THE IMPACT OF STORE IMAGE AND STORE SATISFACTION IN DETERMINING CONSUMERS' LOYALTY TOWARD CONVENIENCE STORES IN INDONESIA

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Abstract: This research was conducted to assess and determine how both store image and store satisfaction could affect people's or consumers' level of loyalty toward convenience stores in Indonesia, particularly during the current COVID-19 pandemic which had inadvertently made the business environment in Indonesia to be full of uncertainty. The convenience sampling method was chosen to be implemented in this study to ensure that all respondents who participated in this study had satisfied and conformed with the criteria of the respondents set in this study, in which, respondents should be those who live in Indonesia who've purchased any kind of products at least 5 times from any convenience stores located within the Jabodetabek area for the past 6 months. Moreover, using questionnaires to obtain all of the data required from the respondents, a total of 250 respondents participated in this study, in which, a total of 227 data had been deemed valid and usable, thus confirming these 227 data will be further analyzed in this study using PLS-SEM method to determine the relationships between variables assessed and discussed in this study. After thoroughly examining and analyzing all of these data, the researchers would like to conclude that both store image and store satisfaction were found as two variables that positively and significantly affected consumers' level and state of loyalty toward convenience stores in Indonesia during the current COVID-19 pandemic.
Keywords: Store Image, Store Satisfaction, Store Loyalty, Indonesian Retail Sector

Abstrak: Penelitian ini dilakukan guna menentukan bagaimana pengaruh yang diberikan oleh *store image* dan *store satisfaction* terhadap tingkat loyalitas konsumen terhadap sektor ritel *minimarket* (*convenience stores*) di Indonesia, terutama di masa pandemi COVID-19 yang secara tidak langsung telah membuat dunia ataupun sektor bisnis di Indonesia menjadi penuh dengan ketidakpastian. Adapun *convenience sampling* dipilih sebagai metode *sampling* pada studi ini guna memastikan bahwa memang seluruh responden yang berpartisipasi pada penelitian ini telah memenuhi seluruh persyaratan ataupun kriteria responden yang telah ditetapkan, yang dimana seluruh responden adalah warga Indonesia yang pernah berbelanja di *minimarket* apapun di daerah Jabodetabek minimal 5 kali dalam kurun waktu 6 bulan terakhir. Adapun kuesioner digunakan pada penelitian ini, yang dimana dari sebanyak 250 kuesioner yang disebarkan kepada responden, sebanyak 227 data dinyatakan *valid* serta dapat digunakan untuk dianalisis secara lebih lanjut pada penelitian ini. Adapun setelah menganalisis seluruh data dengan menggunakan metode PLS-SEM, peneliti dapat menyimpulkan bahwa *store image* dan *store satisfaction* berperan positif dan signifikan di dalam memengaruhi tingkat loyalitas dari konsumen pada sektor *minimarket* yang ada di Indonesia.
Kata Kunci: *Store Image*, *Store Satisfaction*, *Store Loyalty*, Sektor Ritel di Indonesia

INTRODUCTION
Research Background

The retail sector had been deemed and considered as one of the most important sectors which define the Indonesian economy, in which compared to the other sectors, as of 2021, the Indonesian retail sector had contributed around 13% of the total gross domestic product (GDP) of Indonesia (Nurhayati-Wolff, 2021). Such data illustrated that the retail industry had contributed to around one-eighth of the total GDP of Indonesia, which means or implies that any kind of market or business activities conducted within this sector could also indirectly affect the Indonesian economic condition as a whole. Furthermore, the importance and significance that the retail industry had in defining, growing, and developing the Indonesian economy condition could also be explained by the fact that since all of the goods sold by these retail companies are mostly classified as basic or general goods which people need the most days to sustain their life and daily activities (such as food & beverages, footwear, clothes, household products, etc), therefore, it was quite understandable that consumers tend to buy (and re-buy) these products regularly, thus, ensuring that the number of the transaction generated from this industry will always be high from time to time, in which, such phenomena will indirectly bring a significant impact toward building, strengthening and developing the Indonesian economy to be in a better condition from time to time.

