The Effect of Store Atmosphere and Service Quality on Customer Loyalty at Fafe Kitchen in West Pasaman Regency

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ABSTRACT

Customer loyalty is a critical determinant of business sustainability and growth in the competitive food and beverage sector. It is often built through strategic factors such as service quality and a well-designed physical environment. This research investigates how Fafe Kitchen's physical environment and quality of service influence patron retention. The investigation focuses on three objectives: (1) assessing how the physical environment impacts patron retention, (2) evaluating how service quality affects patron retention, and (3) determining the joint influence of both factors on patron retention. The research drew from Fafe Kitchen's entire clientele, selecting 74 participants through purposive non-probability sampling based on specific selection criteria. A Likert-scale survey instrument gathered the data, which underwent quantitative analysis. Findings demonstrate that the physical environment significantly and positively impacts patron retention (regression coefficient = 0.659, p = 0.000). Quality of service similarly exhibits a significant positive relationship with patron retention (regression coefficient = 0.200, p = 0.025). When examined together, both variables show a significant positive influence on patron retention (regression coefficient = 137.249, p = 0.000). The determination coefficient indicates these two predictors account for 79.5% of patron retention variance, leaving 20.5% attributable to unexamined variables.

Keywords: Customer Loyalty, Store Atmosphere, Service Quality

1. INTRODUCTION

In developing a business, business actors are required to be able to develop and run their business. Customer loyalty is very important for business actors in maintaining the business to continue to grow and develop in its operational activities. According to Kotler & Keller (2016), customer loyalty is important because it is a form of commitment held by customers in making repeat purchases. Loyal customers will stay with a particular business and refuse competitors' offers and make that business the customer's main choice to meet their needs. Customer loyalty can be built through service quality and customer loyalty (Subawa & Sulistyawati, 2020), as well as store atmosphere (Kusmarini et al., 2020). High-quality service encourages customers to form enduring, strong bonds with a business and is a key determinant in their decision to repurchase (Lestari & Ganawati, 2023). According to Tjiptono (2017), service quality refers to the degree of excellence delivered and managed to align with customer expectations. When service is executed well, it creates a comfortable experience for customers, fostering their willingness to return and buy a product again.

Another factor that also contributes to building customer loyalty is store atmosphere. If the store atmosphere in a business is cool and comfortable, it will make customers feel at home and comfortable staying long in that place. A well-designed store atmosphere is an important factor that makes a business different from its competitors. A good store atmosphere can make customers satisfied and has a positive impact on Customer Loyalty because the better the store atmosphere, the higher the customer loyalty (Hidayat, 2018). Service quality is a very important matter that must be given attention and maximized by business actors to

be able to survive and continue to be chosen by customers. Service quality is the extent of the difference between customers' beliefs and expectations of the service they receive (Lupiyoadi, 2013). If the service quality of a business is better, then satisfaction can be felt by customers to the maximum (Kurniasari & Sugiyanto, 2020).

One business venture engaged in food and beverage is Fafe Kitchen. Fafe Kitchen is a business engaged in selling food and drinks that are currently trending, which has been established for 5 years starting from 2019-now, located in Ophir, in front of SMPN 1 Luhak Nan Duo. The sales target of Fafe Kitchen is school children, junior high school students, high school students, university students and housewives. Initially, the owner started this food and beverage business from a hobby, supported by the opportunity of a strategic location, namely close to junior high school, community health center, Its Khatulistiwa campus, and the village head office. Over time, this business received a warm welcome from customers, which was marked by an increase in the number of customers and sales every year.

According to the initial interview of the researcher with respondents or customers of Fafe Kitchen regarding customer loyalty at Fafe Kitchen, which basically already has advantages in product quality and affordable prices, as well as a comfortable atmosphere especially in the afternoon to evening because of supporting lighting. However, there are phenomena, especially in the store atmosphere dimension, such as steep stairs that make it difficult for children and mothers to access them. In addition, the atmosphere during the day feels very hot, which can affect customer comfort. And has limitations in the parking area which is not spacious enough. This causes difficulties for customers who bring cars, especially during busy conditions, because the parking location is on the side of the road. Nevertheless, Fafe Kitchen has the advantage of a spacious dining area on the 2nd floor, which can be utilized to accommodate more customers. In addition, the quality of service at Fafe Kitchen is still not optimal, as seen from the complaints of some customers regarding slow order completion, errors in food delivery, and delivery order service which often experiences delays in delivery to customer locations.

