

Influence of Store Atmosphere and Price on Customer Loyalty (Study at Diantara Kopi Coffee Shop in Bandung)

R Susanto Hendiarso^{1*}, Rinda Febrianti Laksana², Fikri Alhafizh²

^{1,2,3}Widyatama University, Faculty of Economics and Business

Bandung, Indonesia

r.susanto@widyatama.ac.id, rinda.febrianti@widyatama.ac.id, fikri.alhafizh@widyatama.ac.id

*Corresponding Author

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ABSTRACT

Observing the last year, many coffee shops scattered across Bandung have experienced a significant increase in the number of coffee shops. There are many kinds of coffee shops in the Bandung area, ranging from manual brew coffee shops to those that serve iced coffee milk which is now the best seller along with a variety of other foods. Given the many facilities and infrastructure that coffee shops now provide, some people use them for various activities, including hangouts or just sessions with new friends, family or co-workers. This research tries to determine the store atmosphere and prices on customer loyalty. This research methodology uses an explanatory design by way of observation, surveys, and interviews. all kinds of data collection techniques. Validity test, reliability test, traditional assumption test, normality test, and multicollinearity test were used in data analysis. Multiple linear regression model for regression analysis. The research findings indicate that store atmosphere and prices can have an impact on Coffee customer loyalty both partially and simultaneously.

Keywords: Store Atmosphere; Price; Customer Loyalty.

INTRODUCTION

The background of this research can be started with the understanding that the café industry, especially in big cities such as Bandung, Indonesia, has grown rapidly in recent years. In this context, Among Coffee Coffee Shop is emerging as one of the major players by offering a unique and different coffee experience. The success of a coffee shop depends not only on the quality of the coffee served, but also influenced by other factors such as the atmosphere of the store and the price of the product.

The importance of store atmosphere in this industry is a major concern as consumers are not only looking for a delicious taste of coffee, but also looking for a comfortable place to relax or work. Therefore, this study will explore the extent to which the store atmosphere in Among Coffee Coffee Shop in Bandung can affect customer loyalty. In addition, price is also a crucial factor in making customer purchasing decisions. With increasing competition in the coffee industry, an understanding of how price affects purchasing decisions and whether it impacts customer loyalty has become crucial.

Previous research may have highlighted the influence of store atmosphere or price on purchasing decisions, but this study aims to combine both aspects with a focus on the concept of customer loyalty. The combination of these two factors can provide a more comprehensive and contextual view related to the relationship between store atmosphere, price, and customer loyalty in the café industry. By understanding more deeply these dynamics, business owners in the coffee industry



can make better strategic decisions to improve customer satisfaction and strengthen long-term relationships. Therefore, this research is expected to provide valuable insights for business practitioners, researchers, and related parties in the coffee industry in Bandung.

Every coffee business has a different approach to winning over its customers. Customer loyalty is one approach to attracting more and retaining consumers. According to Rosyida, S. and Anjarwati (2016), satisfied customers are the key to arousing repeat purchases and building customer loyalty. The store and store atmosphere will be a determining factor in purchases. Interior, exterior, and the three operating designs that define the store make up the retail environment. Asrinta, P (2018) claims that the aspect that has an impact on consumer loyalty is the atmosphere of the place itself which includes exterior, general, interior, store design and furniture. In addition, consumer loyalty research was studied by Karim, Sepang, & Soepeno (2020) and previously discussed the store atmosphere.

Along with the general store atmosphere, price is a major factor in determining whether a client will make a purchase there or not. Consumers expect to pay a fair price for a product of acceptable quality. The corporation takes into account the value, superiority and quality of the product in addition to the cost of producing goods and the prices of similar goods in the market. Nalendra (2018) with the title "The Influence of Service Quality, Price, Customer Satisfaction on Customer Loyalty". Also, one of the main considerations for customers when deciding whether to complete a deal or not is pricing. One of the many coffee businesses in Bandung that can compete with other coffee shops is Kopi Antara. This small coffee shop called Antara Coffee, which will open in 2022, serves a variety of drinks, mostly coffee, as well as side dishes. Located in Girimekar Bandung Regency on Cibejog street, it provides an opportunity for tourists (Healing) to relax while enjoying views of the city of Bandung. In addition, the price offered is very worth the calm atmosphere that makes visitors feel at home.

