

**The Influence of Store Atmosphere, Prices, And Promotions to
Consumer Loyalty on Café in Makassar**

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ABSTRACT

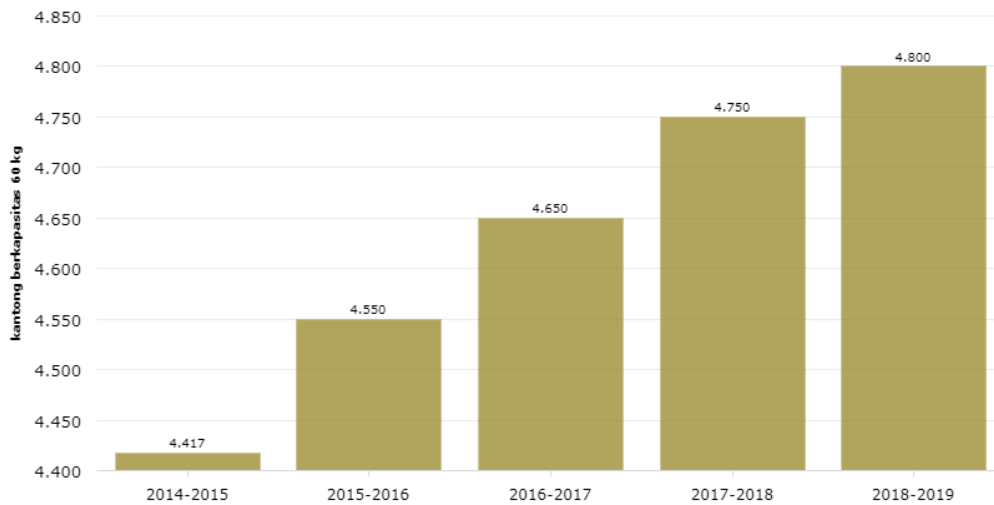
As time and technological progress, the patterns and lifestyles of people in Indonesia have also experienced significant changes. Changes in lifestyle and the increase in coffee consumption in Indonesia then encourage the development of cafes in Indonesia. However, the COVID-19 pandemic that spread in Indonesia led to the emergence of large-scale social restrictions (PSBB), restrictions on working or working from home (WFH), and the habit of staying at home (stay at home) changing people's habits of enjoying coffee in cafes. and cause the cafe business to decline so that the operational costs increases. The increase in operational costs causes cafe owners to review their business strategy to attract consumers and create consumer loyalty. Several ways that can be done in attracting consumer loyalty are through store atmosphere, prices, and promotions.

The purpose of this study was to investigate the effect of store atmosphere, price, and promotion on consumer loyalty either simultaneously or partially. The survey research method used. The collected data were tested in the form of validity testing, reliability testing, multiple regression analysis, and hypothesis testing. Two test were applied namely the F test to see the effect simultaneously and the t-test to see the partial effect. The result revealed that store atmosphere, price and promotion influences consumer loyalty partially and simultaneously.

Keywords: consumer loyalty, store atmosphere, price, and promotion

1. INTRODUCTION

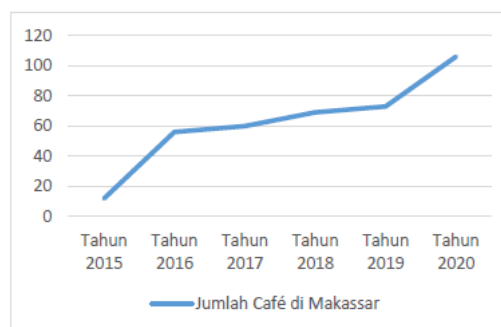
As time and technological progress, the patterns and lifestyles of the people in Indonesia have also experienced significant changes. Based on data from the International Coffee Organization (ICO) it was found that coffee consumption in the 2014-2015 was 4,417 tons, 2015-2016 was 4,550 tons, 2016-2017 was 4,650 tons, 2017-2018 was 4,750 tons and 2018-2019 was 4,800 tons. which is shown in Figure 1. This shows that the lifestyle of the Indonesian people in consuming coffee has increased rapidly.



