The Effect of Cafe Atmosphere on Loyalty through Customer Satisfaction

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Abstract

The lifestyle of people who like to go out for coffee has made many people open businesses. With the products or prices offered not much different, this makes it difficult for business owners to get loyal customers because of the many competitors. The atmosphere can be an alternative to distinguish one cafe from another. This study aims to determine the effect of atmosphere on consumer satisfaction and loyalty, and to determine the effect of cafe atmosphere on loyalty through customer satisfaction. This study uses a quantitative approach, where research focuses on measuring and analyzing cause-and-effect relationships between several variables. The research sample used was 100 cafe customers and data were obtained through distributing questionnaires. Data analysis using PLS obtained the results that the atmosphere has an effect on consumer satisfaction. Atmosphere also affects consumer loyalty. The unique finding of this research is that the cafe atmosphere affects loyalty through customer satisfaction.

Keywords: Café Atmosphere, Customer, Loyalty, Satisfaction

Introduction

The development of an increasingly modern era makes business development also more advanced. Businesses that are growing rapidly make competition increasingly fierce. One competition that often occurs is competition in the food and beverage business. This is often associated with higher community mobility and dense work activities and results in more people spending their time outside the home which results in people looking for something practical for their daily needs (Runtunuwu et al., 2014). The atmosphere created by the company well in the eyes of consumers will show the level of seriousness of the company in making consumers feel comfortable, the more comfortable the atmosphere created will make consumers feel satisfied so that consumers will repeat to come to make purchases (Kristiana, 2017). The atmosphere of a cafe can be an alternative to distinguish one cafe from another with more or less the same product and price (Listiono & Sugiarto, 2015).

As is the case in one of the cafes located in Ranu Klakah Lumajang, namely Headquarters Coffee. This cafe gives its own characteristics to pamper its customers, with the view of Mount Lemongan and Ranu Klakah making this cafe unique from the others. In addition to being a differentiation from other cafes, the creation of an adequate store atmosphere can provide its own satisfaction to consumers (Listiono & Sugiarto, 2015).

Consumer satisfaction is something that must be prioritized by the company for the sake of its business continuity (Runtunuwu et al., 2014). Consumer satisfaction is a response to customer fulfillment of a consumption experience, or a small part of the experience (Widiyanto, 2015). Highly satisfied consumers are likely to remain loyal despite getting attractive offers from competing companies (Nggaur, 2018).

Customer loyalty is a term used to describe the behavior of repeat customers, as well as those who offer good ratings, reviews, or testimonials (Gusma & Kustijana B, 2015). Customers are said to be loyal or loyal if the customer shows buying behavior on a regular basis. Repurchase interest or

loyalty is a customer's commitment to continue to repurchase or subscribe to the same product or service, which is not easy to be influenced by the surrounding circumstances. Several similar studies that use atmosphere, satisfaction, and loyalty variables include (Alfin & Nurdin, 2017; Harianto, 2013; Jesus Boavida, 2017; Kristiana, 2017; Kusuma Wijayanto, 2015; Listiono & Sugiarto, 2015; Widiyanto, 2015).

Based on the description above, the following hypothesis can be formulated, the first hypothesis is that the atmosphere affects consumer satisfaction. The second hypothesis is that the atmosphere affects consumer loyalty. The third hypothesis is that satisfaction has an effect on consumer loyalty. With this hypothesis, the purpose of this study is to determine the effect of atmosphere on consumer satisfaction and loyalty at Headquarters Coffee, and the effect of satisfaction on consumer loyalty. Empirically prove whether these factors can assess consumer satisfaction so that it can make consumers loyal to Headquarters Coffee..

Methods

This type of research is quantitative research based on the philosophy of positiveism, to examine certain populations, while the research instrument used is statistical data analysis that aims to test established hypotheses (Sugiyono, 2019). The data collection method used for this research is an interview with the owner of Headquarters Coffee and the results of a questionnaire filled out by respondents (consumers of Markas Coffee) in the form of questions that can represent the atmosphere of satisfaction which is an intervening variable on consumer loyalty. The sample used was 100 respondents, the sampling technique used was purposive sampling. The data analysis technique used is PLS (partial least square) with SmartPLS 3. The evaluation model used is the outer model with convergent validity, discriminant validity, composite reliability and the inner model with R square test.

