

## The Effect of Merchandise and Servicescape on Customer Loyalty Through Customer Satisfaction at Pt. Gloria Jaya Sejahtera Medan

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**Abstract:** In business activities, Merchandise, Servicescape, and Customer Satisfaction are very basic and very important influences in Customer Loyalty. Merchandise, servicescape, and customer satisfaction are also phenomena in business activities, without the factors that affect this business activity the company will be faced with a risk and cannot fulfill the wishes of its customers. This study aims to determine and analyze the influence of Merchandise and Servicescape on Customer Loyalty through Customer Satisfaction at PT. Gloria Jaya Sejahtera Medan. The population in this study were customer members of PT. Gloria Jaya Sejahtera Medan in May until July 2018 totaling 412 people. The sample in this study were 203 customers with sample determination using Slovin formula. The sampling technique is incidental sampling technique. Data is taken by distributing questionnaires to respondents. The data analysis tool uses descriptive analysis and multivariate analysis with SPSS and AMOS programs. The results showed that merchandise had a positive and significant effect on customer satisfaction. Servicescape has a positive and not significant effect on customer satisfaction. Merchandise has a positive and significant effect on customer loyalty. Servicescape has a positive and not significant effect on customer loyalty. Merchandise has a positive and significant effect on customer loyalty through customer satisfaction. Servicescape has a positive and not significant effect on customer loyalty through customer satisfaction. Customer satisfaction has a positive and significant effect on customer loyalty.

**Keywords:** Merchandise, Servicescape, Customer Satisfaction, Customer Loyalty

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### I. Introduction

The role of marketing is very important to introduce and market the company's products, this is to gain profits and maintain the survival of the company. In business activities, Merchandise, Servicescape, and Customer Satisfaction are very basic and very important influences in Customer Loyalty. Merchandise, servicescape, and customer satisfaction also become phenomena that occur in business activities, in the absence of factors that affect this business activity the company will be faced with a risk and cannot fulfill the wishes of its customers. PT. Gloria Jaya Sejahtera Medan is a company engaged in retail or hypermarkets that sell all customer needs. The goods sold in this hypermarket are daily necessities, such as food, beverages and other necessities. In accordance with its business activities, PT. Gloria Jaya Sejahtera Medan is run with the concept of a hypermarket with large scale needs, so that it prioritizes the completeness of products and the availability of quantity of goods sold to consumers. PT. Gloria Jaya Sejahtera Medan is also committed to maintaining the quality and freshness of its products, as one of the competitive advantages.

The activity of procuring goods that are in accordance with the business that the company runs to be provided with amounts, and the time to reach the company's goals is referred to as merchandise. Consumers who visit to buy a product are strongly influenced by the level of diversity of goods offered. This is indicated by the completeness of the types of products sold, the existence of complementary products from the main products and the complete number, size, and other characteristics that exist in a line category of the product. From the survey conducted by the author at PT. Gloria Jaya Sejahtera Medan found a phenomenon regarding merchandise, namely the lack of availability of products sold to consumers. Examples of products that are not available for sale that researchers found at PT. Gloria Jaya Sejahtera Medan such as tabloids/magazines, Cimory yogurt and LPG gas. Then the procurement of goods that are expired quickly, the company does not make a combination of these items, such as freshly produced fresh bread products, so that for a long period of time it cannot be consumed by consumers (expired). The company also does not take the initiative to provide similar products, this results in reduced value added products that attract consumers to make purchases.

Servicescape can be seen as a physical facility of a company that is used to influence consumers' feelings to be happy and positive. Services around the company generally include interior design, parking lots, the surrounding environment, interior facilities, equipment, layouts, air quality / temprature, staff / employee uniforms and brochures. Servicescape or commonly referred to as the analysis of the overall response regarding service in the environment. The scope of servicescape can recognize the importance of the physical environment around the company. With good servicescape management, it will provide added value for a retailer in order to create satisfaction from consumers. Physical environment (servicescape) is defined as the regulation of physical facilities in services that occur and that affect consumer perceptions of quality and subsequently internal (ie level of satisfaction) and external (i.e. behavior related to purchases) consumers. (McDonnell & Hall, 2008).

Observation of the phenomenon of servicescape found at PT. Gloria Jaya Sejahtera Medan, among others, such as, the area is not too wide, the layout of equipment that has not been in place, the floor is not clean and the vehicle parking area is less extensive. This can cause consumers who visit PT. Gloria Jaya Sejahtera Medan feels uncomfortable and also results in reduced visitors making purchases.