Picture 1
Domestic Coffee Consumption in Indonesia 2014-2019
(Source: databooks.katadata.co.id)

Changes in lifestyle and the increase in coffee consumption in Indonesia then encourage developments in the coffee shop business in Indonesia. Based on the results of research conducted by TOFIN, it was found that in 2016 the number of coffee shops in Indonesia was 1,083 outlets and in 2019, increased by 300% where the number of recorded outlets is 2,937 outlets (bixbux.com).

Café is one part of the business in a coffee shop and is also experiencing rapid development where one of the areas experiencing a fairly high trend of increase is Makassar City. The increase in the café trend in Makassar itself can be seen in Figure 2 below:



Picture 2
Number of Cafés in Makassar
(Source: Dinas Pariwisata Kota Makassar dalam Ilyas dan Saraswati, 2021)

However, the COVID-19 pandemic that hit Indonesia led to the emergence of large-scale social restrictions (PSBB), restrictions on working or working from home (WFH), and the habit

of staying at home (stay at home) changing people's habits of enjoying coffee in cafes. and causing the cafe business to decline so that the operational costs increase (katadata.co.id). The increase in operational costs causes cafe owners to need to review their business to attract consumers back and create customer loyalty because consumers who have loyalty will not easily turn to competitors. Based on previous research, several ways that can be done in attracting consumer loyalty are through store atmosphere, prices, and promotions.

Based on the explanation and seeing the lack of research that reviews the three variables simultaneously in increasing loyalty, the researchers are interested in conducting research on "The influence of Store Atmosphere, Prices, and Promotions' to Consumer Loyalty on Café Makassar ". The purpose of this study is to determine the effect of store atmosphere, price, and promotion either partially or simultaneously on loyalty so that future business owners can use it as consideration and input in developing or running their businesses.

2. Literature Review

2.1. Store Atmosphere

According to Kotler and Keller (2016), the atmosphere is an environmental package that creates or reinforces a tendency toward product purchases. According to Meldarianda and S. (2010), the atmosphere is very important for consumers as the main consideration in deciding.

The store atmosphere is a physical characteristic of a store that emits an image and attracts consumers (Berman, Evans, and Chatterjee, 2018). Store atmosphere will affect the emotional state of the buyer which will cause or affect the purchase (Meldarianda and S; 2010). Varley (2006) explains that the store atmosphere will add emotional feelings, and a shopping experience and create enthusiasm and loyalty in shopping.

According to Furoida and Maftukhah (2018), store atmosphere can be the reason a consumer is interested or chooses a place to shop. Store atmosphere often affects a person's enjoyment of shopping so store owners need to pay attention to it to form a pleasant consumer experience (Berman, et. al, 2018; Kotler and Keller, 2016). Store atmosphere needs to be created and adapted to the basic motivation of consumers in shopping so that consumers take action to buy (Kotler and Keller, 2016; Widyastuti, 2017).

Consumers often have formed an impression of the store based on the atmosphere created, both inside and outside the store (Berman et. al, 2018) so stores need to pay attention to the atmosphere that they will form or offer to consumers. Berman et. Al (2018) divide store atmosphere into four main points, namely exterior, general interior, store layout, and interior (Point-of-Purchase) display.

