The Effect of Servicescape and Perceived Service Quality on Customer Loyalty through Customer Satisfaction in Consumer Clothing in Medan Petisah Market

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ABSTRACT

This research is motivated by a variety of online service activities changing the lifestyle of consumers, especially in the activity of buying and selling goods and services. At first, the consumer made a purchase by visiting a physical store, walking around a shopping mall, and meeting the seller to transact in a physical store. Now, some of these activities are combined in one virtual purchase activity via smartphone or personal computer. This research is a quantitative associative research. Data were collected using questionnaires, interviews and documentation studies. The samples in this study were 175 respondents. The number of questions is 35 questions. Hypothesis testing uses path analysis at a 95% confidence level ($\alpha=0.05$). The results of hypothesis testing are done by partial test (t-test) showing that Servicescape has a positive and significant effect on customer satisfaction on clothing consumers. The perception of service quality has a positive and significant effect on customer satisfaction in clothing consumers. Servicescape has a positive and significant effect on customer loyalty for clothing consumers. The perception of service quality has a positive and significant effect on customer loyalty in clothing consumers. Customer satisfaction has a positive and significant effect on customer loyalty for clothing consumers. The path analysis test results show that Servicescape has an effect on customer loyalty through customer satisfaction in clothing consumers. And the perception of service quality affects customer loyalty through customer satisfaction with clothing consumers.

Keywords: Servicescape, Perception of Service Quality, Customer Loyalty, Customer Satisfaction

INTRODUCTION

Petisah Market Regional Company is one of the traditional markets in the city of Medan which has decreased the number of buyers. Based on the pre-survey results, there were 56.67 percent of customers who were very satisfied with the quality of clothing in Medan Petisah Market and 43.33 percent expressed dissatisfaction. For services provided, as many as 40 percent of customers are very satisfied with the convenience of the Medan Petisah Market environment while a larger number of 60 percent expressed its discomfort in the Medan Petisah Market environment. In terms of the services delivered by employees, 53.33 percent of customers were satisfied with the services of clothing store employees, while 46.67 percent said they were dissatisfied because the services of clothing store employees were not in line with their expectations.

Empirical data and theoretical studies from several previous studies can support the research gap research. Munawir (2018) states that service quality has a positive and significant effect on customer satisfaction. Also research Anggarayana and Pramudana (2013), Ardani and Suprapti (2012), Soelasih (2015), Wantara (2015), Ismail and Yunan (2016), Aryani and...
Rosinta (2010), and Muqimuddin (2017). Different research results are shown by the research of Kim and Moon (2008) which states that the perception of service quality has no influence on the intention of a return visit. Research Upadhyaya et al. (2018) shows that satisfaction with servicescape is positively influenced by perceived quality of servicescape. This study is in line with the results of research by Supriyatin (2014), Sulartiningrum, et al. (2016), and Grosso et al. (2017). Different results were revealed in the research of Kurniawan et al. (2018) and Muqimuddin (2017) which states that servicescape has a negative and not significant effect on customer satisfaction.

THEORITICAL REVIEW

2.1. Servicescape Theory

According to Tjiptono and Diana, 2016, physical evidence designs an integrated marketing program that is able to provide superior value to customers that includes physical features that reflect service quality. The term servicescape refers to the quality of physical evidence. Lovelock et al. (2011) divides the main dimensions of the service environment in the servicescape model into three parts, namely:

a. Ambient conditions refer to environmental characteristics that are felt by the five senses. When these characteristics are not realized, emotions, perceptions, and behavioral attitudes can still be influenced.

b. Spatial Layout and Functionality (Spatial layout and functionality)

Because a service environment usually has to meet certain objectives and customer needs.

c. Signs, Symbols, and Artifacts (Sign, symbol, and artifact).

Objects in the service environment act as explicit or implicit signals to communicate the image of the company, assist customers in finding what they are looking for and convey service scenarios.

Lovelock et al. (2011) states four main objectives that underlie many companies using servicescape in services:

a. Shaping customer experience and behavior.

b. As imaging, positioning, and differentiation.

c. As part of the value proposition.

d. Facilitating delivery of services and increasing productivity.

