JOURNAL LA SOCIALE

VOL. 05, ISSUE 06 (2132-2141), 2024
DOI:10.37899/journal-la-sociale.v5i6.1517

Analysis of the Influence of Service Quality, Store Atmosphere, Visual Merchandising on Interest and Repeat Purchases

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Article Info

Article history:
Received 31 July 2024
Received in revised form 25 August 2024
Accepted 6 January 2025

Keywords:
Store Atmosphere
Service
Quality

Abstract

In the world of the culinary industry, competition in the restaurant business is increasingly fierce. Wizzmie must continue to provide the best offers for consumers. People's buying interest in visiting restaurants is not only because of the delicious taste of food and drinks, but also because of the quality of service, comfortable atmosphere and attractive product sales. Researchers are interested in knowing the influence of Service Quality, Store Atmosphere and Visual Merchandising variables on consumer interest and repeat purchases at Wizzmie Rungkut branch. The focus of this research is customers of the Rungkut branch of Wizzmie Restaurant with 110 respondents using the purposive sampling method. Research data was obtained from distributing questionnaires using a Likert scale. The research results show that the Purchase Interest variable has a moderate influence on the dependent variable at 49%, as well as the Repeat Purchase variable at 44.7%. The GoF test result of 0.553 shows that the entire SEM-PLS model is in the high suitability category, so that the data is able to explain the relationship between the variables studied. The variables Service Quality and Visual Merchandising have a significant effect on Purchase Interest, and Purchase Interest has a significant influence on Repeat Purchases, while Store atmosphere has no influence on Purchase Interest.

Introduction

In this era of globalization, there is intense competition in the industrial world, especially in the culinary industry. Industrial growth trends are experiencing very rapid development. One industry that is in great demand is the food and beverage supply industry, restaurants and the like. Wizzmie is a restaurant that sells spicy noodles as the core of its menu. Competition in the restaurant business is now increasingly tight, making Wizzmie must continue to provide the best offers for consumers (Candra et al., 2023) . Competition in the restaurant business is now increasingly tight, making Wizzmie have to continue to provide the best offers for consumers, so that consumers continue to choose Wizzmie as a place to enjoy food and drinks, do assignments, or work online at Wizzmie.

Attracting consumer interest is one of the initial goals in encouraging consumers' desire to make purchases. Customer satisfaction is not only about service quality, however, there are other factors that help fulfill satisfaction. According to (Manggala & Adirinekso, 2022) , service quality is the ability of the service provider to serve users of the goods or services. Service quality is how far the difference is between customers' expectations and reality regarding the service they receive. Store atmosphere is a way to create a pleasant store atmosphere seen from the store layout, lighting, colors, to the choice of music which can influence the presence of visitors to make transactions (Waruwu & Mardhiyah, 2024) . Meanwhile, Visual merchandising is the process of presenting or displaying products in a way

ISSN 2721-0960 (Print), ISSN 2721-0847 (online)

that makes them visually attractive and desirable. This is done by arranging visual elements in a shop or business, such as product arrangement and shop layout. The goal is to attract consumer attention, increase sales, and build brand awareness (Harahap et al., 2023) . People's buying interest in visiting a restaurant is now not only because of the delicious taste of the food and drinks, but is influenced by various factors and considerations in making buying interest, such as the availability of good quality service, a comfortable atmosphere, and the sale of attractive merchandise. Based on the phenomena described and the explanation above, researchers are interested in finding out how much influence the variables Service Quality, Store Atmosphere and Visual Merchandising have on consumer interest and repeat purchases at Wizzmie Rungkut branch.

There are several methods that can be used to conduct research on the influence of Service Quality, Store Atmosphere and Visual Merchandising variables on consumer interest and repeat purchases at Wizzmie, including: SEM method, PLS method, and GsCa. Of these several methods, the researcher chose to use the PLS method. According to Jogiyanto (2011:63) in (Hamid & Anwar, 2019) said PLS can test research models with a weak theoretical basis, can be run on small samples, and the information produced is efficient and easy to interpret, especially in complex models or model hypotheses, so it is in accordance with this research. The method used is PLS. PLS is a method used to test causal relationships where changes in one variable are assumed to result in changes in other variables.

