THE EFFECT OF MODERN RETAIL MIX, QUALITY OF SERVICE, AND STORE ATMOSPHERE ON LOYALTY WITH MODERN RETAIL CONSUMER SATISFACTION MEDIATION JEMBER

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Abstract

Economic growth and the development of an increasingly modern era, especially in Indonesia, have had an impact on the transformation of the shopping culture of the Indonesian people. This change in lifestyle is evident in those who previously shopped at traditional markets, but now the majority of Indonesians prefer to shop at modern markets such as supermarkets and minimarkets. Changes in people’s behavior and consumption patterns as they are today, in line with the increase in people's income, have also led to an increase in the lifestyle needs of the community. Then the purpose of this study is to determine and analyze the mediating role of consumer satisfaction variables on the effect of the modern retail mix, service quality, and store atmosphere on consumer loyalty at Alfamart or Indomaret Jember. The type of research used is quantitative research, in which this research is examined based on phenomena that actually occur. The population of this research I took from consumers of Alfamart or Indomaret in the Jember area. The number of samples in this study was 119 respondents. The method used is Path Analysis using the SPSS (Statistical Program for Social Science) application. The results of this study indicate that the path coefficient of the effect of the modern retail mix on consumer satisfaction shows a positive and significant effect. This also proves that the more satisfied consumers are with the service quality and store atmosphere in modern retail, it can increase the loyalty of these consumers.

Keyword: Retail Mix, Service quality, Store atmosphere, Lifestyle, Path Analysis

1. INTRODUCTION

Economic growth and the development of an increasingly modern era, especially in Indonesia, have had an impact on the transformation of the shopping culture of the Indonesian people. This change in people's lifestyles is evident from those who used to shop at traditional markets, but now Indonesians prefer to shop at modern markets such as hypermarkets and minimarkets. Changes in people's behavior and consumption patterns, as they are today, are in line with the increase in people's income, which also causes an increase in community needs. This consumer behavior is one of the driving factors for the development of Indonesia's modern retail industry. therefore, this is a good opportunity for business people, especially modern retailers.

The modern retail industry can be interpreted as an industry that sells products and directly provides services to end consumers (Berman and Evan, 2007:544). Most of the products sold are daily household needs using a self-service system, where consumers take their own products or goods without being assisted by serving salespeople. The sales growth of the modern retail business in Indonesia in the last few years from 2013-2021 has experienced quite an increase and decrease. Data in 2021 shows the growth of modern retail sales in Indonesia by 9.8%.
The record increased compared to the previous year, namely -14.6%. This data hit a record high of 15.2% in 2013 and a record low of -14.6% in 2020 (CEICdata.com).

2. LITERATURE REVIEWS

Utami (2010: 05) argues, modern retail comes from the French, retail modernlier, which means cutting or breaking something. Related to the activities carried out, modern retail shows an effort to break down goods or products that are produced and distributed by manufacturers or companies in large and mass quantities to be consumed by final consumers in small quantities according to their needs. So retail traders can be said to be traders who sell goods on a small scale that are consumed by individuals or families. Kotler and Armstrong (2008:235) define service quality as an activity carried out by a party and basically this activity is intangible and does not give ownership of anything. A service can be said to be of good quality if the service is the same as what consumers expect (Siahaan and Retaningsih, 2017).

Service activities are carried out by staff to their customers. Give an impact on customer satisfaction. If there are many positive responses related to the services provided by the company to consumers, it will have a good impact on the image of the company itself. The quality of good service provided by the company must also be constant or continuous so that the feedback given by consumers is good because of the consistent quality of service.

According to Tjiptono and Chandra (2012:74), Mentioning service quality is a comparison between the quality of services provided by the company and the quality of services expected by consumers. The services provided by the company will get a good response from consumers if the service is good or in accordance with what is expected by consumers. The quality of the services provided by the company can be directly assessed by its consumers, if the service exceeds consumer expectations, the consumer can feel satisfied, but if the service received by the consumer is lower than desired, the consumer can feel disappointed about it.

The store atmosphere is a combination of several elements of the store's physical characteristics such as coloring, temperature, architecture, sound, lighting, signage, and layout, where all of these elements create a company image in the minds of consumers or shop visitors (Berman, 2007:545). The store atmosphere is one of the elements used to attract consumers or potential customers by business owners so that consumers visit and make purchases at their stores. A good store atmosphere is able to make consumers enjoy the entire buying process offered by retailers and make them feel at home to linger in the store.

