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by Steven Sunefo

STORE ATMOSPHERE, CONSUMER SATISFACTION, AND CONSUMER LOYALTY IN BEAUTY SALON SERVICES

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ABSTRACT

In big cities, the existence of beauty salon is very expected among the life of their citizen. The social media, such as Instagram, also trigger the citizen to care their physical appearances for their selfie pictures for posting their groups. As beauty salon is offering services, the tangible aspects become crucial in attracting the customers. The aim of this research is to examine the influence of store atmosphere to satisfaction and loyalty among the beauty salon customers. This research belongs to the causal research, in which the data are collected from the sampling of a population, with the accidental sampling technique. The numbers of the sample are 200 respondents. The data, then, are processed with the assistance of a software application of SmartPLS. The results of the research are obtained as the store atmosphere has a positive significant influence on the customer satisfaction, the store atmosphere also has a positive significant influence on customer loyalty, and the customer satisfaction has appositive significant influences on customer loyalty.

Keywords: store atmosphere, customer loyalty, customer satisfaction

1. INTRODUCTION

Rapid business development requires every entrepreneur to be able to determine the right strategy in seizing the existing market share. Companies can focus on consumer shopping experience as a material consideration for designing a marketing strategy policy. One form of strategy that can be implemented is to consider the store atmosphere.

Store atmosphere is an atmosphere referring to the physical characteristics of the store that project images and attract customers Berman and Evan (2012). Sezgin and Küçükköylü (2014), explained that the store atmosphere includes all physical and symbolic elements associated with internal and external organization of the store. There are two main groups of store atmosphere related to external and internal, where the exterior describes the outside of the store that can attract people to visit the store, while in term of internal describe the interior of the store that illustrates the maximum arrangement of goods available in stores. The purpose of the atmosphere is to create an environment where customers are encouraged to have sentimental feelings, increasing their chances of making more shopping. A positive or pleasant atmosphere will cause shoppers to spend more time in the store.

Wang and Ha's research (2011) found that store atmosphere has an effect on increasing consumer satisfaction. Customer satisfaction is a situation that is shown by customers when they realize that their needs and desires are as expected and are met properly. Kotler and Keller (2016), states that satisfaction is a feeling of pleasure or disappointment someone who appears after comparing the performance (results) of the product thought to the expected performance. If product performance is less than expectations, customers will be disappointed and if product performance is commensurate with expectations, customers will be satisfied and if product performance exceeds expectations, then the customer is very satisfied or very happy (Kotler and Keller, 2016).

Carranza and Diaz's research (2018) proves that consumer satisfaction has a significant effect on customer loyalty. Kotler and Keller (2016) define customer loyalty as the long-term success of a particular brand based on the number of customers who don't only buy once, but on the amount that is a repeat purchase. Garcia and Caro (2009) also explained that loyal customers are customers who make continuous purchases, not only buying one product but buying other products at the same business entity and recommending it to others and not being tempted by competitors. This study aims to determine the effect of store atmosphere on customer satisfaction and loyalty in beauty salon services.

The atmosphere of the store is one of the things that customers consider when going shopping. A pleasant atmosphere will affect the level of customer satisfaction (Miswanto and Angelia, 2017). Customer satisfaction is a situation that is shown by customers when they realize that their needs and desires are as expected and well fulfilled (Kotler and Keller, 2016). The results of Miswanto and Angelia's research (2017), prove that the store atmosphere has a positive influence on customer satisfaction. The results of Dabija and Babut's research (2014), found a significant and positive influence between store atmosphere and satisfaction.

H_1: Store Atmosphere affects the consumer satisfaction significantly in beauty salon services.

Store atmosphere includes all physical and symbolic elements associated with internal and external organization of stores (Berman and Evan, 2012). The aim of the atmosphere is to create an environment where customers are encouraged to have sentimental feelings, increasing their chances of making more Sezgin and Küçükköylü (2014) shopping.

The atmosphere of the shop can be a reason for customers to be interested and choose where he will visit and buy

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Furoida and Maftukhah (2018). The tendency to visit and buy back a certain product or service leads to customer loyalty. Kotler and Armstrong (2016, p. 138), loyalty is a commitment or principle held by customers to buy and support products or services that are preferred in the future. Furoida and Maftukhah research results (2018), prove that the store atmosphere has a significant effect on customer loyalty.

