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#### THE INFLUENCE OF STORE ATMOSPHERE AND SOCIAL MEDIA MARKETING ON CUSTOMER LOYALTY

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Abstract. The purpose of this study was to determine the effect of Store Atmosphere on Customer Loyalty, to determine the effect of Social Media Marketing on Customer Loyalty, to determine the Store Atmosphere and Social Media Marketing on Customer Loyalty (Case study at Al Nazwa Cafe). The population in this study were customers who visited Al Nazwa Cafe with an unknown number of customers, where the number of samples was 100. The data collection technique used in this study was a questionnaire. The analysis technique used in this study is multiple linear regression, classical assumptions, hypothesis testing and coefficient of determination. The conclusion of this study proves that there is a positive effect of variable *Store Atmosphere* to customer loyalty variables, there is a positive effect of variable social media marketing on the customer loyalty variable, Simultaneous testing shows that the Store Atmosphere and Social Media Marketing variables on the customer loyalty of Al Nazwa Cafe.

Keywords: Store Atmosphere, Social Media Marketing and Customer Loyalty

#### **PRELIMINARY**

Customer loyalty plays a very important role in a business organization or business being carried out(Arianty, Jasin, Nasution, & Christiana, 2016). Customer loyalty behavior is an actual repeat purchase of a product or service, which includes purchasing more of the same product or service or alternative products from the same company, recommending the company to others and the possibility of using the product in the long term for the brand. keep up the quality(Saravanakumar, 2014). There are several things that can affect the level of customer loyalty, including the store atmosphere and social media marketing.

One step in increasing customer loyalty for product delivery can be done by publishing advertisements through social media. Where is social media according to?(Nasrallah, 2015)is a media platform that focuses on the existence of users who facilitate their activities and collaboration. Therefore, social media can be seen as an online medium that strengthens the

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relationship between users as well as a social bond. Social networking sites generally play a role as a medium which is a place to carry messages from the communication process.

Competition in today's business world requires marketers to always innovate in promoting ideas, goods or services. New ideas emerge by using social media as a new medium in the presentation and non-personal promotion of ideas, goods or services carried out by certain companies which are commonly referred to as social media marketing.

Store atmosphere can affect the level of customer loyalty. Where the store atmosphere is a combination of the physical characteristics of the store such as architecture, layout, lighting, display, color, temperature, music, and aroma which will create an image in the minds of consumers as a whole. Through an atmosphere that is deliberately created, it also seeks to communicate information related to services, prices and the availability of fashionable merchandise. Atmospherics means the design of the environment through visual communication, lighting, colors, music and fragrances to design emotional responses and customer perceptions and to influence customers in buying goods.

According to (Listiono & Sugiarto, 2015) found that: "Customers will not recommend a restaurant to other friends if they don't find the atmosphere appealing to themselves." Based on this statement, recommending to others is a stage of customer loyalty, it can be interpreted that the store atmosphere affects customer loyalty.

In addition to store atmosphere, Social Media has a direct impact on consumer purchasing decisions. According to (Swastha & Handoko, 2012) In the consumer buying process there is a consumer information search phase. This information can be provided by marketers or sought by consumers through social media. There are many companies that use social media in their business activities, the aim is to market their products and establish relationships with customers.

By using Social Media companies can spread advertisements in the form of photos to other Instagram users, this will be very important because photos can describe many things, are real-time, and with Social Media entrepreneurs can have two-way communication with consumers. Social Media can be effective in influencing people to make a purchase if the image displayed is attractive, the caption or writing conveyed contains an invitation to buy the product and maintain its existence.

This research was conducted at Al Nazwa Cafe. As a company engaged in the culinary field that sells coffee drinks and other snacks, therefore the company needs to implement a store atmosphere and social media marketing to increase customer loyalty, because the problem that often occurs at Al Nazwa Cafe is that customers are not satisfied with the product. what cafes offer, which is different from the delivery of products displayed through social media, where the food and drinks offered by Al Nazwa Cafe are quite expensive, in addition to cafes that are

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around as competitors who provide cheaper prices for food and drinks, and Al Nazwa Cafes also don't always have discounts on food and drinks offered by Al Nazwa Cafe.

In addition, the problems that occur at Al Nazwa Cafe can be seen from some customers feeling uncomfortable with the cafe atmosphere such as noise from vehicles, Café decorations which are felt to be less creative so that it makes it less comfortable for customers and the Café place is not big enough, this can be seen from customers who often don't get a seat.

