The Relevance of iBox Store Atmosphere: Building Customer Satisfaction and Loyalty

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Abstract
The rapid development of information technology triggers the growth of competition between gadget stores in Indonesia. Each competing store offers attractiveness for customers, one of which is iBox. A comfortable store atmosphere with unique and creative decorations is the key for businesses to attract consumers to visit. Creating a store atmosphere through visuals, arrangement, light, music, and aroma can create a comfortable buying environment to influence consumer perceptions and emotions in determining customer satisfaction and loyalty. This study aimed to determine the effect of the Store Atmosphere on Customer Satisfaction and its Implications for Customer Loyalty at IBox Indonesia. The research data collection method used a questionnaire of 211 respondents through purposive sampling, analysed using Structural Equation Modeling (SEM) with AMOS 24 tools.

Keywords: Store Atmosphere; Customer satisfaction; Customer loyalty

Introduction

Competitive conditions in the business environment require entrepreneurs to be able to compete and survive against competitors. The number of companies competing to get consumers makes the conditions of competition between companies increasingly tight. The intense competition requires entrepreneurs to determine the right strategy to meet consumer needs. Seeing the conditions of increasingly fierce competition, every business needs to increase existing strengths by bringing out the differences or uniqueness of the company compared to competitors to attract consumers to buy. Attracting consumers to make purchases can not only be made by giving discounts, door prizes, or other promotional activities. Attracting consumers to make purchases can also be done by providing a pleasant atmosphere for customers in the store at that time because consumers are expected to be happy to make purchases. One way to beat the competition is to create something different. Store atmosphere can be an alternative to distinguish one store from another. This difference is needed by every business actor whose selling product is a product that is similar to competitors' products with a price range that is similar and even the same. Store atmosphere can be why consumers are interested and choose a place to visit. According to Levy and Weitz (2001), the store atmosphere also influences customer buying behavior. Consumer purchasing decisions are not only to respond to the goods and services offered but also to provide a pleasant purchase response so that consumers feel satisfied and do not choose other stores to make purchases. Levy and Weitz (2001) added that store atmosphere aims to attract consumers' attention to visit, make it easier to find the items needed, motivate them to make sudden plans, influence them to make purchases, and provide satisfaction in shopping. A store interior dominated by good lighting and product arrangement makes the visuals neat.

An exciting and unique atmosphere will trigger and shape the intention of visits from consumers to make purchases. A comfortable store atmosphere will lead to customer satisfaction, making customers decide to buy. Satisfaction will attract customers to come back and make repeat purchases. Customer satisfaction is essential for every store because consumers feel confident in their shopping decisions and have previous product purchasing experience. Store atmosphere not only affects customer satisfaction but also influences customer loyalty. According to Yalcin and Kocamaz (2003), retailers have realized the importance of store atmosphere. Roommates enhance the buying experience and make customers more satisfied. Although all the determinants of customer loyalty need to be considered in research and practice, to a large extent, the

atmosphere can determine the level of overall satisfaction in the retail industry. The store atmosphere is a combination of emotional things. According to Mowen and Minor (2002), the shop's atmosphere affects the shopper's emotional state, which then encourages them to increase or decrease spending. The influence of store atmosphere can create an impression that makes buyers increase their purchases or only buy enough and may not intend to return to buy at that place.

The impression obtained has an impact on customer loyalty. Manufacturers must be observant in seeing market opportunities as well as the wants and needs of customers to be able to provide customer satisfaction so that they can gain customer loyalty from customers and not switch to competitors. However, the tools supporting the marketing concept identify and satisfy customer needs. Satisfied customers will continue making purchases and become loyal to the store. Fatona (2010) states that for a business to survive, the most crucial customer orientation is to provide attention, such as customer satisfaction, which the company wants to achieve. Meanwhile, Customer Loyalty is obtained from customer satisfaction by feeling the atmosphere of the store that is served when shopping and forms of promotion that are effective and efficient when consumers accept them. According to Griffin (2002), loyalty is defined as non-random purchases expressed from time to time by several decision-making units. The subject of this research is IBox Indonesia. IBox Indonesia is a gadget store that provides various Apple brand gadget needs. As of September 2022, IBox Indonesia operates more than 84 outlets across Indonesia. IBox Indonesia's target market is all Indonesian people who love apple products. The marketing strategy is integrated with regular promotional activities using various methods according to the product type and the target market focus. IBox Indonesia is interesting to study because it has an exciting store atmosphere concept with neat store and product layouts, good lighting, a clean and relaxed environment, and friendly service. In addition, IBox Indonesia outlets are strategically located, so they are easy to reach. The strategic location is in shopping centers in various cities in Indonesia.