Table 1 (Sales data at the Coffee Shop AMONG COFFEE 2022-2023)

Month	Total Sales (Rp) (2022-2023)
March	20.000.000
April	14.000.000
Mei	9.000.000
June	8.000.000
Juli	8.000.000
August	8.000.000
September	5.000.000
October	6.000.000
November	6.500.000
Desember	12.000.000

Sumber : Coffee Shop DIANTARA KOPI

Based on the information above, sales of Antara Kopi have fluctuated over the past eight months since the store's opening. Although there are still many responses from consumers, sales continue to increase. As can be seen, sales of Antara Kopi increased in March, April, May and

December while sales decreased in June, July, August, September, October and November. Pre-survey data from the questionnaire given to 50 consumers revealed that 49 of them said they were happy with the price offered by Antara Coffee. The two pre-survey results above show that many customers are still happy even though there are still many complaints about the facilities, indicating that there are other aspects of Antara Coffee that affect customer satisfaction.

Similar to the research of Listiano and Sugiarto (2015), this study also concluded that customer satisfaction in the relationship between store atmospheres and customer loyalty. The higher the consumer's perception of the store atmosphere through customer satisfaction, the customer loyalty can immediately increase. According to Alfin and Nurdin's (2017) study, store atmosphere is directly mediated by customer satisfaction and affects customer loyalty.

LITERATURE REVIEW

According to Laksana (2019:1) marketing is the meeting of sellers with buyers to carry out transaction activities for goods or services. So that the understanding of the market no longer refers to a place but refers to activities or meeting activities between sellers and buyers in offering a product to potential consumers. Here, we use the term "marketing management" to refer to the process of selecting target markets and gathering, maintaining and expanding the customer base by developing, distributing and communicating increased customer value. Marketing management is the selection of target markets and recruiting, instilling and developing the consumer base in increasing customer value through product development, sales and communications. According to Kotler's concept of a "Shop Environment", every store atmosphere has a complicated physical architecture or facilitates maneuvering within it. Each store has its own aspect, whether it is dirty, beautiful, grand or gloomy. A store must be able to create a designed environment that appeals to its target demographic and can entice customers to make purchases. One thing merchants can use to attract customers to their business is the store environment. Consumers don't just react to the products and services that merchants provide. However, it also reacts to the shopping environment that the store has established.

Price is a variable component of the marketing mix which can instantly change according to time and location. Prices come in many forms and serve a variety of purposes, including space rent, fees, profits, interest, rates, salaries and storage fees. Price is not just a nominal number written on the packaging label. They all represent the cost of obtaining the product. According to Friani., et al (2021) price is a number of values that consumers exchange for the amount of benefits by owning or using a good or service that consumers pay attention to when making a purchase.

Customer loyalty means customer commitment to brands, stores, and suppliers, and is based on a very positive attitude from customers and is reflected in their positive buying behavior (Tjiptono, in Zahara, 2020). Then Jeremiah and Djurwati (2019: 833) said loyalty is a process, at the end of the process, satisfaction has an effect on perceived quality, which can have an impact on loyalty and intentions for certain behaviors of a customer.

Jeremiah and Djurwati (2019: 833) customer loyalty or customer loyalty is a commitment that is closely held by customers to buy or put forward a product in the form of goods or services consistently, this causes purchase. Repeat to the same brand, even if the customer gets situational or marketing influence from competitors to change other brands.

This study uses a quantitative methodology and refers to secondary sources of information. Information for this study was collected through a survey sent out to coffee drinkers. By using the price factor and Store Atmosphere as independent factors, this study will examine how each affects the loyalty of Bandung Coffee buyers. Using various SPSS 25 linear regression analyses, including coefficient of determination (R²) and t-test, f-test, we conducted this investigation. The following types of sales models were considered in this study Sugiyono (2018:307):

$$Y = \alpha + \beta X_1 + \beta X_2 + \beta X_3 + \beta X_4 + \beta X_5 + \epsilon$$



Description :

α : Constant value

Y : Customer Loyalty βX_1 : Store Atmosphere βX_2 : Price

Framework

From this theory there is a framework of thought, as illustrated below :

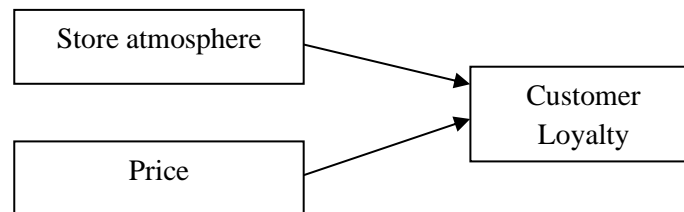


Figure 1. Framework

Hypothesis

H1: Customer loyalty has an effect on Store atmosphere

H2 Customer loyalty has an effect on Price

RESULT AND DISCUSSION

The constructs and instruments used in the research model must be produced from valid and reliable measuring tools. Therefore, the validity of the instrument can be measured by convergent validity. The results of research data quality testing can be shown in Table 2 below:

Table 2. Respondent Characteristics

Characteristic	N	%
Gender		
Laki-Laki	24	48%
Perempuan	26	52%
Age		
17-27 tahun	42	84%
28-38 tahun	6	12%
39-49 tahun	2	4%
Profession		
Pelajar/Mahasiswa	36	72%
Wiraswasta	5	10%
Pegawai Negeri / Bumh	2	4%
Lainnya	7	14%
Education		
SMA	22	44%

D3	4	8%
DIV / S1	23	46%
S2	1	2%
Income		
<Rp.2.000.000	31	62%
Rp.2.000.000-Rp.5.000.000	10	20%
Rp.5.000.000-Rp.10.000.000	8	16%
>Rp.10.000.000	1	2%

There were 24 men and 26 women who took part in this survey. Of the 42 respondents, aged 17-27 years, 36 were students, 5 were self-employed, 2 were PNS/BUMN, and 7 had other jobs. Twenty two (20) answered with SMA, four (4) with D3, twenty three (23) with DIV/S1, and one (1) with S2. Income of respondents \leq Rp.2,000,000 31 people, with gains = Rp.2,000,000-Rp.5,000,000 for 10 people, with gains Rp.5,000,000 – Rp.10,000 8 people and more than \geq Rp 10,000,000 for 1 person.

Table 3. Validity Test Results for Store Atmosphere Variables

Indikator	r-hitung	r-tabel	Keterangan
X1.1	0.714	0.278	Valid
X1.2	0.812		Valid
X1.3	0.857		Valid
X1.4	0.851		Valid
X1.5	0.804		Valid
X1.6	0.871		Valid
X1.7	0.853		Valid

Because all the estimated r values for store atmosphere variable items are higher than the r table, it is known that the store atmosphere for all variable items is valid and feasible to use.

Table 4. Price Variable Validity Test Results

Indikator	r-hitung	r-tabel	Keterangan
X2.1	0.809	0.278	Valid
X2.2	0.784		Valid
X2.3	0.839		Valid
X2.4	0.861		Valid
X2.5	0.859		Valid
X2.6	0.856		Valid

.Since all r values calculated for price variable items are higher than table r, it is known that all price variable items are valid and can be used.

Table 5. Validity Test Results for Consumer Loyalty Variables

Indikator	r-hitung	r-tabel	Keterangan
Y1	0.935	0.278	Valid
Y2	0.928		Valid
Y3	0.832		Valid
Y4	0.883		Valid
Y5	0.904		Valid
Y6	0.906		Valid
Y7	0.786		Valid

Because all the estimated r values for consumer loyalty variable items are higher than r tables, all consumer loyalty variable items can be valid and feasible to use.

Table 6. Variable Reliability Test Results

Variabel	Cronbach's Alpha	Kriteria	Keterangan
Store Atmosphere	0.915	0.600	Reliabel
Harga	0.926		Reliabel
Loyalitas Konsumen	0.952		Reliabel

Based on the table above, it is explained if the Cronbach's alpha value for each variable is above the threshold of 0.600, which indicates that each variable is reliable or consistent.

Tabel 7. Hasil Uji Normalitas

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		50
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.36273100
Most Extreme Differences	Absolute	.134
	Positive	.108
	Negative	-.134
Test Statistic		.134
Asymp. Sig. (2-tailed)		.246 ^c
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

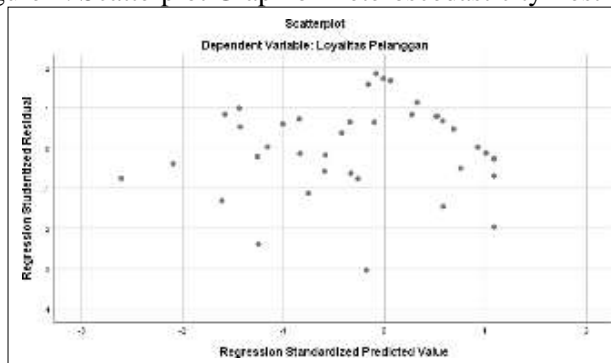
The Kolmogorov-Smirnov normality test data above shows that the residual regression data follows a normal distribution, with a value of 0.246 (> 0.05).

Table 8. Multicollinearity Test Results

Variabel	Collinearity Statistics	
	Tolerance	VIF
Store Atmosphere	0.412	2.427
Price	0.412	2.427

Based on the table above, multicollinearity did not occur in this study because the tolerance value (0.412) was higher than 0.1 and the VIF value (2.427) was less than 10 on the multicollinearity test.

Figure 2. Scatterplot Graph of Heteroscedasticity Test



it can be seen from the graph that there is no visible pattern at the point when it expands, which indicates that this study does not have a heteroscedasticity problem.

