The Influence of Lifestyle, Physical Environment, and Menu Variety on Customer Loyalty through Customer Satisfaction in the Coffee Shop

Eka Dewi Setia Tarigan, Muslim Wijaya, Patar Marbun

Department of Management, Faculty of Economics & Business, Universitas Medan Area, Medan, North Sumatra, Indonesia.

Corresponding Author: Eka Dewi Setia Tarigan

ABSTRACT

The present study discusses the direct and indirect effects of lifestyle, physical environment, and menu variety on customer satisfaction through customer satisfaction. The results of the current study found that lifestyle is positively and significantly related to customer satisfaction, physical environment positively and significantly related to customer satisfaction, and menu variety are not related to customer satisfaction. Lifestyle is not related to customer loyalty, physical environment is positively related to customer loyalty, and menu varieties are not related to customer loyalty. For indirect influences, customer satisfaction mediates the relationship between lifestyle and customer loyalty. Meanwhile the physical environment does not mediate the relationship between the physical environment and customer loyalty. Finally, customer satisfaction does not mediate the relationship of menu variety to customer loyalty.

Keywords: Lifestyle, Physical Environment, Menu Variety, Satisfaction, Coffee Shop

INTRODUCTION

The development of the times has made the community especially young people enjoy culinary chatting or job, and one of the most visited cafes is coffee shops. The coffee shop offers a variety of coffee flavors that are believed to relieve stress. Visiting a coffee shop while chatting with friends or doing job has become an urban lifestyle. Visitors go to the coffee shop today vary from young to old. This has led to the growth of the coffee shop business. Consumers usually go to coffee shops that offer a variety of conducive facilities. Customers who visit the coffee shop usually choose a coffee shop which offers a variety of interesting and enjoyable services. Often the reason consumers visit coffee shops is because of convenient places such as; complete facilities, free wifi, comfortable seating, interior design, lighting and accompanying background music. In addition to quality coffee, strategic location, menu varieties are a consumer consideration when visiting a coffee shop. Such a condition makes coffee shop visitors a day-long visit to the coffee shop. It seems that not only the coffee shop can be found in the mall but also the coffee shop outside the mall has also emerged today. The entire coffee shop owner will compete for a variety of offers that are of interest to consumers.

Nowadays the city of Medan is no longer a coffee plantation but the image that has been attached to the coffee lovers is marked by the abundance of coffee shops from the periphery to the heart of the city which offers many varieties of coffee, a taste of Medan's coffee. As a metropolitan city with a wide variety of community activities where Medan's urban lifestyle is hedonic. High interest in Medan townspeople, especially young people towards coffee shops, has led to coffee
shops. The trendy coffee shop is now competing with consumers. Each coffee shop strives to win customers' hearts through exciting offers. The varieties of products on offer, ample facilities, as well as Instagramable interior and exterior designs are one of the coffee shop's best interests.

**LITERATURE REVIEW**

**Lifestyle**

Lifestyle is an overview of the behavior / patterns of how a person lives their life consuming a product based on their interests, activities, and opinions in their daily life and that distinguishes one another. According to Kindra (1994) lifestyle is an external expression of individuals' needs, opinions, and tendencies to participate in their country's socio-economic and political life. As an external expression of individuals about their needs, opinions, and inclinations to participate in their country's socio-economic and political life. Lifestyle patterns give consumers a broader three-dimensional view that enables marketers to think smarter (Kaynak and Kara, 1996).

Assael's definition of lifestyle “is that a person's lifestyle is based on his / her activities, interests, and opinions (Assael, 1992). According to Mowen lifestyle is how individuals consume the product, spend their money and spend their time on the product (Mowen, 1995). According to this definition, lifestyle is about how a person lives, spends money, and manages time, what they feel is important in a person's interests, what one feels about themselves and the world around them (Mowen, 1995). According to (Engel 1990) "lifestyle is a lifestyle associated with how time and money are spent. Engel also argues that one's lifestyle is influenced by experience, social class, demographics and others (Engel, 1990). Therefore, lifestyle is part of the human secondary need that may change over time or in a trend. Lifestyle is reflected in one's dress and habits. The lifestyle can be negative or vice versa depending on the norm in society, leading to a good lifestyle and a bad lifestyle.

