JOURNAL OF PROCEEDINGS
SOCIAL SCIENCE AND POLITICAL SCIENCE
DHARMAWANGSA UNIVERSITY

THE INFLUENCE OF SERVICE QUALITY, STORE ATMOSPHERE, AND PROMOTION ON CUSTOMER LOYALTY AT SEIS COFFEE

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Abstract

The aim of this research is to investigate the influence of Service Quality, Store Atmosphere, and Promotion on Customer Loyalty at Seis Coffee. The benefits of this study are to provide information, knowledge, and expand insights, especially in the field of management, regarding the impact of the variables in this research. This research is of a causal nature and employs a quantitative methodology, using the SPSS software to assist in processing primary data collected from Seis Coffee consumers. The results of this study indicate that the variables of Service Quality, Store Atmosphere, and Promotion have a significant positive influence on Customer Loyalty, both individually and collectively.

Keywords: Service Quality; Store Atmosphere; Promotion; Customer Loyalty

Introduction

Seis Cafe is a coffee shop that offers a variety of coffee and non-coffee beverages, as well as food products. Seis Cafe is located at Jl. Sei Silau No.89c, Padang Bulan Selayang I, Kota Medan.

Marketing plays a crucial role in the sustainability of a business. A business with average production results can succeed solely due to a well-executed marketing strategy, whereas a business with high-quality products may not achieve maximum sales without effective marketing efforts directed at consumers. The goal of marketing is not just to gain subscribers but also to improve the competitive situation. In entrepreneurship, one must be capable of producing goods and services with better quality, lower prices, and faster delivery than competitors (Daulay & Manaf, 2017).

Marketing strategies employed by companies are expected to instill trust in consumers by offering innovative products and services that provide value and satisfaction, ultimately leading to customer loyalty. Customer loyalty plays a crucial role in a business or venture, as emphasized by Nel, Jasin, Nasution, & Christiana (2016).

Customer loyalty comprises both attitude and behavior components. The attitude

component involves ideas such as the intention to repurchase products or additional services from the same company, willingness to recommend the company to others, demonstrating commitment to the company by resisting the temptation to switch to other competitors, and willingness to pay a premium price. The behavioral aspect of customer loyalty involves repeated purchases of the same product or service, including buying more of the same product or service or other alternative products from the same company, recommending the company to others, and the likelihood of using the product in the long term while maintaining its quality (Mardalis, 2006).

Business players in the coffee shop industry compete by offering unique features that set their coffee shops apart from competitors. Therefore, coffee shop entrepreneurs employ various strategies and innovations to retain their customers. One strategy that should be emphasized alongside the advantages possessed by each coffee shop is service quality.

According to Tjiptono (2013), service quality is defined as a dynamic condition related to products, services, human resources, processes, and the environment that meets or exceeds expectations. In running a culinary or coffee shop business, prioritizing service quality is crucial. Customers will undoubtedly be highly satisfied with maximum service provided by business owners. In almost all types of businesses, entrepreneurs strive to satisfy their customers. In the coffee shop business, one way to satisfy customers is by providing good service quality.

In addition to service quality, store atmosphere can also influence customer loyalty. Store atmosphere, which includes the physical characteristics of the store such as architecture, layout, lighting, display, color, temperature, music, and aroma, creates an overall image in the minds of consumers. Through intentionally created ambiance, businesses can also communicate information related to services, prices, and the availability of fashionable merchandise. Atmospherics, or the creation of an atmosphere, involves designing the environment through visual communication, lighting, color, music, and fragrances to elicit emotional responses and perceptions from customers and to influence customers in making purchases.

Sales promotion is a part of the promotional mix. Sales promotion can be defined as a direct influence that offers additional value or incentives for a product aimed at distributors or customers with the goal of achieving immediate or short-term sales (Jackson, Titz, & Defranco, 2004). However, according to Kotler & Armstrong (2001), in general, sales promotion should build relationships with customers, not just for short-term sales or temporary brand switching but to help strengthen the product's position and build long-term relationships with customers. Additionally, according to Cummins & Mullin (2010), there are 12 main objectives of sales promotion, one of which is to increase loyalty. According to Peter & Olson (1983), for consumers who have already purchased a brand, consumer promotions can be an additional incentive for them to remain loyal. This is because some consumers tend to buy a product or service based on coupons and other offers, so regularly providing attractive offers will make them relatively loyal

to a promoted brand.