2.2. Theory of Service Quality Perception

According to Setiadi (2015), an introduction to an object, movement, intensity (increased volume), and aroma are something (clues) that affect perception. Perception is formed by three pairs of influences: the characteristics of stimuli, the relationship of stimuli to their surroundings, and the conditions within us. We feel the shape, color, sound, touch, aroma, and taste of stimuli.

The perception process includes:

a. Perceptual selection occurs when consumers capture and choose a stimulus based on the psychological set they have.

b. Perceptual organization means consumers group information from various sources into a comprehensive understanding to better understand and act on that understanding.

c. The final process of perception is the interpretation of stimuli received by consumers.

According Sangadji and Sopiah (2013) explained that quality is a dynamic condition associated with products, services, people, processes, and the environment that meets or exceeds expectations. Quality has a close relationship with customer satisfaction. Tjiptono and Chandra (2011) suggested that the quality of a service perceived by customers consists of two main dimensions, namely:

a. Technical quality (Outcome dimension) related to search quality, experience quality, and credence quality.

b. Functional quality (Process-related dimension) related to the quality of the way the service is delivered or involves the process of transferring technical quality,
output or final service from the service provider to the customer.

2.3. Customer Satisfaction Theory

According to Sudaryono (2016), satisfaction is the response to fulfillment from consumers. Satisfaction theory is a model that explains the formation of consumer satisfaction or dissatisfaction, which is the impact of comparing consumer expectations before purchase or consumption with the actual performance obtained by consumers. According to Rahmayanty (2010), there are four methods to measure customer satisfaction, namely:

a. Complaints and Suggestions System.
b. Shopping Satisfaction.
c. Analysis of Lost Customers.

According to Tjiptono (2012) in general, customer satisfaction programs consist of:

a. Quality goods and services.
b. Relationship marketing.
c. Loyalty promotion program.
d. Handling complaints effectively.
e. Focus on the best customers.
f. Pay-for-performance programs.

2.4. Customer Loyalty Theory

According to Sangadji and Sopiah (2013), loyalty refers more to the manifestation of the behavior of decision-making units to make continuous purchases of goods or services from a selected company. Loyal consumers have the following characteristics:

a. Make regular purchases (makes regular repeat purchases).
b. Make purchases on all product or service lines (purchases across product and service lines).
c. Recommend products to others (referred to other).
d. Demonstrate immunity from the appeal of similar products from competitors (demonstrates on immunity to the full of the competition).

The stages of customer loyalty are as follows:

a. Suspects.
b. Prospects.
c. Disqualified prospects.
d. First time customer.
e. Repeat customers.
f. Clients.
g. Supporters (Advocates).
h. Partners.

RESEARCH METHOD

The type of research used is quantitative associative research. This research was conducted at Petisah Market Jl. Razak Baru No. 1-A, Medan, North Sumatra. When the study began in February 2020 until April 2020. The number of respondents who became the sample in this study were 175 respondents. The sampling technique in this study include non-probability sampling technique using incidental sampling. Data collection methods used in this study were interviews, questionnaires and documentation studies. Data analysis in this study uses path analysis methods or techniques that are operated through the SPSS program. A study uses two statistical approaches, namely descriptive statistics and inferential statistics (path analysis).

RESEARCH RESULTS

4.1. Testing the Classical Assumptions of the First Sub-Structure

<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>.629</td>
<td>.396</td>
<td>.389</td>
<td>1.126</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Perception of Quality, Servicescape
b. Dependent Variable: Customer Satisfaction

Source: Research Results, 2020 (Data Processed)
Based on the results of Table 1 shows that servicescape variables and perceived service quality have an influence on customer satisfaction by 39.6% and the rest (100% - 39.6% = 60.4%) are influenced by other variables (ε1) outside this model, for example price, promotion, purchase decision, and so on.