Berman et. al (2018) found that the exterior has a large impact on the image of a store. The exterior gives an impression to consumers before entering the store. Budiman and Dananjoyo (2021) explain that because the exterior has a big impact, the store needs to pay attention and plan it as well as possible. General Interior has an impressive impact on consumers when consumers enter a store where consumers want a pleasant impression when entering the store (Budiman and Dananjoyo, 2021). Business actors need a plan when determining the location and facilities contained in the store. Store layouts need to be planned and executed sequentially (Berman et. al, 2018). Business actors need to use the available space as effectively as possible (Meldarianda and S; 2010). Store layout will affect consumer convenience when shopping, so attention is needed in designing several things, namely the distance between tables and chairs, placement of places to pay, wide streets, and so on (Budiman and Dananjoyo, 2021). Interior (Point-of-Purchase) Display provides information for consumers, adds a store atmosphere, and has a duty as a promotion place (Berman et. al, 2018).

2.2. Price

Price is the amount of money that serves as a medium of exchange to obtain products or services. Price can also be interpreted as determining product value in the minds of consumers (Abdurrahman, 2015; Kaligis, Mandey, and Roring, 2021). According to Kotler and Armstrong (2016) narrowly, price is defined as the amount of money charged to obtain a product or service, while in a broader sense, the price itself is a number of values that must be issued by consumers to benefit from owning or using products and services.

Consumers position the product according to the price offered to get the product. Consumers actively process price information through the product purchase experience, formal communication (advertising, telephone, and brochures), informal communication (friends, co-workers, family members), point of purchase, internet sources, and other factors. (Kotler and Keller, 2016).

Consumers when making decisions in making product purchases, are based on the consumer's perspective on the price itself for the products offered. Consumers see whether the price offered to get the product is commensurate with the benefits and quality of the product (Kotler and Keller, 2016).

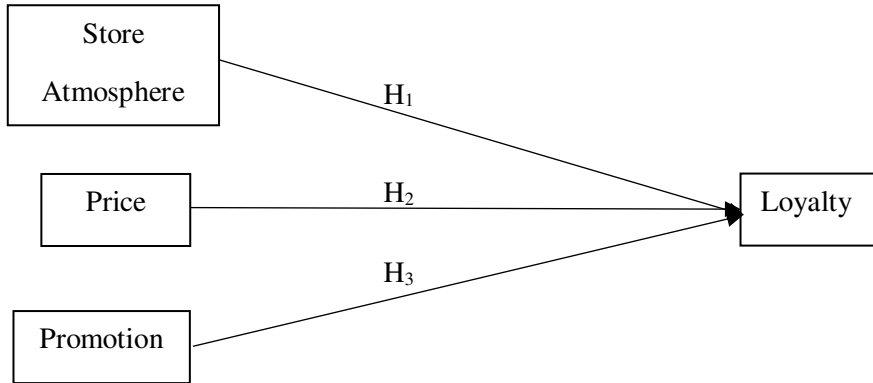
2.3. Promotion

According to Jono (2017), promotion is a company's effort to inform, persuade, or remind consumers about the company, its products, or its ideas so that the company's goals can be achieved. Kotler and Armstrong (2016) explain that the promotion mix or also called the marketing communication mix is a specific blend of advertising, public relations, personal selling, sales promotion, and direct marketing tools used by companies to communicate customer value persuasively and build customer relationships.

2.4. Loyalty

Loyalty is a condition in which a customer gives or shows a positive attitude toward a brand and has a commitment to them so that it raises the intention to continue buying in the future (Mowen and Minor, 2002; Purwanto, 2015). According to Borneo (2011), loyalty is an attitude shown by consumers toward the existence of products or services where a loyal customer will always come back and buy from a provider of goods or services and have a positive attitude towards it. Furthermore, Borneo (2011) explains that we will be able to find out consumer behavior including loyalty or not if the consumer has made a purchase process for the product or service offered by the market

2.5. Research Hypothesis



Picture 3
Hypothesis Framework

H₁: Store atmosphere influences consumer loyalty.

H₂: Price influences consumer loyalty.