2. LITERATURE REVIEW

Pohan & Aulia (2019) define customer loyalty as a commitment to a product, store, or brand, which manifests as a consistent intent to repurchase. Expanding on this, Kotler and Keller (in Zusrony, 2021), describe it as a deep-seated pledge to continue supporting a preferred offering, persisting even when faced with competitors' marketing or other situational pressures. As vital company assets, loyal customers exhibit identifiable traits. According to Griffin (in Sangadji & Sopiah, 2014) these include: 1) making repeat purchases on a regular basis, 2) buying various items across the company's product and service lines, 3) providing referrals to other potential customers, and 4) showing resistance to the persuasive efforts of competitors.

Churchill (2005) opined that the concept of store atmosphere involves the strategic planning of a store's physical attributes. By altering and designing the purchasing environment, retailers can evoke targeted emotional reactions in consumers, motivating them to buy. Store atmosphere is a crucial element in creating a positive shopping experience for consumers. Store atmosphere includes various physical aspects such as design, lighting, color, music, smell, and layout that are well planned to influence consumers' emotional responses and purchasing behavior. A comfortable and pleasant atmosphere not only attracts customers, but also provides comfort and increases the likelihood of them making a purchase. According to Berman and Evan in Waha et al. (2023) there are four indicators of store atmosphere that affect the store atmosphere, namely, store exterior, general interior, store layout, and interior display.

Service quality according to Tjiptono (2017) is the level of expected excellence and control over that excellence to meet customer desires. Kotler in (Pertiwi, 2021), service quality is a person's performance to another person which can be in the form of intangible actions and does not lead to ownership of goods or to anyone. In the framework proposed by Tjiptono (2017), service quality is measured across five indicators. These include reliability, which pertains to accurate and consistent service delivery; responsiveness, or the promptness in service and complaint resolution; assurance, involving employee knowledge, politeness, and trustworthiness; and empathy, defined as the personalized care and understanding provided to customers.

Based on the theoretical foundation and previous research explained, the research uses variables, namely store atmosphere (X1) and service quality (X2) as well as the dependent variable customer loyalty (Y). Based on the relationship between these variables, it can be included in the conceptual framework as follows:
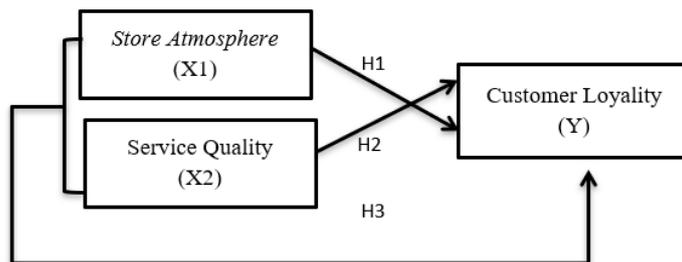

Figure 1. Conceptual Framework

The hypotheses in this study are:

H1: Store Atmosphere has a positive and significant effect on Customer Loyalty at Fafe Kitchen, West Pasaman Regency

H2: Service Quality has a positive and significant effect on Customer Loyalty at Fafe Kitchen, West Pasaman Regency

H3: Store Atmosphere and Service Quality simultaneously have a positive and significant effect on Customer Loyalty at Fafe Kitchen, West Pasaman Regency

3. RESEARCH METHODS

The research methodology is quantitative and associative, focusing on customers of Fafe Kitchen. The study population includes all patrons who have purchased from the establishment. A sample of 74 respondents was drawn via purposive sampling. This approach was chosen to ensure that participants met specific criteria deemed essential for the study's focus on retention, such as being repeat customers with recent and frequent visitation experience, thereby providing informed insights into the factors influencing their loyalty. After ensuring instrument validity and reliability, the data were analyzed using multiple linear regression.

4. RESULTS AND DISCUSSION

4.1. Validity Test

All questionnaire items were found to be valid, with their Corrected Item-Total Correlation scores surpassing the required 0.30 benchmark. Therefore, the entire set of statements is appropriate for use in further testing.

4.2. Reliability Test

Table 1. Reliability Test Results

Variable	Number of Items	Cronbach's Alpha	Description
Customer loyalty	10	0,932	Reliable
Store atmosphere	8	0,941	Reliable
Service quality	10	0,962	Reliable

Source: SPSS data processing results, 2025

As indicated in the table 1, the reliability test results for all variables confirm internal consistency, with Cronbach's alpha values exceeding the 0.70 threshold. Consequently, the instrument is deemed reliable.

4.3. Classical Assumption Test

4.3.1. Normality Test

Following table 2 are the results of the Normality Test with the Monte Carlo test.