#### THEORETICAL BASIS

#### **Customer loyalty**

According to (Sangadji & Sopiah, 2013)states that: "Loyalty refers more to the form of behavior of decision-making units to make continuous purchases of goods or services from a selected company." According to (Kotler & Keller, 2014)defines that consumer loyalty is: "A deeply held commitment to rebuy or repatronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behavior." Meanwhile, according to (Tjiptono & Chandra, 2014) argues that: "Customer loyalty is a customer's commitment to a brand, store, or supplier, based on a very positive attitude and reflected in consistent repeat purchases."

According to Pasuraman quoted by (Sangadji & Sopiah, 2013) defines that: "Customer loyalty in the context of service marketing as a response that is closely related to a pledge or promise by upholding the commitment that underlies the continuity of the relationship, and is usually reflected in continuous purchases from the same service provider on the basis of dedication and pragmatic constraints."

According to (Kartajaya, 2012) Factors that can affect loyalty are:

#### 1. Customer satisfaction

If the company can provide service that exceeds customer expectations, then customers will be satisfied, satisfied customers will have high loyalty to the product compared to dissatisfied customers.

#### 2. Customer retention

In this factor the company is more focused on efforts to maintain the number of existing customers by minimizing the number of lost customers. In addition, it is known that the cost of attracting new customers is more expensive than the costs incurred to retain existing customers.

#### 3. Customer migration

This factor is retaining customers who have been far more profitable than letting them disappear, then looking for new customers to replace them.

#### 4. Customer enthusiasm

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Customer transfer continues to occur even though customers are satisfied with the products and services provided by the company and even with the loyalty program provided by the company.

#### 5. Customer spiritualization

Loyalty is not only using the product or keeping in mind, referring and recommending users to others, but has also become part of the whole customer. If a product or brand has successfully entered the area of customer spiritualism. It is certain that the sustainability of the product will be maintained because the product will be maintained because the product has become part of the customer's identity, not just a symbol.

The role and benefits of customer loyalty by (Griffin, 2010) divided into 5 things, including the following:

#### 1. Reduce marketing costs

One of the biggest costs incurred by the company is the company's efforts to get new customers. The existence of loyal customers will reduce marketing costs automatically. Because the cost of attracting new customers is greater than the cost of retaining old customers.

#### 2. Reduce transaction costs

Companies that have loyal customers will tend to be in a safe position, so the effort to get customers is not too difficult. This has implications for the costs incurred by the company to carry out contract transactions, cooperation agreements and so on.

#### 3. Reduce customer turn over costs

*Turn over*Customer turnover makes the company have to pay its own costs. Thus, with loyal customers, companies can reduce costs for customer turnover.

#### 4. Increase cross-selling

Customers who are loyal to a particular company or brand will tend to choose the same brand in other types of product categories. So that the presence of loyal customers can increase the company's market share.

#### 5. Word of mouth

It is assumed that loyal customers must have been satisfied with the company's products. They will tell their experiences with certain products to the people around them. So that the spread of positive information about the product will be much faster.

According to (Kotler & Keller, 2014) customer loyalty in general can be measured by the following indicators:

#### 1. Loyalty to product purchases

Customers who are loyal to a brand will make repeated purchases continuously and regularly for a long time

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### 2. Resistance to negative influences on the company

Competition is so tight in the market, it will not make loyal customers easy to be influenced by the influence of other products or services. So they will remain loyal to the product or service.

3. Totally reference the existence of the company
Loyalty includes affection in the sense that the customer's emotions are also involved in
the use of a brand's product or service. This makes loyal customers voluntarily refer the
products or services they use to others.

According to (Hidayat, 2010) Indicators of the level of customer loyalty are:

- 1. *Trust.* This aspect is a response to customer trust in the company.
- 2. *Psychological (Emotion) Commitment*. This aspect is the patient's psychological commitment to the company.
- 3. *Switching Costs*. This aspect is the customer's response to the load received when a change occurs.
- 4. *Word of mouth.* This aspect is a publicity behavior carried out by customers towards the company.
- 5. *Cooperation*. This aspect is customer behavior that shows an attitude of being able to work with the company.

