The Effect of Store Atmosphere, Product Quality, Customer Satisfaction and Electronic Word of Mouth on Customer Loyalty in Gubuk Coffee Padang

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Abstract

The study aim to Analyze The effect of Store atmosphere on Customer satisfaction, Product quality on Customer satisfaction, Customer satisfaction on Electronic word of mouth, Store atmosphere on customer loyalty, Product quality on customer loyalty, Customer satisfaction on customer loyalty, Electronic word of mouth on customer loyalty. The population in this study were Gubuk Coffee customers in Padang city with a sample of 205 respondents. Sampling techniques is Purposive sampling. Data analysis is SEM (Structural Equation Model) with PLS 3 program. The results of this study show that Store atmosphere has a significant effect on customer satisfaction, Product quality has a significant effect on customer satisfaction, Customer satisfaction has a significant effect on electronic word of mouth, Store atmosphere has a significant effect on customer loyalty, Products quality has a significant effect on customer loyalty, Customer satisfaction has a significant effect on customer loyalty.

Keywords: *Store atmosphere, Product quality, Customer satisfaction, Electronic word of mouth, costumer loyalty*

Introduction

In Indonesia, the development of cafe business is very rapid, this can be seen from many cafes that have sprung up in various regions in Indonesia, not only in big cities but also in small areas in Indonesia, many cafes have been established by the community. The development of cafe business is very fast because the cafe has become a lifestyle for most people today, not only for millennials but also for the elderly. At present, there are more than ten thousand cafes in all corners of Indonesia region, both cafes established independently by the community and cafes operated through franchising, so it has a good impact on coffe growth and tea commodities, because many cafes provide coffee and tea as a mainstay menu, at this time we are familiar with coffee shops or coffee cafes.

Base on International Coffee Organization (ICO) statistics 2013, Indonesia is the third largest country producing coffee after Brazil and Vietnam, one of them is west sumatra province. Base on data from Central Statistics Agency (BPS) in 2017, coffee production in West Sumatra as much as 22,291.48 tons, both arabica and robusta coffee. This is a supporting factor for cafe industry development in west sumatra, expecially in padang city. It can be seen in table 1 below:

Table 1. Data on Number of Cafes in Padang City

Number	Year	Number of Cafes
1	2014	26
2	2015	52
3	2016	160
4	2017	184
5	2018	201

Sumber: Dinas Pariwisata Kota Padang (2019)

Based on table 1, it can be seen that the number of cafes in padang city over the past five years, the number of cafes have always increased In 2014, the number of cafes registered at the Department of Tourism was 26 cafes, then increased in 2015 to 52 cafes and the café subsequently increased rapidly in 2016 to 160 cafes. In 2017, it increased again to 184 cafes and this number increased to 201 cafes in 2018. So, it can be concluded that the business cafe in padang city is a promising business in terms of its level of development, but it also creates fierce competition between cafe businesses one with the other in providing satisfaction to customers through food or beverage products that are provided to create customer loyalty.

Gubuk Coffee is a coffee shop in West Sumatra that implements a royalty free franchise system with a fairly good development, meaning that businesses can use gubuk coffee name without dividing the profits but all forms coffee raw materials and services must follow standards set by Gubuk coffe. Gubuk coffe was established in 2014 . This business coffe prioritizes archipelago coffees especially coffee in West Sumatra, with support by cooperation with local farmers fields. The emergence of competition in business is unavoidable. With the competition, the business are faced with various opportunities and threats, so each business required to understand what happened in the market, what consumers want. Business owners are asked to innovate their business to remain a choice for customers.

This problem is faced by Gubuk Coffee as a growing cafe industry. Since its establishment in Payakumbuh, West Sumatra. Gubuk Coffee franchise has expanded its wings by opening branches in various regions, particularly on the sumatra island, namely West Sumatra, Riau, Riau Islands, and North Sumatra. Based on the author's interview with gubuk coffe manager in Padang, the data on number of gubuk coffe in West Sumatra are as follows:

Table 2. Gubuk *Coffee* Branch in West Sumatera

Number	Year	Number of Branch	Description
1	2014	1	Payakumbuh
2	2015	2	Payakumbuh dan Padang Panjang
3	2016	6	Payakumbuh, Padang Panjang, Padang dan Bukittinggi
4	2017	7	Payakumbuh, Padang Panjang, Padang dan Bukittinggi
5	2018	3	Payakumbuh dan Padang
6	2019	2	Payakumbuh dan Padang

Source: Gubuk Coffe Primary Data (2019)

