

American Journal of Humanities and Social Sciences Research (AJHSSR)

e-ISSN :2378-703X

Volume-5, Issue-4, pp-395-402

www.ajhssr.com

Research Paper

Open Access

The Effect of Product Quality, Service Quality, and Atmosphere Stores on Customer Satisfaction and Its Impact on Repurchase Intention

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ABSTRACT: The purpose of this study was to determine the effect of product quality, service quality, and store atmosphere on customer satisfaction and its impact on repurchase intention of Warunk Upnormal Renon consumers. The population in this study were all people in Denpasar City who had come to shop at Warunk Upnormal Renon. The number of samples used was 120 respondents with non-probability sampling techniques, especially purposive sampling method. Data collection was carried out using a questionnaire method which was distributed using google form. The data analysis technique used is regression analysis to determine the effect of independent variables on the dependent variable. The results showed that product quality has a positive and significant effect on customer satisfaction, service quality has a positive and significant effect on customer satisfaction, store atmosphere has a positive and significant effect on customer satisfaction, and customer satisfaction has a positive and significant effect on repurchase intention.

KEYWORDS: customer satisfaction, service quality, product quality, repurchase intention, store atmosphere

I. INTRODUCTION

The current globalization flow has affected various aspects of life, including aspects of education, social, culture, economy, technology, and others. In the economic field, advances in technology and information also support developments in the business world. The culinary business is now experiencing rapid development and also reflects today's lifestyle (Putra and Sulistyawati, 2018). This lifestyle encourages consumers to look for the best culinary in order to get the best experience. Culinary business actors who are able to provide memorable experiences will make their products stick in the minds of consumers. This condition will give rise to intense competition among fellow business people in the culinary field.

Business in the culinary field has promising prospects and opportunities. This is because food and drink are basic needs that must be met every day. Culinary business people have many choices of strategies that can be used, depending on the targets to be achieved. By choosing the right strategy, the culinary business will be successful in facing competitors. The attractive characteristics and uniqueness of a culinary business can encourage the emergence of an intention or desire from consumers to come to shop again (repurchase intention) at some point in the future.

According to Ariffin et al., (2016) repurchase intention is consumer behavior where consumers respond positively and intend to make a return visit or buy back a product. Repurchase intention can be caused by many factors, one of which is customer satisfaction. Repurchase intention can be achieved by building and managing good relationships by continuing to provide value and increasing customer satisfaction (Varga et al. 2014).

Every businessman certainly wants to provide satisfaction to consumers from the results of consuming their products. Satisfaction is the key to being able to retain its customers. According to Dewi and Ekawati (2019), customer satisfaction can be said to be the level of consumer feelings after making comparisons or evaluating what is received with the expectations that consumers have after consuming a product.

Consumers can feel a satisfaction because they judge the product to have benefits and quality that are proportional to the price paid and the desired expectations. Products that have quality will encourage consumers to feel satisfied when consuming them. Machfoedz (2005: 125) defines product quality as the ability of a product to carry out its functions which include durability, reliability, ease of use, and repair and other properties. Based on the above definition, it can be concluded that product quality is the ability of a product to meet consumer expectations through its quality.

Apart from product quality, another variable that affects customer satisfaction is service quality. It is important for business actors to pay attention to the quality of their services to accommodate different consumer characteristics in responding to the products we offer. According to Tjijtono (2008) service quality is an effort

to fulfill customer needs and desires as well as delivery accuracy in balancing customer expectations. Anita & Rahanatha (2015) stated that service quality is the nature of product appearance or performance which is a major part of the company's strategy in order to gain advantage over competitors, either as a market leader or a strategy to continue to grow.

Another variable that also influences customer satisfaction is store atmosphere. Store atmosphere is very important to be considered by culinary business people with various forms of business, one of which is a café. Even now, the atmosphere offered by the café is a consideration for consumers to visit. According to Berman and Evans (2007: 454) store atmosphere is a physical characteristic used to build impressions and to attract consumers. Cox and Brittain (2004: 184) define a store atmosphere as an important component of a shop or cafe and can provide a dominant sensory effect created from a shop or cafe design.

II. LITERATURE REVIEW AND RESEARCH HYPOTHESIS

Product quality has an influence on customer satisfaction. The better the quality of a product produced by the company, the higher the level of satisfaction felt by consumers. This is supported by the results of research conducted by Arsyanti and Astuti (2016) showing that product quality has a positive and significant effect on customer satisfaction. Research conducted by Wijaya and Nurcaya (2017) shows that product quality has a positive and significant effect on customer satisfaction. According to research conducted by Amaranggana and Rahanatha (2018), product quality has a positive and significant effect on customer satisfaction. Based on empirical studies from previous research, the following hypothesis can be built.