#### Store Atmosphere

According to (Kotler & Keller, 2014) states that "store atmosphere is a planned atmosphere that is in accordance with its target market and which can attract customers to buy". (Barry & Evans, 2012) states that: "Store Atmosphere is a physical characteristic of a store that can show the image (impression) of the store and attract consumers". According to (Churchill, 2013) stated that: "Store Atmosphere is a combination of physical messages that have been planned. Store atmosphere can be described as a change to the planning of the buying environment that produces a special emotional effect that can cause consumers to make a purchase action.

Several factors that influence in creating a cafe atmosphere according to:(Lamb, Hair, & McDaniel, 2012)that is:

- 1. Type of employee, general characteristics of employees, for example: neat, friendly, broad-minded, or service-oriented.
- 2. The type of merchandise and the density, the type of merchandise sold, how it is displayed determine the atmosphere the retailer wants to create.
- 3. Types of fixed fixtures (fixute) and density, Fixed fixtures can be elegant (made of teak wood), trendy (made of metal and opaque glass). Equipment must still be consistent with the general atmosphere to be created. Example: creating a relaxed and organized

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atmosphere with tables and shelves, allowing customers to more easily see, and touch merchandise with ease.

- 4. Noises Sounds can be pleasant or annoying for a customer. Music can also make consumers stay longer in the store. Music can control traffic in a store, create a compelling image atmosphere or direct the attention of shoppers.
- 5. Smell, Smell can stimulate or interfere with sales. Research shows that people value merchandise more positively, spending more time shopping. and generally in a better mood when there is an agreeable scent. Retailers use fragrances, among others, as an extension and retail strategy.
- 6. Visual factors, Color can create a mood or focus attention, red, yellow or orange are considered as warm colors and desirable closeness. Soothing colors such as bins green and violet are used to open up an enclosed space, and create an elegant and clean atmosphere. Lighting can also have an important influence on the atmosphere of a store. The outside appearance of a store also has an influence on the desired atmosphere and should not make a worrying first impression for the shopper.

According to (Levy & Weitz, 2012) Store Atmosphere is an environmental design through visual communication, lighting, color, music, and fragrances to stimulate customer perceptions and emotional responses and ultimately influence customer behavior in buying goods.

#### 1. Lighting

Each store must have sufficient lighting to direct or attract the attention of consumers to certain areas of the store. Consumers who visit will be attracted to something that is the brightest that is in their view. Good lighting has quality and color that can make the atmosphere offered look more attractive, look different when compared to the actual situation.

#### 2. Item layout

Business managers must have a plan in determining the location and facilities of the store. Business managers must also utilize the existing business space as effectively as possible.

#### 3. Indoor temperature

Business managers must regulate the air temperature, so that the air in the room is not too hot or cold.

#### 4. Changing room facilities

The existence of clean changing room facilities can be a major consideration for consumers to eat at the place.

#### 5. Shop design and colors

The design and color of the store have two purposes, namely providing information to consumers and adding to the store atmosphere, this can increase sales and operating

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profits such as room decorations on the walls can be a combination of pictures or posters pasted, wall colors, and so on that can improve the atmosphere store.

#### **Social Media Marketing**

According to (Santoso, Baihaqi, & Persada, 2017) Social media marketing is a form of marketing that is used to create awareness, recognition, memory and even action for a brand, product, business, individual, or group either directly or indirectly by using tools from the social web such as blogging, microblogging, and social networking.

According to (Ariadi & Saino, 2014)Social media marketing is an attempt to use social media to persuade consumers to a valuable company, product or service. Social media marketing is marketing using social networks, marketing blogs and more. According to(Qurniawati, 2018) said that social media marketing is practiced to engage customers in online social locations where customers naturally spend time.

According to (Gunelius, 2011) The most common purposes for using social media are as follows:

- 1. Relationship building: the main benefit of social media marketing is the ability to actively build relationships with consumers.
- 2. Brand building: conversations through social media provide the perfect way to increase brand awareness, increase brand recognition and recall and increase brand loyalty.
- 3. Publicity: marketing through social media provides an outlet through which companies can share important information and modify negative perceptions.
- 4. Promotion: through social media marketing, providing exclusive discounts and opportunities for the audience to make people feel valued and special, and to meet short-term goals.
- 5. Market research: using tools from the social web to learn about customers, profile customer demographics and behavior, learn about consumer wants and needs, and learn about competitors