H₂: Store Atmosphere affects the consumer loyalty significantly in beauty salon services.

Having loyal customers is the goal of the company because customers can ensure long-term sustainability. Loyalty can be formed when customers are satisfied with the service and motivated to continue the relationship with the Furoida and Maftukhah brands (2018). Kotler and Keller (2016), states that satisfaction is a feeling of pleasure or disappointment someone who appears after comparing the performance (results) of the product thought to the expected performance.

Customer loyalty can be interpreted as a commitment or principle held by customers to buy and support products or services that are preferred in the future even though there are marketing efforts that can make customers change their minds Kotler and Armstrong (2016). Furoida and Maftukhah research results (2018), prove that customer satisfaction affects customer loyalty. Carranza and Diaz's research results (2018) also prove that consumer satisfaction has a significant effect on customer loyalty.

H₃: Consumer loyalty affects the consumer loyalty in beauty salon services.

H₄: Consumer satisfaction mediates the effect of store atmosphere to consumer loyalty in beauty salon services.
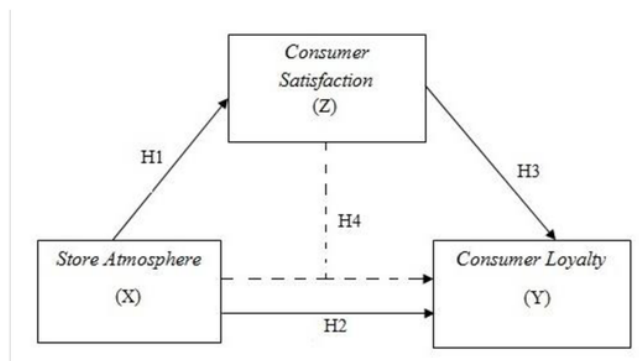
Research framework

Figure 1. Research framework

2.   RESEARCH FRAMEWORK

This research uses quantitative data analysis and uses questionnaire data collection method. This study is included in the type of causal research because one variable with other variables are interrelated namely the independent variable and the dependent variable.

The population in this study is the beauty salon consumers. Determination of the sample is done by using purposive sampling technique, which is a sampling technique with certain considerations. The consideration of sampling using the following criteria:

1. Minimum 16 years old
2. Been to a beauty salon in the past 6 months

In this study the sampling technique taken was the accidental sampling technique, which is a technique of determining samples based on coincidences, ie anyone who IS accidentally met with the researcher can be used as a sample, if it is deemed that the person met by chance is suitable as a source of data. In this study, two types of variables are exogenous (independent) and endogenous (dependent) variables. Endogenous variables in this study are Consumer Satisfaction (Z) and Consumer Loyalty (Y). The exogenous variable in this study is Store Atmosphere (X). The analysis technique in this research is Partial Least Square (PLS) analysis, using Smart Partial Least Square (PLS) software.

3.   ANALYSIS AND DISCUSSION

1. Convergent Validity

To test convergent validity, the outer loading or loading factor value is used. An indicator is declared to meet convergent validity in the good category if it has a loading factor> 0.70. However, for the initial research stage of developing the measurement scale, the value of loading factors 0.5-0.6 is still considered sufficient (Hair et al, 2010). The results of the correlation between the indicators with the contract as shown in the output below:

Table 1. Convergent Validity

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T- Statistics (|O/STDEV|)	P Values
Store Atmosphere (X)					
X1	0.539	0.535	0.069	7.853	0.000
X2	0.600	0.596	0.057	10.515	0.000
X3	0.667	0.664	0.050	13.325	0.000
X4	0.706	0.703	0.043	16.492	0.000
X5	0.691	0.687	0.049	13.955	0.000
X6	0.724	0.720	0.040	18.260	0.000
X7	0.665	0.659	0.056	11.900	0.000
X8	0.715	0.710	0.045	15.765	0.000
X9	0.754	0.751	0.036	20.711	0.000
X10	0.681	0.680	0.040	17.023	0.000
X11	0.742	0.742	0.031	24.220	0.000
X12	0.631	0.624	0.063	10.050	0.000
X13	0.567	0.563	0.064	8.815	0.000
Consumer Satisfaction (Z)					
Z1	0.921	0.921	0.013	73.596	0.000
Z2	0.930	0.930	0.011	88.056	0.000
Z3	0.877	0.877	0.017	50.790	0.000
Consumer Loyalty (Y)					
Y1	0.845	0.845	0.019	43.561	0.000
Y2	0.870	0.870	0.024	36.063	0.000
Y3	0.865	0.864	0.018	47.421	0.000
Y4	0.711	0.709	0.043	16.377	0.000