Table 9. T Test Results (Partial)

Model		Coefficients ^a		Standardized Coefficients Beta	T	Sig.
		Unstandardized Coefficients B	Std. Error			
1	(Constant)	1.250	2.452		.510	.612
	Store Atmosphere	.349	.121	.314	2.880	.006
	Harga	.739	.131	.614	5.635	.000

a. Dependent Variable: Loyalitas Pelanggan

The data is concluded as follows:

1. Acceptance of H0 or the potential of factors that influence partly related to customer loyalty is shown by the t value of the store environment variable 2.880 and a significance value of 0.006 (> 0.05).
2. We know that the estimated t value for the price variable is 5.635, and the significance value is 0.000 (0.05), so we conclude that H0 is not supported, or that price has a partial impact on the variables related to customer loyalty.

Table 10. F Test Results (Simultaneous)

Model		ANOVA ^a				
		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	917.278	2	458.639	78.803	.000 ^b
	Residual	273.542	47	5.820		
	Total	1190.820	49			

a. Dependent Variable: Loyalitas Pelanggan
 b. Predictors: (Constant), Harga, Store Atmosphere

From the data above, the estimated f is 78.803 and has a significance level of 0.000 (0.05), rejecting the null hypothesis that store atmosphere and price have an impact on customer loyalty.

Table 11. Determination Coefficient Test Results (R2)

Model	Model Summary ^b			
	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.878 ^a	.770	.761	2.41248

a. Predictors: (Constant), Harga, Store Atmosphere
 b. Dependent Variable: Kesetiaan pelanggan

From the table, the value of r square = 0.770 or 77% means that the store atmosphere and price variables can produce loyalty variables. consumers by 77% which is the difference by 23%

Table 12. Multiple Linear Regression Analysis Table

Model		Coefficients ^a		Standardized Coefficient Beta	t	Sig.
		Unstandardized Coefficients B	Std. Error			
1	(Constant)	1.250	2.452		.510	.612
	Store Atmosphere	.349	.121	.314	2.880	.006
	Harga	.739	.131	.614	5.635	.000

a. Dependent Variable: Loyalitas Pelanggan

The data above obtained the regression equation, namely:

$$Y = \alpha + \beta_1.X_1 + \beta_2.X_2 + e$$

$$Y = 1,250 + 0,349.X_1 + 0,739.X_2 + e$$

1. A constant value of 1.250 indicates that the customer loyalty variable will have a value of 1.250 if all independent variables have a zero value.
2. The regression coefficient of store atmosphere is 0.349, which means that for every one unit increase in store atmosphere, customer loyalty to the variable increases by 0.349.
3. The increase in the price variable is associated with an increase in the customer loyalty variable of 0.310 (price regression coefficient of 0.739).

Using the F test, we find that store environment and prices significantly influence customer intention to return. The indicative values are $F_{count} = 78.803$ and $p(\text{sig}) = 0.000$. The value of $R = 0.770$ produces a very significant relationship between all the independent variables and the dependent variable. By using the Coefficient of Determination formula, we get an R^2 value of 0.770. It can be said that the independent elements in this study accounted for 77% of the store atmosphere and prices, while the remaining 23% were influenced by other variables.

The store environment variable has a significant impact on customer loyalty, the same as the results of the store atmosphere hypothesis evaluation (X1). This implies that customers will choose goods from stores that have a positive atmosphere. Customers feel that Antara Kopi has a good store environment in this study because it fulfills their wants and needs. The findings from this study reveal that, in many aspects, the atmosphere of Di Antara Kopi meets the standards anticipated by customers, who in this case expect a friendly environment that meets their needs.

The impact of price on consumer loyalty is based on the price hypothesis test (X2), the price variable has a significant effect on clients. According to research findings, all categories are able to pay the price given, especially the middle to lower income group, making customers visit Antara Coffee more often.

CONCLUSION

From the results of research on the store atmosphere variable (X1) it can be concluded that the average respondent gave an affirmative response to the questionnaire regarding the store atmosphere. However, the partial test results show that the retail environment contributes 0.349 or 34.9% and it can be seen that layout and service have a significant effect on customer loyalty. Typical respondents to the price questionnaire gave an affirmative answer, according to the research findings on the price variable (X2). However, the partial test findings show that price contributes 0.739 or 73.9%, concluding that pricing is very important at a fair price for the coffee shop industry, especially Antara Coffee, and this has an impact on consumer loyalty. Based on research findings, customer loyalty (Y) is 77% influenced by store atmosphere (X1) and price (X2), according to the coefficient of determination (R^2) of 77%.

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