The Impact of Store Atmosphere on Customer Loyalty: The Mediating Roles of Customer Satisfaction and Purchase Intention in The Coffee Retail Industry

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Abstract

The rapid growth of the retail coffee industry in Indonesia has intensified competition, requiring firms to understand the determinants of customer loyalty beyond physical store design. This study aims to examine the effect of store atmosphere on customer loyalty, with customer satisfaction and purchase intention as mediating variables, in a drive-thru coffee retail context in Medan. The population comprised all customers who made purchases at the Kopi Kenangan Gatot Subroto outlet in Medan, and data were gathered utilizing a non-probability purposive sampling method. A total of 389 valid responses were obtained from customers who had made at least one purchase and were willing to complete the questionnaire. Data were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM). The results indicate that customer satisfaction has a strong and significant direct effect on customer loyalty ($\beta = 0.746$, $p < 0.001$), and purchase intention indirectly influences loyalty through satisfaction. However, store atmosphere does not significantly affect satisfaction, purchase intention, or loyalty. The model explains 56.2% of the variance in customer loyalty, indicating moderate predictive power. These findings emphasize that post-consumption evaluation and experiential satisfaction play a more critical role than atmospheric cues in building loyalty in the modern coffee retail industry.

Keywords: *Store Atmosphere; Customer Satisfaction; Purchase Intention; Customer Loyalty; Stimulus–Organism–Response (SOR) and Coffee Retail Industry.*

I. INTRODUCTION

Rising consumer spending and urbanization have significantly fueled the retail coffee industry's growth over the past five years, with global coffee consumption exceeding 177 million bags in 2023-2024, according to the International Coffee Organization (ICO) [1]. The popularity of trendy coffee shops that prioritize customer experience further amplifies this trend, which has been persistent since the pandemic. The Asia-Pacific region is projected to see retail coffee sales increase by 6–8% annually through 2024, driven by a growing middle class and a shift toward coffee as a social space [2]. In Indonesia, coffee consumption surpassed 5 million bags in 2023, reflecting a surge in modern coffee shops in urban areas such as Medan, according to the Sustainable Coffee Paltform of Indonesia (SCOPI) [3]. This competitive landscape necessitates a customer-centric marketing strategy for success in the retail coffee sector. Contemporary coffee businesses are competing nationally, with unique concepts like Kopi Kenangan's digital ordering and drive-thru service enhancing customer convenience, particularly at its Gatot Subroto location in Medan. This retail strategy aims to create an efficient shopping ecosystem. However, while a well-designed store environment can influence purchasing decisions and boost customer loyalty, recent dynamics suggest that ambiance alone does not guarantee repeat business [4], [5]. Therefore, it's essential to empirically study how store atmosphere impacts customer satisfaction and loyalty in the Medan coffee retail context.Research is crucial for retail viability, as consumer loyalty signifies market success.

Without understanding the link between ambiance, customer satisfaction, and purchase intent, store design and service investments may fail. Empirical data is necessary in the coffee retail sector due to high costs, as poor decision-making on impactful environmental factors can arise from insufficient research. Additionally, marketing strategies often neglect consumers' emotional experiences, potentially transforming loyalty into mere one-time purchases. Thus, this research is essential for informed, evidence-based strategic decisions. The study measures store ambiance using variables such as employee interaction, exterior appearance, overall interior, store layout, interior displays, and overall environment. The dependent variable, customer loyalty, is evaluated via price insensitivity, interline purchasing, retention, referrals, and repeat

orders. The study also looks at customer satisfaction and purchase intention as mediating variables. It uses SEM-PLS analysis and a five-point Likert scale to collect data. While there have been individual studies on store ambiance and customer loyalty [5], [6], this research uniquely addresses the simultaneous mediation effects in the Indonesian coffee retail context, contributing new empirical evidence to customer behavior hypotheses in this sector.