Table 2. Coefficients

<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>(Constant)</td>
<td>-5.095</td>
<td></td>
<td>-3.009</td>
<td>.003</td>
</tr>
<tr>
<td>Servicescape</td>
<td>.220</td>
<td>.373</td>
<td>6.286</td>
<td>.000</td>
</tr>
<tr>
<td>PersepsiKualitas</td>
<td>.205</td>
<td>.501</td>
<td>8.455</td>
<td>.000</td>
</tr>
</tbody>
</table>

Table 2 above can be seen the sub-structural equation path 1 is as follows:

\[ Z = 0.373X_1 + 0.501X_2 \]

Furthermore, from equation 1 the feasibility of the model will be tested using the classic assumption test as follows:

**Normality Test**

Based on Figure 1, the histogram graph spreads evenly from left to right and does not only lead to the left or does not only lead to the right. Likewise with the normal probability plot graph, it appears that the data spreads around the diagonal line and follows the direction of the diagonal line. Therefore, it can be concluded that the data shows a normal distribution pattern, then the first sub-structural regression model in this study has fulfilled the normality assumption.

**Multicollinearity Test**

From the analysis of Table 3, the values of tolerance and Variance Inflation Factor (VIF) are as follows:

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>Tolerance 1.000 VIF 1.000</td>
</tr>
<tr>
<td>Servicescape</td>
<td>1.000 VIF 1.000</td>
</tr>
<tr>
<td>PersepsiKualitas</td>
<td>1.000 VIF 1.000</td>
</tr>
</tbody>
</table>

From Table 3 shows that all variables in this study did not experience multicollinearity. This is indicated by the value of tolerance whose magnitude far exceeds 0.1 and VIF whose magnitude is less than 10.
Heteroscedasticity Test

This shows that servicescape variables and perceived service quality have an effect on customer satisfaction by 39.6% and the rest (100%−39.6%=60.4%) are influenced by other variables (ε1) outside this model, for example price, promotions, purchasing decisions, and so on.

4.2. Testing the Classical Assumptions of the Second Sub-Structure

Table 5 above can be seen sub-structural equation 2 is as follows:

\[ Y = 0.159X_1 + 0.122X_2 + 0.605Z \]

Furthermore, from equation 2 the feasibility of the model will be tested using the classic assumption test as follows:

**Normality Test**

Based on Figure 3, the histogram graph spreads evenly from left to right and does not only point to the left or not only to the right. Likewise with the normal probability plot graph, it appears that the data spreads around the diagonal line and follows the direction of the diagonal line. Therefore, it can be concluded that the data shows a normal distribution pattern, then the second sub-structural regression model in this study has fulfilled the normality assumption.
Multicollinearity Test

From the analysis of Table 6 the values of tolerance and Variance Inflation Factor (VIF) are as follows:

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Servicescape</td>
<td>0.813</td>
<td>0.123</td>
<td></td>
</tr>
<tr>
<td>Quality Perception</td>
<td>0.706</td>
<td>1.416</td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>0.604</td>
<td>1.655</td>
<td></td>
</tr>
</tbody>
</table>

Based on Table 6, the Tolerance value shows value > 0.1 and the value of variance inflation factor (VIF) shows < 10. So it can be concluded that there is no multicollinearity problem between variables in the second sub-structural regression model.

Heteroscedasticity Test

Based on Figure 4, scatterplot graphs of points forming certain regular patterns and spreading above and below the number 0 on the Y axis, it can be concluded that there was no heteroscedasticity in the second sub-structure model.

4.3. Path Analysis

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>$X_1 \rightarrow Z$</td>
<td>0.373</td>
</tr>
<tr>
<td>$X_2 \rightarrow Z$</td>
<td>0.501</td>
</tr>
<tr>
<td>$X_1 \rightarrow Y$</td>
<td>0.159</td>
</tr>
<tr>
<td>$X_2 \rightarrow Y$</td>
<td>0.122</td>
</tr>
<tr>
<td>$Z \rightarrow Y$</td>
<td>0.605</td>
</tr>
<tr>
<td>$X_1 \rightarrow Z \rightarrow Y$</td>
<td>0.226</td>
</tr>
<tr>
<td>$X_2 \rightarrow Z \rightarrow Y$</td>
<td>0.303</td>
</tr>
</tbody>
</table>

DISCUSSION

5.1. Effect of Servicescape ($X_1$) on Customer Satisfaction ($Z$)

The direct effect of servicescape on customer satisfaction was 37.3%. Servicescape has a greater direct effect on customer satisfaction than customer loyalty. Servicescape is a factor that drives customers to feel satisfied. The results of this study prove that customer satisfaction can be formed through servicescape. That is, the better the servicescape of a company, the customer satisfaction will increase.