Based on Table 1 Store Atmosphere Variables (X) measured by 13 measurement items all are declared valid because the convergent value is above 0.5. Likewise the Consumer Satisfaction variable (Z) as measured by 3 items statement of all the indicators declared valid, because the loading factor value is above 0.5. The last construct is the variable Consumer Loyalty (Y) with 4 indicators which are all declared valid.

2. Discriminant Validity

This section will describe the results of the discriminant validity test. Discriminant validity test aims to test the validity of the indicator block. Discriminant validity test uses cross loading values. An indicator is declared to meet discriminant validity if the cross loading indicator value on the variable is the largest compared to other variables.

Table 2. Cross Loading

	Store Atmosphere (X)	Consumer Satisfaction (Z)	Consumer Loyalty (Y)
X.1	0.539	0.365	0.339
X.2	0.600	0.398	0.340
X.3	0.667	0.490	0.460
X.4	0.706	0.429	0.438
X.5	0.691	0.512	0.425

	Store Atmosphere (X)	Consumer Satisfaction (Z)	Consumer Loyalty (Y)
X.6	0.724	0.599	0.530
X.7	0.665	0.534	0.493
X.8	0.715	0.519	0.434
X.9	0.754	0.546	0.505
X.10	0.681	0.538	0.507
X.11	0.742	0.599	0.592
X.12	0.631	0.439	0.451
X.13	0.567	0.466	0.480
Z.1	0.702	0.921	0.681
Z.2	0.687	0.930	0.686
Z.3	0.650	0.877	0.675
Y.1	0.632	0.713	0.845
Y.2	0.590	0.639	0.870
Y.3	0.633	0.603	0.865
Y.4	0.416	0.491	0.711

Based on Table 2 above, it can be concluded that all constructs in the estimated model meet the discriminant validity criteria, because they have the largest cross loading value on the variable they form compared to the cross loading value on other variables.

3. Average Variance Extracted (AVE)

AVE illustrates the average variance or discriminant extracted on each indicator, so that the ability of each item to share measurements with others can be known. The AVE value equal to or above 0.50 indicates a good convergent.

Table 3. Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
Store Atmosphere (X)	0.550
Consumer Satisfaction (Z)	0.827
Consumer Loyalty (Y)	0.682

In Table 3 the AVE value for Store Atmosphere (X) is 0.550, Consumer Satisfaction (Z) is 0.827 and consumer loyalty (Y) is 0.682. At the critical limit of 0.5, the indicators in each construct have good discriminant validity.

4. Composite Reliability

Composite reliability is a part that is used to test the reliability value of indicators on a variable. A variable can be stated fulfilling composite reliability if it has a composite reliability value> 0.70. Here are the composite reliability values of each variable used in this study:

Table 4. Composite Reliability

	Composite Reliability
Store Atmosphere (X)	0.913
Consumer Satisfaction (Z)	0.935
Consumer Loyalty (Y)	0.895

Based on Table 4 it can be explained that from the provisions of good composite reliability is 0.7 it can be stated that each variable has met the composite reliability so that it can be concluded that all variables are adequate in measuring latent or construct variables that are measured so that it can be used in further analysis.

5. Cronbach's Alpha

Reliability test with composite reliability above can be strengthened by using Cronbach alpha value. A variable can be declared reliable or satisfies Cronbach's alpha if it has a Cronbach's alpha value> 0.6. Following is the cronbach's alpha value of each variable:

Table 5. Cronbach's Alpha

	Cronbach's Alpha
Store Atmosphere (X)	0.897
Consumer Satisfaction (Z)	0.895
Consumer Loyalty (Y)	0.843

Based on the test results in the above table, it can be seen that the Cronbach's alpha value of each study variable is > 0.60. Thus these results can indicate that each research variable meets the Cronbach's alpha value requirements, so it can be concluded that all variables have a high level of reliability.