Customer satisfaction is the result of a comparison between services perceived by consumers and services expected by consumers. (Lovelock and Wirtz, 2011). If consumers feel that the actual services provided are better than their expectations, consumers will be satisfied, but if they are lower than their expectations, consumers will be less satisfied with the services provided by the company. Consumer satisfaction is one of the determinants of consumer loyalty, if customer loyalty is formed then the profitability and growth of the company's income will be guaranteed to increase so that production activities become continuous and consistent on purpose. Phenomenon related to customer satisfaction at PT. Gloria Jaya Sejahtera Medan can be seen in Table 1.1. following:

**Table 1.1. Customer Advice PT. Gloria Jaya Sejahtera Medan**

No	Name	Customer Advice
1	Septiono	Service is further enhanced
2	Nofri Yeni	Employee services must be friendly
3	Dewi Fitri Yani	Rarely promo / discount
4	Netti Marpaung	Service is further enhanced
5	Annuratno	Employee services must be friendly
6	Sahat PM Tambunan	Improve quality in terms of item variance
7	Noni Kartika Nasution	Rarely promo / discount
8	Arniyati	There is no selling vegetable products
9	Syahraini Ismail	There is no selling vegetable products
10	Bukit Tirance Saragih	Rarely promo / discount
11	Agustina Nasution	Rarely promo / discount
12	Noraeny TM Siregar	Employee services must be friendly
13	Bambang Sumanto	Goods sold are not complete
14	M. Ikhsan Afrita	Car park is less spacious and product discounts that more and more
15	Melly Arlita Lubis SF	Parking is not extensive especially motorcycle parking
16	Rosulawati SSN	The store area is less spacious
17	Meli Novita	There is no credit card payment system available
18	Ida Rohani Karini	Need additional bread variants as they often run out
19	Joko Santoso	The store area is less spacious
20	Duma Lestari Sitorus	Goods sold are not complete
21	Moryin Patuan Siagian	There is no credit card payment system available
22	Suci Andriani	Store floor is not clean

**Source: PT. Gloria Jaya Sejahtera Medan, 2018**

Based on Table 1.1. Customer Advice PT. Gloria Jaya Sejahtera Medan, there are several phenomena regarding customer satisfaction based on surveys and observations conducted by researchers including customers who are less satisfied with the services performed by employees, rarely any promos / discounts, lack of product variations, not selling vegetable products, less extensive vehicle parking , there is no credit card payment system and the store floor is not clean at PT. Gloria Jaya Sejahtera Medan. From some of these phenomena, customers of PT. Gloria Jaya Sejahtera Medan is less satisfied after comparing the perceptions / impressions of the results of a product and its expectations. Customers will be satisfied with the service and product that is produced if the service or product can meet their needs and expectations, but if the service or product produced cannot meet their needs or desires, it will cause dissatisfaction for the customer.

Loyalty is a firmly held commitment to buy certain products or services in the future despite the influence of the situation and marketing efforts that have the potential to cause behavioral shifts (Kotler and Keller, 2012). To create customer loyalty, companies certainly must have the right marketing strategy. Marketing plays an important role for the success of a company in realizing its main goal. Through marketing, information can be obtained whether the goods or services offered by a company can meet the needs and desires

of customers in accordance with market goals. Products or services will have a higher selling value if the company can provide what consumers need to remain loyal to the products offered.

Consumers who are always customers, have the strength and positive attitude towards the company and are proof that these consumers are loyal to the products offered by the company. It is important for companies to pay attention to customer satisfaction as a first step to maintaining customers and winning competition. Consumers have loyalty that can be known by the company from the customer data or member data that functions as information to the company. Consumers have an important role, where consumers as a measure in determining the success of the sale of an item or service in the company. Procurement of merchandise (merchandise) shows that customers who have loyalty to the product by looking at the completeness and quality of goods offered by PT. Gloria Jaya Sejahtera Medan. While servicescape has a role in strengthening customer loyalty in providing comfort to consumers. PT. Gloria Jaya Sejahtera Medan can increase customer satisfaction by maximizing merchandise (merchandise) to create good servicescape with the aim of increasing customer loyalty.

## II. Theoretical Review

### 2.1. Merchandise

Ma'ruf, (2006) explains that merchandise is an activity of procuring goods that are in accordance with the business run by the store (food-based products, clothing, household goods, general products, etc., or combinations) to be provided in-store at the amount, time and price appropriate to reach the target store or retail company.

According to Dunne et al. (2011) Merchandising: The planning and control involved in the buying and selling of goods and services to help a retailer realize its objectives.

### 2.2. Servicescape

According to Zeithmal dan Bitner, (2009) Servicescape is defined as: "Physical evidence as the service environment in which the service is delivered and in which the firm and customer interact, and any tangible commodities that facilitate performance or communication of the service".

Lovelock et al. (2011) define that servicescape is closely related to the physical style and appearance and other elements of experience encountered by customers in service delivery locations. From this understanding, Servicescape can be interpreted as a physical facility that is present around consumers, where companies and consumers interact in such a way as to attract or influence consumers.

### 2.3. Customer satisfaction

Kotler and Keller (2012) define that satisfaction is a feeling of pleasure or disappointment that someone arises because of comparing perceived performance of a product or service to their expectations. Customer assessment of product performance depends on many factors, especially the type of loyal relationships that customers have.