Servicescape provided by PD Pasar Petisah is able to attract customers to shop for clothes. Servicescape dimensions are ambient conditions, spatial layout and functionality, signs, symbols, artifacts that the company designed in accordance with customer expectations.

In addition, the servicescape felt by clothing customers in Medan Petisah Market is also in accordance with the benefits received. This is because customers can shop for clothes by receiving stimuli or stimuli from a good service environment. Customers' needs for a comfortable room scent, noise free shops, room lighting according to vision, temperatures that provide comfort when shopping, room layout that makes it easy to choose clothing, easy to park vehicles, availability of mosques as a place of worship, air conditioners that function properly, toilets that can be used properly, signs of clothing stores that are clearly visible, and clear signs, as a place to deliver services while shopping for clothes in Medan Petisah Market are met in accordance with customer expectations.

Ali and Amin's research (2014) proves that the physical environment is a significant predictor of customer satisfaction. An improved environment helps customers get satisfaction. This study is in line with research by Chebat and Michon (2003) and Pantouvakis (2010).

5.2. Effect of Service Quality Perception ($X_2$) on Customer Satisfaction ($Z$)
The direct effect of perceived service quality on customer satisfaction was 50.1%. The perception of service quality has a greater direct effect on customer satisfaction than customer loyalty. The results of this study indicate that customer satisfaction can also be formed through the perception of service quality. That is, the better the customer's perception of the quality of a company's services, customer satisfaction will increase. Customers' perceptions about the quality of services provided are able to encourage customers to shop for clothes in Medan Petisah Market.

In addition, customers' perceptions of service quality are the same as even exceeding their expectations. This is because the customer relationship with the stimuli received is the appearance of employees neat and attractive, sturdy buildings, consistency in the quality of clothing, service delivery from the beginning, willingness to help, immediately provide service when consumers arrive, giving change, polite service, individual attention by employees and clothing store owners, able to create a feeling of pleasure for customers when shopping for clothes in Medan Petisah Market.

Bucak research (2014) proves that service quality has a positive and significant effect on customer satisfaction. The main factor of customer satisfaction lies in empathy, where individual attention is the most significant variable in determining customer satisfaction. This study is in line with research by Truong et al. (2017).

5.3. Effect of Servicescape (X1) on Customer Loyalty (Y)

The direct effect of servicescape on customer loyalty is 15.9%. Servicescape has a smaller direct effect on customer loyalty than customer satisfaction. The results of this study prove that customer loyalty can be formed through servicescape. That is, the better the servicescape of a company, the customer loyalty will increase. Servicescape provided by PD Pasar Petisah becomes a factor for customers to re-purchase clothing.

Servicescape received by clothing customers in Medan Petisah Market is in accordance with the customer's shopping experience in the past. This is because customers can shop for clothes by receiving stimuli or stimuli from a good service environment. The customer experience will be the aroma of a comfortable room, a store that is free of noise, lighting the room in accordance with the vision, temperature that provides comfort when shopping, layout of the room that makes it easy to choose clothing, easy to park a vehicle, the availability of a mosque as a place of worship, well-functioning air conditioners, toilets that can be used properly, clearly visible clothing store signs, and clear signs, stimulating customers to stay longer at Pasar Petisah Medan. In addition, customers who stay longer in the room, have a greater chance to make repeat purchases at Medan Petisah Market. This shows that servicescape contributed to increasing customer loyalty in Medan Petisah Market.

Summers and Hebert (2001) research proves that lighting and store displays have a positive and significant influence on consumer behavior. Lighting and store atmosphere can attract and retain customers.

5.4. The Influence of Service Quality Perception (X2) on Loyalty

The direct effect of perceived service quality on customer loyalty is 12.2%.