According to (Supradono & Hanum, 2011)Social media types can be grouped into several broad categories, although some apps may fall into more than one specific category depending on how the app is used. By category can be grouped as follows:

- 1. Web Publications
  - Websites that allow users to post or publish content to reach a wide audience and get feedback. Examples of these tools include: Microblogging (Twitter, Plurk), Blogs (Wordpress, Blogger), Wikis (Wikispaces, PBWiki), Mashups (Google Maps, Popurls)
- 2. Social networking
  - This application allows users to establish connections and share information with other users. A social network service basically consists of a representative of each user, the

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user's social relationships, and various additional services. Common social networking platforms include: Social Media Tools (Facebook, LinkedIn, Google), Social Bookmarks (Delicious, Digg), Virtual Worlds (Second Life, OpenSim), Crowdsourcing / Social Voting (IdeaScale, Chaordix) 3.

#### 3. File Sharing and Storage

A file hosting service or online file storage provider specifically designed to store content. Common platforms for file sharing/storage include: Photo Libraries (Flickr, Picasa), Video Sharing (YouTube, Vimeo), Audio Sharing (Podcasts, iTunes), Storage (Google Docs, Drop.io, MySpace) Content Management (SharePoint, Drupal)

According to (Pradiptarini, 2011) indicator *Social Media Marketing* (SMM) are as follows:

#### 1. Content Quality;

Shows that millions of followers/fans can act as "ghost followers", meaning these followers/fans are never actively engaged in online conversations. It also shows that managers don't have to completely rely on monitoring software to measure and analyze their social media campaigns. because the quality of the content is not the quantity of the content

#### 2. Build trust (relationship)

Ironically, some of today's social media marketing campaigns are still marketing driven and the old-fashioned focus on short-term effects (sales), also known as incentive-induced behavior.

#### 3. Involvement

One of the reasons why some social media campaigns don't work is because executives are not fully committed to spending their time and thoughts on being actively involved in their social media marketing.

#### 4. Integration with other media platforms.

Some managers worry that their social media campaigns could affect the number of visitors to their main website, as more and more customers turn to Facebook or Twitter. If the social media program is done properly, website visitors will not be affected by the growth of company fans/followers on social media sites

#### conceptual framework

#### The Effect of Store Atmosphere on Customer Loyalty

The increasing number of cafe businesses creates increasingly fierce competition conditions and to win the existing business competition, every business person is required to be able to compete with competitors who offer similar products. In the face of competition, the alternative that must be done is to provide something different from the others in order to keep customers from switching to competitors. The atmosphere of the restaurant can be an alternative

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to distinguish a restaurant from its competitors, so that the atmosphere of the restaurant that will be offered to customers needs to be well planned by business people. According to (Listiono & Sugiarto, 2015) found that: "Customers will not recommend a restaurant to other friends if they don't find the atmosphere appealing to themselves." Based on this statement, recommending to others is a stage of customer loyalty, it can be interpreted that the store atmosphere affects customer loyalty. The results of previous research by (Purnamasari & Hidayat, 2016) shows Store Atmosphere has an effect on customer loyalty.

#### The Effect of Social Media Marketing on Customer Loyalty

The communication process can influence consumers, one of which is through marketing. Social media marketing is a marketing activity that utilizes social media where social media can facilitate various interactions or 2-way communication related to products sold between companies and consumers or prospective consumers so that these products can be and are increasingly known. Social media marketing does not aim to directly create product or service sales, but only as a marketing support by stimulating potential consumers or consumers to be interested in the product or service.

According to (Moriansyah, 2015)states that in this digital era, the customer's decision-making process can be influenced by social media, including influencing the decision to buy a product. This research is also supported by previous research by(Yanuar, 2018)and (Fahmi, Arif, Pharisee, & Purnama, 2019) which shows that showing Social Media has an effect on Consumer Loyalty.