Table 2. Normality Test 2 One-Sample Monte Carlo

		Unstandardized Residual
N		74
Normal Parameters[a,b]	Mean	.0000000
Most Extreme Differences	Std. Deviation	.29339429
	Absolute	.148
	Positive	.148
	Negative	-.078
Test Statistic		.148
Asymp. Sig. (2-tailed)		.000[c]
Monte Carlo Sig. (2-tailed)	Sig.	.071[d]
	99% Confidence Interval	Lower Bound	.064
		Upper Bound	.077

Source: SPSS data processing results, 2025

Based on the Monte Carlo test, the residuals exhibit a significance value of 0.071. Since this value is greater than 0.05, it confirms that the residuals are normally distributed. This finding satisfies the normality assumption for the regression model, as the collective residual pattern is normal, even in the absence of normality for each separate variable. The model is therefore deemed fit for continued analysis.

4.3.2. Linearity Test

This test evaluates the model's linearity, determining whether a linear relationship is appropriate. Linearity is assessed by examining a P-P Plot; if the data points cluster along a straight diagonal line, it indicates a linear relationship. The results of this linearity test are presented in figure 2.
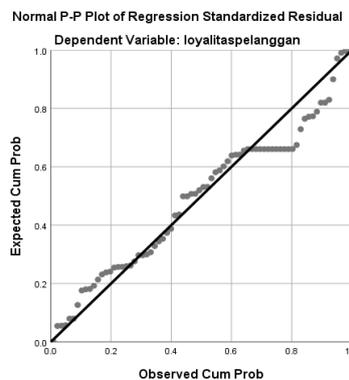

Figure 2. Linearity test results

Figure 2 demonstrates that most data points cluster along the diagonal line, confirming a linear relationship between store atmosphere, service quality, and customer loyalty. The linearity assumption for the regression model is therefore met.
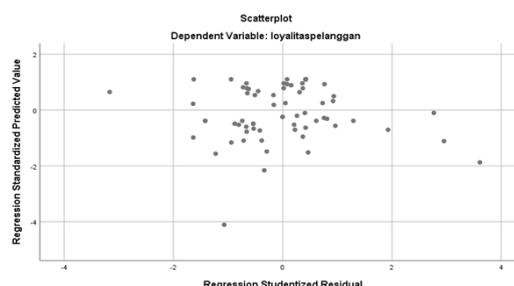
4.3.3. Heteroscedasticity Test

Figure 3. Heteroscedasticity Test Results

The scatterplot in Figure 3 demonstrates that the regression model is free from heteroscedasticity. The residual points are randomly and evenly distributed without forming a discernible pattern, thereby confirming that the model meets the assumption of homoscedasticity.

4.3.4. Multicollinearity Test

Table 3. Multicollinearity Test Results

Independent Variable	Tolerance	VIF	Description
Store atmosphere (X1)	0.291	3.431	No Multicollinearity
Service quality (X2)	0.291	3.431	No Multicollinearity

Source: SPSS data processing results, 2025

Analysis of the data table 3 reveals tolerance values exceeding 0.10 and VIF values under 10 for the independent variables, store atmosphere and service quality. This outcome demonstrates that the variables are free from multicollinearity.

4.3.5. Multiple Linear Regression Analysis

The results of multiple linear regression analysis can be seen in the following table 4.

Table 4. Summary of Multiple Regression Analysis Results

Independent Variable	Coefficient	T count	sig	Description
Constant	0.586	2.623	.011	-
Store atmosphere (X1)	0.659	6.931	0.000	Significant
Service quality (X2)	0.200	2.290	0.025	Significant
Coefficient of Determination (R^2): 0.795 or 79.5%				
F: 137.249				
F Significant: 0.000[b]				

Source: SPSS data processing results, 2025

The analysis confirms the significant positive influence of both independent variables on customer loyalty. Store atmosphere (t = 6.931, p = 0.000) and service quality (t = 2.290, p = 0.025) each have a statistically significant effect. This individual significance is supported by the overall model fit, as indicated by an F-statistic of 137.249 (p = 0.000). Since the model's significance value is below the 0.05 alpha level, it is deemed a good fit. Therefore, store atmosphere (X1) and service quality (X2) collectively and significantly explain variations in customer loyalty (Y).

