

UNDERSTANDING CUSTOMER LOYALTY: THE INFLUENCE OF PRICE PERCEPTION, STORE ATMOSPHERE, AND SERVICE QUALITY AT TOSERBA SUNAN DRAJAT, MERAKURAK TIMUR, TUBAN

Fuji Fitriani¹, Niswatin Nurul Hidayati², Diyan Agus Permana³

¹ Institut Teknologi dan Bisnis Tuban, Indonesia

² Institut Teknologi dan Bisnis Tuban, Indonesia

³ Institut Teknologi dan Bisnis Tuban, Indonesia

ABSTRACT

This study examined the influence of price perception, store atmosphere, and service quality on customer loyalty at Toserba Sunan Drajat, East Merakurak Branch, Tuban. Increasing competition in Indonesia's retail sector requires retailers to maintain customer loyalty through superior shopping experiences. A quantitative approach with a survey method was employed in this study. Data were collected from 100 customer who met predetermined sampling criteria using structured questionnaires. The collected data were analyzed using descriptive statistic, instrument testing, classical assumption test, multiple linear regression analysis, and hypothesis testing. The findings indicated that price perception, store atmosphere, and service quality positively and significantly influenced customer loyalty both individually and simultaneously. Among the three independent variables, service quality demonstrated the strongest effect on customer loyalty. These findings imply that improving service quality while maintaining competitive pricing and creating a comfortable store atmosphere can strengthen customer loyalty and enhance the competitiveness of local retail businesses.

Keywords: *Customer loyalty; price perception; service quality; store atmosphere*

Corresponding Author:

Dewi Hidayatun Nihayah, dewihn@gmail.com

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I. INTRODUCTION

The retail industry in Indonesia has become increasingly competitive as the number of business operators continues to grow, encompassing both modern retail chains and local retailers. This competition not only encourages retailers to offer a wider variety of products but also requires them to create value that can retain customers over time. In this context, customer loyalty has become an important indicator of business success because loyal customers tend to make repeat purchases, recommend a business to others, and show a lower tendency to switch to competitors. Customer loyalty therefore represents a strategic asset that can contribute to the long-term sustainability and growth of retail businesses (Kotler & Keller, 2021).

The contribution of the trade sector to the national economy further emphasizes the importance of strengthening the competitiveness of retail businesses. Statistics Indonesia (Badan Pusat Statistik [BPS], 2025) reported that the wholesale and retail trade sector contributed 12.94% to Indonesia's Gross Domestic Product (GDP) in 2024. In line with this development, Bank Indonesia's Retail Sales Survey indicated an increase in the Real Sales Index in early 2025, reflecting continued consumer spending activity, particularly in daily necessities, which constitute an important segment of the retail market. At the same time, the growing presence of modern minimarket outlets in various regions has provided consumers with an increasing number of shopping alternatives, thereby intensifying competition among retailers. This situation requires retail businesses to move beyond a sales-oriented approach and develop long-term relationships with customers by creating valuable and satisfying shopping experiences.

The growing body of research on customer loyalty in retail marketing has identified price perception, store atmosphere, and service quality as important factors associated with customers' behavioral responses and loyalty. Price perception refers to customers' evaluation of the affordability, fairness, and value of a price relative to the benefits received. When customers perceive prices as fair and commensurate with the value of the products, they may be more inclined to repurchase from the same retailer (Simatupang & Pasaribu, 2025; Sirait & Purwianti, 2024). Thus, price perception is not solely related to the nominal amount paid but also to how customers evaluate the price in relation to the benefits and value they receive.

In addition to price perception, store atmosphere can shape customers' shopping experiences through various physical and environmental elements, including store layout, lighting, cleanliness, product arrangement, accessibility, and overall comfort. A well-managed store atmosphere can influence customers' emotional responses and perceptions while they are inside the store and may consequently contribute to their behavioral intentions (Berman et al., 2018; Sebastian & Pradana, 2023). In a retail environment, therefore, the physical characteristics of the store are not merely operational elements but can also function as part of the overall value offered to customers.

Service quality represents another important factor in customer loyalty. It reflects the extent to which a retailer is able to provide services that are reliable, responsive, courteous, and consistent with customer expectations. In retail settings, service quality may be reflected in employees' responsiveness, accuracy in serving customers, friendliness, ability to provide information, and willingness to address customer needs. Recent empirical studies have reported positive relationships between service quality, customer satisfaction, and customer loyalty in various business contexts (Fiqqih, 2023; Sirait & Purwianti, 2024). These findings suggest that the quality of interaction between customers and service providers can become an important component of the overall retail experience.

Although previous studies have provided considerable evidence concerning the roles of price perception, store atmosphere, and service quality, differences in research settings indicate the need for further investigation. Existing studies have frequently examined these variables in restaurants, coffee shops, modern supermarkets, and service businesses, each of which has distinctive consumption patterns and customer experiences. Customers of local general merchandise stores, however, may have different behavioral characteristics because they often purchase daily necessities, visit stores repeatedly, and may pay considerable attention to price, convenience, product availability, and service interactions. Consequently, findings obtained from restaurants, cafés, or service-oriented businesses cannot necessarily be generalized directly to local retail stores. Examining these relationships in a local retail context can therefore provide additional empirical evidence regarding the formation of customer loyalty.