According to Yulisetiarini and Mawarni (2020), consumer satisfaction needs attention to the response of a product or service offered, basically, satisfaction is the goal of the company. Satisfaction at a high level will provide benefits for the company so that consumers enjoy the same product or service again. Conversely, if the level of satisfaction is low, then companies that do the same thing will be threatened with losing consumers because dissatisfaction will encourage consumers to move products or services to other companies that can better meet consumer expectations. Feelings of pleasure or disappointment from someone arising from comparing the product (or result) against their expectations with perceived performance are called satisfaction (Kotler and Keller, 2009:139).

Loyalty is a deeply held commitment to buy or re-support a preferred product or service in the future despite the effect of the situation and marketing efforts that cause consumers to switch (Kotler, 2016: 138). Based on this opinion, it can be seen that loyalty is a commitment from consumers that forms consumer loyalty to a product or service, resulting in consumers making continuous purchases of the selected product or service. Consumers will remain consistent and not easily affected by volatile market situations and in general, can affect consumer behavior.

Basically, real loyalty will not be formed, if consumers do not or have not made the purchase process first. Consumer loyalty is a consumer who is strongly...
committed to buying or subscribing to certain products or services in the future (Kotler and Keller, 2009: 138). According to the general understanding that consumer loyalty is a consumer with a strong commitment to subscribe or repurchase the preferred product and service consistently in the future, despite the effect of the situation that has the potential to cause switching behavior. According to Griffin (2005:5), the concept of consumer loyalty is more associated with behavior (behavior) than with attitudes. decision.

Consumer Loyalty cannot be separated from the positive response of consumers who feel happy or happy when shopping or when using the services of a company so that consumers have an interest in buying or using services repeatedly.

There are many benefits that can be taken if you get loyal customers, but building customer loyalty is certainly not easy and requires a process to achieve it. Companies must understand correctly what the wants and needs of consumers are to be able to achieve the desired goals.

3. METHODOLOGY

The population in this study are modern retail consumers in Jember. What is meant by modern retail in this study is Alfamart or Indomaret, thus the population of this study is all consumers of Alfamart or Indomart retail in Jember. The sampling method in this study uses non-probability sampling, where this method does not provide equal opportunities or opportunities for each member of the population to be selected as a sample.

Sampling was carried out in two stages (multistage sampling) with the aim that there was consumer representation in each sub-district. The first stage is the selection of sub-districts using purposive sampling, the selection criteria are based on the sub-district area of the ex-kotatif Jember city, then the second stage will be selected by consumers in the selected sub-district. Therefore, the respondents are all consumers who shop at Alfamart or Indomaret in the sub-district. However, they still face time, cost, and skill constraints, for this reason, the respondents used are those who have the conditions and are willing to fill out the questionnaire. The conditions in question are:

1. Respondents have visited and made repeated purchases of private label Alfamart, and Indomaret products at least 2 (two) times.
2. Respondents aged at least 17 years and over with the consideration that respondents aged 17 years have matured in providing answers to research questionnaires (Hartono, 2004:27).
3. The period for filling out the questionnaire is 1 month. Respondents are at least 17 years old. This study used a sample of 119 respondents. The type of data in this study came from answers to questionnaires distributed online using a Likert scale.

1. Conceptual Framework

4. RESULT

The results of the analysis of the T-test on the effect of the modern retail mix on consumer loyalty showed a significant effect by looking at the significance level of 0.601. The results of the path analysis also show that the modern retail mix has a direct effect on Indomart or Alfamart with a coefficient value of 0.149 or 14.9%. The relationship shown by the regression coefficient is positive, meaning that the better the Modern Retail Brands offered, the more customer satisfaction will increase. Therefore, when Indomart or Alfamart provides Modern Retail Baruan facilities on their products, it can increase satisfaction with consumer loyalty.