Methods

This research was conducted at the Rungkut branch of the Wizzmie Restaurant. The focus of this research is aimed at customers of the Rungkut branch of Wizzmie Restaurant. The following flow of solving this problem can be seen in Table 1.1

Table 1. Operational Variables

Variable	Items	Indicator	Source
Purchase Interest (Y1)	MB1	Consider purchasing the product again	(Schiffman and Kanuk in Full Purama, 2020)
	MB2	Interest in Subscribing	
	MB3	Interest in recommending products	
Repeat Purchases (Y2)	PB1	Make purchases on the same product	(Hakjun Song, 2019)
	PB2	Visiting outlets continuously	
	PB3	Don't want to move to another outlet	
Service Quality (X1)	KL1	Employee friendliness	(Parasuraman et al., in Mursyidah, Desta Sulaesih, 2020)
	KL2	Employees understand consumer desires	
	KL3	Responsive in service	
	KL4	Respond to complaints	
	KL5	Optimal customer service	
Store Athmosphere (X2)	SA1	Toilet Cleanliness	(Berman & Evans in Tansala et al., 2019 and Mahiri, 2020)
	SA2	Air Condition	
	SA3	Store Cleanliness	
	SA4	Strong scent	
	SA5	Parking area	
	SA6	Noise	
Visual Merchandising (X3)	VM1	Product Display	(Mehta and Chugan in Anggraini &
	VM2	Store Layout	
	VM3	Employee Appearance	

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Variable	Items	Indicator	Source
	VM4	Price Information Board	Sulistyowati, 2020)
	VM5	Product Packaging	

Source: Processed Primary Data, 2024

The following is the research conceptual framework that will be used as follows:

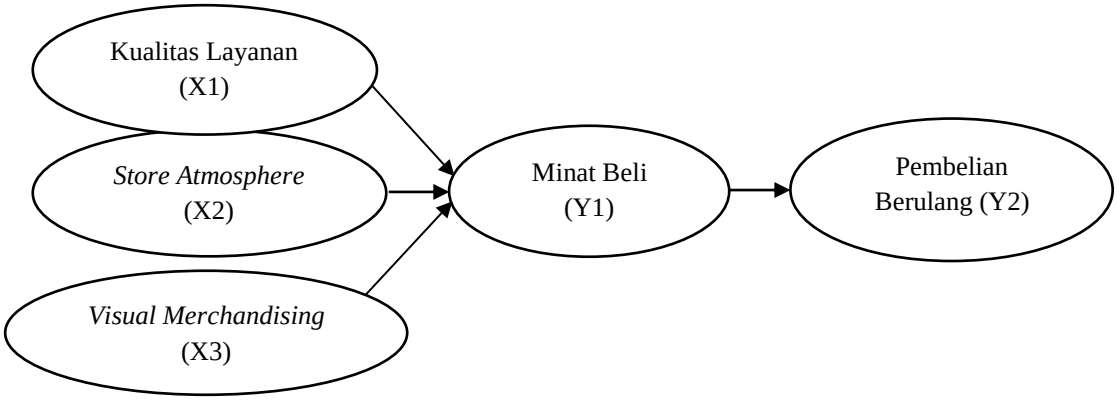

Figure 1. Research Conceptual Framework

Results and Discussion

Questionnaire Data Collection

The number of questionnaires received was 110 respondents. Where the population is used as a research sample using the *purposive sampling method.* This research data was obtained from distributing questionnaires using a Likert scale.

Table 2. Recapitulation of Respondent Gender

Gender	Amount	Percentage (100%)
Man	49	45%
Woman	61	55%
Total	110	100%

Source: Processed Primary Data, 2024

Based on the table above, it can be seen that the majority of respondents in this study were women, namely 61 people, amounting to 55%, while there were 49 male respondents, amounting to 45%.

Table 3. Recapitulation of Respondent Age

Age	Amount	Percentage (100%)
18-22 Years	69	63%
23-30 Years	21	19%
31-40 Years	13	12%
>40 Years	7	6%
Total	**110**	**100%**

Source: Processed Primary Data, 2024

Based on the table above, it can be seen that the majority of respondents in this study were aged 18 - 22 years, namely 69 people or 63%, while respondents aged 23 - 30 years were 21 people or 19%. Respondents aged 31 - 40 years were 13 people or 12% and respondents aged > 40 years were 7 people or 6%.