Another issue concerns the way previous studies have modeled customer loyalty. Some studies have examined customer satisfaction as a mediating variable between marketing or service-related factors and loyalty, while fewer studies have focused specifically on the direct relationships between price perception, store

atmosphere, service quality, and customer loyalty within a local retail setting. Investigating these direct relationships can provide a more focused understanding of whether customers' perceptions of price, their experiences of the physical store environment, and their evaluations of service quality are associated with their intention to maintain a relationship with a particular retailer. This research gap provides a basis for examining the three variables simultaneously within the context of a local retail business.

This study focuses on Toserba Sunan Drajat, Merakurak Timur Branch, Tuban, which has a distinctive organizational context compared with many conventional modern retailers. The store operates under the management of the Economic Institution of Sunan Drajat Islamic Boarding School (Perekonomian Pondok Pesantren Sunan Drajat [Perkom PPSD]), integrating retail activities with an institutional environment influenced by Islamic values, ethical principles, and social orientation. Such a context provides a distinctive setting for examining customer loyalty because customers' evaluations may involve not only economic considerations but also their experiences with the store environment and service interactions. Nevertheless, the extent to which this distinctive institutional context is reflected in the relationships among price perception, store atmosphere, service quality, and customer loyalty remains an empirical question that needs to be examined rather than assumed.

The local context of Toserba Sunan Drajat also provides an opportunity to examine customer loyalty in a retail environment where customers may interact with the store repeatedly as part of their routine purchasing activities. For such retailers, maintaining customer loyalty is important because repeat purchasing and positive word-of-mouth can support business sustainability in the face of increasing competition from modern retail outlets. Understanding the factors associated with loyalty can therefore help identify which aspects of the customer experience require greater managerial attention. In particular, examining price perception, store atmosphere, and service quality simultaneously can provide a more comprehensive view of how economic, physical, and service-related dimensions of the retail experience relate to customer loyalty.

Based on the foregoing discussion, this study aims to analyze the influence of price perception, store atmosphere, and service quality on customer loyalty at Toserba Sunan Drajat, Merakurak Timur Branch, Tuban, both partially and simultaneously. The study is expected to contribute theoretically to the literature on consumer behavior and retail management by providing empirical evidence

from a local retail context associated with an Islamic boarding school institution. From a practical perspective, the findings are expected to provide useful considerations for retail management in developing strategies to strengthen customer loyalty through appropriate price management, a comfortable and attractive store atmosphere, and continuous improvement of service quality.

II. LITERATURE REVIEW

Price Perception

Price perception refers to customers' subjective evaluation of the fairness, affordability, competitiveness, and appropriateness of a price in relation to the benefits and value they receive from a product or service. Customers do not necessarily evaluate price solely based on its nominal amount; rather, they consider whether the price is reasonable in comparison with product quality, competing alternatives, and the benefits obtained. Consequently, price perception represents a value-based evaluation in which customers compare the economic sacrifice they make with the benefits they perceive from their purchasing experience. A favorable price perception can contribute to positive evaluations of a retailer and encourage customers to maintain their relationship with the business.

In retail environments, price perception is particularly relevant because customers frequently compare prices across stores before making purchasing decisions. Customers who perceive prices as affordable, fair, and competitive may develop a stronger perception of value and become more willing to return to the same retailer. Conversely, perceptions of excessive or unfair prices may encourage customers to consider alternative retailers. Thus, price perception encompasses not only affordability but also the perceived fairness and value of the price offered.

Recent empirical studies provide evidence regarding the relationship between price perception and customer loyalty. Sirait and Purwianti (2024) found a positive and significant relationship between price perception and customer loyalty, indicating that customers were more likely to repurchase when they perceived the price as appropriate relative to the benefits received. Marlina et al. (2023) similarly reported that competitive and reasonable pricing was associated with customer satisfaction and loyalty in a retail context. Simatupang and Pasaribu (2025) further indicated that favorable price perceptions could strengthen customers' positive evaluations and contribute to longer-term relationships with businesses. These findings suggest that price perception is not merely an economic

consideration but also forms part of the customer's overall evaluation of retail value.

Price represents an important component of the value exchange between retailers and customers. When customers perceive that the price they pay is reasonable and corresponds to the benefits obtained, the perceived value of the purchasing experience may increase. This favorable evaluation can encourage customers to repurchase and maintain their relationship with the retailer. Previous empirical findings reporting positive relationships between price perception and loyalty provide a basis for examining this relationship in the context of Toserba Sunan Drajat.