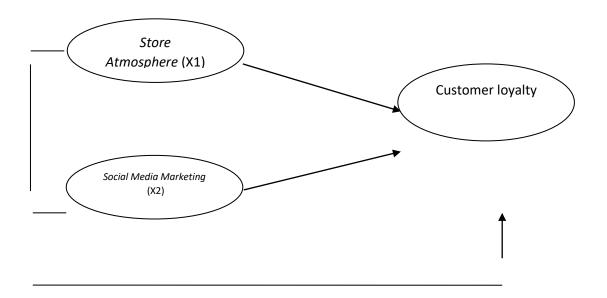
#### The Influence of Store Atmosphere and Social Media Marketing on Customer Loyalty

Smart companies seek to fully understand consumers' buying decision processes, all of their experiences in learning, selecting, using, and even disposing of products (Pharisees, 2018). Consumer decision making is an integration process that combines knowledge to evaluate two or more alternative behaviors, and choose one of them.(Arianty, 2013)Companies can determine the steps to be taken to face increasingly fierce business competition as it is today by knowing what factors can affect customer loyalty to a particular company. According to(Tjiptono & Chandra, 2014)argues that: "Customer loyalty is a customer's commitment to a brand, store, or supplier, based on a very positive attitude and reflected in consistent repeat purchases. Based on the theory of expert opinion and previous research that has been described previously by the researcher, the research paradigm can be formulated regarding the influence of location, service quality, and store atmosphere on customer loyalty as follows:

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#### conceptual framework

#### RESEARCH METHODS

The approach in this study is to use an associative approach, the associative approach is an approach where to find out that there is a relationship or influence between the two variables (the independent variable and the dependent variable). The data collection technique used is using a list of statements (questionnaire). The population of this study are customers at Al Nazwa Cafe. In this study, the sample used was 100 customers of Al Nazwa Cafe. Data processing using SPSS software version 2.1, with instrument testing, classical assumption testing, and data analysis techniques using multiple linear regression analysis.

#### RESEARCH RESULTS AND DISCUSSION

#### Research result

#### Classic assumption test

Classical assumption test is a requirement of multiple regression analysis which aims to obtain valid analysis results. The classical assumption test includes normality test, multicollinearity test, and heteroscedasticity test. The following is a test to determine whether the three classical assumptions are met or not.

#### **Normality test**

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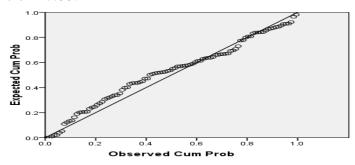
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The normality test of the data is carried out to test whether in the regression model, the dependent variable and its independent variables have a normal distribution or not. If the histogram graph is shaped like a bell, then the data is normally distributed. Whereas in normal probability plots, if the points spread close to the diagonal and follow the diagonal line, the data is normally distributed. The best model should have normal data distribution.

This test aims so that in this study can determine whether or not the distribution is normal between the independent variable and the dependent variable or both.

Here you can see a graph of the results of research data that has been processed by testing SPSS for windows version 17.00.



Source: SPSS 2017 Data Processing Results

Picture 1

#### **PP Plot Regression Model Normality Test**

Based on Figure IV. above, the results of the data normality test can be seen that the data spreads and coincides around the diagram and the results of the points approach the diagonal line. So it can be concluded that the data that is processed is data that is normally distributed and the normal test is met. So that data analysis or hypothesis testing can be carried out with relevant statistical techniques.

One of the statistical tests that can be used to test the normality of the residuals is a statistical test, namely *kolmogrov smirnovn* (x). This test is used to determine whether the dependent variable and the independent variable or both are normally or not normally distributed. Then the results of the Kolmogrov Smirnov test are Asymp. Sig. Greater than 0.05 (Asymp. Sig. >0.05 is normal) or Asymp. Sig. Smaller than 0.05 (Asymp.Sig. < 0.05 is abnormal).

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#### **Multicollinearity Test**

This test aims to test whether the regression model found a correlation between the independent variables (independent). A good regression model should be free of multicollinearity or there is no correlation between the dependent variables. Multicollinearity test can be seen from the value of Tolerance and Variance Inflation Factor (VIF). If the Tolerance value is greater than 0.1 or the VIF value is less than 5, it can be concluded that there is no multicollinearity in the data to be processed.

To see whether or not multicollinearity in the regression can be seen from:

- a. Tolerance Value and its opponent
- b. Variance Inflation Factor (VIF)

Both of these measures indicate which independent variables are explained by other independent variables. *Tolerance* measure the variability of the selected variables that are not explained by other independent variables. So a low Tolerance value equals a high VIF value (because VIF = 1/Tolerance).