This study uniquely utilizes coffee shops with drive-thrus to assess a multiple mediation approach, addressing a gap in prior research that has overlooked the interaction between physical environments and convenience-based service innovation, particularly in comparison to traditional restaurants [7], [8]. Conducted in Medan, the study considers local consumer characteristics that differ from those in larger cities. It suggests that integrating purchase intention factors as mediators allows for a more comprehensive understanding of consumer loyalty, enabling the simultaneous examination of direct and indirect effects. The use of SEM-PLS methodology also offers advantages in evaluating complex latent constructs, contributing to the theoretical and practical advancement of retail marketing strategies for coffee. This study aims to analyze the effect of shop atmosphere on customer loyalty in the coffee retail industry, with a particular focus on customer pleasure and purchase intention as mediators. By examining these relationships, the research intends to bridge the gap between theoretical predictions and practical outcomes in retail marketing. We expect the results to enhance strategic decision-making in store environment management and significantly contribute to the existing literature on customer experience in retail.

Literature Review and Hypothesis Development

The store's atmosphere reflects the physical and social environment that the proprietors have created to facilitate customers' enjoyment throughout the consumption process. Exterior, general interior, store layout, interior display, atmosphere factor, and employee are the main dimensions that were used to describe the store atmosphere in this research [4]. The outside dimensions determine the outside wall thickness and the ease of access to the building, while the inside dimensions determine the amount of space, comfort, light, and sound. Visual cues and ease of navigation are shown in the store's layout and interior presentation. Customer emotional well-being is influenced by the atmosphere element, whereas service interaction quality is determined by the staff [9], [10]. Atmospheric pressure, as a stimulus, influences customer psychological state according to the Stimulus-Organism-Response (SOR) triangle [11], [12]. Empirical research shows that in modern real estate, customer satisfaction is significantly impacted by healthy environments and good service [5]. Hypotheses are so stated as follows:

H1: Store atmosphere has a positive and significant effect on customer satisfaction.

Many people think that the ambiance of a store directly affects their intention to buy, in addition to their level of satisfaction. Indicators such as exploratory, future repurchase, preferred, referential, and transactional intentions were used to measure purchase intention in this study [4]. Customers are more likely to try new things, buy more often, and ultimately make the brand their go-to when they have a positive shopping experience and receive helpful, friendly service. From a consumer behavior standpoint, pleasant environmental cues can influence actions such as the intention to buy [13]. Interior design, layout, and service quality directly impact retail customers' purchasing intention, according to previous studies [9]. When the store's offerings relax and delight customers, they are more likely to complete a purchase. Hence, the following is the formulation of the second hypothesis:

H2: Store atmosphere has a positive and significant effect on purchase intention.

A customer's level of satisfaction is directly proportional to how highly they rate their total consumption experience. This study used product and service quality, overall experience, emotional satisfaction, meeting expectations, and the right store choice to measure satisfaction [14]. Loyalty metrics included price insensitivity, interline buying, retention, referrals, and repeat orders. According to Kotler and Keller, loyal consumers are more likely to purchase from a company again after a positive experience [4]. Customer satisfaction positively affects loyalty in the retail and service sectors, according to an empirical study [6]. When consumers feel their experience exceeded their expectations, it boosts both repeat business and word-of-mouth advertising. Hence, the following is the formulation of the third hypothesis:

H3: Customer satisfaction has a positive and significant effect on customer loyalty.

Purchase intention reflects a customer's psychological preparedness to make a purchase, which can lead to loyalty. Indicators such as future repurchase intention and preferential intention serve as predictors of early repeat-order formation and retention [14]. Customers who are serious about making a purchase are less likely to defect to a rival coffee shop and more likely to come back. Khan et.al cites empirical research showing that buying intention affects customer loyalty, as measured by repeat-purchase behavior [13]. Loyalty to a brand is shown through consistent purchase intentions, which in turn enhance relationships over the long run. This leads us to our fourth hypothesis, which is:

H4: Purchase intention has a positive and significant effect on customer loyalty.

An intermediary variable that links stimuli to behavioral responses in the SOR model is customer satisfaction [15]. Customer loyalty is fueled by an optimally designed retail setting that boosts good encounters. According to previous studies, customer happiness largely mediates the relationship between store atmosphere and loyalty [5]. This suggests that a pleasant shopping environment is not enough to inspire consumer loyalty in the absence of favorable reviews. The psychological mechanism of satisfaction can transform experiences into long-term commitments. As a result, this is the initial mediation hypothesis:

H5: Customer satisfaction positively and significantly mediates the influence of store atmosphere on customer loyalty.