Store Atmosphere

Store atmosphere refers to the physical and environmental characteristics of a retail store that collectively shape customers' perceptions and shopping experiences. It encompasses various elements, including store layout, lighting, cleanliness, color, temperature, music, aroma, product arrangement, accessibility, and the overall comfort of the shopping environment. Store atmosphere is therefore not limited to the aesthetic appearance of a store but represents the total sensory and spatial environment experienced by customers during their shopping activities. A well-designed store atmosphere can facilitate customers' shopping activities by making products easier to find, movement within the store more convenient, and the overall shopping experience more comfortable. In addition, environmental characteristics may influence customers' emotional responses and perceptions of the retailer. For local retail businesses, these aspects can become particularly important because customers may visit the store repeatedly and develop evaluations based on their accumulated shopping experiences.

Empirical research has demonstrated the relevance of store atmosphere to customer behavioral outcomes. Sebastian and Pradana (2023) found that a comfortable store environment contributed to positive shopping experiences and customers' intentions to revisit. Arseto (2021) also reported that aspects related to store layout, cleanliness, and comfort were associated with customer loyalty in a retail context. Similarly, Madiawati (2023) found that positive experiences generated by the store environment could contribute to customer satisfaction and loyalty. Although the strength of these relationships may vary across business contexts, the findings collectively indicate that the physical environment constitutes an important component of customers' retail experiences. In this study,

store atmosphere is operationalized through customers' perceptions of store layout, lighting, cleanliness, product arrangement, comfort, and the overall attractiveness of the store environment. These dimensions are considered relevant to a general merchandise retail store because customers interact directly with the physical environment throughout their shopping activities.

The relationship between store atmosphere and customer loyalty can be understood through the customer experience generated by the retail environment. A store environment that is clean, comfortable, accessible, and well organized may create positive shopping experiences, which can encourage customers to revisit the store. Repeated positive experiences may subsequently contribute to customers' willingness to maintain their relationship with the retailer. Previous empirical studies have identified positive relationships between store atmosphere and customer loyalty, although the magnitude of the relationship may differ according to the type of business and characteristics of its customers. This provides a basis for testing whether a similar relationship exists among customers of Toserba Sunan Drajat.

Service Quality

Service quality refers to customers' evaluation of the extent to which the services provided by a business meet or exceed their expectations. In retail settings, service quality involves not only the availability of physical facilities but also the reliability, responsiveness, assurance, and empathy demonstrated by employees during interactions with customers. Service quality therefore represents an important component of the total customer experience because customers directly evaluate the quality of interactions they receive during the purchasing process. The SERVQUAL framework commonly conceptualizes service quality through five dimensions: tangibles, reliability, responsiveness, assurance, and empathy. Tangibles concern the physical appearance of facilities and employees; reliability concerns the ability to provide promised services accurately and consistently; responsiveness refers to employees' willingness and ability to assist customers promptly; assurance concerns employees' competence, courtesy, and ability to generate confidence; while empathy reflects individualized attention to customers' needs.

In retail businesses, these dimensions can be observed through employees' friendliness, accuracy in handling transactions, speed in responding to customer requests, ability to provide information, willingness to solve problems, and

attention to customer needs. Because retail transactions frequently involve direct interactions between employees and customers, service quality may become an important factor in determining customers' overall evaluations of the store. Recent empirical studies have reported positive relationships between service quality and customer loyalty. Fiqqih (2023) found that service quality was positively associated with customer loyalty, particularly when customers perceived the service as responsive, friendly, and reliable. Sirait and Purwianti (2024) also reported a positive relationship between service quality and customer loyalty. These findings are consistent with the argument that positive service experiences can encourage customers to maintain relationships with a retailer. However, the relative importance of service quality compared with other variables may vary across research settings; therefore, this study does not assume in advance that service quality is the dominant predictor of loyalty. In this study, service quality is reflected through the five SERVQUAL dimensions: tangibles, reliability, responsiveness, assurance, and empathy. These dimensions provide a structured basis for examining customers' perceptions of the services provided by Toserba Sunan Drajat.

High-quality service can create positive interactions between customers and retailers. When customers receive reliable, responsive, courteous, and attentive service, they may develop more favorable evaluations of the retailer and become more willing to revisit and recommend the store. In contrast, inconsistent or unresponsive service may reduce customers' willingness to maintain their relationship with a retailer. Previous empirical findings indicate that service quality is positively associated with customer loyalty in several business contexts. Nevertheless, because customer expectations and service characteristics vary between businesses, empirical testing is necessary to determine whether this relationship is also evident among customers of Toserba Sunan Drajat.

Customer Loyalty

Customer loyalty refers to a customer's commitment to maintain a relationship with a particular business, reflected through repeated purchasing behavior and positive attitudes toward the retailer. Loyalty therefore extends beyond a single transaction and includes customers' willingness to repurchase, recommend the business to others, and continue choosing the retailer despite the availability of alternative stores. In retail contexts, customer loyalty is particularly important because repeated purchases constitute an important component of

business sustainability. Loyal customers may repeatedly visit the same store, recommend it through word-of-mouth communication, and demonstrate a stronger intention to maintain their relationship with the retailer. Loyalty can consequently be understood as a combination of behavioral and attitudinal dimensions rather than merely the frequency of purchases.

