Store Atmosphere and Quality of Personal to Predicate Repatronage Intentions at Local Convenience Stores: The Role of Customer Satisfaction as A Mediation Variable

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ABSTRACT
The purpose of this study is to empirically test store atmosphere, quality of personal, and customer satisfaction as predictors of repatronage intentions at local convenience stores. The online questionnaire was distributed using Google Forms with a 5-point Likert scale for each indicator. The number of samples is 170 respondents. All data were analyzed using Partial Least Square–Structural Equation Modeling (PLS-SEM) method, using SmartPLS 3.0 software. The results of this study indicate that store atmosphere, quality of personal, and customer satisfaction can positively predict repatronage intentions. The results show that the company can determine the right operational strategy by taking into account the factors that can increase repatronage intentions so that they can compete with competitors.

Keywords: *Store atmosphere, quality of personal, customer satisfaction, repatronage intentions*

1. INTRODUCTION

The retail industry is an industry that continues to grow. The existence of retail businesses, especially minimarkets and convenience stores, helps customers to fulfill their daily needs, ranging from dry food, non-food, and general merchandise. Consumers are the determinants of the success of a business, therefore satisfied consumers and consumers who return to buy products or revisit a company is one of the important things because it can lead to loyal customers or in this case repatronage intentions.

Repatronage intentions are customer intentions to make repeat purchases, and behaviors that result in a desire to recommend certain products/services to others [1]. When customers have high repatonage intentions, the customer's desire to make repeat purchases will also be high. There are many factors that can influence repatronage intentions such as store atmosphere, quality of personal, and customer satisfaction.

Store atmosphere affects repatronage intentions, where an attractive, pleasant, clean, and well-organized layout will influence customer intentions to repatronage [2]. When staff performance gives more attention to customers, their intention to repurchase and recommend the company to others will increase [2]. Furthermore, customer satisfaction was found to be the strongest determinant of repatronage intentions [1].

In addition, there are differences in the results of previous studies regarding customer satisfaction which can mediate store atmosphere and quality of personal on repatronage intentions which is the gap in this study. Based on the background above, this study aims to empirically test store atmosphere, quality of personal, and customer satisfaction as predictors of repatronage intentions at local convenience stores.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1. Store Atmosphere

Zhou and Wong [3] defined store atmosphere as "the conscious design of a shopping environment to produce specific emotional effects of consumers that enhance their purchase probability." Store atmosphere can be defined as "the ways equipment and furnishings are arranged in the physical surrounding, and also their ability to facilitate the accomplishment of consumers' goals" [4]. Furthermore, "The store environment has many components, such as music, light, decoration, signs, and people" [5]. This study described store atmosphere as an effort to design a shopping environment including equipment and furniture to produce an emotional effect on customers in order to increase the possibility to buy.

2.2. Quality of Personal

Quality of personal can be defined as "an overall impression of the judgement made by the customer concerning the service provided by a company" [6]. Mannan et al. [1] stated that quality of personal as "the subjective measurement of customers who compare expectation and performance after receiving a service." This study concluded that quality of personal is an overall assessment of service compared to expectations and the reality of performance after receiving services from the company.

2.3. Customer Satisfaction

Makanyeza and Chikazhe [6] defined customer satisfaction as "an overall emotional response towards the customer's experience after the purchase and consumption of a product/service." Makanyeza and Chikazhe [7] defined "consumer satisfaction as a consumer's overall emotional response to the entire service experience for a single transaction at the post purchasing point". This study defined customer satisfaction as the overall emotional response that customer may experience after consuming a product or service.

2.4. Repatronage Intentions

Mannan et al. [1] defined repatronage intentions "refers to customers' intention of repeat purchase, and behavior that results in a willingness to recommend a particular product/service to others." Yuen and Chan [2] stated repatronage intentions "described as occurring when customers repeatedly purchase goods or services over time and hold favourable attitudes towards, and support, the company supplying the goods or services." This study described repatronage intentions as customer's intentions to make repeat purchases, willingness to recommend products/services to others and support companies that provide goods or services.