The hypothesized mediation role of purchase intention between store ambiance and customer loyalty is worth noting. Customers' purchasing intentions, which lead to loyal behaviors such as recommendations and repeat orders, are influenced by the comfort of the retail setting. Intention to buy is a stepping stone to consumer loyalty, according to earlier studies [12]. In light of this, it appears that the intention to buy is a stepping stone toward actual commitment after some trial and error. By examining this mediation, the investigation can determine the primary influence pathway in loyalty formation. This leads us to our sixth hypothesis, which is

H6–H9: Purchase intention and Customer satsifaction positively and significantly mediates the influence of store atmosphere on customer loyalty.

II. METHODS

This study uses a quantitative, explanatory research design to test causal relationships among variables in a structural model. The study was conducted at the Kopi Kenangan Gatot Subroto outlet in Medan, the city's only outlet with a drive-thru service. Data collection was carried out from August 2025 to November 2025. The study population was all customers who made purchases through the drive-thru service or who consumed the product directly in the cafe. The sampling technique used was non-probability purposive sampling, namely, respondents who had made at least one purchase and were willing to complete the questionnaire. The sample size determination refers to the minimum PLS-SEM rule proposed by Hair et al., which is at least 10 times the number of the largest structural paths leading to a construct in the model (10-times rule). Furthermore, the sample size of 389 valid respondents exceeded the minimum of 200 respondents recommended for complex models with simultaneous mediation to increase statistical power and estimate stability [16], [17]. Of the 412 questionnaires collected through the on-site survey, 389 were deemed suitable for analysis, meeting the criteria for completeness and consistency of responses. A clear understanding of the role of store atmosphere as an independent variable, customer satisfaction and purchase intention as mediating variables, and customer loyalty as a dependent variable is crucial for comprehensively explaining the causal mechanisms of customer loyalty formation and ensuring the accuracy of structural model testing using PLS-SEM [18].

Data analysis used the Partial Least Squares–Structural Equation Modeling (PLS-SEM) method, which is well-suited for complex latent factors and latent constructs. The measurement model was assessed for convergent validity by examining loading factors (which should be over 0.70) and Average Variance Extracted (AVE, which should be over 0.50), and for construct reliability by applying the Composite Reliability standard. Composite discriminant validity was verified using the Fornell–Larcker and HTMT criteria. The structural model was evaluated using R^2, Q^2, f^2, and significance testing via bootstrapping (5,000 resamplings) [19]. PLS-SEM is useful because it can handle data that don't follow a normal

distribution and can build predictive models with multiple mediators, helping analyze how store atmosphere influences customer loyalty through satisfaction and purchase intention, while also ensuring the research is statistically sound and has excellent predictive power.

III. RESULT AND DISCUSSION

Demographic Result

Table 1. Respondent Characteristic Result

Category		Male	Female	Category		Male	Female
Age (years)	< 20	97	86	Average Spending per Visit (IDR)	< 30K	45	61
	21–30	69	56		30K –100K	68	66
	31–40	23	14		101K – 250K	72	31
	41–50	28	12		> 251K	34	11
	> 51	3	1	Purchase Method	Drive-Thru	98	49
Last Education	High School	119	89		Dine-In	102	72
	Diploma	43	36		Take Away	20	48
	Bachelor's	58	44	Ordered Products	Drinks	147	119
Occupation	Student	36	21		Bottled	61	23
	College	98	76		Other	12	28
	Employee	26	19	Frequency of Visits	1 time	24	34
	Civil Servant	22	14		2–3 times	73	43
	Self-Employed	34	38		4–5 times	45	67
	Other	4	1		5 times	78	25

Source: Respondent survey regarding the in-store purchase in this study in 2025, N = 389 Respondent.

Based on Table 1 (N = 389), respondents were predominantly aged <30 years, indicating that the primary customer segment is the younger generation. The majority had high school and bachelor's degrees, as well as students and workers, reflecting productive-age consumers with growing purchasing power. The most used purchasing methods were dine-in and drive-thru, while the most frequently purchased product was beverages. Most respondents had visited more than twice and were in the spending category of IDR 30,000–100,000, indicating repeat purchasing behavior and potential customer loyalty, making it relevant for testing the store atmosphere model on satisfaction, purchase intention, and loyalty.