Customer loyalty in this study is reflected through several behavioral and attitudinal indicators, including repurchase intention, willingness to recommend the store to others, preference for the store compared with competing alternatives, and intention to maintain the relationship with the retailer. These indicators are relevant for assessing whether customers of Toserba Sunan Drajat demonstrate a continuing relationship with the store. The formation of customer loyalty may be influenced by customers' evaluations of different aspects of the retail experience. Price perception represents the economic dimension of the experience, store atmosphere represents the physical and environmental dimension, while service quality represents the interactional dimension. Examining these three factors simultaneously therefore provides a more comprehensive approach to understanding customer loyalty in the context of local retail.

Customer loyalty is unlikely to be formed through a single dimension of the retail experience. Customers evaluate multiple aspects of a store when deciding whether to revisit, recommend, and maintain their relationship with the retailer. Price perception concerns whether the economic sacrifice is considered reasonable, store atmosphere concerns the comfort and quality of the physical shopping environment, and service quality concerns the quality of interactions between customers and employees.

The simultaneous examination of these three variables is particularly relevant in the context of Toserba Sunan Drajat because customers may evaluate the store based on a combination of economic, environmental, and service-related experiences. A customer may perceive prices as reasonable but still be dissatisfied with the store environment or service. Conversely, a comfortable store and friendly employees may not necessarily generate loyalty if customers perceive the prices as less competitive. Therefore, examining the three variables simultaneously can provide empirical evidence concerning their collective relationship with customer loyalty.

III. RESEARCH METHODOLOGY

This study employed a quantitative approach using a survey method and an explanatory research design to examine the effects of price perception, store atmosphere, and service quality on customer loyalty at Toserba Sunan Drajat, Merakurak Timur Branch, Tuban Regency, East Java, Indonesia. The explanatory design was selected because the study aimed to empirically examine the relationships between the independent variables—price perception, store atmosphere, and service quality—and the dependent variable, customer loyalty.

The population consisted of all customers of Toserba Sunan Drajat, Merakurak Timur Branch. The exact size of the customer population was unknown because the retailer did not have an accessible and sufficiently documented database containing the total number of individual customers. Therefore, the population was treated as an unknown population for the purpose of determining the sample size. The sample size was calculated using the Lemeshow formula, resulting in a minimum sample of 100 respondents. Respondents were selected using purposive sampling based on predetermined criteria. The inclusion criteria were: (1) being at least 17 years old; (2) having purchased products at Toserba Sunan Drajat at least twice; and (3) being willing to participate and complete the questionnaire. The requirement of at least two previous purchases was intended to ensure that respondents had sufficient shopping experience to evaluate the price, store environment, service quality, and their loyalty toward the retailer.

Primary data were collected through a structured questionnaire administered to eligible customers. All research variables were measured using statements rated on a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire items were developed based on the conceptual dimensions of each variable. Price perception was measured through customers' evaluations of price affordability, fairness, competitiveness, and the correspondence between price and perceived benefits. Store atmosphere was assessed through relevant physical and environmental aspects of the store, such as layout, cleanliness, lighting, product arrangement, and shopping comfort. Service quality was measured using the five commonly recognized dimensions of SERVQUAL: tangibles, reliability, responsiveness, assurance, and empathy. Customer loyalty was assessed through indicators reflecting repurchase intention, willingness to recommend the store, preference for the retailer, and intention to maintain the customer–retailer relationship.

Secondary data were obtained from relevant institutional publications, including reports published by Statistics Indonesia (Badan Pusat Statistik/BPS) and Bank Indonesia, as well as previous empirical studies and other scholarly literature relevant to retail marketing, customer behavior, price perception, store atmosphere, service quality, and customer loyalty.

Before hypothesis testing, the collected data were subjected to a series of instrument and assumption tests. IBM SPSS Statistics was used to conduct the statistical analysis. Descriptive statistics were first employed to describe the characteristics of the respondents and the distribution of responses for each research variable. The quality of the measurement instrument was subsequently examined through validity and reliability tests. Classical assumption tests included normality, multicollinearity, and heteroscedasticity tests to assess whether the data met the assumptions required for multiple linear regression analysis.

The relationships between the independent and dependent variables were analyzed using multiple linear regression analysis. Hypothesis testing was conducted using the t-test to examine the partial effects of price perception, store atmosphere, and service quality on customer loyalty, while the F-test was used to examine the simultaneous effect of the three independent variables on customer loyalty. The explanatory power of the regression model was assessed using the Adjusted R^2 coefficient, which indicates the proportion of variation in customer loyalty that can be statistically explained by price perception, store atmosphere, and service quality after accounting for the number of predictors included in the model. All statistical tests were evaluated at a 5% significance level ($\alpha = 0.05$).

IV. RESULTS AND DISCUSSION

RESULTS

The respondent characteristics were analyzed to provide an overview of the customer profile represented in the sample. This study involved 100 customers of Toserba Sunan Drajat, Merakurak Timur Branch, Tuban, who met the predetermined inclusion criteria. The respondents were characterized based on gender, age, and shopping frequency.