1. t Test table
### Standardized Path

<table>
<thead>
<tr>
<th>Path</th>
<th>Beta</th>
<th>Sig</th>
<th>A</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 → Z</td>
<td>0.601</td>
<td>0.000</td>
<td>0.05</td>
<td>Significant not significant</td>
</tr>
<tr>
<td>X2 → Z</td>
<td>0.104</td>
<td>0.298</td>
<td>0.05</td>
<td>Significant not significant</td>
</tr>
<tr>
<td>X3 → Z</td>
<td>0.151</td>
<td>0.103</td>
<td>0.05</td>
<td>Significant not significant</td>
</tr>
<tr>
<td>X1 → Y</td>
<td>0.124</td>
<td>0.018</td>
<td>0.05</td>
<td>Significant</td>
</tr>
<tr>
<td>X2 → Y</td>
<td>0.153</td>
<td>0.006</td>
<td>0.05</td>
<td>Significant</td>
</tr>
<tr>
<td>X3 → Y</td>
<td>0.139</td>
<td>0.007</td>
<td>0.05</td>
<td>Significant</td>
</tr>
<tr>
<td>Z → Y</td>
<td>0.643</td>
<td>0.000</td>
<td>0.05</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Based on Table 4.7 for the first path analysis, it can be explained that the modern retail mix (X1) and consumer satisfaction (Z) have a significant effect because it produces a significant value of 0.000 which is smaller than = 0.05. The second path can be that service quality (X2) with consumer satisfaction (Z) The results of the analysis on the t-test on the effect of Service Quality on Consumer Satisfaction showed an insignificant effect by looking at the significance level of 0.104. These results indicate that the effect of Service Quality has an insignificant effect on Consumer Satisfaction. The results of the path analysis also show that Service Quality does not directly affect Consumer Satisfaction with a coefficient value of 0.048 or 4.8%. The relationship shown by the regression coefficient is negative, meaning that the better the quality of service, the more customer satisfaction will increase. has an insignificant effect, which is 0.298 which is greater than = 0.05. The third path is store atmosphere (X3) with consumer satisfaction (Z), then the research shows that store atmosphere partially has no significant effect on consumer satisfaction. The hypothesis that states that the store partially has no effect on consumer satisfaction is proven true or H3 rejected.

Store atmosphere on consumer satisfaction is negative. Has an insignificant effect that is equal to 0.103 which is greater than = 0.05. Store atmosphere (X3) consumer loyalty (Y) has a significant effect of 0.018, which is smaller than = 0.05. The fourth path The fifth path of consumer satisfaction (X2) and consumer loyalty (Y) has a significant effect of 0.148, which is smaller than = 0.05. The sixth line of store atmosphere (X3) with consumer loyalty (Y) has a significant effect of 0.007, which is smaller than = 0.05. The seventh path of consumer satisfaction Citizenship behavior (Z) consumer loyalty (Y) has a significant effect of 0.000 which is smaller than = 0.05.

The results of the analysis on the t-Test or (X2) the effect of Baruan Retail Modern on consumer loyalty shows a significant effect by looking at the significance level of 0.018. The results of the path analysis also show that the Baruan Retail Moder has a direct effect on consumer loyalty with a coefficient value of 0.170 or 17%. The relationship shown by the regression coefficient is positive, meaning that the better the New Retail Modern offered, the higher consumer loyalty will be. The effect of service quality retail on fifth consumer loyalty. The results of the analysis of the T-test on the effect of service quality on consumer loyalty showed a significant effect by looking at the significance level of 00.6. The path analysis results also showed that the modern retail mix had a direct effect on Indomart or Alfamart with a value coefficient of 0.153. The relationship shown by the regression coefficient is positive, meaning that the better the quality of services offered, the more customer satisfaction will increase. Therefore, when Indomart or Alfamart provide quality service facilities for their products, it can increase satisfaction with customer loyalty. Sixth The results of the analysis on the T-test on the effect of Store Atmosphere on consumer loyalty showed a significant effect by looking at the significance level of 0.007.

The results of the path analysis also show that the Store Atmosphere has a direct effect on Consumer Satisfaction with a coefficient value of 0.139. The relationship shown by the regression coefficient is positive, meaning that the better the Store Atmosphere with bright lighting, the more consumer satisfaction will increase. Therefore, whenalfamart or Indomart companies apply Store Atmosphere to their services, it will increase consumer loyalty and the results of the analysis on the t-test on the effect of consumer satisfaction on purchasing decisions show a significant effect by looking at the significance level of 0.000.

These results indicate if the effect of consumer satisfaction has a significant effect on purchasing decisions. The results of the path analysis also show that Service Quality has a direct effect on Purchase Decisions with a coefficient value of 0.450 or 45%. The relationship shown by the regression coefficient is positive, meaning...
that the better the Consumer Satisfaction, the higher the Purchase Decision.