Table 2

Multicollinearity Test

#### Coefficientsa

			dardized icients	Standardi zed Coefficie nts			Colline Statis	•
Model		В	Std. Error	Beta	t	Sig.	Tolera nce	VIF
1	(Constant)	-3.786	3,545		-1.068	.288		
	Store Atmosphere	.419	.084	.398	4.100 8	.000	.745	1.342
	Social Media Marketing	.445	.080	.446	5.100	.000	.745	1.342

a. Dependent Variable: Customer Loyalty

Source: Results of SPSS Data Processing version 17.00

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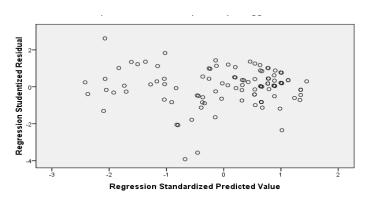
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Based on table IV. above, it can be seen that the table does not contain multicollinearity. Because VIF (Variance Inflation Factor) is smaller than 5 (VIF < 5). It can be seen that the value of VIF (Variance Inflation Factor) for the Store Atmosphere variable is 1.342 and the Social Media Marketing variable is 1.342 so that from each variable, namely the independent variable, the VIF value is smaller than 5. However, with the tolerance value on the Store Atmosphere variable of 0.745 and the Social Media Marketing variable of 0.745 so that from each independent variable the Tolerance value is greater than 0.1 or close to 1, which means that the regression model does not occur multicollinearity and has met the requirements of the multicollinearity test

#### **Heteroscedasticity Test**

Heteroscedasticity test is conducted to determine whether there is an inequality of variance and residuals in a regression model from one observation to another. To determine whether or not heteroscedasticity occurs in the regression model, the analysis used is the informal method. The informal method of heteroscedasticity testing is the Scaterplot graph method.



Source: SPSS Data Processing Results (2017)

Figure 2
Heteroscedasticity

From the results of the scatterplot, it can be seen that there is an unclear pattern and the dots spread above and below the number on the Y axis. Thus, it indicates that there is no heteroscedasticity. It can be concluded that there is no heteroscedasticity in the regression model so that the regression model is used to see Customer Loyalty at Al Nazwa Cafe based on the independent variables, namely Store Atmosphere and Social Media Marketing.

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#### **Multiple Linear Regression**

The statistical method used to test the hypothesis is multiple linear regression (multiple regression). This is in accordance with the formulation of the problem, objectives, and hypotheses of this study. Multiple linear regression method relates one dependent variable with several independent variables. This study aims to see the effect of the relationship between the independent variables on the dependent variable using multiple linear regression analysis, this study has two independent variables, namely Store Atmosphere and Social Media Marketing and one dependent variable, namely Customer Loyalty.

The following is the result of data processing using the SPSS Version 17.00 program.

Table 3
t-test Variable X1 against Y

# Coefficientsa

		Unstandardized Coefficients		Standardize d Coefficients		
Mode	el	В	Std. Error	Beta	t	Sig.
1	(Constant)	-3.786	3,545		-1.068	.288
	Store Atmosphere	.419	.084	.398	4.1008	.000
	Social Media Marketing	.445	.080	.446	5.1003	.000

a. Dependent Variable: Customer Loyalty

With the following information. ScoreStore Atmosphere = 0.419 indicates the value of Store Atmosphere is increased by 100% then Customer Loyalty has increased. The contribution given by the Store Atmosphere to Customer Loyalty is 0.398 as seen from the Standardized Coeficient. Social Media Marketing = 0.445 indicates that Social Media Marketing is increased by 100% then Customer Loyalty has increased. The contribution given by Social Media Marketing to Customer Loyalty is 0.446 as seen from the Standardized Coeficient.

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#### Hypothesis test

#### **Partial Test (t Test)**

Statistical tests were carried out to test whether the independent variable X individually had a significant relationship or not to the Y variable. To test the significant relationship, the statistical test formula was used as follows:

$$t = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$$

Where:

t = Value t count

r = Correlation coefficient

n = Number of samples

The stages of testing are as follows:

- Ho: rs = 0 means that there is no significant relationship between the independent variable (X) and the dependent variable (Y).
- 2. Ho : rs 0, meaning that there is a significant relationship between the independent variable (X) and the dependent variable (Y).

With the following decision making criteria.