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Table 4. Summary of Respondents' Work

Work	Amount	Percentage (100%)
Student/Students	73	66%
Teacher/Teacher	9	8%
Private sector employee	23	21%
Etc	5	5%
Total	**110**	**100%**

Source: Processed Primary Data, 2024

From this table, it is known that 73 respondents work as students with a percentage of 66%, 9 people work as teachers with a percentage of 8%, 23 private employees with a percentage of 23%, and others 5 people with a percentage 5%.

Outer Model Analysis

Evaluation of a measurement model is an experiment for the validity and reliability of the variables studied. The measurement model can specify the relationship between latent variables and their indicators.

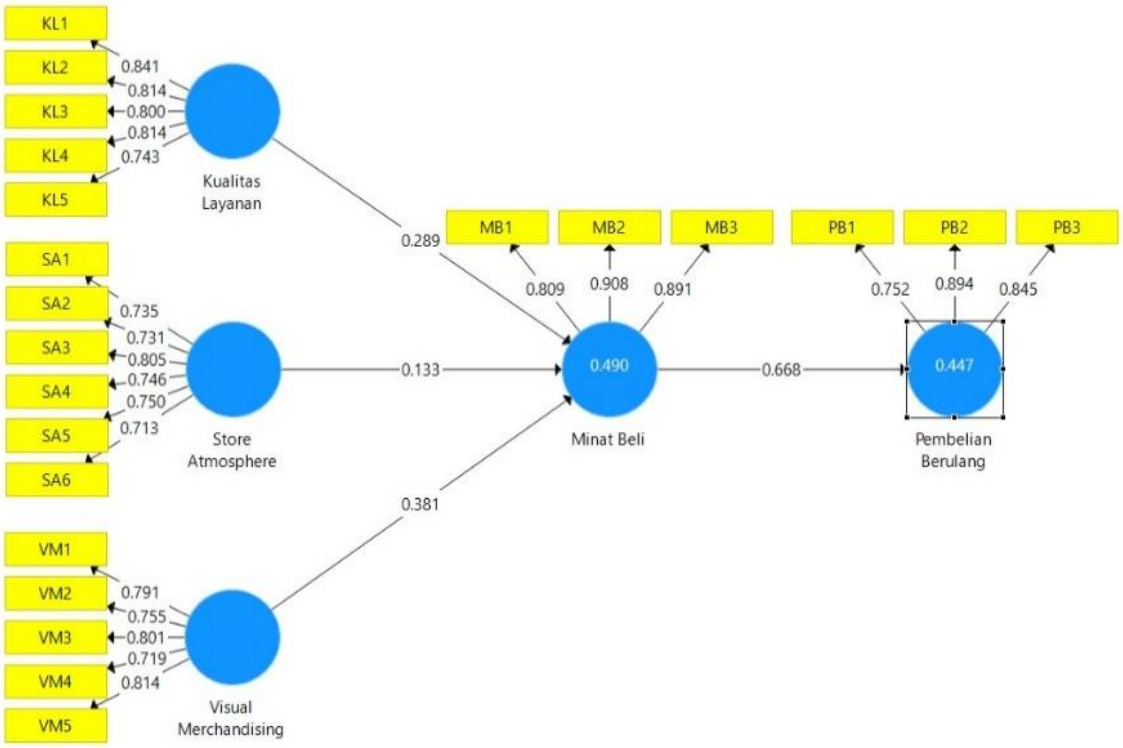

Figure 2. Output outer loading value

Convergent Validity Test

Validity test can be seen from the correlation between indicator scores and latent variable scores. According to Rahadi (2023), the individual reflective measure can be said to be high if the outer loading value is > 0.7 and the average value of the variance extracted (*AVE*) is > 0.5. Convergent Validation Tests were carried out, namely *Outer Loading Factor* and *Average Variance Extracted* (AVE).