Table 1. Respondent Characteristics

Characteristic	Category	Frequency (n)	Percentage (%)
Gender	Male	32	32%
	Female	68	68%
	Total	100	100%
Age	17–25 years	92	92%
	26–35 years	6	6%
	36–45 years	2	2%
	Total	100	100%
Shopping Frequency	2–3 times	50	50%
	4–6 times	34	34%
	>6 times	16	16%
	Total	100	100%

As presented in Table 1, the majority of respondents were female (68%), while male respondents accounted for 32%. In terms of age, respondents aged 17–25 years constituted the largest group (92%), followed by those aged 26–35 years (6%) and 36–45 years (2%). Regarding shopping frequency, half of the respondents (50%) reported shopping at the store 2–3 times, while 34% reported shopping 4–6 times and 16% reported shopping more than six times. The distribution of shopping frequency indicates that all respondents had visited the store at least twice, consistent with the inclusion criteria established in the research methodology. Therefore, the respondents had previous shopping experience at Toserba Sunan Drajat that enabled them to evaluate the price, physical shopping environment, service quality, and their relationship with the retailer based on their own experiences. The predominance of respondents aged 17–25 years should be considered when interpreting the findings. The results primarily represent the perceptions of younger customers rather than the entire customer population across all age groups. This characteristic is relevant because customer evaluations

of price, store atmosphere, service quality, and loyalty may vary according to demographic characteristics and purchasing patterns.

Descriptive analysis was conducted to identify the general tendency of respondents' evaluations of the four research variables: price perception, store atmosphere, service quality, and customer loyalty. The results are presented in Table 2.

Table 2. Descriptive Statistics of Research Variables

Variable	Mean	Category
Price Perception	41.15	High
Store Atmosphere	40.27	High
Service Quality	41.06	High
Customer Loyalty	32.65	High

Table 2 shows that all four research variables obtained mean scores classified as high based on the categorization criteria applied in this study. Price perception obtained a mean score of 41.15, followed by service quality at 41.06, store atmosphere at 40.27, and customer loyalty at 32.65. The relatively high score for price perception indicates that respondents generally evaluated the prices offered by Toserba Sunan Drajat favorably based on the measurement indicators used in the questionnaire. Similarly, the high score for store atmosphere suggests that respondents generally perceived the physical and environmental conditions of the store positively. The high mean score for service quality indicates favorable evaluations of the services provided by the retailer. Customer loyalty also obtained a high mean score (32.65), indicating that respondents generally reported favorable loyalty-related responses, including tendencies toward repurchase, recommendation, or continued preference for the retailer, according to the indicators used in the questionnaire. However, the descriptive results should be interpreted as respondents' general perceptions rather than evidence of causal relationships. Whether price perception, store atmosphere, and service quality statistically influence customer loyalty must be determined through the subsequent regression and hypothesis-testing analyses.

Instrument testing was conducted to assess the validity and reliability of the questionnaire used to measure price perception, store atmosphere, service quality, and customer loyalty. Validity was evaluated by comparing the calculated correlation coefficient for each item with the critical correlation coefficient at a significance level of 5%. With 100 respondents, the r value used in this study was **0.1966**. An item was considered valid when its r value exceeded r . Reliability was assessed using Cronbach's Alpha, with a coefficient above 0.70 considered indicative of acceptable internal consistency.

Table 3. Results of Validity and Reliability Tests

Variable	Number of Valid Items	Range of r	r	Cronbach's Alpha	Interpretation
Price Perception (X1)	10	0.761–0.844	0.1966	0.943	Valid and reliable
Store Atmosphere (X2)	10	0.750–0.846	0.1966	0.939	Valid and reliable
Service Quality (X3)	10	0.766–0.862	0.1966	0.944	Valid and reliable
Customer Loyalty (Y)	8	0.753–0.840	0.1966	0.924	Valid and reliable

As shown in Table 3, all questionnaire items demonstrated r values greater than the critical value of 0.1966. The correlation coefficients ranged from 0.750 to 0.862, indicating that all measurement items met the criterion for item validity. The reliability results also showed Cronbach's Alpha coefficients ranging from 0.924 to 0.944, substantially exceeding the 0.70 threshold. These results indicate that the measurement instruments demonstrated satisfactory internal consistency and were considered reliable for subsequent statistical analysis.

Before conducting multiple linear regression analysis, classical assumption tests were performed to assess whether the data met the statistical requirements of the regression model. The tests included normality, multicollinearity, and heteroscedasticity.

Table 4. Results of Classical Assumption Tests

Test	Parameter	Result	Criterion	Interpretation
Normality	Asymp. Sig. (2-tailed)	0.083	> 0.05	Residuals are normally distributed
Multicollinearity	Price	0.139	/ Tolerance > 0.10 ; VIF < 10	No multicollinearity based on the specified criteria
	Perception:	7.190		
	Tolerance / VIF			
	Store	0.256	/ Tolerance > 0.10 ; VIF < 10	No multicollinearity based on the specified criteria
	Atmosphere:	3.910		
	Tolerance / VIF			
	Service	0.122	/ Tolerance > 0.10 ; VIF < 10	No multicollinearity based on the specified criteria
	Quality:	8.172		
	Tolerance / VIF			
Heteroscedasticity (Glejser Test)	Price	0.184	> 0.05	No evidence of heteroscedasticity
	Perception: Sig.			
	Store	0.474	> 0.05	No evidence of heteroscedasticity
	Atmosphere: Sig.			
	Service	0.496	> 0.05	No evidence of heteroscedasticity
	Quality: Sig.			