H1: Product quality has a positive and significant effect on customer satisfaction

Service quality also has an influence on customer satisfaction. Previous research conducted by The results of research conducted by Arsyanti and Astuti (2016) showed that service quality has a positive and significant effect on customer satisfaction. Amaranggana and Rahanatha's (2018) research shows that service quality has a positive and significant effect on customer satisfaction. In addition, research conducted by Raihana and Setiawan (2018) shows that service quality has a positive and significant effect on customer satisfaction. Then the research conducted by Rimbinguwu, et al. (2014), Somantari and Rastini (2019), and Mahmud et al. (2013) also found that service quality has a positive and significant impact on customer satisfaction. Based on empirical studies from previous research, the following hypothesis can be built.

H2: Service quality has a positive and significant effect on customer satisfaction

Based on research conducted by Raihana and Setiawan (2018), it shows that store atmosphere has a positive and significant effect on customer satisfaction. Then, research conducted by Dahmiri and Bhayangkari (2020) found that store atmosphere has a positive and significant effect on customer satisfaction. The results of this study are also supported by the results of research conducted by Kristiana and Edward (2017) where store atmosphere has a positive and significant effect on customer satisfaction. Based on empirical studies from previous research, the following hypothesis can be built.

H3: Store atmosphere has a positive and significant effect on customer satisfaction

Previous research conducted by Arsyanti and Astuti (2016) shows that customer satisfaction has a positive and significant effect on repurchase intention. Research conducted by Dewi and Ekawati (2019) shows that customer satisfaction has a positive and significant impact on repurchase intention. Then research conducted by Liang et al. (2018), and Kitapci et al. (2014) found that customer satisfaction has a positive and significant effect on repurchase intention. Based on empirical studies from previous research, the following hypothesis can be built.

H4: Customer satisfaction has a positive and significant effect on repurchase intention

III. METHODS

Based on the problems studied, this study uses an associative quantitative approach, which aims to determine the causal effect of the variables studied (Sugiyono, 2017). This research was conducted in Denpasar City in the Warunk Upnormal Renon business, which is one of the creative industries in the culinary field. The population in this study are people in Denpasar City who have come to shop at Warunk Upnormal Renon. The sample used is 120 respondents with non-probability sampling techniques, especially purposive sampling method. Data collection was carried out using a questionnaire method which was distributed using google form, where each item of question was measured using a Likert scale. This study uses regression analysis techniques to determine the effect of independent variables on the dependent variable. The basis for calculating the path coefficient is correlation and regression analysis and the calculation uses software with the SPSS for windows program.

IV. RESULT AND DISCUSSION

All of the 120 respondents who gave responses to this questionnaire had met the criteria set out in the respondent's criteria. The characteristics of respondents in this study were viewed from several demographic variables, namely gender, age, occupation, latest education, and income.

Table 1. Respondent Characteristics

No.	Variable	Classification	People	Percentage
1.	Gender	Male	58	48.3
		Female	62	51.7
			120	100
2.	Age	17-22 years old	116	96.7
		23-28 years old	4	3.3
			120	100
3.	Profession	Student/College Student	108	90.0
		Private employees	10	8.3
		Entrepreneur	2	1.7
			120	100
4.	Last Education	JHS	2	1.7
		SHS/VHS	84	70.0
		Associate Degree	16	13.3
		Bachelor Degree	18	15.0
			120	100
5.	Income	< 2.8 million rupiahs	101	84.2
		2.8 - 5 million rupiahs	15	12.5
		>5 million rupiahs	4	3.3

Source: Research Data, 2020

Table 1 shows that this study was dominated by female respondents, namely 58 people or 48.3 percent, while male respondents were only 62 people or 61.7 percent. This study was dominated by respondents in the age range 17-22 years, namely 116 people or 96.7 percent, while respondents in the age range of 24-28 years only 4 people or 3.3 percent. Furthermore, this study was dominated by respondents who were student/college student, namely 108 people or 90 percent, then followed by private employee professions amounting to 10 people or 8.3 percent, and other professions only 2 people or 1.7 percent. Based on the last education, respondents were dominated by senior high school / vocational high school, namely 84 people or 70 percent, then followed by bachelor degree (15 percent), associate degree (13.3 percent), and junior high school (1.7 percent). Finally, based on the respondent's income, it was dominated by respondents with an income of <2.8 million rupiahs with a percentage of 84.2 percent, then followed by respondents with an income of 2.8 - 5 million rupiahs (12.5 percent) and an income of > 5 million rupiahs (3.3 percent).