Results and Discussion

Results of Data Analysis with Outer Model

Convergent validity test results. Questionnaires have been distributed to 100 respondents who are visitors or consumers of Lumajang Coffee Headquarters. And data management using SmartPLS3 which produces the loading factor value as follows:

Table 1. Convergent Validity Test Results

Variable	Item	Outer Loading
Café Atmosphere	X1.1	0,787
	X1.2	0,827
	X1.3	0,650
Satisfaction	Y1.1	0,838
	Y1.2	0,892
	Y1.3	0,838
Loyalty	Y2.1	0,914
	Y2.2	0,916
	Y2.3	0,921

Source: Data processed 2021

Discriminant validity test results. The recommended value is above 0.5. The following is the AVE value in the study processed with SmartPLS3:

Table 2. Discriminant Validity Test Results

Variable	AVE	Café Atmosphere	Satisfaction	Loyalty
Café Atmosphere	0,576	0,759		
Satisfaction	0,733	0,750	0,856	
Loyalty	0,841	0,700	0,778	0,917

Source: Data processed 2021

The entire value of the Fornell larcker criterion or HTMT or the value of the root of is greater than the correlation between other variables. In conclusion, the variable has a good discriminant validity value.

Composite realibility test results shows the consistency and stability of the measuring instrument in the study. A construct is said to be reliable if the Cronbach's alpha is 0.6 and the composite reliability value is 0.7 (Abdillah & Hartono, 2015).

Table 3. Composite Reliability Test Results

Variable	Cronbachs Alpha	Composite Reliability
Café Atmosphere	0,626	0,801
Satisfaction	0,818	0,892
Loyalty	0,906	0,941

Source: Data processed 2021

From table 3. it can be seen that all variables are said to be reliable because they have a Cronbachs alpha value > 0.6 and a composite reliability value > 0.7. So it can be concluded that the value of composite reliability is good.

Results of Data Analysis with inner model. R Square test results of data analysis from the inner model test using SmartPLS to show the relationship between latent variables that are evaluated by looking at the results of the percentage of variance explained by looking at the R Square value. The test results are shown in table 4. that is:

Table 4. R Square

Variable	R Square
Café Atmosphere	-
Satisfaction	0,562
Loyalty	0,637

Source: Data processed 2021

From table 4. it can be seen that the highest R Square value is in the loyalty variable which can be concluded as a good result. This means that the atmosphere is able to build consumer loyalty, an atmosphere that is suitable for consumers will make consumers to come again to the Coffee Headquarters.

Hypothesis using SmartPLS3 the relationship between variables can be seen from the results of the path coefficient and t-statistics. Path coefficient is a value that indicates the direction of the variable relationship, whether hypotheses 1-3 have a positive or negative influence. The path coefficient is in the range of -1 and 1. While the t-statistic is to find significant or insignificant values, if the value obtained is above 1.96, it is said to be significant. The results of data processing can be seen in table 5. the following:

Table 5. Hypothesis Test Results

Hypothesis	Path coefficient	T_{test}
Café Atmosphere → Satisfaction	0,750	16,232
Café Atmosphere → Loyalty	0,266	2,632
Satisfaction → Loyalty	0,578	5,818

Source: Data processed 2021

From the results of hypothesis testing shown in table 1.5. explained that hypotheses 1 to 3 had a positive and significant effect. This can be seen from the results of the path coefficient and t_{test}.

Atmosphere affects consumer satisfaction

The results of the case study at the Coffee Headquarters show that the first atmosphere variable has a positive effect with the path coefficient of 0.750 and is significant with the acquisition of a t-statistic of 16.232 on the atmosphere. with indicators of the uniqueness of the interior design has an influence on a pleasant experience. The unique interior design, with the theme of nature and the open space using a raft so that they can enjoy coffee in the middle of the ranu are different things for consumers. It turns out that this can provide a pleasant experience for consumers. Having a unique interior design is now very necessary, because the first time consumers are seen is the place. If the place alone can attract attention, consumers will definitely come to visit. In this millennial era, social media is still a priority for many people. And places that have unique interior designs are what many are looking for because they think places like this should be a collection in their photo gallery. That way, consumers feel that visiting the Coffee Headquarters which has a unique design from the others is the right choice. The uniqueness of the design of Markas Coffee that makes consumers curious comes directly to prove whether it is in accordance with their expectations. Directly experiencing the coffee atmosphere at Ranu Klakah, coupled with a unique place and all corners that look istagramable, makes consumers feel satisfied. Because what they expected before coming to the Coffee

Headquarters turned out to be in accordance with what had been previously expected. Second, the appropriate layout arrangement at the Coffee Headquarters can provide a pleasant experience. The arrangement of tables, chairs, and even lights must be adjusted really. Because this will make consumers feel comfortable while in the place. If consumers feel comfortable, they will also feel happy. That way the experience while at the Coffee Headquarters will be enjoyable. The layout of the Coffee Headquarters which has been adapted to the surrounding environment makes a very appropriate choice. Brewing coffee with a view of Mount Lemongan and a view of the surrounding community with various activities carried out around Ranu Klakah is the right choice to come to Coffee Headquarters. With the layout arrangement that has been adjusted to make consumers feel satisfied while at the Coffee Headquarters. Comfortable seats, good lighting, and beautiful views while enjoying coffee are expectations that are in line with what consumers expect. Third, the fresh air around Ranu Klakah gives a pleasant experience. Far from pollution, the cool weather feels very natural, now more sought after. Because consumers want to feel the calm away from the fatigue of the city. Make it a relaxation for them so as to make a pleasant experience. And also be a right choice. Because what is desired is in line with expectations. So the atmosphere has an influence on consumer satisfaction, which means that the atmosphere offered is in accordance with what consumers expect. Therefore, consumers are satisfied with the atmosphere at Headquarters Coffee. The results of this study are supported by previous research conducted by (Kristiana, 2017; Raihana & Setiawan, 2018).