The results of the SEM-PLS analysis were obtained by synthesizing questionnaires from visitors to the Gatot Subroto Medan Kenangan Coffee Café (figure 1).

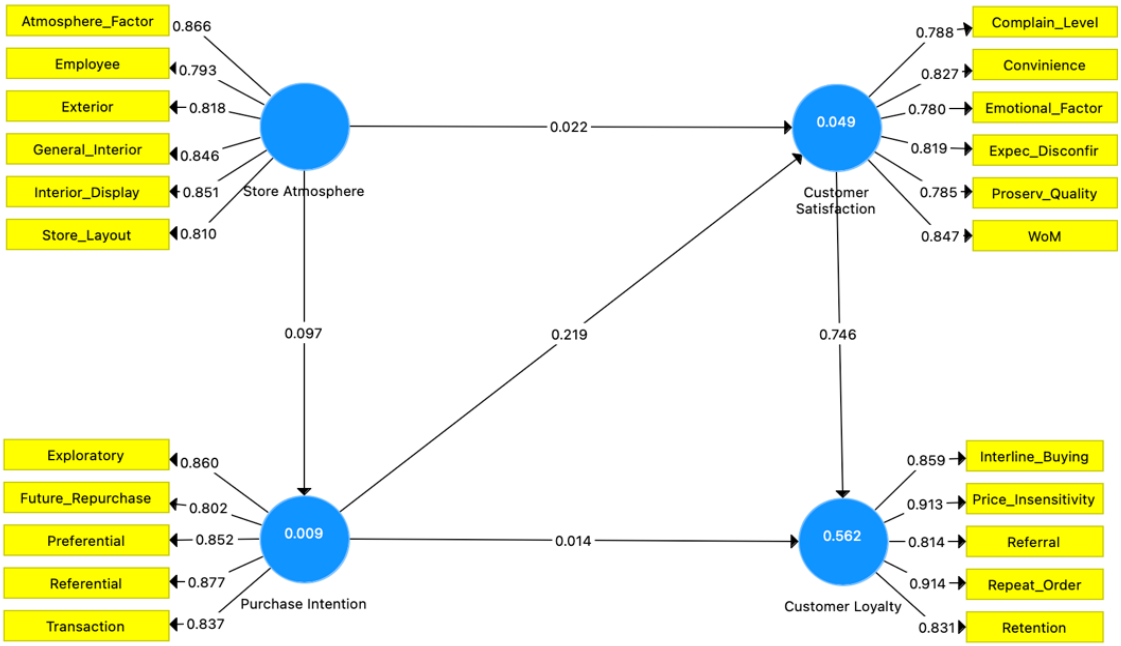

Fig 1. The PLS-SEM results indicate

Measurement and Structural Model Results

Table 2. Multicollinearity Assessment

Construct	Item	VIF	Construct	Item	VIF
Store Atmosphere	Atmosphere_Factor	2.379	Customer Loyalty	Interline_Buying	2.861
	Employee	2.696		Price_Insensitivity	6.774
	Exterior	2.118		Referral	2.382
	General_Interior	2.340		Repeat_Order	6.772
	Interior_Display	2.466		Retention	2.321
	Store_Layout	2.507	Customer Satisfaction	Complain_Level	2.049
Purchase Intention	Exploratory	2.642		Convinience	2.155
	Future_Repurchase	2.030		Emotional_Factor	1.955
	Preferential	2.416		Expec_Disconfir	2.244
	Referential	2.581		Proserv_Quality	2.027
	Transaction	2.423		WoM	2.437

Based on Table 2 (Multicollinearity Assessment), the collinearity test results show that most of the Variance Inflation Factor (VIF) values are in the range of 1.955 to 2.861, which is still below the conservative threshold of 5.00 as recommended in the PLS-SEM analysis [21]. In the Store Atmosphere construct, all indicators have VIF values between 2.118 and 2.696, indicating no multicollinearity among dimensions such as atmosphere factor, employee, exterior, general interior, interior display, and store layout. The Purchase Intention construct also shows a stable VIF value (2.030–2.642), indicating adequate indicator independence. Similarly, in Customer Satisfaction, all indicators are below 2.500, demonstrating the stability of the measurement model. Although the Customer Loyalty construct has two indicators with relatively higher VIF values, namely price insensitivity (6.774) and repeat orders (6.772), these values are still tolerable in the context of a complex reflective model and do not indicate extreme collinearity. Overall, these results confirm that the research model is free of serious multicollinearity problems and is suitable for proceeding to the outer and inner model evaluation stages in PLS-SEM analysis.