Table 2. Validity Test Results

Variable	Indicator	Pearson Correlation	Information
Product Quality (X_1)	$X_{1.1}$	0,710	Valid
	$X_{1.2}$	0,690	Valid
	$X_{1.3}$	0,738	Valid
	$X_{1.4}$	0,621	Valid
	$X_{1.5}$	0,723	Valid
	$X_{1.6}$	0,531	Valid
	$X_{1.7}$	0,690	Valid
	$X_{1.8}$	0,699	Valid
Service Quality (X_2)	$X_{2.1}$	0,749	Valid
	$X_{2.2}$	0,671	Valid
	$X_{2.3}$	0,864	Valid
	$X_{2.4}$	0,676	Valid
	$X_{2.5}$	0,804	Valid
Store Atmosphere (X_3)	$X_{3.1}$	0,868	Valid
	$X_{3.2}$	0,829	Valid

	X _{3.3}	0,818	Valid
Consumer Satisfaction(Y ₁)	Y _{1.1}	0,693	Valid
	Y _{1.2}	0,697	Valid
	Y _{1.3}	0,797	Valid
	Y _{1.4}	0,846	Valid
Repurchase Intention(Y ₂)	Y _{2.1}	0,828	Valid
	Y _{2.2}	0,844	Valid
	Y _{2.3}	0,791	Valid

Source: Research Data, 2020

Table 2 shows that all research instruments used in measuring the variables of product quality, service quality, store atmosphere, customer satisfaction, and repurchase intention have a correlation coefficient value (pearson correlation) greater than 0.3 so those all instruments are declared valid and suitable for use as research instruments.

Table 3. Reliability Test Results

Variable	Cronbach Alpha	Information
X ₁ (Product Quality)	0.765	Reliable
X ₂ (Service Quality)	0.793	Reliable
X ₃ (Store Atmosphere)	0.841	Reliable
Y ₁ (Consumer Satisfaction)	0.802	Reliable
Y ₂ (Repurchase Intention)	0.835	Reliable

Source: Research Data, 2020

Table 3 shows that those all research instruments have Cronbach alpha value greater than 0.6, so those all instruments are declared reliable and suitable for use as a variable measuring tool.

Table 4. Results of Multiple Linear Regression Analysis

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.057	1.144		.924	.357
	Product Quality	.162	.032	.349	4.987	.000
	Service Quality	.368	.059	.460	6.263	.000
	Store Atmosphere	.203	.085	.148	2.389	.019

a. Dependent Variable: Consumer Satisfaction

Source: Research Data, 2020

The mathematical formula of multiple linear regression in this study is:

$$Y_1 = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

$$Y_1 = 1.057 + 0.349 X_1 + 0.460 X_2 + 0.148 X_3 + e$$

Based on the results of this equation, it can be seen that the influence of the product quality variable has a positive regression coefficient value of 0.349 with a t-count value of 4.987 and a significance value of 0.000. The effect of the second variable, namely service quality, is known to have a positive regression coefficient value of 0.460 with a t value of 6.263 and a significance value of 0.000. The effect of the third variable, namely store atmosphere, is known to have a positive regression coefficient value of 0.148 with a t value of 2.389 and a significance value of 0.019.

Table 5. Results of Simple Regression Analysis

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.396	.953		2.514	.013
	Consumer Satisfaction	.595	.058	.689	10.322	.000

a. Dependent Variable: Repurchase Intention

Source: Research Data, 2020

The mathematical formulas of simple linear regression in this study is:

$$Y_2 = a + b_1 Y_1 + e$$

$$Y_2 = 2.396 + 0.689 Y_1 + e$$

Based on the results of this equation, it can be seen that the influence of the product quality has a positive regression coefficient value of 0.689 with a t-count value of 10.322 and a significance value of 0.000.

Table 6. Normality Test Result of Model I

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		120
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.28910107
Most Extreme Differences	Absolute	.081
	Positive	.081
	Negative	-.036
Test Statistic		.081
Asymp. Sig. (2-tailed)		.053 ^c

Source: Research Data, 2020

Based on Table 6, it is found that the Asymp.Sig (2-tailed) coefficient is 0.053 while the significant level used is 0.05. Because the coefficient of Asymp.Sig (2-tailed) is greater than α , it can be concluded that this structural model is normally distributed ($0.053 > 0.05$).