- 1. Ho is accepted if  $-t_{tabel}$ , at = 5% df =  $nkt_{hitung}$   $t_{tabel}$
- 2. Ho is rejected if > or <t<sub>hitung</sub>  $t_{tabel}$ - $t_{hitung}$ - $t_{tabel}$

Based on the partial output, it can be seen the influence of the two independent variables, namely Store Atmosphere and Social Media Marketing. The following table t test calculation results as follows.

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#### Table 4

#### t test

#### Coefficientsa

		Unstandardized Coefficients		Standardize d Coefficient s		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	-3.786	3,545		-1.068	.288
	Store Atmosphere	.419	.084	.398	4.1008	.000
	Social Media Marketing	.445	.080	.446	5.1003	.000

a. Dependent Variable: Customer Loyalty

Source: SPSS Processing Results (2017)

Based on table IV. above, the criteria for the t test results are carried out at the level of = 5%. It can be seen that n = 100 with df = nk then df = 100-2 = 98, so n = 98. Where n is the number of cases and k is the number of independent variables. With a significant of 0.05 and is obtained for  $t_{tabel}$  of 1.661

The results of the t-statistical test in the table above can be explained as follows:

#### The Effect of Store Atmosphere on Customer Loyalty

The t-test is used to determine whether the Store Atmosphere has an effect on Customer Loyalty individually (partial) has a significant effect or not on Customer Loyalty. From the results of data processing SPSS for windows version 17.00, the t-test results can be obtained as follows:

 $t_{hitung} = 4.1008$ 

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$$t_{tabel} = 1.661$$

#### **Social Media Marketing on Customer Loyalty**

The t-test is used to determine whether Social Media Marketing individually has an influence or not on Customer Loyalty. From the results of data processing SPSS windows version 17.00, it can be obtained t test results as follows.

$$t_{hitung} = 5.1003$$

$$t_{tabel} = 1.661$$

Based on the results of Figure IV. For testing the hypothesis above, for the influence of Social Media Marketing on Customer Loyalty, the value of is obtained thitung of 5,1003 and  $t_{tabel} of \ 1.661. \ Then \ it \ is \ greater \ than \ (5.1003>1.661) \ and \\ t_{hitung} t_{tabel} \ value \ (sig. \ 0.000<0.05)$ this indicates that Ho is accepted. This shows that Social Media Marketing has a significant positive effect on Customer Loyalty.

#### F Uji test

The F statistical test was conducted to test whether the independent variable (X) simultaneously had a significant effect or not on the dependent variable (Y). To calculate the F test with the following formula The stages are as follows:

- 1) Test Form
- H 0 = There is no influence between Store Atmosphere and Social Media Marketing on **Customer Loyalty**
- H a There is an influence between Store Atmosphere, and Social Media Marketing on **Customer Loyalty**

Decision Making Criteria:

Reject 
$$H_0$$
 if  $>$  or  $-<-F_{hitung}F_{tabel}F_{hitung}F_{tabel}$ 

Accept if or-
$$-H_0F_{hitung}F_{tabel}F_{hitung}F_{tabel}$$

Based on the results of data processing with the SPSS version 16.00 program, the test statistics are as follows:

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#### Table 5

#### F Uji test

#### **ANOVAb**

Mod	el	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1446,978	2	723,489	100,074	.000a
	Residual	1251.532	97	12,902		
	Total	2698,510	99			

a. Predictors: (Constant), Social Media Marketing, Store Atmosphere

b. Dependent Variable: Customer Loyalty

Source: SPSS Processing Results (2017)

Based on the ANOVA (Analysis of Variance) test image above, it is obtained  $F_{hitung}$  of 100.074 is greater than  $F_{tabel}$  of 3.09(100.074 < 3.09) with a sig level of 0.000 (Sig. 000 < 0.05). This shows that Ho is accepted, based on these results prove that Store Atmosphere and Social Media Marketing together have a significant positive effect on Customer Loyalty at PDAM Tirtanadi Medan Labuhan Branch.

#### **Coefficient of Determination**

The coefficient of determination serves to determine the percentage of the influence of the independent variable and the dependent variable by squaring the coefficients found. In its use, the coefficient of determination is expressed in percentages (%). To find out the extent of the contribution or percentage of the influence of Store Atmosphere, Social Media Marketing on Customer Loyalty, it can be known through a determination test.

