The Effects of Store Atmosphere and Service Quality on Customer Loyalty (Case Study of A Coffee Shop in Tasikmalaya, Indonesia)

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Abstract

The development of the coffee shop is a form of changing consumer decision patterns in choosing and selecting the products they will consume by taking into account several criteria such as store atmosphere and service quality. This research was conducted to determine the effect of Store Atmosphere and Service Quality on Customer Loyalty at Kopi Patok Tasikmalaya. This research uses quantitative methods with descriptive and causal research types. Sampling was done by using probability sampling method of simple random sampling type, with the number of respondents as many as 100 people. The data analysis technique used descriptive analysis and multiple linear regression analysis. The results of the multiple linear regression analysis technique show that store atmosphere and service quality simultaneously have a positive effect on Kopi Patok's customer loyalty. The magnitude of the influence of store atmosphere and service quality together is 71,4% on customer loyalty and the remaining 25,6% is influenced by other variables not examined in this study. Partially, store atmosphere service quality has a positive and significant effect on customer loyalty. The highest influence is store atmosphere and the lowest influence is service quality.

Keywords
Service quality, business administration, marketing

1. Introduction

Business development from day to day is growing rapidly, both in the clothing, automotive, food and beverage, technology, and so on industries. This can provide business opportunities for various parties, especially in the field of coffee shop or café drinks which are increasing day by day in urban centers and on the urban side. This has led to the emergence of a new culture or lifestyle called "hanging out" namely, activities carried out by young people and adults in a place to gather and carry out activities in their spare time. The hangout phenomenon has attracted the attention of researchers to conduct research and is starting to become a serious concern because there are various factors that can influence consumers to make purchases while hanging out. In the era of globalization, the coffee shop business in Indonesia can be said to be starting to improve as can be seen in the International Coffee Organization (ICO) 2019 which states that currently coffee consumption in Indonesia has increased from year to year. The consumption increase data can be seen in Picture 1.1 as follows:
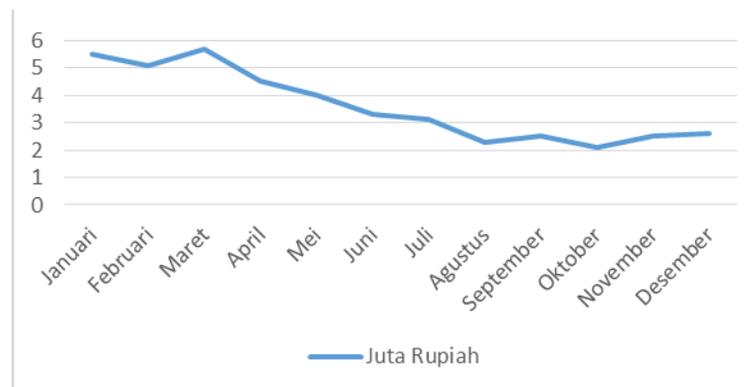
Picture 1

CHART OF INDONESIA COFFEE CONSUMPTION IN 2019

Konsumsi Kopi Indonesia

Ket :dalam ribu bags (bungkus) @60 kg

Source: https://www.ico.org (2020)

Based on Picture 1.1, it can be concluded that coffee consumption in Indonesia has increased from year to year, especially in 2017/18 as many as 4,700 packs of coffee. According to the Chairman of the Specialty Coffee Association of Indonesia (SCAI) Syafrudin, until the end of 2019 coffee shop growth is predicted to reach 15%-20% compared to 2018 which only reached 8%-10%. Meanwhile, the contribution of coffee shops to the absorption of domestically produced coffee is predicted to reach 25%-30% (www.bisnis.com, 2020). As more coffee shops in Indonesia come into play in the industry where Kopi Patok focuses, this gives rise to many competitive advantages offered to consumers by each coffee shop such as store atmosphere, product quality, service quality, price perception, brand image, and so on. It is intended that consumers make coffee shops that make these efforts trustworthy as a place of choice to consume products and give an attractive impression to consumers. The city of Tasikmalaya can be said as a city in which there are many business actors so that it becomes one of the factors for creating intense competition in the coffee shop industry. The following is a picture of the total revenue of Kopi Patok Tasikmalaya in 2020:

Picture 2

THE INCOME OF PATOK COFFEE TASIKMALAYA IN 2020

Source: Company Internal Data (2020)