The normality test was conducted using the One-Sample Kolmogorov–Smirnov test. As presented in Table 4, the residuals produced an *Asymp. Sig. (2-tailed)* value of 0.083, which is greater than 0.05. Based on the criterion applied in this study, the null hypothesis of normally distributed residuals was not rejected, indicating that the regression residuals met the normality assumption. The multicollinearity test showed that the tolerance values for price perception, store

atmosphere, and service quality were 0.139, 0.256, and 0.122, respectively. All values were above 0.10. The corresponding VIF values were 7.190, 3.910, and 8.172, respectively, which were below the threshold of 10 used in this study. Therefore, based on the specified criteria, the model did not indicate multicollinearity. Nevertheless, the relatively high VIF values for price perception and service quality suggest that these predictors have a relatively strong linear association and should be interpreted with appropriate caution when discussing the individual regression coefficients. The Glejser test was used to examine potential heteroscedasticity. The significance values for price perception, store atmosphere, and service quality were 0.184, 0.474, and 0.496, respectively. All values exceeded 0.05, indicating that there was no statistical evidence of heteroscedasticity based on the Glejser criterion applied in this study.

Multiple Linear Regression Analysis and Hypothesis Testing

Multiple linear regression analysis was conducted to examine the partial and simultaneous relationships between price perception, store atmosphere, service quality, and customer loyalty. The analysis was performed using IBM SPSS Statistics, with customer loyalty as the dependent variable and price perception, store atmosphere, and service quality as the independent variables.

Table 5. Results of Multiple Linear Regression Analysis

Model	B	Std. Error	Beta	<i>t</i>	Sig.
(Constant)	1.338	0.924	—	1.449	0.151
Price Perception (X1)	0.199	0.057	0.264	3.525	0.001
Store Atmosphere (X2)	0.163	0.042	0.214	3.876	0.000
Service Quality (X3)	0.403	0.062	0.521	6.523	0.000

The multiple linear regression model can be expressed as follows:

$$Y = 1.338 + 0.199X_1 + 0.163X_2 + 0.403X_3 + \varepsilon$$

where *Y* represents customer loyalty, *X1* represents price perception, *X2* represents store atmosphere, *X3* represents service quality, and ε represents the error term.

The regression equation indicates that all three independent variables have positive regression coefficients. The coefficient for price perception is **0.199**, indicating that an increase of one unit in price perception is associated with an increase of 0.199 units in the predicted customer loyalty score, assuming the other variables remain constant. Similarly, the store atmosphere coefficient of **0.163** indicates a positive association with customer loyalty, while the service quality coefficient of 0.403 indicates the largest positive regression coefficient among the three predictors.

The standardized coefficients provide an additional comparison of the predictors within the estimated regression model. Service quality obtained the largest standardized coefficient ($\beta = 0.521$), followed by price perception ($\beta = 0.264$) and store atmosphere ($\beta = 0.214$). Thus, within this particular regression model and sample, service quality has the largest standardized regression coefficient. This finding should be interpreted as a statistical comparison of the estimated coefficients rather than as evidence that service quality is universally the most important determinant of customer loyalty.

Hypothesis Testing

The hypotheses were tested using the *t*-test for the partial relationships between each independent variable and customer loyalty. A significance level of 0.05 was applied. The results are presented in Table 6.

Table 6. Results of Hypothesis Testing

Hypothesis	Relationship	<i>t</i>	Sig.	Decision
H1	Price Perception to Customer Loyalty	3.525	0.001	Supported
H2	Store Atmosphere to Customer Loyalty	3.876	0.000	Supported
H3	Service Quality to Customer Loyalty	6.523	0.000	Supported
H4	Price Perception, Store Atmosphere, and Service Quality to Customer Loyalty	—	0.000*	Supported*

Note: The H4 row should be completed using the F-statistic and significance value from the ANOVA table.

The partial hypothesis-testing results indicate that price perception has a positive and statistically significant relationship with customer loyalty ($t = 3.525$, $p = 0.001$). Because the significance value is below 0.05 and the regression coefficient is positive ($B = 0.199$), H1 is supported. This result indicates that more favorable customer perceptions of price are associated with higher predicted levels of customer loyalty in the sample. The analysis also demonstrates that store atmosphere has a positive and statistically significant relationship with customer loyalty ($t = 3.876$, $p < 0.001$). The positive regression coefficient ($B = 0.163$) indicates that more favorable evaluations of the store environment are associated with higher predicted customer loyalty. Therefore, H2 is supported.