Materials and Methods
1. Materials
1.1 Store Atmosphere and Customer Satisfaction
The store atmosphere is an atmosphere or store environment that can stimulate the consumer's five senses and influence consumer perceptions and emotions towards the store. According to Levy and Weitz (2001), store atmosphere aims to attract consumers' attention to visit, make it easier to find the items needed, and motivate them to make plans. Suddenly, influence them to make purchases, and provide satisfaction in shopping. Research conducted by Alfin and Nurdin (2017) proves that store atmosphere positively affects customer loyalty through customer satisfaction. In line with research conducted by Listiono (2015), store atmosphere positively affects customer loyalty through customer satisfaction. A comfortable store atmosphere will lead to customer satisfaction, making customers decide to buy. Satisfaction will attract customers to come back and make repeat purchases (Gilbert in Foster, 2008). This condition is also supported by previous research, Heung & Gu (2012) found that one of the most critical contributions from this study was the demonstration of a direct relationship between the restaurant atmosphere and customer dining satisfaction, thus showing that this atmosphere, which consists of restaurant layouts and employee factors, ambiance, aesthetics of the facility, and the view from the restaurant windows, have a significant and direct influence on dining satisfaction. Research conducted by Tendean (2016) found that there is a significant influence, both partially and simultaneously, store atmosphere on customer satisfaction variables. According to Morrison et al. (2011), music and smells positively affect shopper behavior, including time and money spending, approach behavior, and satisfaction with the shopping experience. The impact of store atmosphere can influence consumers in shopping. It is evidenced by the findings of Francioni et al. (2018), who argue that store atmosphere is one-factor influencing customer satisfaction. That way, a comfortable store atmosphere can trigger customer satisfaction.

1.2 Store Atmosphere and Customer Loyalty
Business people realize that a consumer always wants a comfortable store atmosphere that can bring pleasure and convenience in shopping to create satisfaction for consumers from this comfortable atmosphere. A sense of loyalty arises from consumers. Line with research conducted by Listiono (2015) states that store atmosphere positively affects customer loyalty through customer satisfaction. According to Berman and Evans (1992), the store atmosphere consists of the inside and outside of the store, the room layout, and the display. The store

atmosphere will create customer satisfaction and loyalty. Customer loyalty will be created when customers feel what they hope to get. Similar to research conducted by Widoretno (2014), Prasetyo (2016) and Ayu (2017) state that store atmosphere has a significant effect on consumer loyalty. Dessyana (2013) suggests that the store atmosphere creates a physical atmosphere with new concepts and creative ideas that attract customers. It makes customers feel comfortable shopping. Francioni et al. (2018) show that store atmosphere significantly affects customer loyalty. That way, a comfortable store atmosphere can trigger customer loyalty.

1.3 Customer Satisfication and Customer Loyalty

Customer Satisfication is the feeling felt by consumers when shopping. It is also what can trigger a sense of loyalty from consumers when consumers feel satisfied while shopping. Research conducted by Aryani and Rosinta (2010) proved that customer satisfaction significantly affects customer loyalty. It is also consistent with research by Subagio and Harianto (2013), which says that customer satisfaction significantly affects customer loyalty. According to the theory of Kotler (2000) that consumer satisfaction or dissatisfaction will influence consumer behavior. It is in accordance with research conducted by Aaker (2009), customer satisfaction is one of the factors that influence customer loyalty. This is similar to research by Deng et al. (2018), showing that customer trust and satisfaction can increase customer loyalty. Moreover, research conducted by El Adly et al. (2018) also suggests that the relationship between customer satisfaction and customer loyalty is significantly positive. That way it can be concluded that satisfied customers are likely to become loyal.

