

ANTECEDENTS OF CUSTOMER SATISFACTION AND PURCHASE INTENTION IN PAMELLA SUPERMARKET

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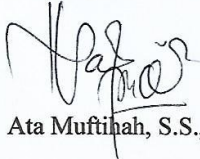
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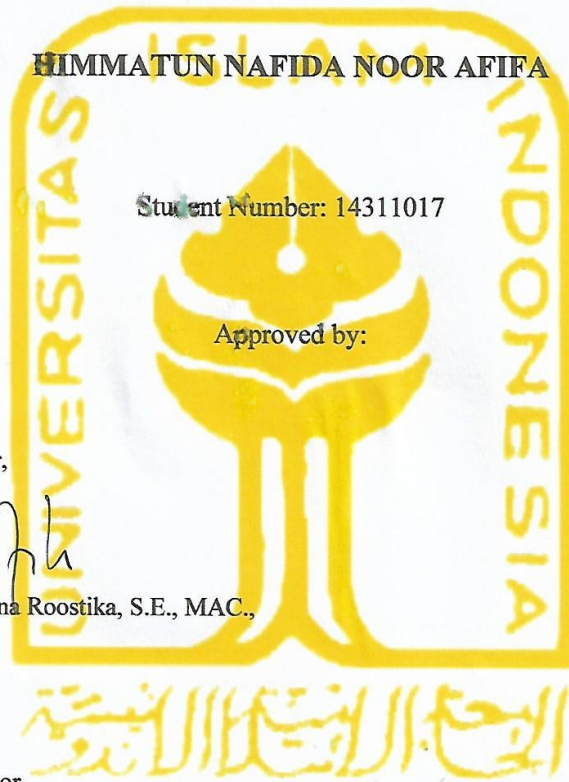

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ABSTRACT

Retail industry consumers around the world are now undergoing a massive business transformation. In the rapid flow of change, retail stores must be able to adapt their business in the next few decades. The future of the retail industry will only be grasped by business actors who continue to update their business and refuse to surrender in the flow of competition. Therefore, managers should constantly align marketing stimuli in ways that help create, maintain and sustain competitive advantage. This study aims to provide a more complete view of the role of marketing stimuli such as advertising campaign familiarity, perceived service-oriented employee behavior, and physical environment in improving purchase intention through customer satisfaction. This research was conducted in Yogyakarta. The data were collected using questionnaire based on Likert Scale and distributed via both online and offline of 242 customers who have purchased in Pamella Supermarket. The data was then analyzed by using Structural Equation Modeling analysis with the helping of SPSS and AMOS. The result of this study found that perceived service-oriented employee behavior and physical environment positively and significantly affected customer satisfaction. While advertising campaign familiarity does not significantly affect customer satisfaction. Furthermore, customer satisfaction had positive influence toward purchase intention.

Keyword: *Advertising Campaign Familiarity, Perceived Service-oriented Employee Behavior, Physical Environment, Customer Satisfaction, Purchase Intention*

PENYEBAB KEPUASAN DAN NIAT BELI PELANGGAN DI PAMELLA SUPERMARKET

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ABSTRAK

Konsumen industri ritel di seluruh dunia kini sedang menjalani transformasi bisnis besar-besaran. Dalam arus perubahan yang cepat, toko ritel harus dapat menyesuaikan bisnis mereka dalam beberapa dekade mendatang. Masa depan industri ritel hanya akan dipahami oleh pelaku bisnis yang terus memperbarui bisnis mereka dan menolak untuk menyerah dalam arus persaingan. Oleh karena itu, manajer harus selalu menyelaraskan rangsangan pemasaran dengan cara yang membantu menciptakan, memelihara dan mempertahankan keunggulan kompetitif. Penelitian ini bertujuan untuk memberikan pandangan yang lebih lengkap tentang peran rangsangan pemasaran seperti keakraban kampanye iklan, persepsi perilaku karyawan yang berorientasi layanan, dan lingkungan fisik dalam meningkatkan niat pembelian melalui kepuasan pelanggan. Penelitian ini dilakukan di Yogyakarta. Data dikumpulkan menggunakan kuesioner berdasarkan Skala Likert dan didistribusikan melalui online dan offline dari 242 pelanggan yang telah membeli di Pamela Supermarket. Data kemudian dianalisis dengan menggunakan analisis Structural Equation Modeling dengan bantuan SPSS dan AMOS. Hasil dari penelitian ini menemukan bahwa persepsi perilaku karyawan yang berorientasi layanan dan lingkungan fisik secara positif dan signifikan mempengaruhi kepuasan pelanggan. Sedangkan keakraban kampanye iklan tidak berpengaruh signifikan terhadap kepuasan pelanggan. Selanjutnya, kepuasan pelanggan memiliki pengaruh positif terhadap niat beli.