Meanwhile, concerning the current COVID-19 pandemic which not only negatively affect people's health condition, but also brought negative impacts to nearly all businesses across various sectors on a global basis, the retail sector still emerges as one of a few industries of sectors which could successfully defend itself, survive, and even grow in the middle of this pandemic, in which, such situation could be explained by the fact that since people all across the globe still need to satisfy their basic needs and demands (such as needs/demands for food, drinks, groceries, necessities, clothes, personal care products, etc), they will still visiting a retail store to obtain and purchase these products despite of various social distancing rules and policies implemented by the government on almost every country. Therefore, in this case, when more and more people decided to visit, choose and buy all of these goods from a retail store, it will generate more and more revenue for the stores or the companies, which, such fact could explain why the retail industry could survive and even manage to grow and developed itself in the middle of this pandemic, while at the same time, there are also many companies from the other industries or sectors which had "collapsed" or forced to shut down their business due to the negative impact brought by COVID-19 which dramatically reduce the number of revenues generated or collected by these companies, thus forcing them to suffer from a loss in regard with the business activities which these companies are conducting. Therefore, it was understandable why retail companies could still achieve a moderate-to-high growth rate, high amount of revenues, and a significant amount of profit during the current pandemic situation which still occurs in most countries in the world.

In Indonesia itself, various types of retail stores were established in every single town, state, and city within the country, such as supermarkets, convenience stores, wholesalers, hypermarkets, and department stores. However, out of these kinds of retail stores, convenience stores (or minimarkets) had emerged as one of the fastest growing retail stores in Indonesia, which, not only that the number of convenience stores keeps growing at a significant rate, but also that the number of Indonesian consumers who are visiting these convenience stores keeps increasing from time to time. According to the data published by Oxford Business Group (2021), there's an increasing amount of market share that convenience stores or minimarkets have within the Indonesian retail market, in which, currently, convenience stores or minimarkets accounted for almost 19% of the entire retail markets in Indonesia, up from around 3.4% in 2002. Furthermore, during the same period, the number of market shares that supermarkets, hypermarkets, and traditional markets within the Indonesian retail sector had decreasing, thus confirming that nowadays, convenience stores could be perceived as playing a crucial role in ensuring that the Indonesian retail sector could grow further and further from

time to time. Moreover, convenience stores also seem to be more popular and were visited more frequently by Indonesians, since these stores usually exist and are located close to where people are living, thus making it more convenient for people to visit and buy goods from these so-called convenience stores as compared to if people were required to visit the larger and bigger supermarkets or hypermarkets (which are usually established in the middle of the city or large town) which are selling the same kinds of goods with what the convenience stores are selling on a similar price.

In terms of ensuring the longevity, growth, and success of various convenience stores which exist in Indonesia, it was important for both academicians and retail practitioners in Indonesia to thoroughly understand various variables or factors which could ensure and determine the success of a convenience store, in which, one of such factors is loyalty. The concept of loyalty itself had been thoroughly studied, discussed, and presented by various marketers, academicians, and business practitioners from time to time, in which, most of them believe and argue that loyalty is the most important factor which every company should establish within their consumers' minds, not only to ensure that they could achieve their targets and success within the industry but also to ensure that they could beat and outstrip their competitors which are competing within the same industry. While most people argue that loyalty is simply about making consumers purchase and re-purchase the same products or services from the same company in the future, there are some people or experts who believe that the concept of loyalty goes beyond making and ensuring that consumers will re-purchase or re-buy the same products or services from the same company, in which, these experts stated that the concept of loyalty should also be understood as any kinds of strategies which companies should do to prevent consumers from being attracted to (and ultimately prevent consumers to buy) similar products or services offered by the other companies. Therefore, considering the rapid, fierce, and growing competition between various convenience stores in Indonesia, it is incredibly important for these stores or retailers to be able to attract and retain as many consumers as possible, while at the same time, these stores should also be able to ensure that all of their consumers won't be attracted to various kinds of promotions or marketing activities offered and implemented by their competitors.