2. Methods

Causal research uses questionnaires distributed to respondents who are considered to meet predetermined criteria. The questionnaire uses a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). The store atmosphere is measured using eight items adapted from (Hussain & Ali, 2015). Customer satisfaction is measured using three items adapted from (Bidyut Jyoti Gogoi, 2013). while customer loyalty is measured using four adapted items (I Gusti Ngurah Surahman, 2019). The number of samples collected and examined in this study was 211 respondents. The sample involved is iBox customers who are in cities in Indonesia through an online questionnaire. This research will use Structural Equation Modeling (SEM) with the AMOS 24 statistical tool to analyze and evaluate the measurement model and structural model of the research construct that is built. The fit test model will be assessed based on the goodness of fit index parameters such as chi-square ($\chi 2$), CMIN/DF, Root Mean Square Error of Approximation (RMSEA), root means squared residual (RMR), goodness of fit index (GFI), Tucker Lewis Index (TLI), Incremental Fit Index (IFI), Comparative Fit Index (CFI), Normal Fit Index (NFI). The validity evaluation will rely on the standardized loading factor (SLF) value, which must be ≥ 0.50 (Hair et al., 2014, p. 618), and the reliability construct will rely on the tabulated results of construct reliability (CR) and average variance extracted (AVE) values. Furthermore, the SEM analysis is a structural model analysis to assess the research hypothesis that has been built and whether it is accepted or rejected. SEM analysis will display the t-value for each coefficient. The hypothesis can be said to have a causal relationship if the t-count value $\geq$ t table (1.96) with a significant level of α, which is 5%.

Results and Discussion
1. Respondent Characteristics

Respondents to this study showed that a total of 211 iBox Indonesia customers consisted of women (52.2%) aged 22-26 years (52.2%), originating from Pontianak (40.6%), visiting iBox Indonesia more than three times (36.4%) and work in the private sector (42.6%).

Table 1. Characteristics of Respondents

Kategori	Item	F	%
Gender	Male	102	47,8
	Female	109	52,2
	Total	**211**	**100**
Age	17-21 years	49	21,5
	22-26 years	102	52,2
	27-30 years	34	14,9
	above 30 years	26	11,4
	Total	**211**	**100**
Domicile	Bali	5	2,2
	Balikpapan	6	2,6
	Bandung	10	4,3
	Cirebon	3	1,3
	Jakarta	39	17,8
	Karawang	5	2,2
	Lampung	2	0,9
	Lombok	1	0,4
	Malang	3	1,3
	Makassar	2	0,9
	Medan	8	3,5
	Palembang	4	1,7
	Pekanbaru	2	0,9
	Pontianak	86	40,9
	Purwokerto	5	2,6
	Semarang	8	4,8
	Solo	6	2,6
	Surabaya	9	5,7
	Yogyakarta	7	3,5
	Total	**211**	**100**
Intensity of Visiting IBOX store in 1 Month	1 Kali	62	30,7
	2 kali	39	22,1
	3 kali	31	10,8
	Lebih dari 3 kali	79	36,4
	Total	**211**	**100**
Occupation	Students	53	26
	Civil Servant	40	18,6
	Private sector worker	88	42,4
	Businessmen	30	13
	Total	**211**	**100**

2. Measurement and Structural Models

The feasibility of the research instrument was determined based on the results of validity and reliability testing.

Table 2. Measurement Model Results

Variabel	Items	SLF	AVE	CR
Store Atmosphere	The cleanliness of the parking lot, toilets and the store.	0,780	0,686	0,980
	The music at the store is comfortable, making the atmosphere calm and pleasant to hear	0,852		
	The distinctive aroma can have an impact on the mood and emotions the customer continues to enjoy for a long time and feels happy to enjoy the characteristic aroma.	0,853		

	Extreme low or very high temperatures create negative feelings among customers resulting in dissatisfaction and result in spending less time in store and producing negative word of mouth products and services.	0,893		
	A good color and suitable in a store will attract the attention of customers and create a positive perception of the condition of the room created by the store.	0,821		
	Lighting in a store is sufficient (not too bright and not too dark), It creates pleasure and has a positive effect on customer purchases. If the lighting used in the cafe is in good color, customers tend to touch the product to judge the quality of the product presented.	0,749		
	The Store that I visited was not stuffy.	0,849		
	The design and appearance can be intended as a grouping of products, shelf space, floor display design, placement of goods, the provision of interior space and wall decorations. Product appearance has strengths that affect customer purchase intentions and customer perceptions of the product.	0,825		
Customer Satisfaction	I was satisfied with my shopping experience at the store	0,831	0,785	0,726
	Given a choice, I would probably come back to the store	0,916		
	This is my choice of store in which I regularly like to come to shop	0,910		
Customer Loyaty	Customers return to visit this Store	0,805	0,715	0,771
	Customers do not consider other Store	0,875		
	Customers recommend this attraction to friends or relatives	0,878		
	Customers try other objects in this Store	0,822		