Kata Kunci: *Kampanye Iklan, Perilaku Karyawan Berorientasi Layanan, Lingkungan Fisik, Kepuasan Pelanggan, Niat Beli*

INTRODUCTION

Along with the growth of globalization era, many challenge happen, the crisis of global economic become wider thus the competitive among business area are tight especially in retail service sector. In the rapid flow of change, retail industry will only be grasped by business actors who continue to update their business and refuse to surrender in the flow of competition.

Competition between modern retailers in Indonesia is increasing because there is always a continuous innovation (The Nielson Company, 2017). According to the Central Bureau of Statistics of DIY (2018), DIY economy in 2018 grew 5.36 percent larger than in 2017. The largest share of DIY economic growth in 2018 from the expenditure side is contributed by household consumption components. Thus, with high demand and interest in public spending, especially household consumption, every supermarket competes to gain competitive advantage.

According to de Chernatony and Cottam (2006), service executives and managers need to understand and manage their brand building processes effectively via appropriate marketing stimuli such as advertising campaigns, perceived service-oriented employee behaviors and physical environments. Therefore, the main purpose of this research is to explore the impact of marketing stimuli such as advertising campaigns, perceived service-oriented employee behaviors and physical environments in improving purchase intention trough customer satisfaction.

LITERATURE REVIEW

Advertising Campaign Familiarity

Kirmani and Wright (1989, p. 344) defined ad campaigns as an indication of an underlying variable called perceived advertising effort, which people typically interpret as a sign of a marketer's confidence in a (new) service or product's success. advertising campaign familiarity is viewed as one major influence on customer satisfaction (Moorthy and Zhao, 2000). Therefore, this study proposes the following hypothesis:

H1: Advertising campaign familiarity is positively related to customer satisfaction

Perceived Service-Oriented Employee Behavior

According to Gatignon and Xuered (1997), service-oriented employee behavior is defined as the application of employees' specialized activities to identify, analyze, understand and respond to customer needs. Customer's assessment of employee's service performance has been found to have a strong effect on customer satisfaction (Keaveney 1995; Mohr and Bitner 1995). This statement is strengthened by Krepapaet *al.* (2003) who showed that customer perceptions of a firm's service-oriented employee behavior significantly impact customer satisfaction. Therefore, the following hypothesis is suggested:

H2: Perceived service-oriented employee behavior is positively related to customer satisfaction

Physical Environment

According to Bitner (1992), physical environment is defined as physical factors that can be controlled by a firm. Physical environment may cause customers emotional reaction, which also affects his/her satisfaction and purchase behavior. Further, Bitner (1990) and Harrell (1980) revealed that the physical environment is another contact element which may have a strong impact on the customer's satisfaction. Therefore, the hypothesis is as follows:

H3: Physical environment is positively related to customer satisfaction

Customer Satisfaction

In general definition, satisfaction is the consumer's fulfillment response, the degree to which the level of fulfillment is pleasant or unpleasant (Oliver, 2009). Howard and Sheth (1969) then defined customer satisfaction as whether they can reach a satisfied psychological state after comparing what they paid for the product and what they gained. Many prior studies have already investigated the direct effect of customer satisfaction (Reichheld and Teal, 1996; Zeithaml et al., 1996; McQuitty et al., 2000) on purchase intentions. Therefore it is hypothesized as follow:

H4: Customer satisfaction is positively related to purchase intention.

Purchase Intention

Morinez et al. (2007) defined purchase intention as a situation where consumer tends to buy a certain product in certain condition. Furthermore, purchase intention is also defined as the implied promise to someone to buy the product again whenever one makes next trip to the market (Fandos & Flavian, 2006; Halim & Hameed, 2005). Keller (2001) indicated that purchase intention can be stated as a key indicator to predict consumption behavior.