The results of this study indicate that customer loyalty can also be formed through the perception of service quality. That is, the better the customer's perception of a company's service quality, customer loyalty will increase. Conversely, the worse the customer's perception of the quality of a company's services, customer loyalty will decrease.

Customer perceptions about the quality of services provided foster customer loyalty to shop for clothing at Medan Petisah Market. In addition, customer perceptions of service quality encourage customers to stay longer. This is because the customer relationship with the stimuli received is the appearance of employees.
neat and attractive, sturdy buildings, consistency in the quality of clothing, service delivery from the beginning, willingness to help, immediately provide service when consumers arrive, giving change, polite service, individual attention by employees and clothing store owners, creating customer perceptions for repeat purchases at Medan Petisah Market.

Research Grosso et al. (2017) proves that the main driver of customer satisfaction is the seller, where customer satisfaction impacts customer loyalty, while the store environment has less influence in determining customer satisfaction and loyalty.

5.5. Effect of Customer Satisfaction (Z) on Customer Loyalty (Y)

The influence of customer satisfaction on customer loyalty by 60.5%. Customers who are satisfied with the service will re-purchase clothing at Medan Petisah Market. The results of this study indicate that clothing customers at Medan Petisah Market are satisfied with the products and services provided by Medan Petisah Market. By visiting the Medan Petisah Market, customers receive the convenience of shopping through direct interaction with the service environment and employees. This proves that the presence of online stores does not necessarily eliminate customer loyalty in physical stores. The presence of Medan Petisah Market is still favored because customers can buy clothes directly.

Research by Jahanshahi et al. (2011) prove that there is a high positive correlation between customer service constructs and product quality with customer satisfaction and customer loyalty in the automotive industry. This research is in line with the research of Han and Ryu (2009) and Kandampully and Suhartanto (2000).

5.6. Effect of Servicescape (X1) on Customer Loyalty (Y) Through Customer Satisfaction (Z)

The value of direct influence is 0.373 and the indirect effect is 0.226 which means that the direct effect has a greater value than the indirect effect. Thus it can be concluded that the servicescape variable is able to influence customer loyalty through customer satisfaction as an intervening variable.

The effect of servicescape on customer satisfaction is directly greater than the effect of servicescape on customer loyalty. Customer loyalty is not only formed through customer satisfaction, but can also be directly affected by the servicescape variable. Customers are of the opinion that customer loyalty is formed if PD Pasar Petisah is able to create customer satisfaction by regularly maintaining servicescape. Customers' happy feelings towards servicescape provided by PD Pasar Petisah will foster customer loyalty because customer satisfaction can also be triggered by the servicescape condition. However, there are still other factors beyond servicescape that are the cause of customer satisfaction.

Han and Ryu's research (2009) proves that the physical environment has a strong influence on how customers perceive prices which will increase the level of customer satisfaction and directly affect customer loyalty. This study is in line with research by Rashid et al. (2015), Ramlee and Said (2014).

5.7. Effect of Service Quality Perception (X2) on Customer Loyalty (Y) Through Customer Satisfaction (Z)

The value of direct influence is 0.501 and the indirect effect is 0.303 which means that the direct effect has a greater value than the indirect effect. Thus it can be concluded that the perception of service quality variables can influence customer loyalty through customer satisfaction as an intervening variable.

The effect of perceived service quality on customer satisfaction is directly greater than the effect of perceived service quality on customer loyalty. Customer loyalty is not only formed through customer satisfaction, but can also be directly influenced by the perceived service quality variable. Customers are of the opinion that
customer loyalty is formed if employees and clothing store owners are able to create customer satisfaction by building a perception of good service quality in the minds of customers. Feelings of customer satisfaction towards the perception of service quality provided by employees and clothing store owners will foster customer loyalty because customer satisfaction can also be triggered by the perception of service quality. However, there are still other factors beyond the perception of service quality that are the cause of customer satisfaction.

Lu and Seock’s (2008) research proves that the dimension of service quality has a positive and significant influence on customer satisfaction and customer loyalty behavior in department stores. Personal interaction is the strongest predictor in determining the impression on the store to make a repeat purchase.

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