Moreover, other than thoroughly understanding the basic concept of loyalty, retail practitioners should also be able to understand which kind of factors could significantly affect people or consumers' loyalty toward the retail stores which these consumers are visiting, in which, there are two main factors which had been studied to have a significant impact on consumers' loyalty toward retail stores, which are store image and store satisfaction. Similar to the concept of brand image, store image could be understood as consumers' or people's main judgment and perception regarding a brand or company, in which, such judgment or perception could be either in the form of negative perception, or positive perception. Concerning the concept of loyalty, while negative perception could form a negative image that consumers had toward certain companies or stores, it is a positive perception that companies should be able to induce in their consumers' minds since such positive perception could result in the formation of the positive image toward the company, which in turns will form and strengthen their loyalty toward the company. Meanwhile, other than store image, various academicians and researchers had also found out and underlined from time to time that satisfaction serves as one of the strongest and most significant factors or variables that could affect consumers' level of loyalty toward a company. Therefore, in this study, the researchers would like to understand the effects given and generated by both store image and store satisfaction on consumers' level of loyalty toward convenience stores within the Indonesian retail market.

Purpose of the Study

This study was conducted and commenced to thoroughly examine how the perception and judgment that consumers had toward certain convenience stores which they've visited (store image), combined with consumers' level of satisfaction toward the store (store satisfaction) could affect the level of loyalty that consumers' had toward the store in Indonesia.

LITERATURE REVIEW
Store Image
The concept of store image could be understood as consumers' judgment and assessment regarding a company or store, in which, such perception or judgment was derived from any kinds of information, experience, and interaction that consumers had toward the store. In this case, a negative image could lower or weaken consumers' level of loyalty, while on the other hand, a positive image could strengthen consumers' level of loyalty toward a store or company (Soni, 2021).

Store Satisfaction
Store satisfaction could be understood as consumers' assessment regarding whether or not all of the products or services offered by a store had satisfied all of the expectations that consumers had toward the store. In this case, satisfaction plays an important role in determining consumers' response toward the store, since the store's inability to match or fulfill all of the expectations and demands that consumers are having could lower or even eliminate their purchase intention and loyalty toward the store (Wilson et al., 2021).

Store Loyalty
The concept of store loyalty could be understood as consumers' strong commitment to purchase and re-purchase any kinds of products or services from the same store in the future time. Furthermore, the concept of loyalty could also be understood as consumers' strong intention and willingness to engage in further transactional activities with the same store or company, while not attracted or paying any attention to any similar goods which were offered by the other companies (Koo, 2003).

The Effect of Store Image and Store Satisfaction toward Store Loyalty
Previous studies conducted by both Koo (2003) and Wang (2019) had underlined the positive and significant impact that store image had on store loyalty, in which, consumers' perception and judgment toward the store could eventually determine the strength and level of loyalty that consumers had. In this case, a positive image will strengthen the state of loyalty that consumers had, while on the contrary, a negative store image could weaken (and eliminate) consumers' loyalty toward the store. Meanwhile, other studies conducted by Wilson et al. (2021) also found the significant and positive effect of satisfaction toward loyalty, in which satisfied consumers will be more likely to become loyal (and are willing to engage in further buying activities) toward the company as opposed to the dissatisfied ones. Based on these studies, researchers would like to propose the following hypotheses:

H_1 : Store Image had a significant and positive effect on Store Loyalty.
H_2 : Store Satisfaction had a significant and positive effect on Store Loyalty.