CONCEPTUAL FRAMEWORK

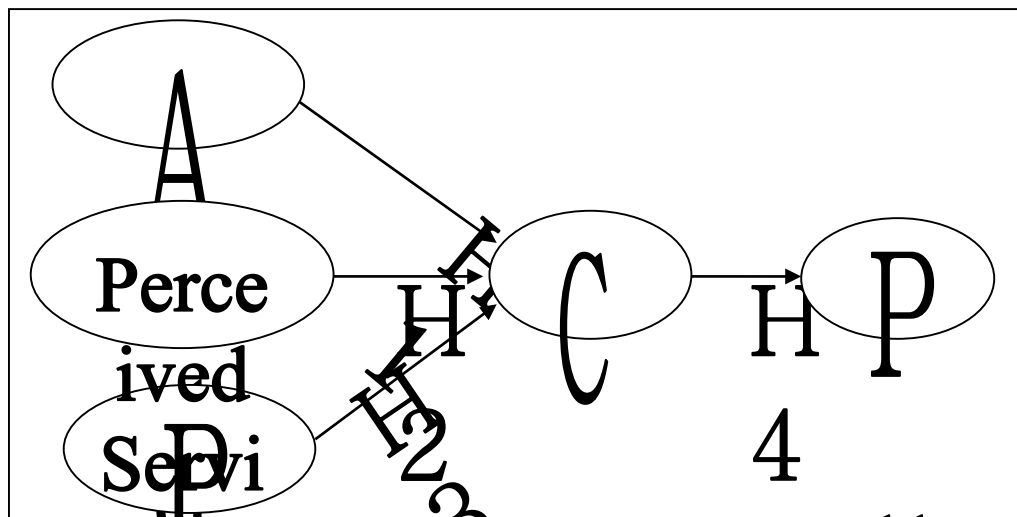


Figure 2.1 - Conceptual Framework

RESEARCH METHOD

This study attempts to find the correlation and/or relationship among advertising campaign familiarity, perceived service-oriented employee behavior, physical environment, customer satisfaction and purchase intention. The approach used in this research was quantitative approach, conducted by spreading questionnaire as the research instrument and used Likert scale as the itemized rating scale to assess data from 242 respondents who were customers of Pamella Supermarket DIY. To measure those variables, this study is using Six-Points Likert Scale, where score (1) indicates Strongly Disagree and score (6) indicates Strongly Agree. The tools that used for pilot test is SPSS and for the hypothesis testing, this study used structural equation model (SEM) test by SPSS and AMOS. Confirmatory Factor Analysis (CFA) used to assess the evaluation of measurement model. CFA is used to illustrate how good the variable can be used to measure the construct, the requirement is if the value of loading factor from each construct is more than 0.5 ($\lambda > 0.5$), it is considered as valid and if the value of construct reliability from each construct is more than 0.7, it can be stated as reliable.

Measurement Model Result

Constructs/Indicator	Standardized Factor Loading
Advertising Campaign Familiarity	
(AC1) The advertisements of Pamella Supermarket are seen frequently (e.g., advertisement in newspaper, instagram, etc.)	0.797
(AC2) I feel attracted to the advertisement of Pamella Supermarket	0.931
(AC3) The advertisement of Pamella Supermarket increases my curiosity towards the company and the product	0.884
(AC4) The advertisements of Pamella Supermarket are informative	0.887
Perceived Service-Oriented Employee Behaviour	
(SO1) Employees are always willing to help me.	0.838
(SO2) Employees are never too busy to respond my requests.	0.843
(SO3) Employees have sufficient knowledge to assist my questions.	0.819
(SO4) Employees understand the information of goods that I need.	0.812
(SO5) Employees are honest to me	0.850
(SO6) Employees are trustworthy by me.	0.821
(SO7) Employees are friendly to me	0.815
Physical Environment	
(PE1) Easiness of access to the store	0.562
(PE2) Easiness to find the products	0.644
(PE3) The availability of parking spaces	0.628
(PE4) The mushola of Pamella Supermarket is clean	0.759
(PE5) The availability of playground	0.656
(PE6) The toilet of Pamella Supermarket is clean	0.726
(PE7) The availability of ATM machine	0.625
(PE8) Interesting store layout and arrangement of products	0.754