According to Zeithaml and Berry, (2009), customer satisfaction is customer's evaluation of a product service in terms of whether that product or service has met their needs and expectation.

### 2.4. Customer loyalty

Customer loyalty is the customer's commitment to a brand, based on a very positive attitude and reflected in consistent repurchases (Tjiptono, 2012). According to Griffin (2013), customer loyalty is human behavior in terms of making decisions to make continuous purchases of company goods or services.

### 2.5. Conceptual Framework

The conceptual framework of this research is:

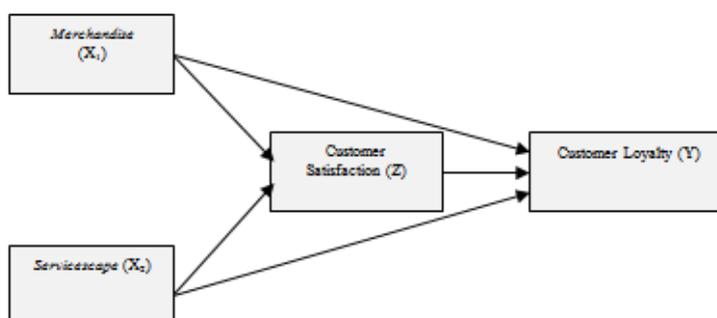


Figure 2.1. Conceptual Framework

### III. Materials and Method

#### 3.1. Types and Nature of Research

This type of research is quantitative descriptive, namely research that measures the strength of the relationship between two or more variables. According to Arikunto, (2010) "Descriptive quantitative research involves collecting data to test hypotheses or answer about the final status of the subject of research". The nature of research is exploratory studies. According to Sekaran & Bougie (2017), exploratory studies are carried out when not much is known about the situation that occurs, or there is no information available about how research problems or problems are almost the same resolved in the past.

#### 3.2. Place and Time of Research

This research was conducted at PT. Gloria Jaya Sejahtera Medan which is located at Jl. Gatot Subroto No.114 Medan. The time of this research was conducted from May 2018 to November 2018.

#### 3.3. Population and Samples

##### 3.3.1. Population

The population in this study is a customer member of PT. Gloria Sejahtera Jaya Medan in May until the month of July 2018 amounted to 412 people.

##### 3.3.2. Sample

Determination of the sample using the formula Slovin as follows:

$$n = \frac{N}{1 + Ne^2}$$

Whereas:

- n = Number of Samples
- N = Total population
- e = Error Rate (percent of allowance for inaccuracy due to sampling errors).

Population (N) of 412 people with an error rate (e) of 5%, the sample size is:

$$n = \frac{412}{1 + (412 \times 0,05)^2} = 202,95$$

Then the number of samples used in this research was 203 consumers.

#### 3.4. Data Collection Techniques

Data collection techniques in this study used questionnaires, interviews and observations.

##### a. Interview

Interviews are used as data collection techniques if researchers want to conduct a preliminary study to find problems that must be studied, and also if researchers want to know things from respondents who are more in depth and the number of respondents is small or small. This data collection technique is based on reports about oneself or at least on personal knowledge or beliefs. (Sugiyono, 2011).

##### b. Questionnaire

Questionnaire is a technique of data collection conducted by giving a set of questions or written statements to the respondent to answer. (Sugiyono, 2011). Questionnaire as an efficient data collection technique if the researcher knows for sure the variables to be measured and knows what can be expected from the respondents. In addition, the questionnaire is also suitable for use if the number of respondents is quite large and spread over a wide area. Questionnaires can be closed or open questions / statements, can be given to respondents directly or sent by post or internet.

##### c. Observation

Observation is a way of obtaining data by observing (behavior-not behavior of) research subjects and recording the answers to be analyzed. Methods in observation can be in the form of structures and not structures. In observation of structures form, the researchers specify in detail something that will be observed and how the measurements can be recorded. In observing forms not structures, researchers attempt to observe all aspects of phenomena that are related or relevant to the problem being addressed (Wijaya, 2013).

3.5. Data Analysis Technique

3.5.1. Descriptive Statistics Analysis

According to Sugiyono (2011), descriptive statistics are statistics used to analyze data by describing or describing data that has been collected as it is without intending to make conclusions that apply to general or generalizations. Based on the definition above, data analysis using descriptive statistical approach aims to provide an understanding of the situation that occurs or applies to the object of research.

3.5.2. Model Analysis

Model analysis in this study uses SPSS software and Stuctural Equation Model (SEM). SEM is a second generation (second generation) multivariate analysis technique that combines factor analysis allowing researchers to test and estimate simultaneously the relationship between multiple independent variables and latent multiple dependent variables with multiple indicators and can test models with mediator or moderator effects, models in the form of non-linear and measurement errors, Gefen et al (2011), Garson (2012).