Inner Model Evaluation
In assessing a model with PLS it starts by looking at the R-square for each latent dependent variable. Changes in the value of R-square can be used to assess the effect of certain independent latent variables on the dependent latent variable whether it has a substantive effect. For endogenous latent variables in the structural model which has an R2 of 0.75 indicating that the model is "strong", R2 of 0.50 indicates that the model is "moderate", R2 of 0.25 indicates that the model is "weak" (Ghozali, 2012). The PLS output as described below:

Table 6. The Value of R-Square

|	R Square
Store Atmosphere (X)	-
Consumer Satisfaction (Z)	0.559
Consumer Loyalty (Y)	0.603

The latent variable Store Atmosphere (X) which influences the Consumer Satisfaction variable (Z) in the structural model has an R2 value of 0.559 which indicates that the model is "moderate". Latent variables, store atmosphere (X) and customer satisfaction (Z) that affect the variable of customer loyalty (Y) in the structural model have an R2 value of 0.603 which indicates that the model is "moderate".

The appropriateness of the structural model can be seen from Q2, as follows:

$$Q^2 = 1 - [(1 - R_1)(1 - R_2)]$$
$$= 1 - [(1 - 0.559)(1 - 0.603)]$$
$$= 1 - [(0.441)(0.397)]$$
$$= 1 - [(0.175)]$$
$$= 0.825$$

The Q2 result achieved is 0.825, meaning that the Q2 value above zero provides an evidence that the model has the predictive relevance.

The inner model which is sometimes also called (inner relation, structural model and subtantive theory) specifies the relationship between research variables (structural model). This test is needed to determine the significance of the impact. The inner model serves to test hypotheses and also know the strength of the relationship between latent variables. The inner model test is used to evaluate the relationship between latent constructs as hypothesized in the research, based on PLS output, the following figure is obtained:
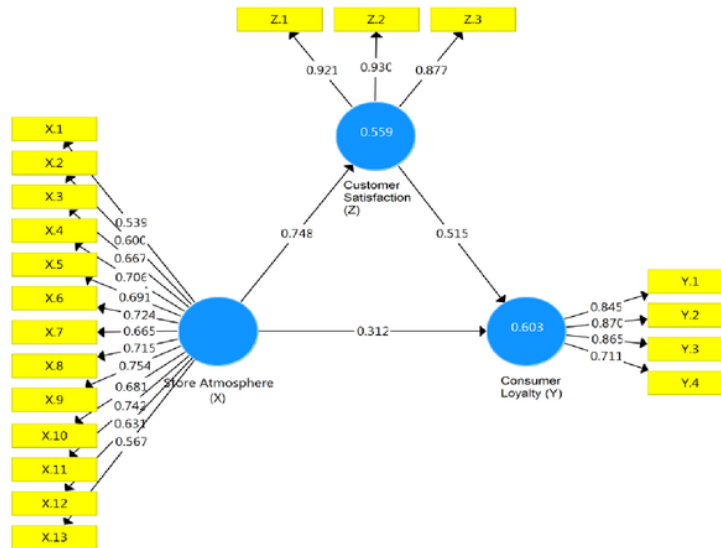
Figure 2. The Inner Model or the Structural Model

7. Hypothesis Testing

To answer the research hypothesis we can see the t-statistic in Table 7 below:

Tabel 7 Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)
Direct				
Store Atmosphere (X) -> Consumer Satisfaction (Z)	0.748	0.747	0.037	20.362
Store Atmosphere (X) -> Consumer Loyalty (Y)	0.312	0.312	0.073	4.299
Consumer Satisfaction (Z) -> Consumer Loyalty (Y)	0.515	0.514	0.071	7.210
Indirect				
Store Atmosphere (X) -> Consumer Satisfaction (Z) -> Consumer Loyalty (Y)	0.385	0.384	0.059	6.570

Test results show that:

1. The Effect of Store Atmosphere on Consumer Satisfaction

Store atmosphere has a significant effect on customer satisfaction, because the t-statistic value is 20,362 which means it is greater than 1.96. This means that the first hypothesis in this study which reads "Store atmosphere affects the consumer satisfaction in beauty salon services" is proved significant.