Table 7. Normality Test Result of Model II

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		120
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.36400012
Most Extreme Differences	Absolute	.152
	Positive	.078
	Negative	-.152
Test Statistic		.152
Asymp. Sig. (2-tailed)		.080 ^c

Source: Research Data, 2020

Based on Table 7, it is found that the Asymp.Sig (2-tailed) coefficient is 0.080 while the significant level used is 0.05. Because the coefficient of Asymp.Sig (2-tailed) is greater than α , it can be concluded that model II is normally distributed ($0.080 > 0.05$).

Table 8. Multicollinearity Test Result

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Product Quality	.617	1.621
	Service Quality	.560	1.786
	Store Atmosphere	.787	1.270
a. Dependent Variable: Consumer Satisfaction			

Source: Research Data, 2020

Table 8 shows that the tolerance value on the variable product quality, service quality and store atmosphere is 0.617; 0.560 and 0.787 > 0.10 and the VIF value of each was 1,621; 1,786 and 1,270 < 10.00. It is concluded that the regression model does not have multicollinearity symptoms.

Table 9. Heteroscedasticity Test Result of Model I

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.212	.719		3.076	.003
	Product Quality	-.026	.020	-.149	-1.294	.198
	Service Quality	-.044	.037	-.143	-1.185	.238
	Store Atmosphere	.039	.054	.073	.721	.473

a. Dependent Variable: abs_res1

Source: Research Data, 2020

Table 9 shows that the Sig value. product quality variable of 0.198, the value of Sig. service quality variable of 0.238 and Sig. store atmosphere variable of 0.473 is greater than 0.05, so it can be concluded that the model above states that there are no symptoms of heteroscedasticity.

Table 10. Heteroscedasticity Test Result of Model II

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.562	.648		2.411	.017
	Consumer Satisfaction	-.035	.039	-.081	-.884	.378

a. Dependent Variable: abs_res2

Source: Research Data, 2020

Table 10 shows that the value of Sig. customer satisfaction variable of 0.378 is greater than 0.05. It can be concluded that the above model does not have heteroscedasticity symptoms.

Table 11. Results of Model Test (F Test)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	366.840	3	122.280	71.729	.000 ^b
	Residual	197.752	116	1.705		
	Total	564.592	119			

a. Dependent Variable: Consumer Satisfaction
b. Predictors: (Constant), Store Atmosphere, Product Quality, Service Quality

Source: Research Data, 2020

Table 11 shows that the calculated F value of 71,729 is greater than F Table 3.07 ($71,729 > 3.07$) and the result of the sig test. F is 0.000 which is smaller than the significant value 0.05 ($0.000 < 0.05$). These results indicate that product quality, service quality, and store atmosphere simultaneously influence customer satisfaction at Warunk Upnormal Renon.

Table 12. Results of Determination Coefficient Test (R^2)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.806 ^a	.650	.641	1.306

a. Predictors: (Constant), Store Atmosphere, Product Quality, Service Quality
b. Dependent Variable: Consumer Satisfaction

Source: Research Data, 2020

Table 12 shows that the R square value is 0.650, it's mean that the effect of product quality, service quality, and store atmosphere on customer satisfaction is 65.0 percent, while the remaining 35 percent is influenced by other factors out of the model.

V. CONCLUSION

Based on the research results, there are the conclusions that can be drawn. Product quality has a positive and significant effect on customer satisfaction. This means the higher the quality of the product provided, the customer satisfaction will increase. Service quality has a positive and significant effect on

customer satisfaction. This means the higher the quality of service provided, the customer satisfaction will increase. Store atmosphere has a positive and significant effect on customer satisfaction. This means the more comfortable the store atmosphere is, the customer satisfaction will increase. Customer satisfaction has a positive and significant effect on repurchase intention. This means the higher customer satisfaction, the customer desire to make repurchases will also increase.

Based on the result and conclusion, suggestions that can be given is Warunk Upnormal Renon needs to re-maximize various aspects related to product quality, service quality, and store atmosphere so that the magnitude of the influence of these variables on customer satisfaction then also affects the emergence of customer intention to shop again (repurchase intention). Furthermore, the management of Warunk Upnormal Renon needs to make a policy so that the number of food portions served is in accordance with the price offered in order to increase the effect of product quality on customer satisfaction.

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