Research methods

The type of research used in this study is associative research. According to Siregar (2021), associative research aims to determine the relationship between two or more variables. Through this research, a theory can be developed to explain, predict, and control a phenomenon in the study. This research connects two or more variables to examine the variables formulated in the research hypothesis, namely the Influence of Service Quality, Store Atmosphere, and Promotion on Customer Loyalty at Seis Coffee.

According to Sugiyono (2017), the definition of a population is a generalization area consisting of objects/subjects with certain qualities and characteristics determined by the researcher for study and subsequent conclusions. It can be concluded that the population is not just the number of objects or subjects studied but includes all the characteristics or traits possessed by those subjects or objects. The population in this study consists of consumers/visitors to Seis Coffee, with a total of 1500 people. Over one month, 50 people are observed per day, resulting in 50 people x 30 days = 1500.

In determining the required sample size when the population size is known, the researcher uses the Slovin's formula as follows:

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

$$n = \frac{1500}{1 + 1500\ (0.1)^2}$$

$$n = \frac{1500}{16}$$

$$n = 93{,}75$$

$$n = 94$$

Explanation:

n : Sample size

N : Population size

Therefore, the sample used in this study consists of 94 customers. The sampling technique employed in the research is Accidental sampling, where samples are taken from respondents who happen to be at the location (object) under study.

Results
Hypothesis Test
T-Test

Table 1. Results of t-Test (Partial Test)
Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.134	1.178		.963	.338
	X1	.252	.085	.249	2.963	.004
	X2	.363	.090	.351	4.008	.000
	X3	.376	.089	.380	4.232	.000

a. Dependent Variable: Y

Service Quality (X1) towards Customer Loyalty (Y)

The t-test results show that the t-value for the Service Quality variable (X1) is 2.963, with a critical t-value (t-table) of 1.986. It is evident that the calculated t-value (2.963) is greater than the critical t-value (1.986). The significance value (p-value) for the Service Quality variable (X1) is also less than 0.050, specifically 0.004. Therefore, we reject the null hypothesis (Ho) and accept the alternative hypothesis (Ha). Hence, it can be concluded that there is a significant influence of Service Quality (X1) on Customer Loyalty (Y).

Store Atmosphere (X2) towards Customer Loyalty (Y)

The t-test results indicate that the t-value for the Store Atmosphere variable (X2) is 4.008, with a critical t-value (t-table) of 1.986. It is evident that the calculated t-value (4.008) is greater than the critical t-value (1.986). The significance value (p-value) for the Store Atmosphere variable (X2) is also less than 0.050, specifically 0.000. Therefore, we reject the null hypothesis (Ho) and accept the alternative hypothesis (Ha). Hence, it can be concluded that there is a significant influence of Store Atmosphere (X2) on Customer Loyalty (Y).

Promotion (X3) towards Customer Loyalty (Y)

The t-test results show that the t-value for the Promotion variable (X3) is 4.232, with a critical t-value (t-table) of 1.986. It is evident that the calculated t-value (4.232) is greater than the critical t-value (1.986). The significance value (p-value) for the Promotion variable (X3) is also less than 0.050, specifically 0.000. Therefore, we reject the null hypothesis (Ho) and accept the alternative hypothesis (Ha). Hence, it can be concluded that there is a significant influence of Promotion (X3) on Customer Loyalty (Y).

F-Test

Table 2. Results of F-Test (Simultaneous Test)
ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.

1	Regression	2481.089	3	827.030	262.503	.000[b]
	Residual	283.549	90	3.151		
	Total	2764.638	93			

a. Dependent Variable: Y
b. Predictors: (Constant), X3, X1, X2

With the known value of the critical F-table (F-table) being 2.71, let's compare the calculated F-value with the critical F-value. It's evident that the calculated F-value, which is 262.503, is greater than the critical F-value of 2.71. Therefore, we accept the alternative hypothesis (Ha) and reject the null hypothesis (Ho). Thus, it can be concluded that the regression model in this study, which includes Service Quality (X1), Store Atmosphere (X2), and Promotion (X3), has a significant simultaneous influence on Customer Loyalty (Y).