**The physical environment**

The physical environment was first introduced by Kotler in 1973, also known as the retail atmosphere. (Bitner, 1992) states that the physical environment is a set of services consisting of three components: environmental conditions, space and decor, and directional signs. According to (Ryu & Jang, 2007) a good physical environment can generate positive emotions, consumer intention, satisfaction, and consumer loyalty to a restaurant. Of course, the quality of food is fundamental, but good working conditions and service will further influence the consumer's decision to make a purchase (Wall & Berry, 2007). Kotler (1973) first defined atmosphere as 'efforts to design a purchase environment that could generate certain emotional. There are several elements or indicators that can shape a physical environment and support the consumer's attractiveness, exterior facilities, interior design, layout and location (Lupiyoadi, 2013; Mowen & Minor, 2002; Peter & Olson, 1999).

**Menu variety**

The term variety is familiar to the economy as it is one of the most widely used strategies in the business world. Variety or variety is a different form or form depending on one's interpretation. The variety of menus offers a wide variety of foods that consumers need in order to meet their needs, starting with the selection of raw materials, how they are processed and ready to serve. Various menu offers will make it easier for consumers to choose the food according to their taste. According to (Reynolds and Taylor, 2009) menu delivery is a key part of internal marketing and as a selling point for restaurants to sell their food and drinks to customers. The menu will communicate what you have to offer, indicate the type of service you want, and reflect the facilities that your guests will experience. Other points such as (Rosalin &
Soetanto, 2006,) menu are lists of food items that it offers business owners based on customer needs and demands. Menus are usually designed to meet the goals of the business owner. Menus can also serve as a customer base for food choices; well-made menus can direct customers’ attention to more items for sale (Ozdemir & Caliskan, 2013)

**Customer satisfaction**

Kotler (2014) notes that customer satisfaction is a reaction that tends to emerge after a service is given. According to Zeithaml et al. (2006), customer satisfaction is a consumer's expectation of a service, whether a service meets consumer needs and expectations. Customer satisfaction is the response of consumers who feel that their needs are being met and an assessment of whether the features of a product or service or the product itself are able to meet the level of consumer demand or exceed expectations. The definition of consumer satisfaction by Schiffman and Kanuk (2010) is “individual consumer’s perception of the performance of the product or service in relation to his or her expectations.” What it means for a consumer is an individual's perception of the performance of the product or service he or she uses, whether he or she has met their expectations or not.

**Customer loyalty**

Customers who make repeated purchases are loyal customers. Loyal customers will benefit from their businesses because they are a loyal and satisfied customer. According to Griffin (2002) “loyalty is defined as the purchase made by continuous decision-making that has lasted for a long time. According to Oliver (1996) customer loyalty is a strong commitment from consumers to consistently buy preferred service products in the future, despite various situational constraints and marketing efforts that could potentially cause consumer behavior to shift.

Customer loyalty can be classified as brand loyalty, service loyalty, and store loyalty (Dick & Basu, 1994). Customer loyalty is a strategy that creates a shared gift to benefit the company and the customer (Reichheld & Detrick, 2003). Customer loyalty is typically distinguished in three approaches including behavioral loyalty approaches and to predict how long customers will remain loyal (Jacoby & Chestnut, 1978). Therefore, viewing loyalty as an attitude-behavior relationship enables an integrated investigation of antecedents and the consequences of customer loyalty (Dick & Basu, 1994) From some previous definitions, the authors conclude that loyal consumers are willing to provide word of mouth. As a result consumer loyalty supports marketers in promoting their products directly.

The hypotheses developed in this study are:

H1: Lifestyle is positively and significantly related to customer satisfaction
H2: Physical facilities are positively and significantly related to customer satisfaction
H3: Menu variety are positively and significantly related to customer satisfaction
H4: Lifestyle is positively and significantly related to customer loyalty
H5: Physical environment is positively and significantly related to customer loyalty
H6: Menu variety are positively and significantly related to customer loyalty
H7: Customer satisfaction is positively and positively related to customer loyalty
H8: Lifestyle through customer satisfaction is positively and significantly related to customer loyalty
H9: Physical environment through customer satisfaction is positively and significantly related to customer loyalty
H10: Menu variety through customer satisfaction are positively and significantly related to customer loyalty

**MATERIALS & METHODS**

The current study using is a descriptive method and verification. The study population is Medan City residents
who have visited the coffee shop at least twice, the sample size being 100 respondents, which is obtained proportionally from each region in Medan City. The sample extraction technique was purposive and the data analysis used was multiple linear regression with path analysis.