Based on table 2, it can be seen that Gubuk coffe branches fluctuate each year. Established in 2014, Gubuk Coffee has one branch in payakumbuh city. Next in 2015, Gubuk Coffee added 1 branch in padang panjang city. In 2016, Gubuk Coffee massively added branches in 6 locations, consist 2 branches in payakumbuh city, 1 branch in Padang Panjang city, 2 branches in Padang city, and 1 branch in Bukittinggi city. Next in 2017 increased to 7 branches with the addition of 1 branch in the city of Padang. But in 2018 some branches were reduced to 3 branches, consisting of 2 branches in the city of Padang and 1 branch in the city of Payakumbuh. This year, until February 2019, there are 2 branches of Gubuk Coffee in West Sumatra, namely 1 branch in Payakumbuh which is a central Coffee Hut and 1 branch in Padang which is located in Batang Kuranji. As for areas outside West Sumatra, Gubuk Coffee has 2 more branches, namely in Sibuhuan North Sumatra and in Bukit Bintang Batam. This research was chosen in Padang, because this city has the most number of branches at present

From table 2, it can be concluded that the development of Gubuk caffe since 2014 until now decrease, indicated by the number of branches are decreasing. Based on the author's interview with Gubuk coffe manager in padangcity that branch of Gubuk coffe in Batang Kuranji on February 5, 2019, there are reduction in number of branches, because it was caused by several factors, including several branches is violating cooperation contracts, for example the branch did not use original raw materials from Gubuk coffe, so the franchisor decided to terminate contract. Second, the inability of branches manage businesses because young entrepreneurs did not have much experience. Third, there are some internal conflicts such as the branch is using Gubuk Coffee name only for withdrawal customers, after many customers know the cafe, the cafe broke the contract with Gubuk Coffee. Finally, the increasing number of cafes operating in these cities, so the visitors and sales of the cafes are decreasing every month. Meanwhile, according to the author, the cause of the decline in this branch is the inaccuracy of the strategy used by cafe manager, because base on by the trend of the number of existing branches, the cafe manager is too expanding to introduce a local franchise system in various cities even though the Gubuk ceffe business was only established in 2014, so it is still inexperienced. Therefore, one of the important things that must be improved by the manager is observing the people who want to be part of the cafe franchise, and it is paying attention to customer need, review what is needed by consumers and fixing it, so what is customer need can be fulfilled at gubuk coffe, so consumers feel cared and customer loyalty is created.

This also applies to gubuk coffe as a form of service business operating in West Sumatra, customer satisfaction can be seen from the large sales volume of gubuk coffe branch in padang, it can be seen as follow:

Table. 3 Data on Sales Growth Volume and Net Profit of Gubuk coffe in Padang 2018

Number	Month	Sales Volume	%	Net Profit	%
1	Januari	Rp. 108.778.000		Rp. 26.703.000	
2	Februari	Rp. 92.589.000	14,8	Rp. 18.998.400	28,9
3	Maret	Rp. 98.870.000	6,3	Rp. 16.673.000	12,2
4	April	Rp. 93.438.000	5,8	Rp. 13.147.000	21,1
5	Mei	Rp. 90.973.000	2,6	Rp. 15.025.000	12,5
6	Juni	Rp. 81.836.000	10	Rp. 4.877.000	67,5
7	Juli	Rp. 100.826.000	18,9	Rp. 20.005.000	75,6
8	Agustus	Rp. 89.312.000	11,4	Rp. 9.881.000	50,6
9	September	Rp. 101.489.000	12	Rp. 12.188.000	18,9
10	Oktober	Rp. 100.795.000	0,7	Rp. 5.384.000	55,9
11	November	Rp. 96.119.000	4,6	Rp. 10.522.000	48,8
12	Desember	Rp. 89.830.000	7	Rp. 9.370.000	11
	Total	Rp.1.144.855.000		Rp. 162.773.400	

Source: Gubuk coffe Primary Data (2019)

From table 3 above, it can be concluded that the growth and the sales volume decline in Padang branch of gubuk coffe. During 2018 it has fluctuated every year, so the net profit obtained also fluctuates. The highest sales growth was obtained in June to July 2018 at 18.9%, while the highest sales volume occurred in January 2018 which was Rp. 108,778,000. Then, the lowest sales growth occurred in February to March 2018 with a percentage of 6.3%, while the lowest sales volume occurred in June of Rp. 81,836,000. This is caused where june 2018 is the month of Ramadan. In addition to sales growth, gubuk coffe in padang is also decline in sales, the biggest decline in sales occurred in January to February 2018 by 14.8%. While, the smallest sales decline occurred in September to October 2018 by 0.7%. The net profit obtained by gubuk coffe in padang branch is not only determined by the sales volume but also the daily expenditure from the cafe, the highest net profit

growth occurred in June to July by 67.5% while the lowest net profit growth occurred in April to May by 12, 5%.