Discussion

The Impact of Service Quality on Customer Loyalty.

This research aligns with previous studies conducted by Basith (2014), which stated that high-quality service does not necessarily guarantee customer loyalty. However, there are also studies that claim that service quality significantly influences customer loyalty (Putri & Utomo, 2017). Service quality impacts customer loyalty through service performance, such as having a well-maintained waiting area, employees' willingness to assist customers in need, employees delivering the promised service, the friendliness of employees in providing service, and employees genuinely addressing customer needs. The results indicate that the majority of customers agree that the service quality is good and meets the standards. This study is consistent with the research conducted by Mardikawati and Farida (2013), which analyzed the influence of customer value and service quality on customer loyalty through customer satisfaction, revealing a significant effect of service quality on loyalty.

The Impact of Store Atmosphere on Customer Loyalty.

The increasing number of cafes has led to a highly competitive environment. To succeed in this business competition, every business operator is required to compete effectively with competitors offering similar products. In the face of this competition, one alternative is to offer something different from others to retain customers and prevent them from switching to competitors. The ambiance of a cafe can serve as an alternative to differentiate one cafe from its competitors. Therefore, the ambiance offered to customers needs to be carefully planned by business operators.

According to Listiono (2015), it is stated that, "Customers will not recommend a restaurant to others if they do not find an atmosphere that appeals to them." Based on this statement, recommending to others is a stage of customer loyalty. Therefore, it can be interpreted that the store atmosphere influences customer loyalty. The results of previous research by Purnamasari

& Hidayat (2016) also indicated that Store Atmosphere has an impact on customer loyalty.

The Impact of Promotion On Customer Loyalty.

According to Cardia, Santika, & Respati (2019), advertising and sales promotions are forms of promotion that can influence customer loyalty. Moreover, advertising quality is also a key factor in creating long-term brand loyalty when marketers pay great attention to quality, reinforced by intensive advertising. Customer loyalty to a particular brand offered will be more easily obtained.

Lumintang (2013) presented the results of their research, indicating that the promotion variable has a significantly positive influence on customer loyalty. Other previous studies conducted by Setyaningsih & Mufida (2013) yielded results showing that promotion also has a significantly positive impact on customer loyalty. A similar research conducted by Chakiso (2015) showed that promotion significantly influences customer loyalty. In a similar study by Tahmasbizadeh, Hadavand & Manesh (2016), the results indicated that promotion has a positive and significant impact on customer loyalty. Another earlier study by Simanjuntak & Ardani (2018) on the impact of promotion on customer loyalty showed that promotion has a significantly positive influence on customer loyalty. A similar study conducted by Kuncoro & Sutomo (2018) also showed that promotion has a positive impact on customer loyalty.

Conclusion

Based on the research findings and discussions regarding the Influence of Service Quality, Store Atmosphere, and Promotion on Customer Loyalty at Seis Coffee, the following conclusions can be drawn: (1) The variables Service Quality, Store Atmosphere, and Promotion have a significant influence on Customer Loyalty at Seis Coffee. (2) The Service Quality variable significantly affects Customer Loyalty at Seis Coffee. (3) The Store Atmosphere variable significantly affects Customer Loyalty at Seis Coffee. (4) The Promotion variable significantly influences Customer Loyalty at Seis Coffee.

Based on the research findings and the conclusions above, the authors provides several recommendations to enhance Customer Loyalty at Seis Coffee, including: (1) Seis Coffee should continue to provide excellent service in other dimensions as well. In terms of the physical quality of the coffee shop, it should offer a comfortable and visually appealing environment. In terms of responsiveness, the coffee shop should provide clear information to customers about product availability and be responsive to customer orders. (2) Seis Coffee should have adequate facilities to make customers feel comfortable and encourage them to return for repeated visits. (3) Based on the research conducted by the researcher, it is evident that the promotional offerings by Seis Coffee have been successful and well-received by its customers. Therefore, Seis Coffee should maintain these efforts to retain existing customers and attract new ones.

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