there are five dimensions in evaluating service quality, including:

- a. Direct evidence (tangibles)
- b. Reliability
- c. Responsiveness (responsiveness),
- d. Guarantee (assurance)
- e. Empathy (empathy)

## Consumer Satisfaction

Yulisetiari et al. [5] (2019) said that consumer satisfaction is the main component in the long-term sustainability of a brand. According to Tjiptono [9](2014: 15), satisfaction is customer satisfaction or dissatisfaction regarding the evaluation of the perceived discrepancy or confirmation between previous expectations (or other performance norms) and the perceived performance of the product after its use. According to [10] Sudaryono (2016: 78), satisfaction is the result of consumers' assessment that the product or service has provided a level of enjoyment where this level of fulfillment can be more or less. Consumer satisfaction is also a form of evaluation after making a purchase where the alternative chosen at least provides the same results or exceeds consumer expectations. Consumers who are satisfied with the products purchased and used will return to using the products offered by the Company. Consumer satisfaction will build consumer loyalty. According to Tjiptono (2014:11)[9], there are three indicators in measuring consumer satisfaction, namely:

- Matching expectations
- Interest in repurchasing
- Willingness to recommend

## Consumer Loyalty

Loyalty is a deeply held commitment to purchase or support a preferred product or service again in the future despite the influence of situations and marketing efforts that cause consumers to switch [4] (Kotler, 2016: 138). According to [11] Jeremiah and Djurwati (2019: 833), customer loyalty is a result of customer satisfaction with a product or service. This loyalty has a positive impact on the Company, such as loyal customers making repeated purchases of the Company's products. According to the general understanding, consumer loyalty is when a consumer has a strong commitment to subscribe or make repeat purchases for products and services they like consistently in the future, despite the influence of situations that have the potential to cause switching behavior. According to [12] Griffin (2019:22) put forward several indicators of customer loyalty, namely:

- Make regular repeat purchases (makes regular repeat purchases)

- Purchasing across product/service lines (purchases across product and service lines)
- Referring to other people (refers to other)
- Demonstrates immunity to the pull of competitors (demonstrates an immunity to the fullness of the competition)

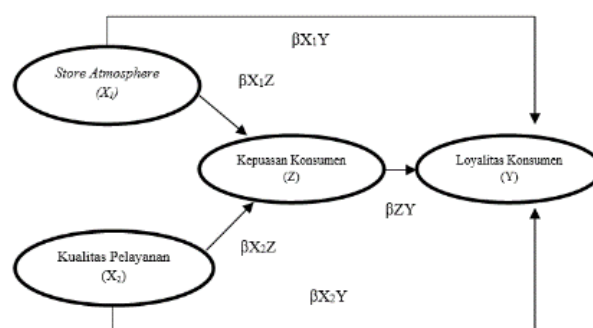
## 3. METHODOLOGY

The population determined is consumers who have shopped at Miniso Lippo Plaza Jember. The sampling method in this study used non-probability sampling, with the criteria being that respondents were at least 18 years of age or older, taking into account that respondents aged 18 years were adults in providing answers to the research questionnaire. [13] (Hartono, 2016:27). Respondents who have visited and made purchases at least two times. Buying at least twice can be used as a consideration for consumers in assessing so that the results are more accurate than the first impression. Data collection was obtained by distributing questionnaires online. The path analysis method is used in this research. The sample used was 160 respondents.

## 4. RESULTS

### Path Analysis

Path analysis is part of multiple linear regression analysis, which aims to analyze the influence of independent variables on the dependent variable directly or indirectly. The significance of the model appears based on the coefficient ( $\beta$ ), which is significant on the path, so the path analysis is presented in the following figure:



**Fig. 1.** Path Analysis.

The path analysis model used in this research is described in the form of a structural equation as follows:

$$Z: \beta X_1Z + \beta X_2Z + \varepsilon_1 \dots\dots\dots \text{(equation 1)}$$

Y:  $\beta X_1Y + \beta X_2Y + \beta ZY + \varepsilon_2$  ..... (equation 2)

Information:

X1: Store atmosphere

X2: Quality of service

Z: consumer satisfaction

Y: consumer loyalty

$\varepsilon_{1,2}$ : variable residual /or

Path Calculation

Calculating paths that are significant, direct and indirect effects can be calculated. The calculation process is as follows.