Table 5. Test Results *Outer Loading*

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Indicator	Service Quality	Purchase Interest	Repeat Purchases	*Store Atmosphere*	*Visual Merchandising*
KL1	0.841				
KL2	0.814				
KL3	0.800				
KL4	0.814				
KL5	0.743				
MB1		0.809			
MB2		0.908			
MB3		0.891			
PB1			0.752		
PB2			0.894		
PB3			0.845		
SA1				0.735	
SA2				0.731	
SA3				0.805	
SA4				0.746	
SA5				0.750	
SA6				0.713	
VM1					0.791
VM2					0.755
VM3					0.801
VM4					0.719
VM5					0.814

Source: Processed Primary Data, 2024

Based on Table 5 above, there are 22 indicators, all of which meet the requirements for *a loading factor value*, namely above 0.7 and there are no indicators that do not meet the requirements, so there are no indicators that must be eliminated to get a valid indicator value that meets the requirements.

Average Variance Extracted

This AVE value describes the amount of variance or diversity of the manifest variable that can be accepted by the latent variable. According to Ahmad (2016) in (Rahadi, 2023) the minimum value of AVE is 0.5, which indicates that the measure of *convergent validity* is good. The following are the results of the test

Table 6. Average Variance Extracted (AVE) Value

Variable	*Average Variance Extracted* (AVE)
Quality of service	0.645
Purchase Interest	0.758
Repeat Purchases	0.693
Store Atmosphere	0.559
Visual Merchandising	0.604

Source: Processed Primary Data, 2024

Discriminant Validity Test

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Discriminant validity is shown by *the output cross loading value* between the indicator and the construct. The correlation value *of cross loading* with the latent variable must be greater than the correlation with other latent variables.

Table 7. Output Cross Loading Values

Indicator	Service Quality	Purchase Interest	Repeat Purchases	*Store Atmosphere*	*Visual Merchandising*	Information
KL1	0.841	0.521	0.362	0.462	0.564	Valid
KL2	0.814	0.454	0.309	0.349	0.385	Valid
KL3	0.800	0.427	0.316	0.316	0.413	Valid
KL4	0.814	0.528	0.479	0.547	0.539	Valid
KL5	0.743	0.396	0.387	0.483	0.432	Valid
MB1	0.548	0.809	0.480	0.488	0.563	Valid
MB2	0.446	0.908	0.688	0.493	0.519	Valid
MB3	0.540	0.891	0.568	0.493	0.609	Valid
PB1	0.413	0.537	0.752	0.554	0.491	Valid
PB2	0.401	0.615	0.894	0.431	0.365	Valid
PB3	0.343	0.508	0.845	0.456	0.328	Valid
SA1	0.335	0.368	0.390	0.735	0.565	Valid
SA2	0.502	0.433	0.420	0.731	0.561	Valid
SA3	0.414	0.446	0.370	0.805	0.711	Valid
SA4	0.423	0.405	0.452	0.746	0.556	Valid
SA5	0.367	0.400	0.441	0.750	0.410	Valid
SA6	0.376	0.463	0.495	0.713	0.424	Valid
VM1	0.476	0.550	0.423	0.598	0.791	Valid
VM2	0.460	0.440	0.330	0.586	0.755	Valid
VM3	0.485	0.492	0.338	0.540	0.801	Valid
VM4	0.392	0.461	0.243	0.445	0.719	Valid
VM5	0.468	0.552	0.477	0.619	0.814	Valid

Source: Processed Primary Data, 2024

Based on the table of *cross loading values* above, it can be seen that the *outer loading value* for each indicator is higher than the correlation with indicators on other latent variables. This shows that the indicator has met the discriminant validity test.

Reliability Test

Reliability Test aims to show that the questionnaire used is consistent when used to measure the same problem in other places. This test was carried out using the *Composite Reliability* (CR) value with a threshold above 0.7 (Rahadi, 2023).

Table 8. *Composite Reliability* (CR)

Variable	*Composite Reliability*	Information
Quality of service	0.901	Reliable
Purchase Interest	0.903	Reliable
Repeat Purchases	0.871	Reliable
Store Atmosphere	0.883	Reliable
Visual Merchandising	0.884	Reliable

Source: Processed Primary Data, 2024

Based on the table above, it is known that the *composite reliability values* for the variables of service quality, *store atmosphere, visual merchandising*, purchase interest and repeat purchases

ISSN 2721-0960 (Print), ISSN 2721-0847 (online)

have met the benchmark requirements of > 0.7, which indicates that all variables can be said to be reliable and have high consistency.