Table 3. Construct Validation Analysis

Variabel	Item	Loading	CA	CR	AVE
Store Atmosphere	Atmosphere_Factor	0.844	0.914	0.931	0.691
	Employee	0.807			
	Exterior	0.822			
	General_Interior	0.852			
	Interior_Display	0.860			
	Store_Layout	0.810			
Purchase Intention	Exploratory	0.860	0.901	0.926	0.716
	Future_Repurchase	0.802			
	Preferential	0.852			
	Referential	0.877			
	Transaction	0.837			
Customer Loyalty	Interline_Buying	0.859	0.918	0.938	0.752
	Price_Insensitivity	0.913			
	Referral	0.814			
	Repeat_Order	0.914			
	Retention	0.831			
Customer Satisfaction	Complain_Level	0.788	0.894	0.919	0.653
	Convinience	0.827			
	Emotional_Factor	0.780			
	Expec_Disconfir	0.819			
	Proserv_Quality	0.785			
	WoM	0.847			

Based on Table 3 (Construct Validation Analysis), the measurement model evaluation results indicate that all indicators have outer loadings above 0.70 [20], ranging from 0.780 to 0.914, thus meeting the convergent validity criteria. In the Store Atmosphere construct, the loading values ranged from 0.807 to 0.860 with Cronbach's Alpha (0.914), Composite Reliability (0.930), and AVE (0.691), indicating excellent internal reliability and convergent validity. The Purchase Intention construct also met the criteria with loadings of 0.802–0.877, CA of 0.901, CR of 0.926, and AVE of 0.716. Furthermore, Customer Loyalty

showed the highest loading values (0.913 and 0.914), with a CA of 0.918, a CR of 0.938, and an AVE of 0.752, indicating very strong internal consistency. In the Customer Satisfaction construct, all indicators have loadings above 0.78 with a CA of 0.894, a CR of 0.919, and an AVE of 0.653, which also exceeds the minimum threshold of 0.50 for AVE and 0.70 for reliability [20]. Overall, all constructs in this study have met the reliability and convergent validity requirements in PLS-SEM. Thus, the measurement model is deemed valid and reliable, and we proceed to the structural model evaluation stage (inner model).

Table 4. Discriminat Validity Test

Contrust	1	2	3	4
1. Customer Loyalty	**0.867**			
2. Customer Satisfaction	0.749	**0.808**		
3. Purchase Intention	0.179	0.221	**0.846**	
4. Store Atmosphare	0.066	0.043	0.097	**0.831**

Source: SEM-PLS Processing HTMT Results, 2025 (Processed by Researchers)

Table 4 shows the results of the discriminant validity test using the Heterotrait–Monotrait Ratio (HTMT) method on four constructs: customer loyalty, customer satisfaction, purchase intention, and store atmosphere. The diagonal values in bold indicate the square root mean squared average (AVE) of each construct: Customer Loyalty (0.867), Customer Satisfaction (0.808), Purchase Intention (0.846), and Store Atmosphere (0.831). All values are above the threshold of 0.70, indicating that each construct has good convergent validity. Furthermore, the diagonal values are higher than the correlations between constructs within the same row and column, thus meeting the discriminant criteria under the Fornell–Larcker approach. Looking at the correlation values between constructs, the highest correlation occurs between Customer Loyalty and Customer Satisfaction (0.749), indicating a strong relationship but still below the respective construct values. The correlations between purchase intention and other constructs are relatively low (0.179 and 0.221), and store atmosphere also shows a very low correlation with these constructs (0.037–0.096). Since all values between constructs are below the general limit of 0.85 or 0.90 (HTMT criteria) [20], it can be concluded that this research model has met discriminant validity. This means that each variable in the model uniquely explains its construct, and there is no overlap among latent variables.