IV. Research Results and Discussion

4.1. Results of Descriptive Statistics of Respondents

Table 4.1. Gender \* Age Crosstabulation

Gender	Age													Total	Percentage (%)
	22	24	25	26	27	28	30	31	32	33	34	35	36		
Man	5	6	6	5	8	4	0	6	2	5	8	9	7	71	35
Woman	5	10	6	15	5	8	8	19	10	9	10	13	14	132	65
Total	10	16	12	20	13	12	8	25	12	14	18	22	21	203	100

Source: Research Results With SPSS, 2018

Table 4.2. Visit Frequency \* Gender Crosstabulation

Visit Frequency	Gender		Total	Percentage (%)
	Man	Woman		
2 times	26	35	61	30,05
More than 2 times	45	97	142	69,95
Total	71	132	203	100

Source: Research Results With SPSS, 2018

4.2. Model Analysis Results

4.2.1. Validity Test

The Validity Test Results of this research are:

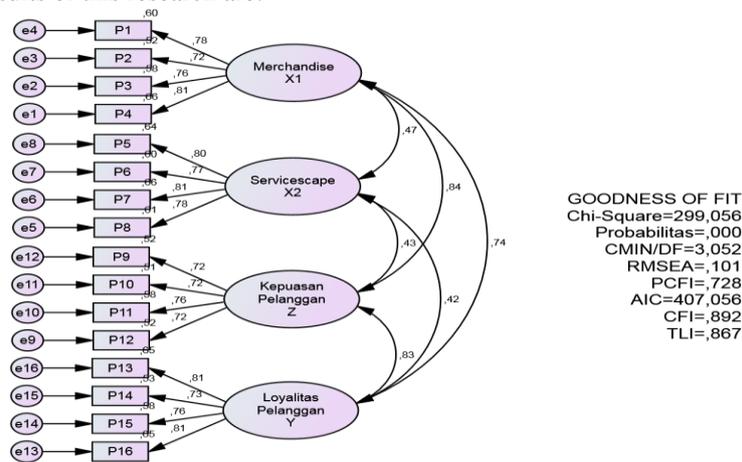


Figure 4.1. Confirmatory Factor Analysis Test (CFA)

Standardized Regression Weights: (Group number 1 - Default model)

**Table 4.3. Validity Test**

	Estimate
P1 <--- Merchandise X <sub>1</sub>	0,777
P2 <--- Merchandise X <sub>1</sub>	0,722
P3 <--- Merchandise X <sub>1</sub>	0,759
P4 <--- Merchandise X <sub>1</sub>	0,815
P5 <--- Servicescape X <sub>2</sub>	0,797
P6 <--- Servicescape X <sub>2</sub>	0,773
P7 <--- Servicescape X <sub>2</sub>	0,811
P8 <--- Servicescape X <sub>2</sub>	0,783
P9 <--- Customer satisfaction Z	0,721
P10 <--- Customer satisfaction Z	0,717
P11 <--- Customer satisfaction Z	0,761
P12 <--- Customer satisfaction Z	0,722
P13 <--- Customer loyalty Y	0,809
P14 <--- Customer loyalty Y	0,725
P15 <--- Customer loyalty Y	0,759
P16 <--- Customer loyalty Y	0,809

**Sumber: Research Results With AMOS, 2018**

Based on the results of the analysis in Table 4.3, it shows that all indicators are valid with the value of loading factors produced for all indicators above 0.7, which means they meet the requirements of convergent validity.

**4.2.2. Reliability Test**

Calculating reliability using composite (contract) reliability with a cut off value > 0.70, with the calculation formula as follows:

$$\text{Construct-reliability} = \frac{(\sum \text{Std Loading})^2}{(\sum \text{Std Loading})^2 + \sum e_j}$$

**Table 4.4. Reliability Test**

Variable	Loading (λ)	λ <sup>2</sup>	1 - λ <sup>2</sup>	Construct Reliability
Merchandise X <sub>1</sub>	0,777	0,603729	0,396271	<b>0,958</b>
Merchandise X <sub>1</sub>	0,722	0,521284	0,478716	
Merchandise X <sub>1</sub>	0,759	0,576081	0,423919	
Merchandise X <sub>1</sub>	0,815	0,664225	0,335775	
Servicescape X <sub>2</sub>	0,797	0,635209	0,364791	
Servicescape X <sub>2</sub>	0,773	0,597529	0,402471	
Servicescape X <sub>2</sub>	0,811	0,657721	0,342279	
Servicescape X <sub>2</sub>	0,783	0,613089	0,386911	
Customer satisfaction Z	0,721	0,519841	0,480159	
Customer satisfaction Z	0,717	0,514089	0,485911	
Customer satisfaction Z	0,761	0,579121	0,420879	
Customer satisfaction Z	0,722	0,521284	0,478716	
Customer loyalty Y	0,809	0,654481	0,345519	
Customer loyalty Y	0,725	0,525625	0,474375	
Customer loyalty Y	0,759	0,576081	0,423919	
Customer loyalty Y	0,809	0,654481	0,345519	
<b>Total</b>	<b>12,26</b>		<b>6,58613</b>	<b>0,958</b>

**Source: Research Results With AMOS, 2018**

$$\begin{aligned} \text{Construct-reliability} &= \frac{(\sum \text{Std Loading})^2}{(\sum \text{Std Loading})^2 + \sum e_j} \\ &= \frac{(12,26)^2}{(12,26)^2 + 6,58613} \\ &= 0,958 \end{aligned}$$

From the results of calculations in Table 4.4, composite (contract) values of reliability for all variables have met the requirements with a value of 0.958 above the cut-off value > 0.70, so that all variables are reliable.