2. Path Analysis

![Diagram of path analysis](image)

a. direct Effect (direct Effect)
X1Z: the path coefficient of the direct effect of the modern retail mix (X1) on consumer satisfaction (Z) is 0.308
X2Z: the path coefficient of the direct effect of service quality (X2) on consumer satisfaction (Z) is 0.048
X3Z: the path coefficient of the direct effect of store atmosphere (X3) on consumer satisfaction (Z) is 0.056
X1Y: the path coefficient of the direct effect of the modern retail mix (X1) on consumer loyalty (Y) is 0.149
X2Y: the path coefficient of the direct effect of service quality (X2) on consumer loyalty (Y) is 0.122
X3Y: the path coefficient of the direct effect of store atmosphere (X3) on consumer loyalty (Y) is 0.168
ZY: the path coefficient of the direct effect of consumer satisfaction (Z) on consumer loyalty (Y) is 0.643

b. Indirect Effect (Indirect Effect)
1. The indirect effect of the modern retail mix (X1) on consumer loyalty (Y) through customer satisfaction (Z) is 
   \[(0.308 \times 0.643) = 0.198\]
2. The indirect effect of service quality variable (X2) on consumer loyalty (Y) through customer satisfaction (Z) is
   \[(0.048 \times 0.643) = 0.030\]
3. The indirect effect of store atmosphere variable (X3) on consumer loyalty (Y) through customer satisfaction (Z) is
   \[(0.056 \times 0.643 ) = 0.056\]

c. Total Effect (Total Effect)
1) Total Effect: Y X1→Z→Y, 0.149 + 0.198 = 0.347
2) Total Effect: Y X2→Z→Y, 0.122 + 0.030 = 0.152

The path coefficient is calculated by making a structural equation, namely the equation regression showing the relationship. The path analysis model in the equation is as follows:

\[Z = 0.308X1 + 0.048 X2 + 0.056 X3 + e1......(Equation 1)\]
\[Y = 0.149 X1 + 0.168 X2 + 0.122 X3 + 1,151 Z + e2..............(Equation 2)\]

Where:
X1 = modern retail mix
X2 = service quality
X3 = store atmosphere
Z = satisfaction
Y = loyalty
1, e2 = residual variable/error

The results of the structural equation of the path coefficient The effect of the modern retail mix, service quality, store atmosphere, and consumer loyalty through customer satisfaction at Alfamart or Indomaret still cannot be interpreted before the classical assumption test is carried out first in order to be free from multicolinearity, heteroscedasticity and meet the normality assumptions of the model.

5. DISCUSSION

The results of the t-test of the first hypothesis (H1), show that the modern retail mix has an effect on satisfaction. The relationship shown by the regression coefficient is positive if the goods for daily needs are fully available at Alfamart or Indomaret so that it has an effect on good testimonials from consumers. This means that if the goods that consumers need are available, it will increase customer satisfaction. This is the sign (H1 is accepted). This is in accordance with previous research conducted by Artha Tatum and Sardi Sarmi (2020: 105), Various kinds of merchandise (Merchandise Assortments) Various kinds of merchandise, as in retail stores in general, products offered by Indomaret or Alfamaer minimarkets, both from in terms of types and brands offered. As a retail store that provides daily needs (customer goods) such as basic necessities, snacks, and food

Based on the results of the study, it is known that a good way of dressing will give good testimonials as well as neatly dressed from a career that has a positive and
significant impact on increasing consumer loyalty to Alfamart or Indomaret through consumer satisfaction.

According to Tjiptono and Chandra (2012:74) said service quality is a comparison between the quality of services provided by the company and the quality of services expected by consumers. Determination of prices that are in accordance with the customers makes consumers feel satisfied, this is the same as previous research that was examined, Yulisetiarini Diah et al., (2022) stated that the quality of service proved to have an effect on customer satisfaction at the Legian Jember Restaurant.

In accordance with consumer expectations, the existence of this parking area also increases the sense of satisfaction among consumers. In addition, the availability of a large parking area makes consumers comfortable and in line with expectations. This is in line with research conducted by Utami (2010: 279), store atmosphere is environmental design through music, fragrances, visual communication, lighting, and color to affect consumers in buying a product. goods and designing the emotional response of consumers' perceptions it is also stated that the Store Atmosphere is one of the elements used to attract consumers or potential consumers by business owners so that consumers visit and make purchases in their stores. Widiastuti et al.,(2021)

Analysis of the structural equation model (SEM) against the second hypothesis (H2) shows that sales promotion has an effect on satisfaction on the day of the Shopee special event. The relationship shown by the regression coefficient is positive, meaning that if the sales promotion carried out by Shopee e-commerce at the time of Shopee's special event day increases, it will increase customer satisfaction. This is the sign (H2 is accepted). The results of this study are in line with previous research conducted by Septiani (2020) which stated that there was a significant effect of sales promotion on customer satisfaction. The results of this study indicate that a good sales promotion will have a significant positive effect on customer satisfaction.