Inner Model Evaluation

The structural model is an experiment to determine the relationship between construct variables, significant values and *R-Square values* of the variables service quality, *store atmosphere, visual merchandising*, purchase interest, and repeat purchases.

Table 9. R-Square Value

Variable	*R-Square*
Purchase Interest	0.490
Repeat Purchases	0.447

Source: Processed Primary Data, 2024

R-Square value can read how much variance the latent variable can describe for each indicator. There is a rule of thumb for the *R-Square value* , namely 0.67, 0.33, 0.19 which indicates that the model is strong, moderate, and weak (Lukaraja et al., 2020) . Based on the table above, it can be seen that the *R-square value* for the Purchase Interest variable is 0.490 or equal to 49% (medium), which means that the independent variable Purchase Interest can be said to have a moderate influence in explaining the dependent variable. And the Repeat Purchase variable is 0.447 or equal to 44.7%, which means that the independent variable Repeat Purchase can be said to have a moderate (medium) influence in explaining the dependent variable.

Then GoF testing is carried out. GoF (*Goodness of fit*) testing is used in model evaluation to determine whether the model that has been created as a whole is fit or not. The following is *a Goodness of fit (GoF)* calculation:

GoF =$\sqrt{AVE \times R^2}$.....(1.1)

With,

AVE: Average value of AVE

R^2: Average value of the coefficient of determination

So the following calculation is obtained:

GoF = $\sqrt{\left(\frac{0,645+0,758+0,693+0,559+0,604}{5}\right) \times \left(\frac{0,490+0,442}{2}\right)}$= 0.553

The Goodness of fit value according to Rahadi (2023), the GoF value is included in the high category if the GoF is ≥0.36. In the research, the GoF results were obtained at 0.553 so that the entire *SEM-PLS model* was classified as high suitability category so that the data was able to explain the relationship between the variables studied, this research model was acceptable, and so hypothesis testing could be carried out.

Hypothesis testing

Testing this hypothesis can be seen from the T-Statistics value which is the level of significance between latent variables. This value was obtained by carrying out the *bootstrapping process* in *the SmartPLS software.* The significance level used in this research is 5% and the confidence level is 95%. So the T-Statistics value must be greater than 1.96 to be said to be significant. If the T-Statistics value is <1.96 then the hypothesis is rejected and vice versa.

Table 10. Hypothesis Test Results

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Relationship between Variables	*Original Sample* (O)	*T Statistics*	*P Value*	Hypothesis
Service Quality -> Purchase Interest	0.289	2,651	0.008	Accepted
Store Atmosphere -> Purchase Interest	0.133	1,010	0.313	Rejected
Visual Merchandising -> Purchase Interest	0.381	3,559	0,000	Accepted
Purchase Intention -> Repeat Purchases	0.668	11,177	0,000	Accepted