Multiple linear regression analysis yielded an R-square value of 0.795, indicating that store atmosphere and service quality collectively explain 79.5% of the variance in customer loyalty. This substantial explanatory power confirms the combined influence of both variables is both large and significant. Individually, store atmosphere demonstrates a strong, positive, and significant effect (t = 6.931, p = 0.000), signifying that improvements in this area will reliably enhance customer loyalty. This finding is corroborated by respondent feedback, which generally rated Fafe Kitchen's atmosphere positively. Most respondents feel comfortable with the exterior design, indoor atmosphere, supporting music, to the layout of tables and chairs which are felt not too crowded. The two most prominent aspects are the ease in finding the ordering and payment area and the clarity of the menu display which is considered very helpful for customers. However, there is one aspect that is still felt to be not optimal, namely the parking area which is considered not yet fully adequate and easily accessible. Nevertheless, overall, the atmosphere at Fafe Kitchen provides a good experience for customers and ultimately store atmosphere affects customer loyalty.

These findings are in line with the theory of Kotler & Keller (2016) which states that store atmosphere is an important element in creating a pleasant shopping experience. Elements such as lighting, color, sound, aroma, and layout affect customer perceptions and emotional responses that impact purchasing decisions and customer loyalty. In addition, these findings are reinforced by previous research from Prasyanti et al. (2021) which shows that store atmosphere has a significant effect on customer loyalty at Matahari Department Store. Likewise with the research results by Takwim et al. (2022) who found that store atmosphere has a close relationship with repeat visit decisions and consumer loyalty. Thus, it can be concluded that store atmosphere is an important aspect that needs to be considered by Fafe Kitchen. An atmosphere that is comfortable,

aesthetic, and supports customer activities not only increases satisfaction, but also encourages the formation of long-term loyalty.

Results for the second hypothesis reveal a significant partial effect of service quality on customer loyalty, with a regression coefficient of 0.200, a t-value of 2.290, and a significance level of 0.025. This positive relationship suggests that key service dimensions such as promptness, employee demeanor, delivery timeliness, and cleanliness are critical drivers of loyalty. The practical implication is that targeted improvements in these areas can enhance customer retention. This conclusion aligns with survey data, where respondents collectively assessed Fafe Kitchen's service quality as favorable. The majority of respondents gave high ratings to statements related to their belief in the quality of ingredients used by Fafe Kitchen, which is the most prominent aspect of all indicators. Meanwhile, one aspect that still needs to be improved is the timeliness in delivering orders to customers. Nevertheless, overall, the service quality at Fafe Kitchen provides a good experience for customers and ultimately service quality affects customer loyalty. The results support Tjiptono's (2017) theory that service quality, measured through key dimensions like responsiveness and reliability, is vital for meeting expectations and building loyalty. This aligns with previous studies, such as Takwim et al. (2022), which found that quality service significantly influences repeat patronage and word-of-mouth recommendations. Therefore, service quality is a strategic determinant of loyalty, and Fafe Kitchen should prioritize its continuous improvement to secure long-term customer relationships.

The F-test results (F = 137.249, p = 0.000) confirm a significant simultaneous effect of store atmosphere and service quality on customer loyalty at Fafe Kitchen. This indicates that both variables collectively and individually (as shown in partial tests) influence loyalty. Furthermore, respondent feedback reveals that the majority of customers positively assess both the store's atmosphere and the quality of its service. A comfortable store atmosphere, clear menu display, to ease in the ordering and payment process are aspects that are felt positively by customers. Meanwhile, in terms of service, customers assess that the food ingredients used have guaranteed quality, friendly service, and well-maintained facility cleanliness. Nevertheless, timeliness in delivering orders is still an aspect that needs to be improved. Overall, the experience provided by Fafe Kitchen through good atmosphere and service has provided its own satisfaction for customers. Ultimately, this strengthens long-term customer bonds and boosts loyalty. These results are consistent with prior research (Takwim et al., 2022) and Kotler & Keller's (2016) theory, confirming that store atmosphere and service quality are vital drivers of customer satisfaction and loyalty.

5. CONCLUSIONS

This research demonstrates that customer loyalty at Fafe Kitchen is significantly enhanced by both its store atmosphere and service quality. Individually, each variable has a statistically significant positive effect, and their combined impact is highly significant. Together, they explain the majority (79.5%) of the variance in customer loyalty, underscoring their importance as primary managerial levers, while acknowledging that other external factors account for the remaining variance. For future research, it is recommended to include additional variables that may influence customer loyalty, such as product quality, price fairness, or brand image, to develop a more comprehensive model. Furthermore, replicating this study with a larger, randomly selected sample across multiple branches or similar businesses would enhance the generalizability of the findings.

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