4.3. Model Evaluation

4.3.1. Assessing Overall Fit Early Model (Goodness Fit Model)

The Overall Fit Model test results in the research are:

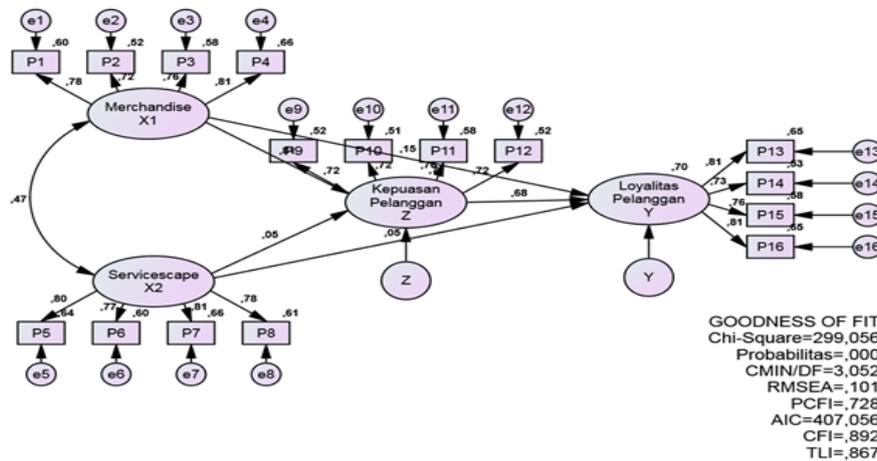


Figure 4.2. Model Fit Overall Test

After the SEM assumptions are made, the next step is testing by using several conformity indices to measure the model proposed by Wijaya, (2013). Some of these indices are:

Table 4.5. Result of Index Goodness of Fit Early Model

Goodness Fit Index	Cut-Off Value	Research Model	Statement
Chi – Square	Diharapkan kecil	299,056	Poor
Significance Probability	0,05	0,000	Poor
CMIN/DF	2,00	3,052	Poor
RMSEA	,08	0,101	Poor
PCFI	≥ 0,06	0,728	Good
AIC	Default Model < Saturated Model and Independence Model	407,056 > 304,000	Poor
CFI	0,95	0,892	Marginal
TLI	0,95	0,867	Marginal

Source: Research Results With AMOS, 2018

From Table 4.5, it can be seen that the overall model shows a poor level of conformity. Thus the results of testing the goodness of fit on the standard model used in this study indicate that the observed data is not in accordance with the theory or model. Then it is necessary to modify the model. Model modification is done by referring to the modification indices (Hair et al, 2014)

4.3.2. Model Modification

If the model is not fit with the data, the following actions can be taken:

1. Modify the model by adding lines
2. Reducing variable indicators

Modification of the model used in this research is based on the theory described by Hair et al, (2014) which discusses how to make modifications to the model to see Modification Indices produced. The reason the researchers did a number of recommendations for reducing variable indicators was to reduce the chi-square value so that it made the model more fit. From several steps that the researcher did, the modification of the model was obtained as follows:

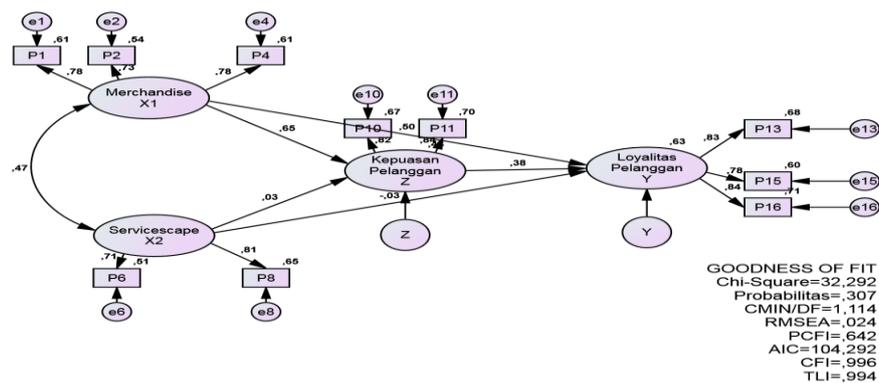


Figure 4.3. Modified Full Model Test

After the SEM assumptions are made, the next step is testing by using several conformity indices to measure the model proposed by Wijaya (2013). Some of these indices are:

Table 4.6. Result of Index Goodness Of Fit Model After Modification Full Model

Goodness Fit Index	Cut-Off value	Research Model	Statement
Chi – Square	Diharapkan kecil	32,292	Good
Significance Probability	0,05	0,307	Good
CMIN/DF	2,00	1,114	Good
RMSEA	0,08	0,024	Good
PCFI	≥ 0,06	0,642	Good
AIC	Default Model < Saturated Model dan Independence Model	104,292 < 130,000 and 984,314	Good
CFI	0,95	0,996	Good
TLI	0,95	0,994	Good

Source: Research Results With AMOS, 2018

From Table 4.6 shows that all the criteria used to assess a model have a good value, therefore the model can be accepted because of the compatibility between the model and the data. Thus, the path coefficients of each relationship between variables used in the study are presented to test the hypothesis.

Baron & Kenny, (1986) suggest that a variable is called a mediator if the variable also influences the relationship between the predictor variable (independent) and the criterion variable (dependent). In this study using the effect model approach which tests for indirect effects between variables of customer satisfaction on customer loyalty. The test results are presented in Figure 4.4. as follows:

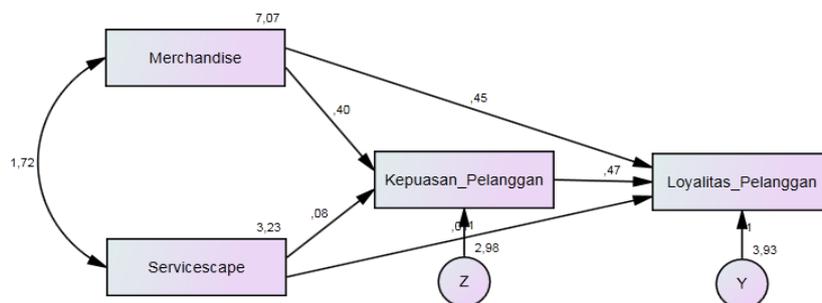


Figure 4.4. Path Analysis Model

Analysis results of Direct Effects, Indirect Effects, and Total Effects variables on Merchandise and Servicescape on Customer Loyalty through Customer Satisfaction using path analysis with the following results:

**Table 4.7. Direct Effects  
(Group number 1 - Default model)**

	Servicescape	Merchandise	Customer Satisfaction
Customer Satisfaction	,080	,395	,000
Customer Loyalty	,012	,453	,470

Source: Research Results With AMOS, 2018

**Table 4.8. Indirect Effects  
(Group Number 1 - Default Model)**

	Servicescape	Merchandise	Customer Satisfaction
Customer Satisfaction	,000	,000	,000
Customer Loyalty	,038	,186	,000

Source: Research Results With AMOS, 2018

Based on Figure 4.4, and Table 4.7, and Table 4.8, it can be seen that the testing of the Direct Effect and Indirect Effect of variable Merchandise, Servicescape and Customer Satisfaction on Customer Loyalty is as follows:

1. Merchandise - Customer Satisfaction - Customer Loyalty
  - a. Direct Effect of Merchandise on Customer Loyalty = 0,453
  - b. Indirect Effect of Merchandise on Customer Satisfaction then on Customer Loyalty =  $(0,395) (0,470) = 0,186$ .
2. Servicescape - Customer Satisfaction - Customer Loyalty
  - a. Direct Effect of Servicescape on Customer Loyalty = 0,012
  - b. Indirect Effect of Servicescape on Customer Satisfaction then on Customer Loyalty =  $(0,080) (0,470) = 0,038$ .

From the calculation of the Direct Effect of Merchandise to Customer Loyalty has a value of 0.453 and the Indirect Merchandise Effect to Customer Satisfaction then to Customer Loyalty has a value of 0.186. It can be explained that the Effect of Direct Merchandise on Customer Loyalty is greater than the Effect of Indirect Merchandise on Customer Satisfaction then on Customer Loyalty. Servicescape Direct Influence on Customer Loyalty has a value of 0.012 and Indirect Servicescape Influence to Customer Satisfaction then to Customer Loyalty has a value of 0.038. It can be explained that the Direct Effects of Servicescape to Customer Loyalty is smaller than the Indirect Servicescape Effect to Customer Satisfaction then to Customer Loyalty.

For a significant test of the Total Effects the Customer Satisfaction variable can be seen from Table 4.9 as follows:

**Table 4.9. Total Effects Variable Results Customer Satisfaction  
(Group Number 1 - Default Model)**

	Servicescape	Merchandise	Customer Satisfaction
Customer Satisfaction	0,080	0,395	0,000
Customer Loyalty	0,050	0,639	0,470

Source: Research Results With AMOS, 2018

Based on Table 4.9, the calculation of the effect of total effect shows that the variable merchandise (0.639) has a total effect greater than servicescape (0.050) on customer loyalty. It can be explained that merchandise has a more significant influence and contributes to customer loyalty at PT. Gloria Jaya Sejahtera Medan. So the company further increases the procurement of merchandise according to customer needs.