From the data above, it can be concluded that the sales volume and net profit obtained by gubuk coffe fluctuate since 2018. The sales volume and net profit of Gubuk Coffee during 2018 decreased more than growth, But the largest sales volume in Padang branch did not make the net profit obtained increase, this is caused the different daily costs of the cafe each month. large or small sales volume obtained by Gubuk coffe reflects how customer satisfaction is influenced by the performance and service of Gubuk Coffee in padang. This satisfaction will create loyalty for customers, so they are willing to visit Gubuk Coffee again. Francioni et al (2018) suggested that store atmosphere is one factor that influence customer satisfaction. According to Kotler (2012) store atmosphere is a planned atmosphere that suits the target market and which can attract consumers to buy. Heung dan Gu (2012) also suggested store atmosphere has five dimensions, namely, the beauty of the facilities displayed, cafe atmosphere, layout, cafe employees, and view enjoyed from the window.

Furthermore, Berman dan Evans (2010) suggest that the store atmosphere consists of the outside of the store, the inside of the store, the layout of the room, and the display. Store atmosphere will create satisfaction and customers loyalty. When customers feel what they expect can get, customer loyalty will be created. According to Ariffin, *et al* (2017) it is very important for a business to pay attention to store atmosphere to understand the complexity of customers, including young customers so as not to be ignored, various dimensions of store atmosphere determine how customer behavior. From research above it is mentioned that the store atmosphere is a determining factor in customer satisfaction for a business. Thus, planning and implementation of design, layout must be made carefully to ensure that atmospheric elements in the store will later paint the desired experience to satisfy customers. Good store atmosphere is applied, the customer satisfaction will also increase. With a store atmosphere that is increasingly supportive, it will create better comfortable felt by customers, So comfortable can increase customer satisfaction.

H1 : Store atmosphere has a significant positive effect on customer satisfaction

Pine and Gilmore in Yu & Fang, (2009) propose that the economic development consist four stages. These are offering commodities, making standard products, providing services to customers, and finally the experience stage. According to Irawan dan Japarianto (2013) product quality is a set of characteristics of products and services that can meet needs, so they can be relied on accordance with customer perception or not. If a product meets expectations, customers will be happy and consider it, so the product can be accepted or even high quality so customer satisfaction is created (Jahanshahi et al, 2011). According to Chowdhury et al (2014) one of the main factor must be considered by companies in creating customer satisfaction is product quality. It can be concluded that product quality is a set of characteristic features of goods and services that have ability to meet needs. Product quality is also a combination of durability, reliability, accuracy, ease of maintenance and other attributes of a product. Based on the description above, it can be concluded that the better quality of the products provided by the company, the customer satisfaction will be increase. With the quality of products supporting it will provide customers satisfaction.

H2 : Product quality has a significant positive effect on customer satisfaction.

According to Deng et al (2010) customer satisfaction is a positive customer feelings for service providers in the context of a product. It is important for service providers to understand their customer service vision. Ariffin et al (2017) argued that customer satisfaction can be influenced by certain factor, namely store atmosphere. Not just food but presentation of store atmosphere in the cafe must be considered, it can create a quality shopping experience. Furthermore, Goyette et al (2010) suggested social media can provide electronic word of mouth (ewom), where ewom is influenced by satisfaction to create customer loyalty. According to Gruen et al (2006), ewom is a communication tool for sharing information about a product or service that has been consumed between consumers who did not know each other and met before. Consumers use social media accounts that they have to interact with other consumers who are not known and exchange information about the quality of a product or service, so they decide to buy based on reviews given by

previous consumers. According to Biraglia et al (2018), women have a relationship with satisfaction. Customers who feel satisfaction with a product or service will be more vocal in telling their experiences, but customers who is not satisfy will be far more vocal in telling their experiences than those who are satisfied. Based on the description above, it can be concluded that the higher cunsomer satisfaction, it will encourage them to provide positive electronic word of mouth. If what they feel does not expected then they are often give a negative electronic word of mouth to influence others.

H3 : Customer satisfaction has a significant positive effect on Electronic Word of Mouth

According to Foster (2008) store atmosphere is a change in the planning of the purchasing environment that produces special emotional effects that can cause consumers to make purchases. Then, Dessyana (2013) suggested store atmosphere is creating a physical atmosphere of a store with new concepts and creative ideas that are able to be an attraction for customers. It makes customers feel comfortable for shopping. Francioni et al (2018) show that store atmosphere has a significant effect on customer loyalty. This study suggests how consumers perceive and relate to family and non-family grocery stores, where this research concludes that family businesses are better in terms of managing the store atmosphere. Based on the description above it can be concluded that the store atmosphere has a positive and significant effect on customer loyalty. The better the store atmosphere in the organization, the better the customer loyalty.