2.5. The Relationship Between Store Atmosphere and Customer Satisfaction

Previous study has explained that stores have to ensure that an enjoyable and attractive shopping atmosphere are well-provided in order to satisfy consumers [8]. The customer-perceived store environment is capable of generating good customer emotions [5]. Osman et al. stated that the positive perception that customers get from the store atmosphere affects customer satisfaction [9]. Based on previous research, the hypothesis in this study is:

H1a: Store atmosphere can predict positively on customer satisfaction

2.6. The Relationship Between Quality of Personal and Customer Satisfaction

The perception that customers get from store employees positively affects customer satisfaction [1] [9]. Previous research has explained that a quality service must be provided by a store in order to

increase customer satisfaction. The positive feelings experienced by customers when they interact with employees tends to increase customer satisfaction [8]. Based on previous research, the hypothesis in this study is:

H1b: Quality of personal can predict positively on customer satisfaction

2.7. The Relationship Between Store Atmosphere and Repatronage Intentions

A good store layout gives a good attitude and impression to the store and influences the intention to come back [2]. Hooper et al. added that store conditions such as equipment, design, space, atmosphere, and cleanliness have a positive influence on customer intention to repatronage [10]. Based on previous research, the hypothesis in this study is:

H2a: Store atmosphere can predict positively on repatronage intentions

2.8. The Relationship Between Quality of Personal and Repatronage Intentions

When staff give more personal attention to customers, the opportunity to repurchase, introduce or recommend the company to others will increase [2]. The better the quality of service provided by employees, the more loyal customers are to the organization and its services [6]. In contrast to the research results of Childs et al. stated that the quality of personal does not have a positive effect on repatronage intentions while other variables have an effect such as the urgencies to produce high-quality goods [11]. Based on previous research, the hypothesis in this study is:

H2b: Quality of personal can predict positively on repatronage intentions

2.9. The Relationship Between Customer Satisfaction and Repatronage Intentions

A positive influence was found between the feelings of store customers and the customer's intention to repatronage [5]. Customer satisfaction was found to be the strongest determinant of customer repatronage intentions [1]. Juliana and Keni stated that there are many companies adopting marketing strategies that focus on customer satisfaction and companies believe that customer satisfaction can lead to customer loyalty [12]. Satisfied customers tend to repurchase products or services from the company [13]. Based on previous research, the hypothesis in this study is:

H3: Customer satisfaction can predict positively on repatronage intentions

2.10. Customer Satisfaction Mediates The Link Between Store Atmosphere and Repatronage Intentions

Osman et al. stated that there is an influence of store atmosphere on repatronage intentions through customer satisfaction. The positive mood from the positive impression of the atmosphere affects the customer's repatronage intentions [9]. In contrast to the study by Ing et al. which states that customer satisfaction does not mediate the relationship between store atmosphere on repatronage intention, while other variables studied such as price and product quality can be mediated by customer satisfaction [14]. Based on previous research, the hypothesis in this study is:

H4a: Customer satisfaction can positively mediate store atmosphere on repatronage intentions

2.11. Customer Satisfaction Mediates The Link Between Quality of Personal and Repatronage Intentions

There is an influence of the service quality of store employees on repatronage intentions through customer satisfaction [6]. Positive perceptions related to store employees caused by feelings of satisfaction affect the intention to repatronage [9]. A different study conducted by Ing et al. shows that

customer satisfaction does not mediate the relationship between employee service quality on repatronage intention [14]. Based on previous research, the hypothesis in this study is:

H4b: Customer satisfaction can positively mediate quality of personal on repatronage intentions

3. RESEARCH METHODOLOGY

This study uses a quantitative descriptive research design, by distributing online questionnaires via google form in. The population in this study were all Indomaret customers in Indonesia. This study used non-probability sampling by conducting convenience sampling. The total data collected in this study were 170 respondents. To measure each indicator, this study used 5-point Likert scale, with 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree), and 5 (strongly agree). This study used Partial Least Square – Structural Equation Modeling (PLS-SEM) for data analysis by using SmartPLS software version 3. The indicators used in this research are presented in Table 1.

Table 1 Variables and Indicators

Variables	Items	References
Store Atmosphere	5	Childs et al. [11]
Quality of Personal	5	Kitapci et al. [15]
Customer Satisfaction	5	Ing et al. [14]; Kitapci et al. [15]
Repatronage Intentions	5	Makanyeza et al. [6]; Osman et al. [9]

4. RESULTS & DISCUSSION

The total respondents of this research were 170 respondents. Most of the respondents were female (54.7%), aged 21-25 years old (65.9%), latest education was high school (61.7%), and 124 respondents (73%) were students. The majority of respondents live in Jakarta, namely West Jakarta (51.8%), spend Rp500.000 – Rp1.000.000 per month for shopping (37.1%), and the location close to home being the reason of 104 respondents (61.2%) for choosing to shop at X store compared to other brands.