Based on Picture 1.2, it can be seen that changes in income from month to month in 2020 began to experience a significant decline. The decline occurred from April to August although there was a slight increase in July caused by the spread of COVID-19 and the government's policy of implementing Large-Scale Social Restrictions (PSBB). However, it is different from Kopi Patok which immediately implements a strategy to anticipate this, such as creating the latest innovation, namely coffee in one liter packaging. On the other hand, the decline in revenue at Kopi Patok is not only due to the pandemic, but customer considerations in deciding to purchase products because of the many new coffee shops that have sprung up in Tasikmalaya City by focusing their type of business on the store atmosphere or store atmosphere rather than the quality of the beverage products themselves. The coffee shops that have sprung up

are more concerned with the atmosphere of their shop, such as adding unique decorations, taking nature, futuristic themes, and so on. Therefore, the Store Atmosphere which consists of several dimensions is the identity of a store that can attract attention and influence customers so that they ultimately make a purchase. According to Kotler (2016) store atmosphere is an atmosphere (atmosphere) every store has a physical layout that makes it easy or difficult to move around in it. Each store has a different appearance whether it is dirty, attractive, grand, and gloomy. A store must form a planned atmosphere that is in accordance with its target market and can attract consumers to buy at the store. According to Berman and Evans (in Alma, 2016) there are several elements in the store atmosphere including Exterior, General Interior, Store Layout and Interior (Point-of-Purchase) Display.

Store design continues to change along with the times. This can be influenced by several factors such as technological developments, creativity, themes, interior design innovations and exterior designs aimed at customers so that they feel comfortable when transacting or consuming products. In addition to the store atmosphere that can make customers comfortable, there are also other aspects that can affect customer convenience when shopping, namely service quality. According to Tjiptono (2016) service quality is the level of excellence expected and control over the level of excellence to meet customer desires. Meanwhile, according to Rambat Lupiyoadi (2017) states that service quality is how far the difference between reality and customer expectations for the services they receive/obtain.

According to research conducted by Indra Sasangka and Rahmat Rusmayandi (2018), it is stated that service quality has a significant influence on sales volume, which is 67%. Service quality can certainly contribute to the company in increasing its long-term income, namely the extent to which the company's or organization's ability to serve or provide maximum service to its customers. To be able to find out consumer responses regarding Store Atmosphere, Service Quality and Customer Loyalty at Kopi Patok Tasikmalaya, researchers conducted pre-questionnaires to 30 Kopi Patok consumers. The results of the pre-questionnaire can be seen in Table 1 below:

Table 1 The Result Of Pre-Questionnaire *Store Atmosphere*, Quality Of Service And Customer Loyalty On Patok Coffee

No.	Variable	Question	Answer	
			Yes	No
1.	*Store Atmosphere*	1. Does the atmosphere at Kopi Patok feel safe, peaceful, and comfortable?	10 people or 33%	20 people or 67%
		2. Does the room at Kopi Patok have decorations with unique designs?	13 people or 43%	17 people or 57%
2.	Quality of Service	1. Do you feel comfortable when consuming the product on the spot?	9 people or 30%	21 people or 70%
		2. Are you satisfied when shopping at Kopi Patok?	19 people or 63%	11 people or 37%
3.	Customer Loyalty	1. Do you buy Kopi Patok Products as your daily routine?	12 people or 40%	18 people or 60%
		2. Will you recommended other friends or colleagues to buy Kopi Patok products?	17 people or 57%	13 people or 43%

Source: Data Processed Result, 2021

Based on consumer responses to the results of the pre-questionnaire, it can be seen that the store atmosphere, service quality, and customer loyalty are still minimal because there are some consumers who gave negative responses to questions in the pre-questionnaire. Of the 30 respondents, 20 people (67%) felt that the atmosphere at Kopi Patok did not fully give the impression of being safe, peaceful and comfortable, 17 people (57%) thought that the decorations in the room did not have a unique design, 21 people (70%)) said that they do not feel very comfortable when consuming products on the spot, 18 people (60%) stated that consumers do not always buy Kopi Patok products on a regular basis. Based on the explanation of the pre-questionnaire, it can be concluded that the three variables of store atmosphere, service quality, and customer loyalty at Kopi Patok have not been fully implemented properly. This is a problem that must be addressed by the company because it involves the survival of the company.

In the opinion of Gevin, who works as an employee at Kopi Patok on December 27, 2020, in an interview said that the reason consumers are less interested in shopping at Kopi Patok, one of which is often feeling embarrassed when buying. This is because the majority of consumers who always visit Kopi Patok are classmates, work, or alumni with their school, so it can be said that they still have a close relationship. In contrast to general consumers who do not have acquaintances, they feel ashamed, which in fact should not be ignored because Kopi Patok itself was established not only for certain circles, but is open to the public and can be enjoyed by anyone. In addition, the emergence of new designs for the atmosphere of a coffee shop or cafe can affect the loyalty of previous Kopi Patok consumers so that many of them change places in consuming coffee drinks.