H4: Store atmosphere has a significant positive effect on customer loyalty

Irawan dan Japarianto (2013) revealed that product quality is a set of product and service characteristics that can meet cunsomer needs, so they can be relied accordance with customer perception or not. If a product meets expectations, customers will be happy and consider it. If the product can be accepted or even high quality, customer satisfaction is created (Jahanshahi et al, 2011). Furthermore, Shirazi, et al (2013) suggest that competition conditions with the increasing demands of consumers make the task of a marketer increasingly difficult and complex, Cunsomer not only want good quality products, low prices, but also they also want products that can increase satisfaction. Yu and Fang (2009) show that product quality has a significant effect on customer loyalty. If the goods and services corresponding what is expected by consumers, this will affect customer loyalty. Jahanshahi et al (2011) suggested that product quality has a positive effect on customer loyalty. Based on the description above, it can be concluded that product quality has a positive and significant effect on customer loyalty. The better product quality in the organization, the better customer loyalty.

H5: Product quality has a significant positive effect on customer loyalty

According to Aaker (2009) customer satisfaction is one of factors that influences customer loyalty. Bowen and Chen (2001) express the importance of customer loyalty in marketing is no doubt. Marketers really hope to retain their customers in long period, even if possible forever. That is because loyal customers have a lower tendency to move the brands (switching). Customer loyalty is a strong commitment to repurchase certain products or services in the future, even though the situation and marketing efforts have potency to behavior changes (Kotler, 2012). Consumers will be loyal to a product / service if they get satisfaction and benefits from the product, in other words the product he received accordance with their expectation. Furthermore, Lovelock (2005) suggests that customers experience levels of satisfaction or dissatisfaction after experiencing each product or service according to the extent to which their expectations are met or exceeded. Deng et al (2018) show that customer trust and customer satisfaction can increase customer loyalty. Furthermore, El Adly et al (2018) also suggested that the relationship between customer satisfaction and customer is significantly positive.

H6: Customer satisfaction has a significant positive effect on customer loyalty.

According to Hennig et al (2004), EWoMis a positive or negative statement made by potential consumers, consumers who enjoyed with a product or service. Then put into a site so that it can be seen by many people and agencies. EWoM is a communication tool for sharing information about a product or service that has been consumed between consumers who do not know each other and met before Gruen et al (2006). Next, according to Schiffman.L.G. dan Kanuk, (2010) EWoM is a word of mouth that is done online where

customers provide information to each other through the internet about the products they have enjoyed. Gruen et al (2006) electronic word of mouth has a significant effect on customer loyalty. The exchange of knowledge carried out by customers through EWoM affects customer perceptions of customer repurchasing in showing customer loyalty. Based on the description above, it can be concluded that electronic word of mouth has a positive and significant effect on customer loyalty. The better electronic word of mouth in, the better customer loyalty.

H7: Electronic word of mouth has a significant positive effect on customer satisfaction.

Based on the problems described above, the researcher is therefore interested in conducting research with the title the effect of *store atmosphere,* product quality, customer satisfaction and *electronic word of mouth (e wom)* on customer loyalty in gubuk coffee padang

Methods

The type of research used in this study is associative descriptive research. This research was conducted in Padang City in 2019. The sampling technique in this study was purposive sampling as many as 205 respondents. The research instrument used was the questionnaire given to the respondents. The measurement used to measure the respondent's response is to use a likert scale. Data analysis techniques used descriptive analysis and inductive analysis using Structural Equation Modeling (SEM) analysis tools with smart PLS 3.0. This research evaluates the *outer model* and *evaluation inner model* before testing the hypothesis. Evaluation of the *outer model* is done by using validity and reliability tests to obtain representative data which will further analyzed. In testing the validity uses *convergent validity*and discriminant validity. Then, reliability is tested by using *composite reliability*. Evaluation is *inner model* done to test *goodness of fit* using predictive-relevance (R-Square).

Table 4 Research Variables

Variable	Indicators	Source of
Customer loyalty (Y)	Make repeated purchases Make purchases outside the product / service line Refer to other people Demonstrate immunity against competitors.	Griffin (2005)
Store Atmosphere (X1)	Spatial Employee factors Atmosphere Aesthetic value Amenities A view that customers can enjoy	Heung dan Gu (2012)
Electronic Word of Mouth (X2)	Does not vent negative feelings Concern for other consumers Increased positive feelings Social benefits Help the company Search for suggestions	Hennig-Thurau (2004)

Table Cont...

Product Quality (X3)	Good quality raw material Good product taste Product purity guaranteed	Yu dan Fang (2009)
Customer Satisfaction (X4)	Perception has chosen the right company Perception has done the right thing when subscribing to the company The perception of services provided by the company as a whole is satisfying.	Croinet et al (2000) Deng et al (2018)

Results and Discussion

Evaluation *Outer models*

Evaluation outermodels made to test the validity and reliability of data. Validity test consist of convergent validity, discriminant validity, while reliability is tested using statistical composite reliability.