#### 4.4. Hypothesis testing

The summary of the results of the research hypothesis test at the significant value of regression weights and the Sobel test value can be seen in Table 4.10., as follows:

**Table 4.10. Research Hypothesis Test Results**

No	Hypothesis	Positive / Negative	Significant Value and Sobel Test Value	Result
1	Merchandise has a positive and significant effect on Customer Satisfaction at PT. Gloria Jaya Sejahtera Medan.	0,395	$0,000 < 0,05$	Accepted
2	Servicescape has a positive and significant effect on Customer Satisfaction at PT. Gloria Jaya Sejahtera Medan.	0,080	$0,269 > 0,05$	Rejected
3	Merchandise has a positive and significant effect on Customer Loyalty at PT. Gloria Jaya Sejahtera Medan.	0,453	$0,000 < 0,05$	Accepted

4	Servicescape has a positive and significant effect on Customer Loyalty at PT. Gloria Jaya Sejahtera Medan.	0,012	0,884 > 0,05	Rejected
5	Merchandise has a positive and significant effect on Customer Loyalty through Customer Satisfaction at PT. Gloria Jaya Sejahtera Medan.	0,186	4,4874 > 1,96	Accepted
6	Servicescape has a positive and significant effect on Customer Loyalty through Customer Satisfaction at PT. Gloria Jaya Sejahtera Medan.	0,038	1,0759 < 1,96	Rejected
7	Customer Satisfaction has a positive and significant effect on Customer Loyalty at PT. Gloria Jaya Sejahtera Medan.	0,470	0,000 < 0,05	Accepted

**Source: Research Results With AMOS, 2018**

## V. Discussion

### 4.5. Discussion of Results of Hypothesis Analysis

#### 4.5.1. Effect of Merchandise on Customer Satisfaction (H<sub>1</sub>)

Based on the results of this study, it can be seen that merchandise variables have a positive and significant effect on customer satisfaction. This can be seen from the estimated value of 0.395, the CR value of  $8.067 > 2.0$ , and the probability value of  $0.000 < 0.05$ , meaning that the results of this study accept the first hypothesis, namely merchandise variable (X<sub>1</sub>) has a positive and significant effect on customer satisfaction variables (Z). From the results of this study it can also be stated that the better the application of merchandise at PT. Gloria Jaya Sejahtera Medan then increases the level of customer satisfaction. This is also in accordance with previous studies conducted by Diana et al. (2014) found evidence that there was a positive and significant effect of merchandise on consumer satisfaction, with the title "Effect of Quality of Service, Merchandise, Atmosphere on Customer Satisfaction and Trust: Study of Seven Soul Customers Yogyakarta Distro".

#### 4.5.2. Effect of Servicescape on Customer Satisfaction (H<sub>2</sub>)

Based on the results of this study, it can be seen that servicescape variables have a positive and not significant effect on customer satisfaction. This can be seen from the results of the estimated value of 0.080, the CR value of  $1.104 < 2.0$ , and the probability value of  $0.269 > 0.05$ , meaning that the results of this study reject the second hypothesis, namely servicescape variable (X<sub>2</sub>) has a positive and significant effect on the variable customer satisfaction (Z). From the results of this study it can also be stated that the application of servicescape at PT. Gloria Jaya Sejahtera Medan is still not good so that the level of customer satisfaction is not fulfilled. This is also in accordance with previous research conducted by Sabila, (2017) found evidence that servicescape had a positive and not significant effect on customer satisfaction, with the title "Analysis of the Effect of Product Quality, Prices and Servicescape on the Satisfaction of Etude House Cosmetic Product Customers (Study on Etude House Citra Land Mall Semarang) "

#### 4.5.3. Effect of Merchandise on Customer Loyalty (H<sub>3</sub>)

Based on the results of this study, it can be seen that merchandise variables have a positive and significant effect on customer loyalty. This can be seen from the estimated value of 0.453, the CR value of  $7.008 > 2.0$ , and the probability value of  $0.000 < 0.05$ , meaning that the results of this study accept the third hypothesis, namely merchandise variable (X<sub>1</sub>) positive and significant effect on customer loyalty variables (Y). From the results of this study it can also be stated that the better the application of merchandise at PT. Gloria Jaya Sejahtera Medan will increase the level of customer loyalty. This is also in accordance with previous research conducted by Wijayanto et al. (2013) found evidence that merchandise has a positive and significant influence on consumer loyalty, with the title "The Effect of Retail Mix on Consumer Loyalty in the Sri Ratu Peterongan Supermarket".