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#### Table 6

#### **Coefficient of Determination**

#### **Model Summaryb**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.732a	.536	.527	3.59199

a. Predictors: (Constant), Social Media Marketing, Store Atmosphere

b. Dependent Variable: Customer Loyalty

Source: SPSS Processing Results (2017)

In the table above, it can be seen from the overall regression results showing the R square value of 0.536 to determine the extent of the contribution or percentage of the influence of Store Atmosphere and Social Media Marketing on Customer Loyalty, it can be known through a determination test, namely The value of R Square above, is 53.6%. This means that about 53.6% of the dependent variable is Customer Loyalty, and it can be explained by the independent variables Store Atmosphere and Social Media Marketing at Al Nazwa Cafe, which is 53.6%. While the rest of 46.4% is influenced by other variables that are not examined in this study.

#### **DISCUSSION**

#### The Effect of Store Atmosphere on Customer Loyalty

Based on the partial test results, the effect of Store Atmosphere on Customer Loyalty from the table above is obtained tount 4,1008> ttable1,661 and has a significant number of 0.000> 0.05 meaning H0 is accepted (H $\alpha$  is rejected), this indicates that there is a positive influence of Store Atmosphere on Loyalty Customers at PDAM Tirtanadi Medan Labuhan Branch.

According to Tjiptono (2012, p. 95) Store Atmosphere is the totality of features and characteristics of products and services that depend on their ability to satisfy stated or implied needs Kotler and Keller (2009, p. 143).

From the results of previous research conducted by Hayato and Setarkaji (2015) which said that the Store Atmosphere had a positive effect on Customer Loyalty. Then according to Gultom

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(2017, p. 84) Stating a good Store Atmosphere is a consumer expectation that must be fulfilled by the company, because a good Store Atmosphere is the key to the development of a company's productivity.

#### The Effect of Social Media Marketing on Customer Loyalty

Based on the partial test results the effect of Social Media Marketing on Customer Loyalty from the table above, it is obtained that tcount  $5{,}1003 > \text{ttable } 1{,}661$  and has a significant number of 0.000 < 0.05 meaning H0 is accepted (H $\alpha$  is rejected), this indicates that there is an influence of Social Media Marketing on Loyalty Customers at PDAM Tirtanadi Medan Labuhan Branch.

According to Kotler and Keller (2013, p. 214) "any act or performance that one party can offer another that is essentially intangible and does not result in the ownership of anything. It's production may or not be tied to physical product".

From the results of previous research conducted by Apsari (2017) which states that Social Media Marketing has a positive effect on Customer Loyalty. From the research of Azhar and Jufrizen, et al (2019), it is stated that Social Media Marketing is an evaluation of long-term observations in the service delivery of a company. Therefore, Customer Loyalty must be accompanied by Social Media Marketing that is in accordance with the wishes and needs of its consumers.

## Simultaneous Effect of Store Atmosphere and Social Media Marketing on Customer Satisfaction

Based on the table above, it can be seen that the value of Fcount > Ftable or 100.074 < 3.090 with a significance of 0.000 <0.05. This meansthat Ha is accepted (H0 is rejected). From this value, it means that there is a significant positive effect between Store Atmosphere and Social Media Marketing together on Customer Loyalty at PDAM Tirtanadi Medan Labuhan Branch.

Therefore, the Store Atmosphere and Social Media Marketing on Customer Loyalty have a significant positive effect. as previous research conducted by Basrah (2015) which said that Store Atmosphere and Social Media Marketing had a significant effect on Customer Loyalty.

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#### RESULT

There is a significant positive influence partially between Store Atmosphere on Customer Loyalty, so Store Atmosphere has a significant effect on Customer Loyalty of PDAM Tirtanadi Medan Labuhan Branch. Thus, if the Store Atmosphere is improved, Customer Loyalty will also increase. There is a significant positive influence partially between Social Media Marketing on Customer Loyalty, so that Social Media Marketing has a significant effect on Customer Loyalty of PDAM Tirtanadi Medan Labuhan Branch. Thus, if Social Media Marketing is improved, Customer Loyalty will also increase. There is a significant positive influence simultaneously (together) between Store Atmosphere and Social Media Marketing on Customer Loyalty, so that Store Atmosphere and Social Media Marketing simultaneously have a significant effect on Customer Loyalty of PDAM Tirtanadi Medan Labuhan Branch. Thus, if the Store Atmosphere and Social Media Marketing are getting better and improved, then Customer Loyalty will also increase and the company's goals will be achieved.

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