Figure 1
Research Model
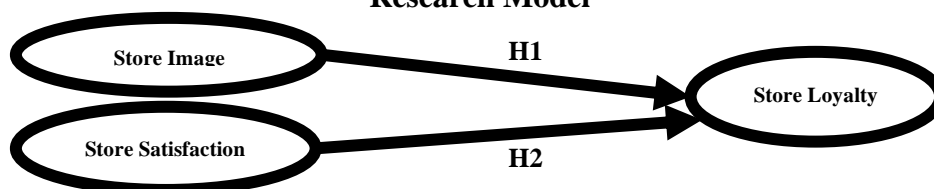
RESEARCH METHODOLOGY
A survey method was implemented in this research, in which, questionnaires were chosen as the main tools which will be used to collect all of the data from all of the respondents. A total of 250 respondents participated in this study, in which all of the respondents who participated in this study should be those who've purchased any kinds of goods from various convenience stores in the Jabodetabek area in Indonesia at least 5 times for the past 6 months. Furthermore, the 7-point Likert scales were implemented as the measurement scale of this study, in which consumers' responses are ranging from "1" (strongly disagree), to "7" (strongly agree). Moreover, regarding the indicators implemented and used in this study, a total of 3

indicators representing Store Image were adopted from Wang (2019), while 3 indicators representing Store Satisfaction and 3 indicators representing Store Loyalty were adapted from Wilson et al. (2019) and Wilson et al. (2021). After gathering all of the data from the respondents, a total of 227 usable data were further analyzed using PLS-SEM to determine the impact which was given by various variables assessed in this study. As for the brief description regarding the profile of the respondents, most of the respondents were female (67.6%), and most of them had visited and bought various goods from various convenience stores all across Jabodetabek around 6-10 times in the past 6 months.

RESULTS AND CONCLUSIONS
Outer Model Measurement, Inner Model Measurement, and Hypotheses Testing

Analyzing all of the data using the PLS-SEM method, the outer model measurement was conducted to determine the validity and the reliability of every single indicator and variable included in this study. Therefore, after thoroughly performing the outer model measurement on all indicators and variables included in this study, it could be concluded that all data were valid and reliable, since all of these data fulfilled all of the outer model criteria set in this study, such as the factor loadings and the composite reliability value of each variable should be above 0.7, and AVE value of each variable should be above 0.5, and that the HTMT value of each variable should be lower than 0.85.

Furthermore, the inner model measurement was next performed to thoroughly assess the impact given by one variable on the others, in which, later on, the results obtained on the inner model measurement will be used as the basis to either support or reject all of the hypotheses posited in this research. Therefore, after conducting the inner model measurement on the model, it could be concluded that all of the hypotheses proposed in this study were supported, in which, at a 95% of the confidence interval, the *p*-value of all hypotheses was well below the minimum acceptable value of 0.05 (*p*-value < 0.05).

Table 1
Path Coefficient Analysis & Hypotheses Testing

Hypotheses	Sig.Value	Conclusions
H1: Store Image had a significant and positive effect on Store Loyalty	0.026	H1 Supported
H2: Store Satisfaction had a significant and positive effect on Store Loyalty	0.018	H2 Supported

The results obtained and presented in Table 1 had shown the significant and positive impact that both store image and satisfaction had on the level of loyalty that customers had to retail stores in Indonesia. In this case, these stores' abilities to posit, induce and promote the positive image that they had on people's minds, combine with these stores' abilities to ensure that they could satisfy all of the expectations and needs that consumers had could serve as two significant factors which could to the success story of these stores in conducting their businesses in Indonesia. Considering the escalating number of stores being established every year, existing retail companies need to ensure that they could pay more attention to how to boost their image while offering any kinds of products that could satisfy consumers' needs to ensure that they could compete with the other stores in an efficient manner.

Conclusions

Based on the results of the inner model measurement and the hypotheses testing results presented in Table 1, it could be concluded that both Store Image and Store Satisfaction had a significant impact on inducing and increasing the level of loyalty that consumers shad toward convenience stores which consumers are visiting in Indonesia. In this case, researchers would like to advise and recommend to all convenience stores companies to ensure that they could actively engage in any kinds of good corporate governance practices, together with conducting positive business practices to ensure that they'll be viewed and judged positively by the consumers, thus ensuring that people of consumers will have a positive image toward the company, thus increasing and strengthening the sense or state of loyalty that consumers had toward the store or company. Meanwhile, on the other hand, the operators of these stores should

also be able to ensure that they could always satisfy what their consumers are expecting from them, in which, such ability to satisfy consumers' needs and expectations will enhance consumers' loyalty toward the store.

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