H₃: Promotion influences consumer loyalty

H₄: Store atmosphere, price dan promotion have a simultaneous influence on consumer loyalty

3. RESEARCH METHODS

3.1. Research Design and Methods

This research method is an explanatory study and is a type of quantitative research. In this study, data was collected using primary data where data collection was carried out through the distribution of questionnaires. The questionnaire is a collection of several questions that have been prepared and prepared beforehand so that respondents can provide answers and the answers are stored which are generally close to the alternatives described (Sekaran and Bougie, 2016), and the questionnaire measurement scale used is the Likert scale.

This study uses validity and reliability tests in measuring the validity and reliability of the instruments used and using the F test and t-test in testing the hypothesis. This study does not use normality testing because the number of samples is more than 30 people where according to Gravetter and Wallnau (2015) if the number of samples exceeds 30 people, it can be assumed that this research has been well distributed and normal distribution testing is not necessary.

3.2. Population and Sample

The population according to Sekaran and Bougie (2016) is the whole group, person, activity or something to be studied where based on this explanation are those who have visited the café and the sample is part of the population.

In conducting the sampling required in the study, the researcher used the research formula from Wibisono quoted by Akdon and Riduwan (2013) which can be seen below

$$= \left(\frac{\left(\frac{Za}{2} \right) \cdot \sigma}{e} \right)^2$$

where:

N = number of samples

$\frac{Za}{2}$ = the value of the normal distribution table with a significance level of 95% = 1,96

σ = standard deviation which is equal to 25%

e = error is the error limit which is equal to 5%

Based on the formula above, it was found that the number of samples in this study was:

$$N = \left(\frac{1,96 \cdot 0,25}{0,05} \right)^2$$

N = 96.04 or 100 respondents

This research uses non-probability sampling techniques, namely, snowball sampling and purposive sampling. In this study, data was collected using primary data where data was collected through the distribution of questionnaires. The questionnaire is a collection of several questions that have been prepared and prepared beforehand so that respondents can provide answers and the answers are stored which are generally close to the alternatives described (Sekaran and Bougie, 2016), and the questionnaire measurement scale used is the Likert scale.

4. RESULT AND DISCUSSION

4.1. Result

Based on Priyastama (2020), the minimum limit to see whether an item in research is appropriate or not is the corrected item-total correlation which has a minimum value of 0.3. Based on the results shown in Table 1, it can be seen that all corrected item-total correlation values have a value greater than 0.3 so it can be said that all items in this study are feasible.

Table 1 Validity Analysis Test Result

Variable/ Indicator	Questioning Variable	Corrected Item Total Correlation	Status	
<i>Store Atmosphere (X1)</i>	Exterior 1	0.350	Valid	
	Exterior 2	0.461	Valid	
	Exterior 3	0.578	Valid	
	Interior 1	0.694	Valid	
	Interior 2	0.609	Valid	
	Interior 3	0.484	Valid	
	Interior 4	0.657	Valid	
	Interior 5	0.614	Valid	
	Store Layout 1	0.665	Valid	
	Store Layout 2	0.804	Valid	
	Point of Display 1	0.695	Valid	
	Point of Display 2	0.767	Valid	
	Price (X2)	Price 1	0.561	Valid
		Price 2	0.571	Valid
Price 3		0.505	Valid	

Promotion (X3)	Promotion 1	0.579	Valid
	Promotion 2	0.468	Valid
	Promotion 3	0.564	Valid
Loyalty (Y)	Loyalty 1	0.573	Valid
	Loyalty 2	0.545	
	Loyalty 3	0.604	Valid
	Loyalty 4	0.319	
	Loyalty 5	0.573	Valid

Source: SPSS Processing Result (2022)

Based on Priyastama (2020), in determining whether the instrument is reliable or not, the minimum limit for the Cronbach alpha value is 0.7. So as can be seen in Table 2, all of the Cronbach alpha values are above 0.7, which indicates that all instruments are reliable.