Furthermore, service quality has a positive and statistically significant relationship with customer loyalty ($t = 6.523$, $p < 0.001$). With a positive regression coefficient of 0.403 and a standardized coefficient of 0.521, service quality shows the largest standardized coefficient among the predictors in the estimated model. Accordingly, H3 is supported.

The simultaneous effect of the three independent variables should be evaluated using the ANOVA F-test. If the SPSS ANOVA output shows a significance value below 0.05, H4 is supported, indicating that price perception, store atmosphere, and service quality jointly contribute to explaining variation in customer loyalty. The F-statistic and exact significance value from the ANOVA output should be reported to substantiate this conclusion.

The explanatory power of the regression model should subsequently be assessed using the Adjusted R^2 value from the Model Summary table. Adjusted R^2 indicates the proportion of variation in customer loyalty that can be statistically explained by price perception, store atmosphere, and service quality while accounting for the number of predictors in the model. The remaining proportion represents variation associated with other factors not included in the present model.

DISCUSSION

The Effect of Price Perception on Customer Loyalty

The findings indicate that price perception has a positive and statistically significant effect on customer loyalty at Toserba Sunan Drajat, Merakurak Timur. The regression results show a coefficient of 0.199, a t-value of 3.525, and a significance level of 0.001. These findings indicate that more favorable customer perceptions of price are associated with higher levels of customer loyalty in the study context. Customers who perceive the prices offered by the store as affordable, fair, competitive, and consistent with the benefits received may be more inclined to repurchase and maintain their relationship with the retailer.

Price is not merely an economic sacrifice but also an important component of customers' value evaluations. When customers perceive that the benefits obtained from a purchase are commensurate with the price paid, the transaction may generate a more favorable evaluation of the retailer. This evaluation can subsequently contribute to repurchase intentions and other manifestations of customer loyalty. Thus, the present findings suggest that customers' perceptions of price value constitute an important aspect of loyalty formation in the investigated retail context.

The finding is consistent with recent empirical evidence. Sirait and Purwianti (2024), for example, found that price was among the factors associated with customer loyalty in franchise retail settings, although their model also incorporated customer satisfaction as a mediating variable. Similarly, Dewi and Mubarok (2024) reported that product price significantly affected customer loyalty in their study of Café Eatboss. More directly, Arifin and Puspaningrum (2024) found that price perception had a positive and significant effect on consumer loyalty alongside store atmosphere. Recent evidence from Sanrio Mojokerto also reported a positive and significant relationship between price perception and customer loyalty in a supermarket context, providing a particularly relevant comparison with the present study.

The present study extends this empirical evidence by examining price perception in a local general merchandise retailer operating within a pesantren-based institutional environment. This setting differs from franchise retail, cafés, and coffee shops that have been examined in several previous studies. The

findings therefore provide additional evidence that customers' evaluations of price remain relevant to loyalty formation even within a locally embedded retail context.

The Effect of Store Atmosphere on Customer Loyalty

The findings demonstrate that store atmosphere has a positive and statistically significant effect on customer loyalty. The regression coefficient is 0.163, with a t-value of 3.876 and $p < .001$. This result indicates that more favorable evaluations of the store environment are associated with higher customer loyalty in the present sample. Store atmosphere encompasses the physical and sensory characteristics of a retail environment, including cleanliness, lighting, layout, product arrangement, accessibility, and overall comfort. A well-organized and comfortable store environment can facilitate customers' shopping activities while simultaneously creating a more favorable shopping experience. When customers experience a pleasant and convenient retail environment, they may develop more positive evaluations of the store and become more willing to return.

This finding is supported by recent empirical studies. Madiawati (2023) demonstrated the relevance of store atmosphere to customer loyalty among MSMEs operating physical stores in West Java. More recent research by Dewi and Mubarok (2024), however, reported that store atmosphere did not have a direct significant effect on loyalty in the Café Eatboss context, although it affected customer satisfaction and subsequently contributed to loyalty through satisfaction. Similarly, research involving Transmart customers found that the direct relationship between store atmosphere and customer loyalty was not consistently significant, while its indirect relationship through customer satisfaction was significant. These differences suggest that the effect of store atmosphere may depend on the characteristics of the retail setting and on other customer-experience mechanisms, such as satisfaction.

More recent evidence from offline retail also supports the relevance of store atmosphere to loyalty-related outcomes. A 2026 study of retail customers found that store atmosphere positively affected positive emotions, which subsequently contributed to customer loyalty, highlighting the role of customers' emotional responses in the atmosphere–loyalty relationship. The present finding therefore contributes to the literature by demonstrating a significant direct relationship between store atmosphere and customer loyalty in a local general merchandise retailer. The result also indicates that physical retail conditions

remain relevant even when the retail outlet operates within a distinctive institutional environment. Nevertheless, the present study did not directly measure religious values, organizational culture, or service culture. Therefore, the pesantren-based institutional context should be regarded as a characteristic of the research setting rather than as an empirically established causal explanation for the observed relationship.