Atmosphere affects Consumer Loyalty

According to the results of hypothesis testing, the atmosphere on consumer loyalty has a positive effect, this is indicated by the results of the path coefficient assessment of 0.266 and has a significant effect because the t-statistic value is 2.632. This means that the atmosphere at the Coffee Headquarters plays an important role in consumer loyalty. Unique designs will make a good impression on consumers. With memorable consumers will make them tell about what they have experienced to others. Tells the atmosphere in the place (Coffee Headquarters). Tells that Headquarters Coffee has a unique design from other places. It is a coffee place with a backdrop of Ranu Klakah, Mount Lemongan as a view, and enjoying coffee in the middle of Ranu. Those are positive things that consumers want to feel again. That way consumers will invite their family, friends, and closest people to come to the Coffee Headquarters. Recommend them to see for themselves the unique designs that are in Markas Coffee. This will obviously make a repeat purchase and another visit to the Coffee Headquarters. The appropriate layout arrangement will give a good impression to consumers. So that consumers can share their experiences with those closest to them. By telling stories indirectly, consumers will recommend that they also visit the Coffee Headquarters. These consumers will also become loyal buyers. Good air circulation and fresh temperature at the Coffee Headquarters in an open space are positive values for consumers. In an atmosphere like that makes drinking coffee feel delicious. Positive impression will be conveyed to others. Invite others to enjoy coffee together at the Coffee Headquarters. That way, consumers will come again to do repeat purchases, he can also invite his friends to enjoy coffee together so that he unconsciously invites new consumers. So Headquarters Coffee is able to provide an attractive atmosphere to consumers so that it can make consumers want to visit again which means consumers become loyal to Headquarters Coffee. The results of this study are supported by previous research conducted by (Alfin & Nurdin, 2017; Harianto, 2013; Listiono & Sugiarto, 2015).

Satisfaction affects consumer loyalty

The results of the research that has been carried out by researchers show that satisfaction has a positive effect, this is obtained from the path coefficient of 0.578 and is significant as seen from the t-statistic acquisition value of 5, 818 on consumer loyalty. This means that satisfaction can be an intervening on consumer loyalty, the satisfaction felt by Markas Coffee consumers makes the influence of the atmosphere on loyalty stronger. Coffee in the middle of the ranu at Markas Coffee provides a pleasant experience. Not all cafes can provide this experience, its own satisfaction for consumers to experience such an experience. Telling positive things about the experience when visiting the Coffee Headquarters to others. That way, people who heard the story became curious and consumers did not hesitate to recommend it to come to the Coffee Headquarters. With such satisfaction, consumers will return visits to make repeat purchases. Visiting Headquarters Coffee is the right choice, to just relax. Various kinds of interesting choices provided by Headquarters Coffee make consumers not feel bored. In fact, positive stories will be told to their friends when they get

experience at the Coffee Headquarters. Consumers like this do not hesitate to invite their friends or family to come and intend to make a return visit to the Coffee Headquarters. Consumer expectations that match what is expected make consumers do not hesitate to recommend friends and continue purchasing. That satisfaction can increase the influence of the atmosphere on consumer loyalty. So it can be said that the consumers of Headquarters Coffee are loyal. The results of this study are supported by previous research conducted by (Jesus Boavida, 2017; Kusuma Wijayanto, 2015; Nalendra, 2018; Widiyanto, 2015).

Conclusion

Based on the research results that have been described, this study aims to determine whether the atmosphere affects consumer satisfaction, whether the atmosphere affects consumer loyalty, and whether satisfaction affects consumer loyalty. After doing research and getting respondent data from the questionnaires that have been distributed, the researchers process the data using the outer model and inner model measurement models, then get the following results, the atmosphere affects consumer satisfaction, atmosphere affects consumer loyalty, and satisfaction affects consumer loyalty. Based on the discussion and conclusions of this study, the authors propose suggestions to increase consumer satisfaction through the atmosphere of Headquarters Coffee by making more creative innovations, expanding the Headquarters Coffee area in order to get more consumers. For the next researcher, they can further expand the object of research, develop other variables such as price, product quality, and service quality that may affect consumer loyalty.

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