RESULT

The first step in path analysis is to prove that there is a significant relationship among lifestyle, physical environment and menu variety. The results of the analysis to determine the relationship of lifestyle, physical environment and menu variety to purchase decisions. The following table shows the results of the analysis of the structural equation path 1.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>-.7.918</td>
<td>.16.149</td>
<td>.490</td>
</tr>
<tr>
<td></td>
<td>Lifestyle</td>
<td>.5.72</td>
<td>.1.07</td>
<td>5.326</td>
</tr>
<tr>
<td></td>
<td>Physical Environment</td>
<td>.3.54</td>
<td>.1.01</td>
<td>3.509</td>
</tr>
<tr>
<td></td>
<td>Menu Variety</td>
<td>.2.76</td>
<td>.4.10</td>
<td>.673</td>
</tr>
</tbody>
</table>

Based on the table above the regression equations are obtained as follows: \(-7.918+0.572 \text{LF}+0.354 \text{PE}+0.276 \text{MV}+e\).

The value of standarized coefficients beta is 0.572 and the significance of 0.000 <0.05 then the first hypothesis is accepted, that lifestyle is positively and significantly related to purchasing decisions. The value of standardize coefficient beta for the physical environment is 0.354 and the significance of 0.001 <0.05, the physical environment is positively and significantly related to the purchase decision. The standarize coefficient beta value for the menu variant was obtained 0.276 and the significance of the menu variety was 0.502 > 0.005. The menu varieties are positively and significantly related to customer satisfaction.

Table 2. Result of Adjusted R square value

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.732</td>
<td>.536</td>
<td>.521</td>
<td>2.66753</td>
</tr>
</tbody>
</table>

Based on the above table obtained Adjusted R square value of 0.521 which means that the purchase decision is influenced by lifestyle, physical environment and menu variety of 52.1% while the rest is represented by other factors, they were not discussed in this study.

The next step in the path analysis is to prove that there is a positive and significant relationship among lifestyle (x1) and physical environment (x2) and purchase satisfaction (y1) with customer satisfaction (y2). The results of the analysis were to determine the effect of lifestyle (x1), physical environment (x2), and purchasing decisions (y1) on the customer satisfaction (y1). In table 3. Results of structural equation path analysis 2.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>24.751</td>
<td>6.386</td>
<td>3.876</td>
</tr>
<tr>
<td></td>
<td>Lifestyle</td>
<td>.001</td>
<td>.048</td>
<td>.003</td>
</tr>
<tr>
<td></td>
<td>Physical Environment</td>
<td>.166</td>
<td>.042</td>
<td>.369</td>
</tr>
<tr>
<td></td>
<td>Menu Variety</td>
<td>.057</td>
<td>.162</td>
<td>.028</td>
</tr>
<tr>
<td></td>
<td>customer satisfaction</td>
<td>.174</td>
<td>.040</td>
<td>.445</td>
</tr>
</tbody>
</table>

The (Constant) indicates a constant value that is added to the regression equation to make the equation more accurate. The value of the coefficient is 24.751 with a significance of 0.000 > 0.05. The values of the coefficient of lifestyle, physical environment, and menu variety are 0.001, 0.166, and 0.057, respectively, with a significance of >0.05. This means that these variables are not significantly related to customer satisfaction. The coefficient of customer satisfaction is 0.174 with a significance of 0.000 > 0.05, indicating a significant relationship with customer satisfaction.
Based on the table above, the regression equation is obtained as follows:
24,751+0,001 LF+0,166PE+0,057 MV+0,174 CS+e

The coefficient value of standarized beta of the lifestyle variable was 0.001 with a mean value of 0.978> 0.05 which was not significant. Lifestyle is positively related to customer satisfaction. The coefficient of standarized beta coefficient for the physical environment is 0.166 with a significance of 0.000 <0.05 which is significant. The physical environment is positively and significantly related to customer satisfaction. The coefficient of standarized beta for the menu variant was 0.057 with a significance of 0.726> 0.05 which was not significant. Menu varieties are positively related to customer satisfaction. The coefficient of standarized beta for the purchase decision was 0.174 with a mean of 0.000 <0.05 which is significant. Purchase decisions are positively and significantly related to customer satisfaction.

<table>
<thead>
<tr>
<th>Table 4 Result of Adjusted R square value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

Based on the above table obtained adjusted R square of 0.511 which means customer satisfaction of 51.1%, which is explained by lifestyle, physical environment and menu viability, while the rest is explained by other factors not covered in this study. Based on the above data it is possible to create diagram 1.1 as follows.