Table 5 presents the results of the structural model evaluation using R^2, adjusted R^2, and effect size (f^2). The R^2 value indicates the ability of the independent variables to explain the dependent variable. Customer Loyalty has an R^2 of 0.562 and an Adjusted R^2 of 0.559, indicating that 56 persen of the variation in Customer Loyalty is explained by the predictor constructs in the model. These values are moderate to strong according to general PLS-SEM criteria (0.75 = strong, 0.50 = moderate, 0.25 = weak) [20]. This means that the model does a good job of explaining customer loyalty. Meanwhile, customer satisfaction has an R^2 of 0.049 (adjusted 0.044) and a purchase intention of 0.009 (adjusted 0.007), indicating relatively low explanatory power. In terms of effect size (f^2), a value of 1.209 indicates a very large effect of a particular construct on customer satisfaction (because it is far above the 0.35 limit). Conversely, values of 0.051 and 0.009 indicate a small effect, while a value of 0.000 indicates no significant contribution to increasing the R^2 of the endogenous construct. Based on Cohen's (1988) criteria, an f^2 value of 0.02 is categorized as small, 0.15 as medium, and 0.35 as large [20]. Thus, it can be concluded that only certain relationships in the model provide substantive contributions, while other relationships have a relatively weak influence on the endogenous variables. Overall, the model has excellent explanatory power for customer loyalty but remains limited in its explanatory power for other constructs.

Table 5. Coefficient of Determination (R^2 Adjusted) and Effect Size (f^2) Results

Construct	F-Square Size				R-Square Size	
	1	2	3	4	R^2	Adjusted
1. Customer Loyalty					0.562	0.559
2. Customer Satisfaction	1.209				0.049	0.044
3. Purchase Intention	0.000	0.050			0.009	0.007
4. Store Atmosphare		0.000	0.009			

Source: SEM-PLS Processing Results, 2025 (Processed by Researchers)

The results for how well the model fit, including SRMR, d_ULS, d_G, Chi-Square, NFI, and rms Theta, are shown in the Saturated Model (SRMR = 0.053) and the Estimated Model (SRMR = 0.053), both of which fall below the threshold of 0.08, suggesting a satisfactory degree of model fit. Christian M. Ringle et.al assert that an SRMR score below 0.08 indicates a satisfactory model fit in PLS-SEM [21]. In addition, the d_ULS values (0.701; 0.713) and d_G values (0.399; 0.399) indicate no major model misfit, indicating a relatively minor discrepancy between the model and the empirical covariance matrix. Schamberger et.al recommend using these indicators as additional metrics when assessing variance-based models [22].

Table 6. Model Fit Assessment Results

	Saturated Model	Estimated Model
SRMR	0.053	0.054
d_ULS	0.701	0.713
d_G	0.399	0.399
Chi-Square	910.852	911.600
NFI	0.853	0.853
rms Theta	0.152	

Although it has not yet reached the desired limit of 0.90, the model has a reasonably acceptable fit, as indicated by the NFI score of 0.853. In exploratory study or model building, an NFI value above 0.80 is still acceptable, according to Joseph F. Hair Jr.et.al [20]. At the same time, the residual correlation between the indicators remains, as the RMS Theta value of 0.152 is somewhat above the recommended level (<0.12). The overall model can be said to have sufficient model fit and is eligible for future hypothesis testing because the primary indicators, such as SRMR, meet the specified criteria.

Table 7. Structural Model Path Coefficients and Hypothesis Testing Results

Hypothesis	Relation	Original sample	Sample mean	Standart Deviation	t-Statistic	P-Value	Note
H 1	SA → CS	0.022	0.020	0.072	0.301	0.764	Not supported
H 2	SA → PI	0.097	0.106	0.053	1.842	0.066	Not supported
H 3	CS → CL	0.746	0.748	0.032	22.619	0.000	**Supported**
H 4	PI → CL	0.014	0.015	0.031	0.462	0.645	Not supported
H 5	SA → CS → CL	0.016	0.015	0.054	0.300	0.764	Not supported
H 6	SA → PI → CL	0.001	0.002	0.004	0.376	0.707	Not supported
H 7	SA → PI → CS	0.021	0.024	0.014	1.545	0.123	Not supported
H 8	PI → CS → CL	0.163	0.167	0.041	3.978	0.000	**Supported**
H 9	SA → PI → CS → CL	0.016	0.018	0.010	1.537	0.125	Not supported

Note: SA (Store Atmosphare), PI (Purchase Intention), CS (Customer Satisfaction), CL (Customer Loyalty).