Table 2 Reliability Analysis Test Result

Variable/ Indicator	Cronbach's Alpha	Status
Store Atmosphere (X1)	0.896	Reliable
Price (X2)	0.709	Reliable
Promotion (X3)	0.713	Reliable
Loyalty (Y)	0.734	Reliable

Source: SPSS Processing Result (2022)

Table 3 shows the results of the partial test or t-test of the variables studied, namely store atmosphere, price, and promotion of loyalty. Based on the standard of significance according to Priyastama (2020), the independent variable is said to influence the dependent variable if the significance value is less than or < 0.05 so that based on the data displayed, it can be seen that the value of all variables is below 0.05 or in other words, it shows that every the independent variable has a significant effect on the dependent variable.

Table 3 Multiple Regression and t-Test Analysis Result

Variable/ Indicator	Cronbach's alpha		Standard Coefficients	t	Sig
	B	Std Error			
(Constant)	0.780	0.433		1.802	0.075
Store Atmosphere (X1)	0.285	0.106	0.254	2.694	0.008
Price (X2)	0.263	0.109	0.278	2.407	0.018
Promotion (X3)	0.210	0.105	0.217	1.995	0.049

Source: SPSS Processing Result (2022)

The multiple regression equations generated from table 3 are:

$$Y = 0.780 + 0.285X1 + 0.263X2 + 0.210X3$$

The multiple regression equation above shows that the variables consisting of store atmosphere, price, and promotion have a positive value on consumer loyalty with a value of 0.780

as a constant value. The constant value means that if the store atmosphere, price, and promotion variables do not exist, the loyalty value will increase by 0.780.

Table 4 F test Analysis Result

Model	df	F	Sig
Regression	3	21.340	0.000 ^b
Residual	97		
Total	100		

Source: SPSS Processing Result (2022)

The results of the simultaneous test or F test are shown in table 4. Based on the significance standard according to Priyastama (2020), the independent variable is declared to influence if the indicated significance has a value less than or < 0.05 . Table 7 shows that the significance value of the independent variable is 0.000 or less than 0.05 so this shows that the independent variables simultaneously have a significant effect on the dependent variable.

4.2. Discussion

Through the data obtained by researchers who have shown previously, it was found that the independent variables consisting of store atmosphere, promotions, and prices influence consumer loyalty cafes in Makassar either partially or simultaneously. The data displayed also shows that the greatest value is owned by Store Atmosphere which shows a value of 0.285 compared to the value of the price, which is 0.263, and promotion, which is 0.210, this data shows that store atmosphere has a greater influence than the other two variables on consumer loyalty. The results found also indicate that by increasing consumer loyalty, the café can improve the store atmosphere of the café, the promotions carried out and affordable prices for consumers.

The results of this study are in line with the results of the research found by Shin, Hwang, Lee, and Cho (2015) and Furoida and Maftukah (2018) where it was found that the store atmosphere has an influence on consumer loyalty and the results of research conducted by Septiani (2020) and Cahyani, Elvina, Hermawanto and Nasution (2021) namely price and promotion have an influence on consumer loyalty.

5. CONCLUSION

5.1 Conclusion

Based on the data and discussion that has been described previously, the researchers can draw several conclusions, namely as follows:

1. Store atmosphere consisting of the exterior, interior, store layout, and point of display influences consumer loyalty.
2. Price influences consumer loyalty.
3. Promotion influences consumer loyalty.
4. Store atmosphere, prices, and promotions have a simultaneous influence on consumer loyalty.

5.2 Suggestions

Based on the data and conclusions, there are several suggestions that researchers can give, namely as follows:

1. Independent variables, namely store atmosphere, prices, and promotions should continue to be implemented and improved to increase customer loyalty and retain existing customers.
2. Cafés should ensure that consumers can pay for products with the various payment methods offered, especially now that technology continues to develop rapidly.
3. In further research, researchers should conduct research on store atmosphere, prices, and promotions for other businesses besides cafes where it is known that since the COVID-19 Pandemic, so many other businesses have been affected so further research is needed in each business in different sectors to assist these efforts.

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