Furthermore, testing the outer model consisting of validity and reliability. This test is conducted to determine whether each indicator is valid and reliable. Convergent validity is used to measure the validity. A model meets the criteria if the factor loadings value is higher than 0.7 and AVE is higher than 0.5 [16]. Moreover, Fornell–Larcker criteria is based on AVE value, which should be higher than other variables. After every indicator is considered as valid, this study proceeded with reliability test. A value is said to be reliable if the composite reliability is higher than 0.7 and Cronbach's Alpha value is higher than 0.6 [17]. The results of the outer model testing are illustrated in Table 2, Table 3, and Table 4.

Table 2 Measurement Model Assessment Results

Variables	Indicators	Loading Factor	AVE
Store Atmosphere	CS1	0.868	0.659
	CS2	0.918	
	CS3	0.904	
	CS4	0.839	
	CS5	0.899	

	QP1	0.847	
Quality of Personal	QP2	0.800	0.659
	QP3	0.852	
	QP4	0.850	
	QP5	0.702	
Customer Satisfaction	RI1	0.814	0.785
	RI2	0.864	
	RI3	0.882	
	RI4	0.873	
	RI5	0.856	
Repatronage Intentions	SA1	0.859	0.736
	SA2	0.861	
	SA3	0.777	
	SA4	0.769	
	SA5	0.788	

Table 3 Outer Model Assessment – Discriminant Validity

Variables	SA	QP	CS	RI
SA	**0.886**			
QP	0.803	**0.812**		
CS	0.775	0.772	**0.858**	
RI	0.757	0.737	0.745	**0.812**

Table 4 Outer Model Assessment – Reliability Analysis

Variables	Cronbach's Alpha	Composite Reliability	Conclusions
Customer Satisfaction	0.931	0.948	Reliable
Quality of Personal	0.869	0.906	Reliable
Repatronage Intentions	0.910	0.933	Reliable
Store Atmosphere	0.870	0.906	Reliable

The results of outer model testing showed that all variables meet the validity and reliability requirements, thereby this study proceeded to inner model testing. This test aims to examine the relationship between variables in order to determine whether the research hypothesis is supported or rejected. This study uses a 95% confidence level. If the significance value is lower than 0.05, the hypothesis is supported, and if the significance value is higher than 0.05, the hypothesis is rejected. The results of inner model and hypotheses testing are presented in Table 5, Table 6, and Table 7.

Table 5 R-Squared Results

Variable	R-Squared
Customer Satisfaction	0.705
Repatronage Intentions	0.692

Table 6 Predictive Relevance Results

Variable	Predictive Relevance (Q^2)
Customer Satisfaction	0.530
Repatronage Intentions	0.502

Table 7 Path Coefficient and Hypotheses Testing Results

Hypotheses	Path Coefficient	t-statistics	p-values	Conclusions
H1a: Store atmosphere can predict positively on customer satisfaction	0.360	5.126	0.000	Supported
H1b: Quality of personal can predict positively on customer satisfaction	0.538	7.998	0.000	Supported
H2a: Store atmosphere can predict positively on repatronage intentions	0.275	3.430	0.001	Supported
H2b: Quality of personal can predict positively on repatronage intentions	0.319	3.360	0.001	Supported
H3: Customer satisfaction can predict positively on repatronage intentions	0.310	3.020	0.003	Supported
H4a: Customer satisfaction can positively mediate store atmosphere on repatronage intentions		2.342	0.019	Supported
H4b: Customer satisfaction can positively mediate quality of personal on repatronage intentions		2.762	0.006	Supported

The results of the inner model testing show that the coefficient of determination test (R^2) on the customer satisfaction variable is 0.705. This showed that 70.5% of the customer satisfaction variables can be explained by the store atmosphere and quality of personal variables while the remaining 29.5% can be explained by other variables. The coefficient of determination of the repatronage intentions variable is 0.692. This shows that 69.2% of the repatronage intentions variable can be explained by the store atmosphere, quality of personal, and customer satisfaction variables while the remaining 30.8% is explained by variables that were not included in this research. Moreover, the relevance predictive value (Q^2) of the customer satisfaction variable is 0.530 and the repatronage intentions variable is 0.502 which is greater than 0. This means that the variables in this study can predict the research model well.