The results of hypothesis testing prove that store atmosphere has a significant effect on customer satisfaction positively. Positive effects that occur prove that the better the atmosphere of the store created, the more it will increase the feeling of satisfaction in the minds of consumers. This means that if the beauty salon services want to increase customer satisfaction, it is very important to pay attention to the store atmosphere of the beauty salon services. This is the same as the opinion of Miswanto and Angelia (2017), who said that the pleasant atmosphere in the store will affect the level of consumer satisfaction.

2. The Effect of Store Atmosphere on Consumer Loyalty

Store atmosphere has a significant effect on consumer loyalty, because the t-statistic value is 4,299 which means it is greater than 1.96. This means that the second hypothesis in this study which reads "Store Atmosphere affects the consumer loyalty in beauty salon services" is proved significant.

The results of hypothesis testing prove that store atmosphere has a significant positive effect on consumer loyalty. The positive influence that occurs between the store atmosphere variable with consumer loyalty can be interpreted that the more fun the store atmosphere is created, the more it will increase consumer loyalty. This means that if the beauty salon services pay more attention to the atmosphere of the store created, it will increasingly trigger consumers to be loyal and choose the beauty salon services as a choice in the future as a form of consumer loyalty. Consumer loyalty is a strong commitment to buy back consistently selected products or services in the future, despite the influence of the situation and marketing efforts that have the potential to cause behavior change (Oliver in Sudarso, 2016, p. 85).

3. The Effect of Consumer Satisfaction on Consumer Loyalty
Consumer satisfaction has a significant influence on customer loyalty, because the t-statistic value of 7,210 which means greater than 1.96. This means that the third hypothesis in this study which reads "Consumer satisfaction affects the consumer loyalty in beauty salon services" is proved significant.

The results of testing the hypothesis described above prove that consumer satisfaction has a significant effect on customer satisfaction with a positive effect. The positive influence between customer satisfaction and customer loyalty can be interpreted as a direct effect so it can be said that the higher customer satisfaction will increasing have an impact on increasing customer loyalty. Thus if the beauty salon services wants to increase consumer loyalty, it is very important to pay attention to the level of satisfaction felt by consumers towards the beauty salon services.
The results of this study are in line with the findings of Furoida and Maftukhah (2018), who found it customer satisfaction affects consumer loyalty. Carranza and Diaz's research results (2018), which also prove that consumer satisfaction has a significant effect on customer loyalty.

The Effect of Store Atmosphere on Consumer Loyalty through Consumer Satisfaction
Consumer satisfaction mediates the influence of store atmosphere on consumer loyalty, because the t-statistic value of 6,570 means greater than 1.96. This means that the fourth hypothesis in this study which reads "Consumer satisfaction mediates the effect of store atmosphere on consumer loyalty in beauty salon services" is proved significant.

4. CONCLUSION

Store atmosphere has a significant effect on customer satisfaction, which indicates that the better store atmosphere or store atmosphere that is presented by beauty salon services to consumers will increase consumer satisfaction, especially in better room lighting to be able to increase the attractiveness of the beauty salon, given the item get the highest rating on the store atmosphere variable.

Store atmosphere has a significant effect on consumer loyalty, which means that if the beauty salon services can implement a better store atmosphere, it will increasingly be able to increase consumer loyalty, especially in better room lighting in order to be able to increase the attractiveness of beauty salon, bearing in mind the item gets a rating the highest in the store atmosphere variable.

Consumer satisfaction has a significant effect on consumer loyalty. In other words, the more satisfied consumers are in using the services of the beauty salon services, the more it can influence consumers to be more loyal. This means that customer satisfaction is important, especially increasing overall satisfaction, given the item gets the highest rating on the store atmosphere variable.

Consumer satisfaction mediates the influence of store atmosphere on consumer loyalty. In other words, the more satisfied the customer is in using the services of the beauty salon services, the more influence the store atmosphere will have on the formation of consumer loyalty.

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