Convergent Validity

There is an indicator that meet the *convergent validity* if it has a value factor *loading* above of 0,6. The following is the result of *convergent validity* for Store Atmosphere, Product Quality, Customer Satisfaction and Electronic Word Of Mouth *(E WOM)*, Customer Loyalty. Results of convergent validity can be seen in table 5.

Table 5. *Convergent Validity*

Variable	Indicator	Loading Factor	Specification
Electronic word of mouth	X410	0,743	Valid
	X411	0,700	Valid
	X412	0,711	Valid
	X42	0,718	Valid
	X43	0,712	Valid
	X44	0,750	Valid
	X45	0,701	Valid
	X46	0,698	Valid
	X47	0,770	Valid
	X48	0,783	Valid
	X49	0,812	Valid
Customer satisfaction	X31	0,799	Valid
	X32	0,875	Valid
	X33	0,796	Valid
Product quality	X21	0,831	Valid
	X22	0,765	Valid

Table Cont...

	X23	0,788	Valid
	X24	0,818	Valid
	X25	0,841	Valid
	X26	0,725	Valid
Customer loyalty	Y1	0,899	Valid
	Y2	0,770	Valid
	Y3	0,888	Valid
	Y4	0,629	Valid
	Y5	0,722	Valid
	Y6	0,897	Valid
	Y7	0,898	Valid
Store atmosphere	X11	0,702	Valid
	X110	0,850	Valid
	X111	0,645	Valid
	X13	0,863	Valid
	X14	0,719	Valid
	X15	0,857	Valid
	X16	0,718	Valid
	X17	0,674	Valid
	X18	0,669	Valid
	X19	0,605	Valid

Table 5 shows the value of outer loading of each indicator. Based on the results of the analysis, it can be stated that each indicator has convergent validity because each indicator has met the requirements of the value of outer loading> 0.60.

Discriminant Validity

Discriminant validity can be seen from *the average variance extracted*. Construction with good validity require AVE values above 0.60. The result of discriminant validity can be seen on table 6.

Table. 6 *Average Variance Extracted* (AVE)

Variable	Average Variance Extracted (AVE)	Specification
Store atmosphere	0,541	Valid
Product quality	0,633	Valid
Customer satisfaction	0,679	Valid
Electronic word of mouth	0,543	Valid
Customer loyalty	0,674	Valid

Source: 2019 Primary Data (Processed)

Base on Table. 6, it can be seen the AVE value of all variables, fulfilling the rule of thumb required, with the AVE value must be greater than 0.50 (AVE> 0.50). Store atmosphere variables reach a value of 0,541.

Product quality variables reach a value of 0.633. Customer satisfaction variable reaches a value of 0.679, Electronic word of mouth reaches a value of 0.543. Customer loyalty variable reach a value of 0.674.

Reliability test

In this reliability test there is *composite reliability* tables that must be observed. The value of *composite reliability* above 0.7 is the expected value. The result of the reliability test are shown in table 7.

Table 7. Value of Composite Reliability

Variable	Factor Loading	Specification
Store atmosphere	0,929	Reliable
Product quality	0,864	Reliable
Customer satisfaction	0,912	Reliable
Electronic word of mouth	0,935	Reliable
Customer loyalty	0,921	Reliable

Based on table 7, it can be seen that the value of composite reliability of the fifth variable value are above 0.7, thus it can be conclude that all of variable namely Store atmosphere, Product quality, Customer satisfaction, Electronic word of mouth , and Customer loyalty have been reliable.

Evaluation of Inner Model

Testing *goodness of fit* models structural in the *inner model* using model *predictive-relevance* (Q-Square). The value of R-*square* from each endogenus variables can be seen in table 6

Table 8 R-Square

Endogenous Variable	Value R-square
Electronic word of mouth	0,328
Customer satisfaction	0,565
Customer loyalty	0,504

Based on table 8, the value of R-Square for kepuasan pelanggan (X3) is 0.565%. it is mean that the percentage of customer satisfaction can be explained by store atmosphere, product quality by 56.5%. while the remaining 43.5% is influenced by other variables outside this research model. Electronic word of mouth (X4) was obtained by 0.328, meaning that the value indicates that customer satisfaction variables can affect the electronic word of mouth variable by 32.8%, while the remaining 67.2% is influenced by other variables not contained in this research model. Furthermore, the R Square value for the customer loyalty variable (Y) is 0.504, meaning that the value indicates that the store atmosphere, product quality, customer satisfaction and electronic word of mouth variables can influence customer loyalty by 50.4% while the remaining 49.6% influenced by other variables not contained in this research model.