Based on the results of the computer statistic above, the standardized beta life style value is 0.504 with a significance of 0.000 which means that life style is related to customer satisfaction. The value of the standardized physical environment is 0.306 with a mean of 0.001 which means that the physical environment is related to customer satisfaction. The standardized menu item value is 0.054 with a value of 0.502, which means the variety menu is not related to customer satisfaction. In table three, the standardized beta value of life style is 0.003 with a significance of 0.978 which means that life style is not related to customer loyalty. The standardized value for the physical environment is 0.369 with a significance of 0.000, which means variable physical environment is related to customer loyalty. The standardized value for the variety menu is 0.028 with a significance of 0.726 which means the variety menu is not related to customer loyalty. And the standardized customer satisfaction value is 0.445 with a significance of 0.000 which means customer satisfaction is related to customer loyalty.
Table 5. direct effects, indirect effects, and the effects of lifestyle, physical environment, menu variety, purchasing decisions and customer satisfaction

<table>
<thead>
<tr>
<th>The influence of variables</th>
<th>Direct effects</th>
<th>Indirect effects through purchase decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 → Y</td>
<td>0.504</td>
<td>-</td>
</tr>
<tr>
<td>X2 → Y</td>
<td>0.306</td>
<td>-</td>
</tr>
<tr>
<td>X3 → Y</td>
<td>0.054</td>
<td>-</td>
</tr>
<tr>
<td>X1 → Z, mediation Y</td>
<td>0.003</td>
<td>0.244</td>
</tr>
<tr>
<td>X2 → Z, mediation i Y</td>
<td>0.369</td>
<td>0.136</td>
</tr>
<tr>
<td>X3 → Z, mediation i Y</td>
<td>0.028</td>
<td>0.024</td>
</tr>
<tr>
<td>Y → Z</td>
<td>0.445</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Primary data processed

According to the table above, customer satisfaction mediates the lifestyle between customer loyalty, since the direct relationship coefficient is smaller than the indirect relationship coefficient. Customer satisfaction does not mediate between the physical environment and customer loyalty. Customer satisfaction does not mediate between menu variety and customer loyalty.

**DISCUSSION**

Lifestyle testing is positively and significantly related to customer satisfaction. The results of this study are in accordance with previous research by Chung HK, Kim HY, Lee HY (2011). In their study the indicators are Activities, Interest, Opinions. Respondents were divided into two groups: introvert, and extrovert. Which factors are positively related to customer satisfaction through lifestyle groups some factors correlate positively with coffee customer satisfaction at coffee shop. The study provides an insight into marketing differentiation plans for the coffee industry.

The physical environment testing is positively and significantly related to customer satisfaction. The physical environment is an important aspect for businesses such as restaurants and cafes. The physical environment is not only a factor in attracting potential buyers, but also in measuring customer satisfaction. If the entrepreneur is aware of this factor then the customer will be more satisfied. The results of this study show that physical environments such as decor, live music and settings are significantly related to customer satisfaction. By providing a new atmosphere like decorating a cafe, providing entertainment such as live music and organizing the customers, they will be satisfying, as people who come to cafes or restaurants, they are not only enjoy food and drinks but also a café atmosphere. The results of this study were supported by Jalal Hanaysha (2016). The study shows that the physical environment has a positive effect on customer satisfaction. Their study examines the relationship between three determinants of quality dimensions. (predictors: food, services, and physical environment), prices (moderators), and satisfaction and behavioral intention (criteria) in fast-casual restaurants. Despite the importance of food-quality services, academics and managers just know a little about how the combined effects of quality (food, service, and physical environment) affect customer satisfaction which, in turn, influences behavioral intention. Multiple hierarchical regression analyzes with interactions indicate that the quality of food, services, and physical environment are significant determinants of customer satisfaction. In addition, price perception acts as a moderator in the process of generating satisfaction. Finally, the results show that customer satisfaction is a significant predictor of behavioral intention. These findings can provide restaurant owners with guidelines for improving customer satisfaction and behavioral intentions.

Menu variety testing is not related to customer satisfaction. The empirical result is supported by research conducted by Ahmed E Baiomy and Eleri Jones Mark M H Goode (2017). Their study offers a model of the influence of menu attributes on customer satisfaction. In their study
customer satisfaction at this restaurant has not emphasized the menu attributes, although the menu is a key important for restaurant but it has not yet enhanced the menu attributes. Multiple regression analysis results from the data indicate that menu design, menu item descriptions, and menu varieties are significant predictors of customer satisfaction. The findings of their study will be helpful for educators and students in hotel management programs, and for practitioners to further understand the complex relationship between menu attributes and customer satisfaction.

Based on the result test, lifestyle is not related to customer loyalty. Customer satisfaction and loyalty are key drivers of performance. However, there is a lot of evidence that good attribute performance and high overall satisfaction do not always result in higher loyalty. In contrast to a study by Kurt Matzler, Johann Füller and Rita Faullant (2007). From the results of their study, the analysis of the moderating effects of three important factors in the performance of the overall satisfaction-relationship-loyalty performance: lifestyle, consumer spending and customer skiing skills in a sample of 6172 skiers. The results show that the entire variables studied have a moderating effect. Those findings have implications for theory and practice.