Based on the description above, this problem deserves to be researched to determine the effect of Store Atmosphere and Service Quality on Customer Loyalty, taking the title "**The Effects of Store Atmosphere and Quality of Service On Customer Loyalty (Study On Patok Coffee Consumers in Tasikmalaya City)**"

2. Literature Review

Kotler & Keller (2016:143) argue that quality is the totality of features and characteristics of a product or service that depend on its ability to satisfy stated and implied needs. According to Tjiptono (2016: 59) states that service quality is the level of excellence expected and controlling the level of excellence to meet customer desires. According to Susanti & Sunyoto (2015: 288), there are five main dimensions of service quality:
a. Tangible
b. Reliability
c. Responsiveness
d. Guarantee and certainty (assurance)
e. Empathy

According to Lovelock, Wirtz, & Mussry (2016) loyalty is the willingness of customers to always use the company's products in the long term and use them exclusively and recommend these products to friends or colleagues. The dimensions of customer loyalty according to Kotler and Keller (2016: 57) are as follows:
a. Repeat purchase (loyalty to product purchases)
   The point is that customers who need products or services will buy from the company continuously.
b. Retention (Resistance to negative influences on the company)
   Customers will not be affected by any form of marketing appeal made by other companies.
c. Referrals (Referral the total existence of the company)
   Customers will promote to others if the product or service is good, while when it is bad, the customer will tell the company.

Store atmosphere has a significant influence on customer loyalty as has been suggested by several studies. According to Ayu (2017) states that the Store Atmosphere has a positive or significant influence on consumer loyalty. Thus, it can be concluded that the Store Atmosphere has several important elements that can make the company atmosphere different and unique. According to several studies that have been put forward, one of which is Maulana (2015) stating that the quality of service in the company is something that really needs to be considered. If a company has low service quality, then the company is in a disadvantageous position, because if consumers are not satisfied with the quality of service provided, it is likely that consumers will use the products or services of other companies.

Picture 3: THEORITICAL FRAMEWORK
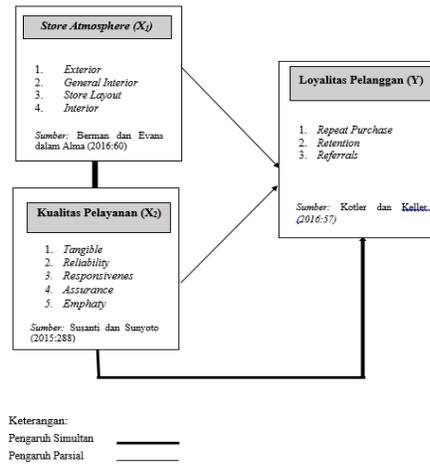
Source: Data Processed Result, 2020

3. Methods

The type of research used is descriptive research with quantitative methods. The population in this study were consumers of Kopi Patok in Tasikmalaya City. In this study the sampling technique used is probability sampling. Considering the number of visitors who have come and have made purchases at Kopi Patok from January 2021 to May 2021 are 6,288 people and includes a large population, the researchers used an error rate of 10% and used the Slovin formula because the total population has been known. The Slovin formula is used to determine the sample size (Sugiyono, 2017), which is as follows:

$$n = \frac{N}{1 + Ne^2}$$

Information:
n = Number of Samples
N = Total Population
1 = Constant
e = error tolerance (0,1)

In this study, the level of accuracy (α) was 5%, the confidence level was 95% and the error rate was determined at 10%. Based on the above formula, the following results are obtained:

$$n = \frac{6288}{1+6288[0,1]^2}$$

$$n = \frac{6288}{63,88}$$

$$n = 98,43 \approx 100$$

Based on the results of the sample count, the number is 98.43 for the minimum number of samples, but the authors rounded it down to 100 respondents to reduce errors in filling out the questionnaire. The sample used is 100 people. The data used in this study is primary data obtained from questionnaires, while secondary data is obtained from previous research data, books, journals and the internet. The data analysis technique used is descriptive and multiple linear regression.