(PE9) Interesting interior furnishing in Pamella Supermarket	0.789
(PE10) The availability of online transportation counter	0.671
(PE11) The store of Pamella Supermarket is clean.	0.802
Customer Satisfaction	
(CS1) I am satisfied with various programs/events conducted by Pamella Supermarket (e.g., khitanan massal, jalan sehat, ect.)	0.661
(CS2) I am satisfied with the stock availability of products	0.829
(CS3) I am satisfied with the guarantee of product quality	0.842
(CS4) I am satisfied with the guarantee of product possibility of returns	0.814
(CS5) I am satisfied with the offer of a wide assortment and variety of product	0.827
(CS6) I am satisfied with the offer of free choice of alternatives for payment (e.g., in cash, via store card, credit card, debit card, etc.)	0.774
(CS7) I am satisfied with Pamella's promotion offer (e.g., discount, lucky draw, voucher, etc)	0.767
Purchase Intention	
(PI1) I say positive things about Pamella Supermarket to other people	0.763
(PI2) I think it is worth to purchase goods at Pamella Supermarket	0.929
(PI3) I consider purchasing goods at Pamella Supermarket as a pleasant experience	0.864
(PI4) I would continue to purchase at Pamella Supermarket even though the goods prices increase somewhat	0.737
(PI5) I will not purchase at other supermarket as the things I need are available at Pamella Supermarket	0.665
(PI6) I can enjoy more benefits from shopping at Pamella Supermarket than other supermarket	0.817