The assessment of *goodness of fit* is known by looking Q-*value square*. The Q-*square value* has the same meaning as the coefficient of determination (R-*square*) in regression analysis. The results of calculating Q-*value square* are following:

Q-*square* = 1-[(1-0.328)] x (1-0.565)] x (1-0.504)]

= 1-[0.672x 0.435 x 0.496]

= 1-0.144

= 0.856

From the calculation results, the value Q-*square* has obtained greater than 0 (0.856), so it can be interpreted that the model is good because it has a relevant predictive value of 85.6%. that is the magnitude of the diversity of research data that can be explained by the research model is 85.6%, while the remaining 14.4 % is explained by other factors outside to the model. Based on these results, the research model has good *goodness of fit.*

Hypothesis Test

This study uses structural equations using the approach *Partial Least Square* (PLS). The test results of this research model can be seen in figure 1
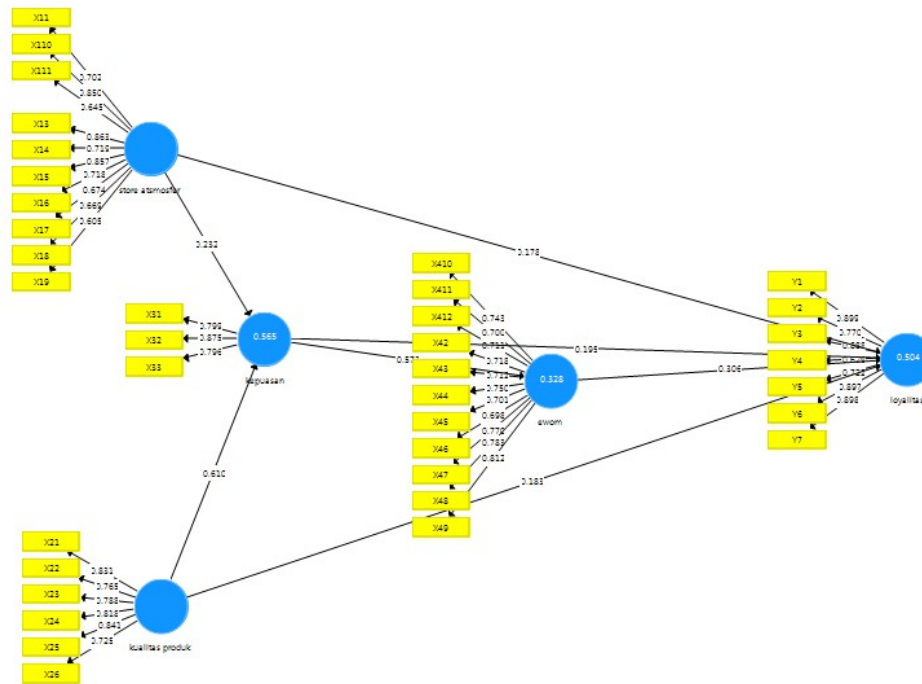
Figure 1

Results test with *Partial Least Square* show that all indicators are above 0.6, so this modeling is feasible to test hypothesis. Hypothesis testing is used by looking T-*statistic* and P-*values.* The research hypothesis can be accepted if T-*statistic* > 1.96 and P-*values* <0.05. The influence coefficients, T-*statistic* and P-*values* can be seen on table 9.

Table 9 Results of coefficient values, T-*statistic* and P-*values*

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	Description	P Value
Electronic Word of Mouth -> Customer loyalty	0,325	0,327	0,068	4,765	Significant, Hypothesis supported	**0,000**
Customer satisfaction -> Electronic Word of Mouth	0,588	0,593	0,047	12,641	Significant, Hypothesis supported	**0,000**
Customer satisfaction-> Customer loyalty	0,191	0,192	0,089	2,146	Significant, Hypothesis supported	**0,032**
Product quality -> Customer satisfaction	0,613	0,612	0,058	10,607	Significant, Hypothesis not supported	**0,000**
Product quality-> Customer loyalty	0,178	0,177	0,071	2,523	Significant, Hypothesis supported	**0,012**
Store Atmosphere -> Customer satisfaction	0,225	0,230	0,058	3,862	Significant, Hypothesis not supported	**0,000**
Store Atmosphere-> Customer loyalty	0,165	0,163	0,064	2,572	Significant, Hypothesis supported	**0,010**

Furthermore, indirect influences in this study can be seen in table 10

Table 10 Indirect Effect

Variabel	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Electronic word of Mouth-> Product quality-> Customer satisfaction	0,360	0,363	0,047	7,648	**0,000**
Store atmosphere -> Electronic word of mouth -> Customer satisfaction	0,133	0,137	0,037	3,602	**0,000**
Electronic word of mouth -> Product quality-> Customer satisfaction -> Customer loyalty	0,117	0,120	0,032	3,630	**0,000**
Product quality -> Customer satisfaction -> Customer loyalty	0,191	0,195	0,047	4,055	**0,000**
Store atmosphere -> Product quality -> Customer satisfaction -> Customer loyalty	0,043	0,045	0,016	2,713	**0,007**
Electronic word of mouth -> Product quality -> Customer loyalty	0,117	0,117	0,055	2,108	**0,035**
Store atmosphere -> Product quality -> Customer loyalty	0,043	0,045	0,025	1,752	**0,080**