The store atmosphere partially has no significant effect on consumer loyalty through consumer satisfaction. The hypothesis that states that the store partially affects consumer satisfaction is proven true or H3 is rejected. The store atmosphere here on consumer satisfaction is negative.

The results of the analysis on the T-test on the effect of Store Atmosphere on Consumer Satisfaction showed a significant effect by looking at the significance level of 0.643. The results of the path analysis also show that the Store Atmosphere has a direct effect on Consumer Satisfaction with a coefficient value of 0.151 or 15.1%. The relationship shown by the regression coefficient is positive, meaning that the better the store atmosphere offered, the more customer satisfaction will increase. Therefore, when Alfamart or Indomaret companies provide Store Atmosphere facilities for their products, it will increase consumer satisfaction.

The results of the analysis show that the effect of Baruan Retail has a significant effect on Consumer Loyalty. The results of the path analysis also show that Baruan Retail has a direct effect on Consumer Loyalty with a coefficient value of 0.190 or 19%. The relationship shown by the regression coefficient is positive, meaning that the better the quality of service, the higher the purchasing decision. The results of this study are in line with Artha Tatum and Sardi Sarmi (2020) conducting research that discusses the effect of the modern retail mix on consumer satisfaction and loyalty. The modern retail mix is a modern retail decision variable that is used to meet consumer needs. The analysis of the t-test on the effect of service quality on consumer loyalty shows a significant effect by looking at the significance level of 00.6. The results of the path analysis also show that the modern retail mix has a direct effect on Indomart or Alfamart with a coefficient value of 0.153. The relationship shown by the regression coefficient is positive, meaning that the better the quality of services offered, the more customer satisfaction will increase. Therefore, when Indomart or Alfamart provide quality service facilities for their products, it can increase satisfaction with customer loyalty.

Service quality in this study was measured using five indicators. The average respondent gave an agreed response on the overall indicator which is equal to 53.78%. In the first indicator, the majority of respondents agree that dressing well employees make respondents loyal consumers. This explains that the
A neater way to dress for Alfamart or Indomart will increase consumer loyalty.

The analysis of the T-test on the effect of Store Atmosphere on consumer loyalty shows a significant effect by looking at the significance level of 0.007. The results of the path analysis also show that the Store Atmosphere has a direct effect on Consumer Satisfaction with a coefficient value of 0.139. The relationship shown by the regression coefficient is positive, meaning that the better the isolated Store Atmosphere, the more customer satisfaction will increase. Therefore, when Alfamart or Indomart companies apply Store Atmosphere to their services, it will increase consumer loyalty.

Store Atmosphere in this study was measured using seven indicators. The average respondent gave an agreed response on the overall indicator which is equal to 54.62%. In the first indicator, the majority of respondents agree that when using the Store Atmosphere, consumers can clearly see the words Alfamart or Indomaret. This explains that the more consumers perceive that the writing of Alfamaet or Indomat is clear, the more loyal consumers will be.

This explains that if consumers are satisfied, it will increase customer loyalty. In the second indicator, the majority of respondents agree that there is a sense of wanting to make a repeat purchase. This explains that if consumers feel they want to repurchase Alfamart or Indomart when making a purchase, it will increase consumer loyalty.

Consumer Satisfaction According to Lupiyoadi (2013: 228), and Tjiptono (2015: 62) consumer satisfaction is the level of feeling felt by consumers resulting from a comparison of the performance of the product or service received with what is expected. Yulisetiarini et al. (2020), & Yuliastiarini and Mawardi, consumer satisfaction needs attention to the response of a product or service offered. Research by Wardhana (2016), and Wirawan et. al. (2019) shows the results that consumer satisfaction has a significant effect on consumer loyalty.

6. CONCLUSION

The results of this study indicate that the modern retail mix, service quality, and store atmosphere have a significant effect on consumer loyalty. The largest indirect effect on consumer loyalty and consumer retail mix at modern retail Alfamart or Indomaret Jember.

REFERENCES