#### 4.5.4. Effects of Servicescape on Customer Loyalty (H<sub>4</sub>)

Based on the results of this study, it can be seen that servicescape variables have a positive and not significant effect on customer loyalty. This can be seen from the results of the estimated value of 0.012, the CR value of  $0.146 < 2.0$ , and the probability value of  $0.884 > 0.05$ , meaning that the results of this study reject the fourth hypothesis, namely servicescape variable (X<sub>2</sub>) positive and significant effect on customer loyalty variables (Y). From the results of this study it can also be stated that the application of servicescape at PT. Gloria Jaya Sejahtera Medan is still not good so that the level of customer loyalty is not achieved. This is also in accordance with previous research conducted by Rondiyah, (2018) found evidence that servicescape directly had a positive and insignificant effect on customer loyalty, with the title "Effect of Service Encounter,

Servicescape and Self Service Technology on Loyalty with Satisfaction as a Mediation Variable Study of the Banking Industry in Yogyakarta).

#### **4.5.5. Effect of Merchandise on Customer Loyalty through Customer Satisfaction (H<sub>5</sub>)**

Based on the results of this study, it can be seen that merchandise variables have a positive and significant effect on customer loyalty through customer satisfaction. This can be seen from the results of Sobel calculations with  $t_{count} > t_{table}$  or  $4.4874 > 1.96$ , meaning that the results of this study accept the fifth hypothesis, namely merchandise variable ( $X_1$ ) has a positive and significant effect on customer loyalty (Y) through customer satisfaction (Z). From the results of this study it can be stated that the better the application of merchandise at PT. Gloria Jaya Sejahtera Medan will increase the level of customer satisfaction and customer loyalty. This is also in accordance with previous research conducted by Suprianto, (2015) found evidence that there was a significant effect of customer satisfaction mediating between the retail mix on customer loyalty, with the title "Retail Mix Influence on Customer Loyalty Through Satisfaction As a Mediation Variable for Djikan's Customers Audio & Accessories in Karanganyar".

#### **4.5.6. Effect of Servicescape on Customer Loyalty through Customer Satisfaction (H<sub>6</sub>)**

Based on the results of this study, it can be seen that servicescape variables have a positive and not significant effect on customer loyalty through customer satisfaction. This can be seen from the results of the Sobel calculation with the value of  $t_{count} < t_{table}$  or  $1.0759 < 1.96$ , meaning that the results of this study reject the sixth hypothesis, namely servicescape variable ( $X_2$ ) positive and not significant effect on customer loyalty variable (Y) through satisfaction customer (Z). From the results of this study it means that the application of servicescape through customer satisfaction at PT. Gloria Jaya Sejahtera Medan is still not good so that the level of customer loyalty is not achieved. This is also in accordance with previous research conducted by Sabila, (2017) found evidence that servicescape had a positive and not significant effect on customer satisfaction, with the title "Analysis of the Effect of Product Quality, Prices and Servicescape on the Satisfaction of Etude House Cosmetic Product Customers (Study on Etude House Semarang Land Mall Image), the results of the study put forward by Rondiyah (2018) also found evidence that servicescape directly had a positive and insignificant effect on customer loyalty, with the title "Effect of Service Encounters, Servicescape and Self Service Technology on Loyalty with Satisfaction As a Mediation Variable (Study of the Banking Industry in Yogyakarta)".

#### **4.5.7. Effect of Customer Satisfaction on Customer Loyalty (H<sub>7</sub>)**

Based on the results of this study, it can be seen that the variable customer satisfaction has a positive and significant effect on customer loyalty. This can be seen from the estimated value of 0.470, the CR value of  $5.818 > 2.0$ , and the probability value of  $0.000 < 0.05$ , meaning that the results of this study accept the seventh hypothesis, namely customer satisfaction variable (Z) has a positive and significant effect on loyalty variables customer (Y). From the results of this study it can also be stated that the better the level of customer satisfaction at PT. Gloria Jaya Sejahtera Medan will increase the level of customer loyalty. This is also in accordance with previous research conducted by Irawati and Subagio, (2014) found evidence that customer satisfaction has a positive and significant effect on consumer loyalty, with the title "The Effect of Retail Mix on Customer Loyalty with Customer Satisfaction as an Intervening Variable in Giordano Ciputra World Surabaya ", As well as another study Musriha, (2011) supports the positive and significant influence of customer satisfaction on customer loyalty, with the title "The Effect of Servicescape and the Quality of Employee Communication on Customer Loyalty Through Bank Mandiri Customer Satisfaction in Surabaya".

## **VI. Conclusion**

1. Merchandise has a positive and significant effect on customer satisfaction.
2. Servicescape has a positive and not significant effect on customer satisfaction.
3. Merchandise has a positive and significant effect on customer loyalty.
4. Servicescape has a positive and not significant effect on customer loyalty.
5. Merchandise has a positive and significant effect on customer loyalty through customer satisfaction.
6. Servicescape has a positive and not significant effect on customer loyalty through customer satisfaction.
7. Customer satisfaction has a positive and significant effect on customer loyalty.

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