Discussion

Based on data analysis and **hypothesis testing 1,** store atmosphere significantly positive effect on customer satisfaction. So, the better store atmosphere applied by the manager of Gubuk Coffee and it is felt by customers, it will increase customer satisfaction of Gubuk Coffee in Padang. Store atmosphere is the atmosphere of a business place that is very important to make customers feel comfortable, enjoy the facilities and scenery around. Store atmosphere can affect consumers perceptions and emotional about a business. If a business has good store atmosphere, it will create good comfort for customers, and customers who feel comfort will certainly have a positive perception. Francioni et al (2018) showed that there was a significant positive effect between store atmosphere on customer satisfaction. Most consumers come or visit not just to shop but to get a comfortable shop atmosphere.

The results of this study indicate that the better store atmosphere perceived by Gubuk Coffee customers such as good layout, good service from employees, pleasant atmosphere, the value of beauty existing facilities and views that can be enjoyed by customers, will increase customer satisfaction of Gubuk Coffee. This illustrates that the positive impact of store atmosphere on customer satisfaction will impact on customer loyalty to visit gubuk coffe continuously. The results of this study are in line with the findings by Francioni et al (2018) showing that there is a significant positive effect between store atmosphere on customer satisfaction.

Based on data analysis and **hypothesis testing 2**, product quality has a significant positive effect on customer satisfaction. The better product quality provided by gubuk coffe manager and it is felt by customer, customer satisfaction will increase in gubuk coffe.

According to researchers product quality is the totality of the ability and ability of a product to carry out its functions including durability, reliability, timeliness, ease of operation and repair and other elements. Product quality is a very important component that must be considered by the company. The purpose of forming a good quality product is to convince consumers that the products offered by the company are the best for consumers. Jahanshahi et al, (2011) suggested if a product meets expectations, customers will be happy and consider it, so the product can be accepted or even high quality, customer satisfaction is created. Good product quality can also be seen from the product excellence and product innovation offered better than products from other cafes. This can increase customer satisfaction. The results of this study indicate that the better product quality is felt by the customer, customer satisfaction will be increase. For customers, the quality of the product is a very important thing, for example, it can be seen from the quality of the raw materials of good products, the taste of products offered is delicious and the purity of the taste of the product is guaranteed.

Based on data analysis and **hypothesis testing 3**, electronic word of mouth has a significant positive effect on customer satisfaction. Electronic word of mouth can increases customer satisfaction in gubuk coffe. According to researchers, electronic word of mouth is communication delivered through the internet such as social media about the field of marketing. Customer communication on electronic word of mouth affects customer perception in determining the choice of a product. When old customers share their experiences on social media after buy a product, it will influence the purchasing decisions of new customers. If the old customer gives positive information, then the perception of new customers will also be good, but conversely if the information obtained is negative information, then the perception of consumers will also be less good.

The use of information and communication technology at this time is so high, so companies must also market their products online. So customers will also discuss the products or services offered by the company online. Therefore, word of mouth also develops using electronic media to become electronic word of mouth. This is in accordance with the opinion of Goldsmith dan Horowitz (2006) which states that the internet has changed the way consumers communicate and share opinions or reviews about products or services that they have consumed. This study is in line with the results of research by Biraglia et al (2018) which revealed that electronic word of mouth has a relationship with customer satisfaction. Customers who are satisfied with a product or service will be more vocal in telling their experiences, but dissatisfied customers will be far more vocal in telling their experiences than those who are satisfied. The results of this study indicate that the better

management of social media and supporting electronic word of mouth (EWoM) is good for customers, then it is influenced by the level of customer satisfaction. Some forms of customer involvement in the development of good electronic word of mouth (EWoM) on social media for example does not reduce the release of negative feelings, give attention to other consumers by providing accurate information in accordance with experience, increase positive feelings, get social benefits, help The company also expects suggestions from other people who describe the positive impact of customer satisfaction on electronic word of mouth (EWoM) which will later have an impact on customer loyalty to continue to visit Coffee Huts.