Table 7 implied that H1a is accepted, which means that store atmosphere can positively predict customer satisfaction. This result is in line with the results of previous studies which showed that store atmosphere has a positive and significant effect on customer satisfaction [5][8][9]. Before making a purchase, consumers will search for goods and interact in the store by walking around the store. This makes consumers feel the atmosphere of the store. If the store atmosphere is good, then customer satisfaction will also be good.

Meanwhile, Table 7 showed that quality of personal can positively predict customer satisfaction, so H1b is accepted. The results are consistent with previous studies which showed that quality of personal has a positive and significant effect on customer satisfaction [1][8][9]. The quality of the store's personal such as employee friendliness, employee appearance, readiness to help, and employee knowledge will affect customer satisfaction. If the quality of personal is good then customer satisfaction will also be good.

Furthermore, the hypothesis testing shows that store atmosphere can positively predict repatronage intentions, so H2a is accepted. This result is in line with the results of previous studies which showed that store atmosphere positively and significantly affect repatronage intentions [2][10]. When consumer's response to the store atmosphere is good, then consumers will have strong repatronage intentions. Store layout, store cleanliness, convenience of the store, bright shop, and shop aroma become consumer considerations and affect consumer repatronage intentions

Meanwhile, the results of the hypothesis testing show that the quality of personal can positively predict repatronage intentions, so H2b is accepted. The results are consistent with previous studies which showed that quality of personal has a positive and significant effect on repatronage intentions [2][6]. With a good quality of personal, consumers who shop will have higher repatronage intentions. The relationship that exists between consumers and companies through store employees will increase

consumer repatronage intentions. Therefore, companies need to pay attention and maintain the quality of personal if they want to increase consumer repatronage intentions.

Furthermore, the hypothesis testing shows that customer satisfaction can positively predict repatronage intentions, so H3 is accepted. This result is in line with the results of previous studies which showed that customer satisfaction has a positive and significant effect on repatronage intentions [1][5][12][13]. Customer satisfaction has been one of the most essential factors influencing repatronage intentions. If consumers are satisfied with the company, the repatronage intentions of consumers will increase.

Meanwhile, the results of the hypothesis testing show that customer satisfaction can positively mediate store atmosphere on repatronage intentions, so H4a is accepted. The results are in line with previous studies, whereas store atmosphere positively and significantly affect repatronage intentions through customer satisfaction [9]. Before deciding to repatronage, the store atmosphere will be assessed by consumers and result in customer satisfaction. Customer satisfaction created by the store atmosphere will generate repatronage intentions. If the store atmosphere is good, consumers will be satisfied and will generate repatronage intentions.

Lastly, the hypothesis testing shows that customer satisfaction can positively mediate quality of personal on repatronage intentions, so H4b is accepted. This result is in line with the results of previous studies which showed that quality of personal has a positive and significant effect on repatronage intentions through customer satisfaction [6][9]. Repatronage intentions will be created if consumers are satisfied with the quality of personal provided by the company. The better the quality of personal, the better the customer satisfaction which then affects repatronage intentions.

5. CONCLUSIONS & IMPLICATIONS

This study concluded that store atmosphere, quality of personal, and customer satisfaction can predict repatronage intentions at local convenience stores positively and significantly. Store atmosphere and quality of personal can positively predict repatronage intentions through customer satisfaction at local convenience stores. The results of this study can provide an overview of the factors that can influence repatronage intentions so that companies are able to face competition in today's business world. In addition, it is expected that the findings are able to assist companies in developing company advantages, especially store design and service quality to face competition from competitors.

Companies can determine the right operational strategy by taking into account the factors that can increase repatronage intentions so that they are not less competitive with competitors. Companies can pay attention to the store atmosphere, namely the lighting of the store so that it is always bright and the layout of the store to make consumers comfortable shopping. In addition, the company can pay attention to the quality of personal by increasing employee knowledge regarding the location of each product in the store, the company can also remind employees to always be ready to help customers at any time, and employees must always look presentable.

6. LIMITATIONS & SUGGESTIONS FOR FUTURE RESEARCH

In this study, the variables used to predict repatronage intentions at local convenience stores were only limited to store atmosphere, quality of personal, and customer satisfaction. Meanwhile, there are many other independent variables that can predict repatronage intentions. In addition, due to the limited time of the study, the sample collected was only 170 respondents. Future research can explore other existing variables and also combine the variables in this study with other variables that can affect repatronage intentions. Either with or without mediating variables and with the same or different research subjects. Further research is also expected to use a larger number of research samples to increase the validity of the research results.

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