Source: Processed Primary Data, 2024

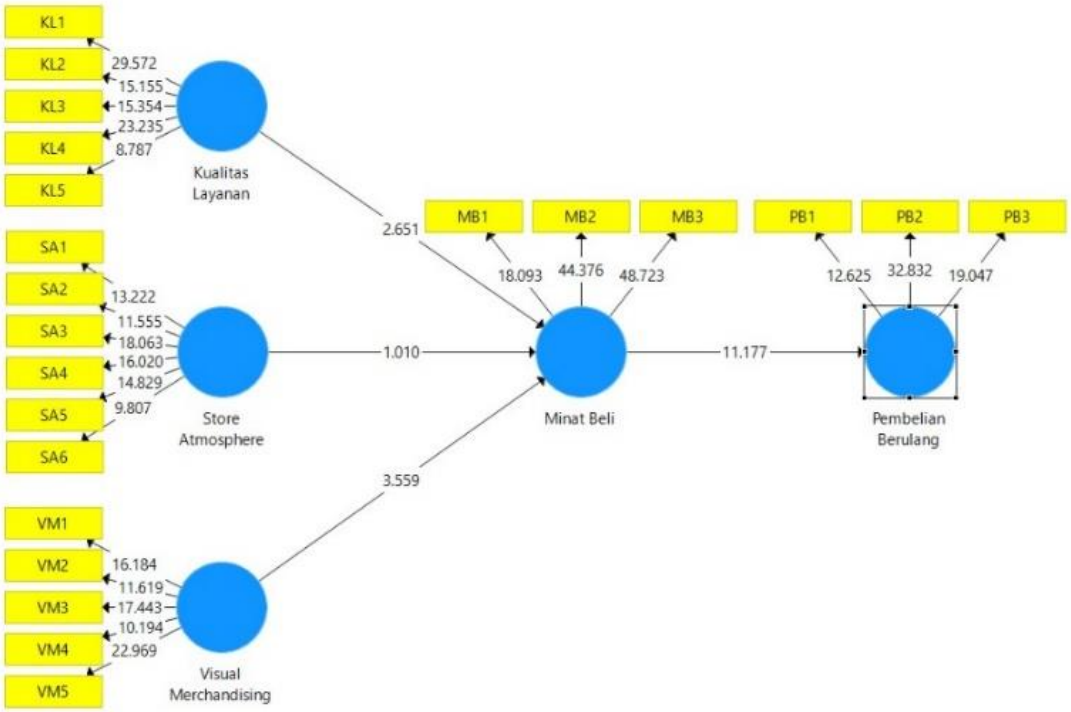

Figure 3. Bootstrapping Resampling Test Result Model

Based on the table above, it can be seen from the results of the hypotheses that three hypotheses were accepted and one hypothesis was rejected. The explanation of each hypothesis test is as follows:

Hypothesis 1: Influence of the Service Quality (KL) variable on Purchase Intention (MB). Based on the analysis results, it shows that Service Quality (KL) has a positive and significant effect on Purchase Interest (MB). This is shown in the results of the significance test by looking at the *t-statistic value* of 2.651 which meets the requirements for acceptance, namely more than 1.96 and the *p- value* of 0.008 which meets the requirements for acceptance, namely less than 0.05. This means that the relationship between the two variables is positively and significantly correlated, which means the hypothesis is accepted.

Hypothesis 2: Influence *of the Store Atmosphere* (SA) variable on Purchase Intention (MB). Based on the analysis results, it shows that *Store Atmosphere* (SA) has no significant effect on Purchase Interest (MB). This is shown in the results of the significance test by looking at the *t-statistic value* of 1,010 which does not meet the acceptance requirements, namely more than 1.96 and the *p-values* are 0.313, which means it does not meet the acceptance requirements,

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namely less than 0.05. This means that the relationship between the two variables is not significantly correlated, which means the hypothesis is rejected.

Hypothesis 3: Influence of *Visual Merchandising* (VM) variables on Purchase Intention (MB). Based on the analysis results, it shows that *Visual Merchandising* (VM) has a positive and significant effect on Purchase Interest (MB). This is shown in the results of the significance test by looking at the *t-statistic value* of 3.559 which meets the requirements for acceptance, namely more than 1.96 and the *p-values* of 0.000 which meets the requirements for acceptance, namely less than 0.05. This means that the relationship between the two variables is positively and significantly correlated, which means the hypothesis is accepted.

Hypothesis 4: Influence of the Purchase Interest (MB) variable on Repeat Purchases (PB). Based on the analysis results, it shows that Purchase Interest (MB) has a positive and significant effect on Repeat Purchases (PB). This is shown in the results of the significance test by looking at the *t-statistic value* of 11.177 which meets the requirements for acceptance, namely more than 1.96 and the *p-values* of 0.000 which meets the requirements for acceptance, namely less than 0.05. This means that the relationship between the two variables is positively and significantly correlated, which means the hypothesis is accepted.

Conclusion

Based on the results of the research analysis and discussion, it was concluded that the Service Quality variable had an influence on the Purchase Interest variable, the Visual Merchandising variable had a significant influence on the Purchase Interest variable, and the Purchase Interest variable had a significant influence on the Repeat Purchase variable. Meanwhile, the Store atmosphere variable has no influence on the purchase interest variable. Overall, the variables of service quality, store atmosphere and visual merchandising are able to explain the influence on purchasing interest by 49%. And the purchase interest variable is able to explain the influence on repeat purchases of 44.7%. Suggestions for future researchers should develop the variables studied that relate to factors that influence purchase interest and repeat purchases and use other methods to compare results.

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ISSN 2721-0960 (Print), ISSN 2721-0847 (online)