Based on data analysis and the **results of hypothesis 4** testing, it was found that there was a significant effect of store atmosphere on customer loyalty of gubuk coffe in padang city. The better store atmosphere that is applied by the manager of Gubuk Coffee and it is felt by customers, so the loyalty of Gubuk Coffee will increases. Store atmosphere is the atmosphere of a business place that is very important to make customers feel comfortable, enjoy the facilities and the scenery around. While customer loyalty is one loyalty to a product, both certain goods and services. A comfortable store atmosphere will create satisfaction for customers, satisfied customers will definitely make a repeat purchase, so loyalty is created. Francioni et al (2018) show that store atmosphere has a significant effect on customer loyalty. This study suggests how consumers perceive and relate to family and non-family grocery stores, where this research concludes that family businesses are better in terms of managing the store's atmosphere

The results of this study indicate that the better the store atmosphere perceived by customer, it will increase customer loyalty. Some store atmosphere indicators such as good layout, satisfying service from employees, pleasant atmosphere, the value of the beauty of existing facilities and views that can be enjoyed by customers will further increase customer loyalty of gubuk coffe which illustrates the positive impact of the store atmosphere on customer loyalty which will impact on customer loyalty to continue to visit gubuk coffe.

Based on data processing and the results of **hypothesis 5 testing**, it was found that there was a positive and significant effect of product quality on customer loyalty of gubuk coffe in Padang. According to researchers product quality is the totality of the ability and ability of a product to carry out its functions including durability, reliability, timeliness, ease of operation and repair and other elements. Product quality is a very important component that must be considered by the company. While customer loyalty is a person's loyalty to a product, both certain goods and services. The results of this study are in line with the results of research conducted by Jahanshahi et al (2011) suggesting that product quality has a positive influence in customer loyalty. These results indicate that the higher product quality on customer loyalty, the higher the strength of a company's brand. If the goods and services purchased match what is expected by consumers, this will affect customer loyalty. The important thing that companies must consider is consumer taste. Based on the description above it can be concluded that product quality has a positive and significant effect on customer loyalty. The better the product quality in the organization, the better the customer loyalty.

Based on data processing and the results of **hypothesis 6 testing**, it was found that there was a significant influence of customer satisfaction on customer loyalty of gubuk coffe in padang city. The results of this study are in line with the results of Kaura, (2015) namely customer satisfaction has a significant and positive effect on customer loyalty. Customer satisfaction is the level of feeling that arises in a person after comparing between what he receives and his expectations. While customer loyalty is someone's loyalty to a product, both certain goods and services. A customer will feel satisfied with the value provided by a product, it will be very likely to be a customer for a long time so that customer loyalty is created. Aaker (2009) states that one factor that influences customer loyalty is satisfaction (satisfaction), consumers will be loyal to a product. If the consumer gets satisfaction and benefits from the product, in other words the product he receives matches what he expects even more. Based on the description above it can be concluded that customer satisfaction has a positive and significant effect on customer loyalty. The better the perceived satisfaction of the customer, the better the customer loyalty.

Based on data analysis and the results of **hypothesis 7 testing**, it was found that there was a significant influence of electronic word of mouth on customer loyalty of gubuk coffe in Padang. The better electronic

word of mouth that is implemented by the manager of Gubuk Coffee and it can felt by customers, the loyalty of Gubuk Coffee customers increases in Padang city.

The results of this study are in line with previous research conducted by Goyette et al (2010), stated that electronic word of mouth is very important. These results indicate that the higher the electronic word of mouth on customer loyalty, the higher the strength of a business. Gruen et al (2006) electronic word of mouth has a significant effect on customer loyalty. The exchange of knowledge carried out by customers through electronic word of mouth affects customer perceptions of customer perceptions of repurchasing in showing customer loyalty. Based on the description above it can be concluded that electronic word of mouth has a positive and significant effect on customer loyalty. The better electronic word of mouth in the organization, the better the customer loyalty.

Conclusion

Based on the results of processing and discussion, this study can conclude the store atmosphere, product quality, customer satisfaction and electronic word of mouth on customer loyalty at gubuk Coffee in Padang. All variables increase the variables, and endogenous variables directly, but the direct variable store atmosphere does not affect customer loyalty through customer satisfaction. This study offers an important assessment of the published literature on store atmosphere, product quality, customer satisfaction and electronic word of mouth on customer loyalty by analyzing the process of the store atmosphere, product quality, customer satisfaction and electronic word of mouth on coffee to increase customer loyalty in the form of local coffee. this is to add to the literature and provide an overview of the perception of the store atmosphere, product quality, customer satisfaction and electronic word of mouth can increase customer loyalty. The findings underline that entrepreneurs can benefit directly from the development of factors that influence customer loyalty through the store atmosphere, product quality, customer satisfaction and electronic word of mouth. Where, specifically, the findings show that by implementing a good shop atmosphere and product quality will increase customer satisfaction, high customer satisfaction will direct customers to provide positive electronic word of mouth to connect others to visit and make purchases. The better these factors apply, the loyalty loyalty of the customer will be created.

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