Table 2 is the result of testing the validity and reliability of the overall model. The standardized loading factor (SLF) value of all indicator variables in the full model has a value above 0.50. It means that all indicators are declared valid and believed to be able to measure the construct of the entire model being built. The results of the reliability test present relevant results. All instruments are declared reliable and can consistently measure the constructs of the entire model built. It is shown from the avariance extracted (AVE) value of all instrument indicators, which obtain a value of ≥0.50, and the value of construct reliability (CR) which obtains a value of ≥0.70.

Table 3. Goodness of Fit Index

Goodness of Fit Index	Cut off Value	Results
IFI	≥0,90	0,918
CFI	≥0,90	0,901
TLI	≥0,90	0,918
RMR	≥0,05	0,016

Table 3 is the result of the fit test model. The model fit test results show that the model's suitability requirements can be accepted and declared fit. Five measurements show the degree of good fit. (Hair et al. 2014: 583) states that a research model construct can be declared fit and accepted if three to four measurements obtain a degree of good fit or above the cut-off value.

Table 4. Hypotheses Testing

Hypotheses	Path	Estimate	S.E.	C.R.	P	Conclusion
H₁	*Store Atmosphere <-- Customer Satisfaction*	0,831	0,065	12,825	***	*significant*
H₂	*Customer Satisfaction <-- Customer loyalty*	0,744	0,101	7,371	***	*significant*
H₃	*Store Atmosphere <-- Customer Loyalty*	0,173	0,086	2,015	0,044	*significant*

Based on Table 4, the t-count value, the effect of store atmosphere on customer satisfaction is 12.825, more significant than the t-table value (1.96). Likewise, the p-value is less than 0.001, more diminutive than 0.05 ($\alpha = 0.05$). These results are related to the first hypothesis, where store atmosphere has a positive and significant effect on customer satisfaction. For the second hypothesis, the t-value, the effect of customer satisfaction on customer loyalty is 7.371, and the p-value is less than 0.001. It proves that customer satisfaction positively and significantly affects customer loyalty. For the third hypothesis, the t-value, the effect of store atmosphere on customer loyalty is 2.015, and the p-value is less than 0.001. It shows that store atmosphere has a positive and significant effect on customer loyalty.
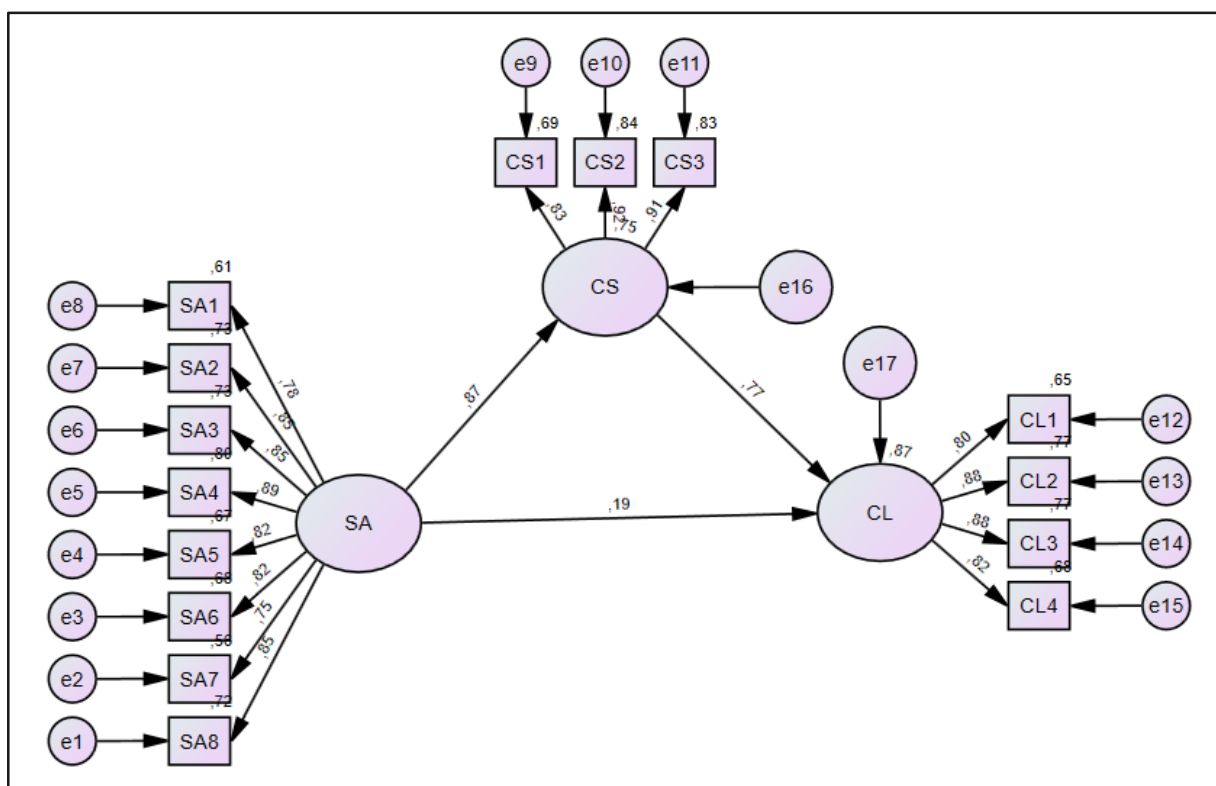