4. Results and Discussion

4.1 Validity and Reliability Test

From 33 items of product quality variable questionnaire statements distributed to 30 respondents, it has a correlation value (rcount) above 0.361 (rtable) from 100 questionnaires distributed to 100 respondents, has a correlation value (rcount) above 0.361 (rtable) so that all statements are valid and suitable for use in multiple linear regression analysis. Cronbach's Alpha value in this study is 0.955 for the store atmosphere variable, 0.943 for the service quality variable, and 0.856 for the service quality variable, it can be concluded that all statements are said to be reliable or reliable because the Cornbach Alpha value is greater than 0.6. From the 20 items of store atmosphere variable statement, 7 service quality variable statement items and 6 customer loyalty statement items proposed, the total average respondent's response to compensation is 68% for the motivation variable 68% and 69% for the employee performance variable so that it is included in the good category. . It can be said that work stress, motivation and employee performance at the Bandung City Culture and Tourism Office are good.
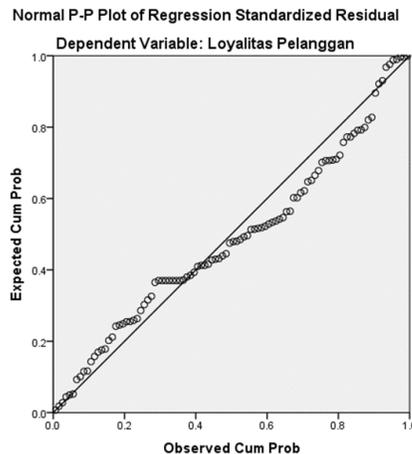
Picture 4
HISTOGRAM CHART
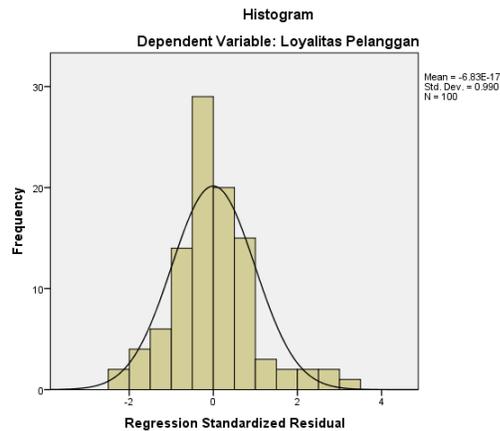
Source: Data Processed Result by SPSS 22 (2021)

Picture 4 above shows that the graphic data shows that the histogram forms a bell pattern which means the data is normally distributed.

Picture 5
NORMAL P-P *PLOT OF REGRESSION STANDARIZED RESIDUAL CHART*

Source: Data Processed Result by SPSS 22 (2021)

In Picture 5, Normal P-P Plot Graph provides an interpretation that the data spreads around the diagonal line and follows the direction of the diagonal line. Therefore, based on the picture shows the data is normally distributed.

Table 2 One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.246650256
Most Extreme Differences	Absolute	.105
	Positive	.105
	Negative	-.084
Test Statistic		.105
Asymp. Sig. (2-tailed)		.206[c]

Source: Data Processed Result by SPSS 22 (2021)

From Table 2 above, it can be seen that the Asymp value. Sig. (2 tailed) shows the number 0.206 and is greater than 0.05, this indicates that the residual variable is normally distributed.

Picture 6
HETEROSCEDASTICITY TEST RESULT (SCATTERPLOT)
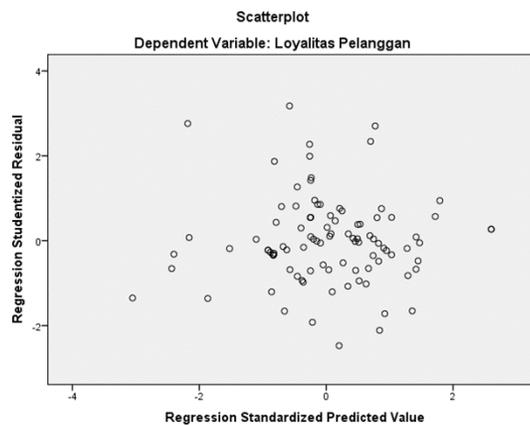
Source: Data Processed Result by SPSS 22 (2021)

Based on Picture 6 above, it can be concluded that the results of the scatterplot graph have no clear pattern and the points spread above and below the number 0 and also do not form a pattern, so there is no heteroscedasticity or also called homoscedasticity.

3. Multicolinearity Test

Tabl 3 Multicolinearity Test Result

		Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
Model		B	Std. Error	Beta	Tolerance	VIF
1	(Constant)	3.004	1.390			
	Store Atmosphere	.241	.045	.707	.211	4.750
	Kualitas Pelayanan	.088	.112	.204	.211	4.750

Source: Data Processed Result by SPSS 22 (2021)

From table 3, it can be seen that the VIF value for the Store Atmosphere and Service Quality variables is the same, namely 4.750, which is less than 10 and the tolerance value for the Store Atmosphere and Service Quality variables is 0.211, the value is more than 0.10, so conclusions can be drawn. that there is no multicollinearity problem because the VIF value of each variable is < 10 and the Tolerance value is > 0.10.