1. Calculate the direct effect (Direct Effect or DE).

a. The influence of store atmosphere variables on consumer satisfaction

DEzx1: X1 → Z

b. The influence of service quality variables on consumer satisfaction

DEzx2: X2 → Z

c. The influence of store atmosphere variables on consumer loyalty

DEyx1: X1 → Y

d. The influence of service quality variables on consumer loyalty

DEyx2: X2 → Y

e. The influence of consumer satisfaction variables on consumer loyalty

DEzy: Z → Y

2. Calculate the indirect effect (Indirect Effect or IE).

a. The influence of store atmosphere variables on consumer loyalty through consumer satisfaction

IEyzx1: X1 Z → Y

b. The influence of service quality variables on consumer loyalty through consumer satisfaction

IEyzx2: X2 Z → Y

3. Calculate the total effect (Total Effect or TE).

TE: DE + IE

Hypothesis Testing

a. t Test (Partial)

According to [14] Ghazali (2016:84), the t-test is used to find out how far each independent variable explains the dependent variable. In this case, does each independent variable consisting

of promotion, store atmosphere, and service quality have an effect on the dependent variable in the form of consumer satisfaction? Test criteria by comparing the calculated t and t table values. The steps taken are:

1. Determine the hypothesis

a.  $H_0: b_i = 0$ ; means promotional variables, *store atmosphere*, and service quality have no effect on the consumer satisfaction variable.

b.  $H_a: b_i \neq 0$ ; means promotional variables, *store atmosphere*, and service quality influence the consumer satisfaction variable.

1. Determining the degree of trust

In this study, a confidence level of 95% was used ( $\alpha=5\%$  or 0.05).

2. Decision-making and testing criteria

a. If t count  $\geq$  t table and the significance level  $\leq 0.05$ , then  $H_0$  is rejected. This means that there is an influence between the independent variable and the dependent variable.

b. If t count  $\leq$  t table and the significance level  $\geq 0.05$ , then  $H_0$  is accepted. This means that there is no influence between the independent variables and the dependent variable.

Sobel Test

Mediation hypothesis testing can be carried out using a procedure refined by Sobel (1982) and known as the Sobel test. The Sobel test is useful for finding out whether the relationship through a mediating variable can significantly be used as a mediator in that relationship. To test the significance of the indirect effect, it is necessary to calculate the calculated Z value compared to the table Z value. If the calculated Z value > table Z value, then it can be concluded that there is a mediation effect [14] (Ghozali, 2016:255).

## 5. DISCUSSIONS

The results of path analysis in the t-test for the first hypothesis (H1) show that store atmosphere has a significant effect with a value of 0.005. The results of the t-test concluded that H1, which stated that "store atmosphere influences consumer satisfaction at Miniso Lippo Plaza Jember," was accepted. Based on the results of this research, it is known that store atmosphere influences consumer satisfaction. The better or more comfortable the store atmosphere created by Miniso Lippo Plaza Jember for consumers, the

consumer satisfaction felt by consumers will increase. The results of this research are in line with previous research conducted by [15] Amalina et al. (2020), which stated that store atmosphere has a significant influence on consumer satisfaction. This is because the store atmosphere provided by Miniso Lippo Plaza Jember can satisfy customers because they can provide satisfaction in terms of interior, comfortable place, arrangement, and so on.

The path analysis results in the t-test for the first hypothesis (H2) show that service quality has a significant effect with a value of 0.005. The results of the t-test concluded that H2, which stated that "service quality influences consumer satisfaction at Miniso Lippo Plaza Jember," was accepted. Based on the results of this research, it is known that service quality influences consumer satisfaction. The resulting influence is positive, meaning that the higher the quality of service provided by the Company to consumers, the more consumer satisfaction will increase. This means that the level of customer satisfaction at Miniso Lippo Plaza Jember is also higher. However, if Miniso Lippo Plaza Jember no longer pays attention to service quality aspects, the level of consumer satisfaction at Miniso Lippo Plaza Jember will definitely decrease. The results of this research are in line with previous research conducted by [16] Thungasal and Hotlan (2019), stating that service quality has a significant influence on consumer satisfaction.