Figure 1. **Full Model Structural Test**

Table 5. Sobel Test - Significance of Mediation

	Sobel test statistic	Two- tailed probability
Store Atmosphere --> Customer Satisfaction --> Customer loyalty	6,38	***

Based on the Sobel test results in Table 5, the Sobel test statistical value was 6.38, indicating that the Sobel test statistical value was more significant than the t-table (1.96). Likewise, the p-value that obtains a number less than 0.001 is smaller than 0.05 ($\alpha = 0.05$). It shows a significant indirect effect of store atmosphere on customer loyalty through customer satisfaction.

Conclusions

Store Atmosphere on IBox Indonesia has a positive effect on Customer Satisfaction. Store Atmosphere has many dimensions, such as distinctive aroma, lighting, room temperature, appearance, color, and cleanliness. When IBox provides an impressive store atmosphere to consumers, it will impact high levels of customer satisfaction. This study's results align with previous research, which stated that Store Atmosphere has a positive effect on Customer Satisfaction. Research conducted by Tendean (2016) found that there is a significant influence, both partially and simultaneously, store atmosphere on Customer Satisfaction variables.

Store Atmosphere on IBox Indonesia has a positive effect on Customer Loyalty. A good Store Atmosphere can create customer satisfaction and build customer loyalty. So, in formulating service strategies and programs, stores must also be able to provide a good store atmosphere for customers. The results of this study are in line with previous research, which states that Store Atmosphere has a positive effect on Customer Loyalty. Francioni et al. (2018) show that store atmosphere significantly affects customer loyalty.

Customer Satisfaction at IBox Indonesia has a positive effect on Customer Loyalty. Customer satisfaction is essential for all businesses. Customer satisfaction is considered a determinant of post-purchase attitudes and reflects positive or negative results after transactions that affect customer loyalty. The results of this study are in line with previous research, which states that customer satisfaction has a positive effect on customer loyalty; research conducted by Aaker (2009) customer satisfaction is one of the factors that influence customer loyalty.

Data Availability
The Data Already in sub Results and Discussion.

Conflicts of Interest
The author declare that there is no conflict of interest regarding the publication of this paper.

Authors' contributions
Authors may use the following wordings for this section. " First Author ” designed the study. performed the statistical analysis, wrote the protocol, and wrote the first draft of the manuscript. " Second Author ” and “ Third Author “ managed the analyses of the study. “ Fourth Author “ and “ Fifth Author ” managed the literature searches. All authors read and approved the final manuscript."

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