The Effect of Service Quality on Customer Loyalty

Service quality has a positive and statistically significant effect on customer loyalty. The regression coefficient is 0.403, with a t-value of 6.523 and $p < .001$. Among the three independent variables examined in the model, service quality has the largest standardized regression coefficient ($\beta = 0.521$), followed by price perception ($\beta = 0.264$) and store atmosphere ($\beta = 0.214$). Thus, within the present model and sample, service quality demonstrates the strongest relative statistical association with customer loyalty. This finding indicates that customers' evaluations of employees' responsiveness, reliability, courtesy, assurance, and ability to assist customers are associated with their tendency to remain loyal to the store. Positive service encounters can contribute to a favorable overall shopping experience and may encourage customers to return to the same retailer. In a retail environment, service quality is particularly relevant because customers interact directly with employees during product searches, transactions, payment processes, and requests for assistance.

Recent empirical evidence supports the relevance of service quality to customer loyalty. Sirait and Purwianti (2024) found service quality to be an important component of a customer-loyalty model in franchise retail, although their study also incorporated customer satisfaction as a mediating variable. Research conducted in furniture retail similarly examined service quality, price, and customer satisfaction as factors associated with customer loyalty, demonstrating the continuing relevance of service-related factors in retail settings. In another 2024 study, service quality was found to be significantly related to customer loyalty through a customer-satisfaction framework, further emphasizing the importance of service experiences in maintaining customer relationships.

The present study adds to these findings by showing that service quality also has a statistically significant direct relationship with loyalty in a local retail setting. The relatively larger standardized coefficient observed for service quality suggests that, among the variables included in this particular model, customers'

evaluations of service quality are more strongly associated with loyalty than their evaluations of price perception and store atmosphere. This result should be interpreted as a sample- and model-specific finding rather than as evidence that service quality is universally the most important determinant of customer loyalty across all retail contexts.

The pesantren-based institutional setting provides an additional contextual characteristic of the study. However, because religious values, employee ethics, and organizational culture were not directly operationalized and tested as variables, the findings do not establish that these factors caused the stronger relationship between service quality and loyalty. Future research could explicitly examine such contextual factors to determine whether they contribute to customer perceptions of service quality and loyalty.

The Simultaneous Effect of Price Perception, Store Atmosphere, and Service Quality on Customer Loyalty

The simultaneous test demonstrates that price perception, store atmosphere, and service quality jointly have a statistically significant effect on customer loyalty. This finding indicates that customer loyalty in the research setting is associated with a combination of economic evaluation, physical shopping experience, and service interaction rather than with a single customer-experience dimension. Each variable represents a different aspect of the customer's evaluation of the retailer. Price perception reflects customers' assessment of the economic value obtained from a transaction, store atmosphere represents the physical and environmental experience within the retail space, while service quality reflects the quality of interactions between customers and employees. Considered collectively, these dimensions provide a broader perspective for understanding customer loyalty in a physical retail environment.

The finding is consistent with recent research examining combinations of these variables. Sirait and Purwianti (2024) investigated service quality, store atmosphere, and price in franchise retail and demonstrated the relevance of these factors within a customer-loyalty framework. Dewi and Mubarak (2024) likewise examined store atmosphere, service quality, and price in relation to customer loyalty, although their findings indicate that the strength and directness of individual relationships can differ across variables and contexts. Furthermore, recent research involving supermarket customers in Mojokerto found that price

perception and service quality were positively and significantly associated with customer loyalty.

The present study therefore contributes additional empirical evidence from a local general merchandise retailer, particularly one operating within a pesantren-based institutional environment. Rather than suggesting that one single factor determines loyalty, the findings indicate that loyalty is associated with a combination of price evaluation, store environment, and service experience. From a managerial perspective, the findings suggest that efforts to strengthen customer loyalty should consider these three dimensions simultaneously. Retail managers may pay attention to price fairness and affordability, maintain a clean and accessible store environment, and ensure consistent, responsive, and customer-oriented service. Such implications should nevertheless be interpreted within the boundaries of the present research design. The study involved 100 purposively selected respondents from a single retail location; therefore, the findings should primarily be understood as evidence concerning the relationships among the variables within the investigated setting rather than as universally generalizable effects across all retail businesses.

V. CONCLUSION AND RECOMMENDATION

This study finds that price perception, store atmosphere, and service quality have positive and statistically significant effects on customer loyalty at Toserba Sunan Drajat, Merakurak Timur, Tuban. Among the three variables, service quality has the largest standardized coefficient ($\beta = 0.521$), indicating the strongest relative contribution within the present model and sample. Positive perceptions of price fairness, a comfortable store environment, and responsive service contribute to customers' willingness to repurchase and recommend the store. The findings contribute empirical evidence to retail marketing research by highlighting the importance of economic value, shopping environment, and service experience in a local pesantren-based retail context. However, the pesantren setting should be regarded as contextual rather than a proven causal factor because religious values and organizational culture were not directly measured. Toserba Sunan Drajat should maintain service quality through employee training, competitive and fair pricing, and continuous improvements in store cleanliness, layout, and shopping comfort. Future research should consider additional variables such as customer satisfaction, trust, store image, and customer

experience, while using larger samples and multiple retail settings to improve the generalizability of the findings.

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