Testing the physical environment has a positive and significant effect on customer loyalty. The result is in line with a study by Burcin Cevdet Cetinsoz (2018). In their study, the physical environment of high-end restaurants in Silifke influenced consumer loyalty. The relationship between independent and dependent variables was analyzed by structural equation model. In contrast to the research conducted by Heesup Han and Kisang Ryu (2009). Their study results indicate that consumer satisfaction mediates the physical environment towards consumer loyalty. It indicates that good or bad physical environment was insignificantly related to the consumer loyalty.

Menu variety testing is not related to customer loyalty. The results of this study are supported by previous research conducted by Uswatun Hasanah dan Harti (2015). Their study aimed to find out the effect of menu diversity, price and quality of service on customer loyalty with satisfaction as an intervening variable. Their study results of the path analysis test show that there is a positive effect of menu diversity, price, service quality on satisfaction. Menu diversity, pricing on customer loyalty and there is a negative impact on quality of service on loyalty as well as positive impact on customer satisfaction on loyalty. Therefore, customer satisfaction as an intervening variable has a very important influence on this research.

Customer satisfaction testing is positively and significantly related to customer loyalty. This is in line with a study conducted by Intan maizura and Mohd Juraig Abd Rani (2015). Their study explains that loyalty is an important part of gaining competitive advantage. The result of their study is service quality, customer satisfaction has a significant impact on customer loyalty and hence this research can help fast food carriers improve consumer loyalty by improving the quality of service and raise the customer satisfaction.

The test of customer satisfaction variable does not mediate customer loyalty. Contrary to the study conducted by Mia Darmianti dan Bulan Prabawani (2019). Their study shows that there is a positive effect of lifestyle and customer loyalty value through greater customer satisfaction, has a similar effect of 19.3% to boost the lifestyle and value of customers has a 45.6% contribution to loyal customers through customer satisfaction at the Larissa Aesthetic Center. Accordingly, the results suggest that the Larissa Aesthetic Center needs improvement in terms of enhancing the professionalism of all employees, improving quality in order to cooperate with other beauty clinics, improving service levels and periodically providing customers with specific information on the latest info.
The test of customer satisfaction variables mediates the physical environment of customer loyalty. The test of customer satisfaction variable mediates the variety of menus to customer loyalty. This is supported by the research done by Musriha (2011) from the University of Bhayangkara Surabaya. The aim of this study was to test the direct and indirect effects of servicescape's integrated model and the quality of personal communication on customer loyalty, and consider customer satisfaction as an intervening variable. Based on the analysis, it can be concluded that the results support servicescape's impact on customer satisfaction and customer loyalty. Their result supported the impact of quality of personal communication on customer satisfaction, and supported the influence quality of personal communication on customer loyalty. The customer satisfaction variable test mediates the variety of the customer loyalty menu. This is different from the research done by Fitri Arinda, Eco Soetjipto, Agus Hermawan (2018). This study aimed to find out the effect of product quality, brand image, and menu variety on customer loyalty through customer satisfaction. In their study, the path analysis shows that product quality, brand image, and menu variety directly affect customer loyalty or indirectly affect customer satisfaction. Their study concluded that product quality, brand image, and menu variety, both directly and indirectly influence customer loyalty through their satisfaction. Finally, based on the research results, it is recommended to create new innovations to increase customer satisfaction.

### CONCLUSION

The result of the discussion was that the lifestyle had a positive and significant influence on customer satisfaction, the physical environment had a positive and significant effect on customer satisfaction, the menu variety did not have a positive and significant effect on customer satisfaction. Lifestyle does not affect customer loyalty, physical environment positively and significantly affects customer loyalty, menu variety does not affect customer loyalty. Variables of customer satisfaction mediate between lifestyle variables for customer loyalty. While physical environment variables do not mediate physical environment variables to customer loyalty. And customer satisfaction variables do not mediate menu variety variables on customer loyalty. The adjusted R square value of 0.511 means that the customer satisfaction variable of 51.1% was affected by lifestyle variables, physical environment, and menu variety while the rest was affected by other variables not discussed in this study. From the above conclusion, we suggest to the coffee shop owners in Medan, to add more menu variety offered, as most coffee shops offer only coffee varieties. For further research, we suggest to the further researchers to investigate different menu variety of coffee shops in another region or countries.

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