DATA ANALYSIS

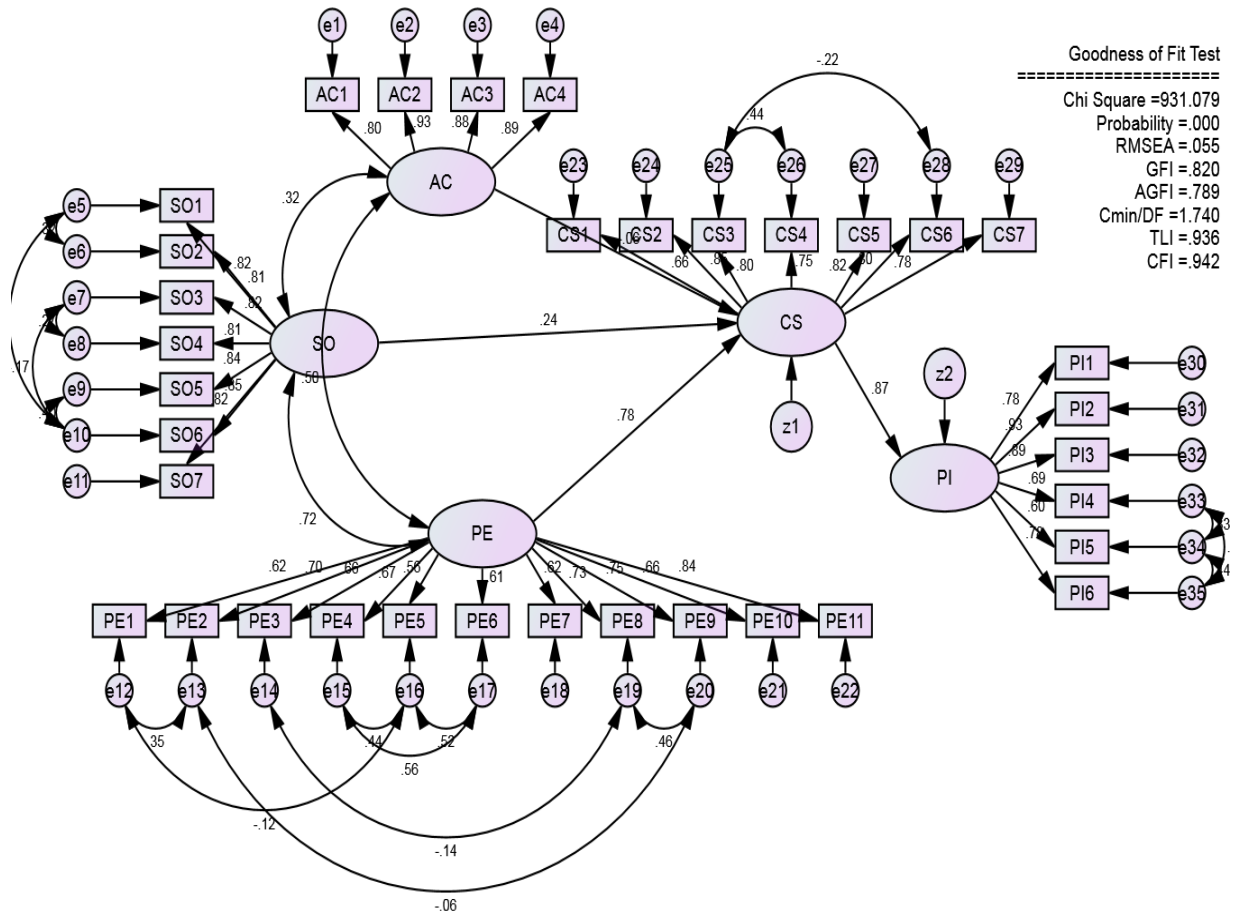


Figure 4.1 Hypothesis Testing Model

Hypothesis	Variable Relationship	Estimate	P	Label
H1	Advertising Campaign Familiarity → Customer Satisfaction	- 0.055	0.180	Not Supported
H2	Perceived Service-Oriented Employee Behavior → Customer Satisfaction	0.236	0.000	Supported
H3	Physical Environment → Customer Satisfaction	0.780	0.000	Supported

Hypothesis	Variable Relationship	Estimate	P	Label
H4	Customer Satisfaction → Purchase Intention	0.871	0.000	Supported

Table 4.13 Hypothesis Testing Result

DISCUSSION

The result of this analysis shows that Degree of Freedom is positive with score of 535, X^2 (Chi-Square) 931.079, Probability 0.000, RMSEA 0.055, GFI 0.820, AGFI 0.789, CMIN/DF 1.740, TLI 0.936, and CFI 0.942. H1 indicates advertising campaign familiarity on customer satisfaction is not significant because the value probability was 0.180 ($p < 0.05$) and the path estimate was - 0.055 (H1 not supported). H2 indicates perceived service oriented employee behavior toward customer satisfaction is proven significant because the value probability was 0.000 ($p < 0.05$) and the path estimate was 0.236 (H2 supported). H3 indicates physical environment toward customer satisfaction is proven significant because the value probability was 0.000 ($p < 0.05$) and the path estimation was 0.780 (H3 supported). H4 indicates customer satisfaction toward purchase intention is proven significant because the value probability was 0.000 ($p < 0.05$) and the path estimate was 0.871 (H4 supported).

H1 proves that the impact of advertising campaign familiarity toward customer satisfaction is negative and not significant. This result is not aligned with the research by Moorthy & Zhao (2000) which stated that advertising campaign familiarity is viewed as one major influence on customer satisfaction. H2 proves that the greater the perceived service oriented employee behavior, the greater the customer satisfaction. In other hand, the lower the perceived service oriented employee behavior, the lower the customer satisfaction. H3 proves that the greater the physical environment, the greater the customer satisfaction. Moreover, if physical environment is poor, it leads to poor customer experience which may result in customer dissatisfaction. H4 proves that the greater the customer satisfaction, the greater the purchase intention. Moreover, the lower the customer satisfaction, the lower the purchase intention toward Pamella Supermarket.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the data analysis result, from four hypotheses that are proposed, there were three accepted hypotheses, which are H2, H3, and H4. Meanwhile, H1 was rejected. It can be seen that perceived service-oriented employee behavior (SO) and physical environment (PE) positively and significantly affected customer satisfaction in Pamella Supermarket as their shopping choice that correspondent with the study by Hong-Youl Ha et al (2014). Reciprocally, the result of mediating variable toward dependent variable they are customer satisfaction (CS) positively and significantly affected purchase intention (PI) that correspondent with the study by Hong-Youl Ha et al (2014). However the result of advertising campaign familiarity (AC) does not significantly affect customer satisfaction in Pamella Supermarket as their shopping choice.

Research Limitations

First, this research focuses on the role of marketing stimuli that affect customer satisfaction, then how customer satisfaction affects customer purchase intention. Second, the result of this research

is necessarily limited to the study context, which is Pamella Supermarket in Yogyakarta. Third, the respondent of this research still might not represent all customers of Pamella Supermarket.

Suggestions

For further empirical studies, the researcher suggests to fully specify the development of purchase intentions, additional exploratory work is required to utilize other relevant observed variables and constructs that may have a potential relationship on purchase intentions.

For marketers, this research will contribute to have better understanding about marketing stimuli in relation to customer satisfaction, which influence purchase intention in retail supermarket.

For managers, researcher suggests to evaluate other ways of designing and implementing advertising campaigns that have a clearer purpose.

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