The results of path analysis in the t-test for the first hypothesis (H3) show that store atmosphere has a significant effect with a value of 0.005. The results of the t-test concluded that H3 stated that "store influence on consumer loyalty at Miniso Lippo Plaza Jember" was accepted. The significant influence of store atmosphere on consumer loyalty at Miniso Lippo Plaza Jember. The magnitude of the influence of store atmosphere on consumer loyalty is shown by the positive analysis results, meaning that the higher the store atmosphere, the higher consumer loyalty will be. The results of this research are in line with previous research conducted by Yulisetiari and Mawarni (2021)[3], stating that store atmosphere has a significant influence on consumer loyalty.

Based on the results of data analysis, it is known that product quality variables have a direct,

positive, and significant effect on customer loyalty. So, to increase customer loyalty, product quality must be maintained. The quality of service is very good from the companies, and the products requested are very high quality and in accordance with what customers request. So that customers really believe in the brand or brands. Which causes these customers to continue to believe in using the product. The results of this research are in line with previous research conducted by [17] Kurniawan *et al.* (2022), which states that service quality has a significant influence on consumer loyalty.

Based on the results of the analysis, it is known that the customer satisfaction variable has a direct, positive, and significant effect on customer loyalty. Young people nowadays have high expectations for everything, including the products they consume. Fulfilled expectations will be shown in the form of satisfaction, which ultimately leads to their loyalty to the product. Satisfaction is a critical scale of how well a customer's needs and demands are met, while customer loyalty is a measure of how likely a customer is to repeat purchases and engage in relationship activities. Customer satisfaction has a significant positive relationship with customer loyalty. They also include that it is impossible to have loyalty without satisfaction. This research is in line with previous research conducted by Yulisetiari and Mawarni (2021)[3], stating that consumer satisfaction has a significant influence on consumer loyalty.

It was concluded that the store atmosphere had a significant influence on consumer loyalty, mediated by Miniso Lippo Plaza Jember consumer satisfaction. The magnitude of the influence of the store atmosphere on consumer loyalty, mediated by consumer satisfaction, shown by the analysis results which are positive, which means that the higher the store atmosphere created, the higher the consumer loyalty, while there is a significant influence of service quality on consumer loyalty, mediated by Miniso Lippo Plaza Jember consumer satisfaction. The magnitude of the influence of service quality on consumer loyalty is mediated by consumer satisfaction, shown by the positive value of the analysis results, meaning that the better the service quality, the more consumer satisfaction and consumer loyalty will increase, which is able to attract consumer

interest to come back there, to attract consumers to want to. When you come back there, creating a store atmosphere in the form of a comfortable atmosphere and a pleasant place must be implemented thoroughly and sustainably. This is expected to attract consumers to continue visiting there and make consumers feel satisfied and loyal after coming to Miniso Lippo Plaza Jember. The quality of service that has currently been implemented by Miniso Lippo Plaza Jember is providing friendly service and accurate information; because of the importance of service quality, Miniso Lippo Plaza Jember must continue to provide good service on an ongoing basis as a reminder for consumers who have visited, by providing Good and sustainable service is expected to attract consumers' interest in visiting there, making repeat purchases and ultimately making consumers satisfied and loyal to visit Miniso Lippo Plaza Jember.

## 6. CONCLUSIONS

Store atmosphere has a significant effect on consumer satisfaction at Miniso Lippo Plaza Jember. This means that the higher the store atmosphere at Miniso Lippo Plaza Jember, the higher the customer satisfaction. Service quality has a significant effect on customer satisfaction at Miniso Lippo Plaza Jember, meaning that the higher the service quality at Miniso Lippo Plaza Jember, the higher the customer satisfaction. Store atmosphere has a significant effect on consumer loyalty at Miniso Lippo Plaza Jember, meaning that the higher the store atmosphere at Miniso Lippo Plaza Jember, the higher the consumer loyalty. Service quality has a significant effect on consumer loyalty at Miniso Lippo Plaza Jember, meaning that the higher the service quality at Miniso Lippo Plaza Jember, the higher the consumer loyalty. Consumer satisfaction has a significant effect on consumer loyalty at Miniso Lippo Plaza Jember, meaning that the higher the consumer satisfaction at Miniso Lippo Plaza Jember, the higher the consumer loyalty. Service quality and store atmosphere have a significant effect on consumer loyalty. Consumer satisfaction at Miniso Lippo Plaza Jember means that the higher the quality of service and store atmosphere through consumer satisfaction at Miniso Lippo Plaza Jember, the higher the consumer loyalty.

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