Table 4 Multiple Linear Regression Test Result

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.004	1.390		2.162	.033
	Store Atmosphere	.241	.045	.707	5.339	.000
	Kualitas Pelayanan	.088	.112	.204	3.783	.002

Source: Data Processed Result by SPSS 22 (2021)

Based on the results of data processing in table 4, the multiple regression equation model can be formulated as follows:

$$Y = a + b_1 X_1 + b_2 X_2$$
$$\textbf{Y = 3,004 + 0,241 X}_1 \textbf{+ 0,088 X}_2$$

5. F-Test

Table 5 F-TEST RESULT
ANOVAᵃ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1077.720	2	538.860	86.786	.000ᵇ
	Residual	602.280	97	6.209		
	Total	1679.999	99			

Source: Data Processed Result by SPSS 22 (2021)

Based on Table 5, it can be seen that Fcount > Ftable (86.786 > 3.09) and the significance level is 0.000 <0.05. shows that H0 is rejected and Ha is accepted, meaning that the Independent variables consisting of Store Atmosphere and Service Quality together have a significant influence on Customer Loyalty of Kopi Patok Tasikmalaya.

Table 6 T-Test Result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.004	1.390		2.162	.033
Store Atmosphere	.241	.045	.707	5.339	.000
Kualitas Pelayanan	.088	.112	.204	3.783	.002

Source: Data Processed Result by SPSS 22 (2021)

1. The Store Atmosphere (X_1) variable has a value of tcount (5.339) > ttable (1.985) and a significance level of 0.000 <0.05, so H_0 is rejected and H_a is accepted. This means that partially there is a significant effect of Store Atmosphere (X_1) on Customer Loyalty (Y).

2. The service quality variable (X_2) has a value of tcount (3.783) > ttable (1.985) and a significance level of 0.002 <0.05, then H_0 is rejected and H_a is accepted. This means that partially there is a significant effect of Service Quality (X_2) on Customer Loyalty (Y).

Table 7 Coefficient of Determination Test Result
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.845[a]	.714	.707	.315

Source: Data Processed Result by SPSS 22 (2021)

Table 7 shows that the R value is 0.845 and R square (R2) is 0.714. This figure is used to see the magnitude of the effect of Compensation and Motivation on Performance simultaneously. The way to calculate R square is using the coefficient of determination (KD) using the following formula:

$$KD = r^2 \text{ x } 100\%$$
$$= (0,845)^2 \text{ x } 100\% = 71,4\%$$

This shows the coefficient of determination (KD) of 71.4%. This shows that the influence of the independent variables (Store Atmosphere and Service Quality) on the dependent variable, namely Customer Loyalty is 71.4% while the remaining 28.6% is influenced by other factors not examined in this study such as promotion, price, lifestyle, consumer perception or product quality.

5. Conclusion (12 font)

Based on the results of the descriptive analysis that has been described previously, according to the respondents, the store atmosphere, quality of service, and customer loyalty at Kopi Patok Tasikmalaya is in a good category. From the overall store atmosphere statement items submitted to respondents, there were statements that received the lowest responses in a fairly good category, namely the statement that the type of floor at Kopi Patok attracted my attention to shopping. From the overall service quality statement items submitted to respondents, there were statements that received the lowest responses in the fairly good category, namely the statement that Kopi Patok employees had a good, friendly, and courteous attitude in serving consumers. From the overall customer loyalty

statement items submitted to the respondents, there were statements that received the lowest responses with a fairly good category, namely the statement I prefer Kopi Patok compared to other products in consuming coffee beverage products.

Based on the results of simultaneous hypothesis testing (Test-F), the store atmosphere and service quality variables simultaneously or simultaneously have a significant effect on customer loyalty at Kopi Patok Tasikmalaya. The value of the influence of store atmosphere and service quality simultaneously on customer loyalty is 71.4% and the remaining 25.6% is influenced by other factors not examined in this study, such as lifestyle factors, prices, consumer perceptions or product quality. Based on the results of partial hypothesis testing (t-test), the store atmosphere and service quality variables partially have an influence on customer loyalty at Kopi Patok Tasikmalaya. The variable that has the greatest significant influence is store atmosphere, followed by the service quality variable which has the second significant influence on consumer loyalty.

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