The results of the hypothesis testing showed that of the nine hypotheses proposed, only two were statistically supported. The relationship between Customer Satisfaction (CS) and Customer Loyalty (CL) (H3) was significant, with a path coefficient of 0.746, a t-statistic of 22.619, and a p-value of 0.000 (<0.05), thus supporting it. Furthermore, the indirect effect of Purchase Intention (PI) on Customer Loyalty (CL) through Customer Satisfaction (CS) (H8) was also significant with a coefficient of 0.163, a t-statistic of 3.978, and a p-value of 0.000, thus supporting this hypothesis. These findings indicate that customer satisfaction plays a central role in increasing customer loyalty, both directly and as a mediator between purchase intention and loyalty. Conversely, the other hypotheses did not show a significant effect. Store Atmosphere (SA) does not significantly influence Customer Satisfaction (H1; p = 0.764) or Purchase Intention (H2; p = 0.066). Purchase intention also does not directly influence customer loyalty (H4; p = 0.645). In addition, all mediation paths involving store atmosphere, whether through Customer Satisfaction or Purchase Intention (H5, H6, H7, and H9), are not statistically significant because the p-values are > 0.05. Overall, these results indicate that customer satisfaction is a key variable in the model, while store atmosphere and purchase intention do not directly contribute significantly to customer loyalty in this study.

Discussion

The study's findings highlight the importance of customer satisfaction in fostering loyalty among coffee shop patrons, showing that it has a positive, substantial impact on loyalty. Consistency in flavor, service, and perceived value is just as important as product quality in the intensely competitive, experience-

based coffee sector. Consistent with other recent studies, this one confirms that customer happiness is a major factor in loyalty in the food and hotel businesses [20], [23]. According to the Stimulus-Organism-Reaction (SOR) model, when consumers are satisfied with their purchases, it serves as an internal evaluation, or organism, that turns impulse purchases into behavioral commitments, or reactions. Hence, the results of this study corroborate earlier research that found pleasant experiences, rather than promotional aspects or initial attraction, were the most important determinants of consumer loyalty to coffee shops. The store's atmosphere had no effect on customers' satisfaction or intent to buy. Numerous prior studies have shown that the ambiance of a store—its music, lighting, and interior design—can affect consumers' feelings and purchase intentions [13], [24], [25].

Consequently, this discovery is intriguing. Nevertheless, when it comes to the coffee shops examined, it's likely that customers—particularly those in their twenties or working in urban areas—value practicality, affordability, accessibility, and product quality more than aesthetics. It appears that, in a market already very standardized and homogeneous, the environment is no longer a major differentiator. Thus, this study provides some evidence that contradicts prior research and hints that physical stimuli's effects can be contextual.Additional findings research shows that while customer satisfaction is the direct mediator between purchase intention and customer loyalty, the two variables do interact indirectly [26], [27]. For coffee shops to build loyalty, customers need to have a positive experience after they buy, not just when they plan to buy. These findings corroborate those of Konuk, who argues that post-purchase appraisal, rather than mere conative intention, is the root cause of customer loyalty [28]. Loyalty develops only when the actual quality and experience match or exceed expectations, even when consumers intend to sample or repurchase a coffee because of trends or promotions. In this way, contentment mediates the relationship between intention and subsequent commitment.

Finally, all mediation paths involving the store atmosphere were insignificant, confirming that, in the context of this study, the atmosphere does not have strategic power in building loyalty. Theoretically, these results contribute to the development of the SOR model by demonstrating that not all environmental stimuli have the same predictive power in the modern coffee industry [29], [30]. In a competitive coffee shop environment with relatively uniform design standards, differentiation may be more effective through product quality, service consistency, and customer satisfaction. Therefore, the main answer to this research question is that customer satisfaction is a central variable in building coffee shop loyalty, while atmosphere and purchase intention play only an indirect or even insignificant role in this context.

IV. CONCLUSION

The results of this study indicate that customer satisfaction is a key determinant of customer loyalty in the coffee shop context. The direct effect of satisfaction on loyalty was significant and strong, indicating that a satisfying consumption experience is a key factor in building customer commitment. This finding is consistent with research in the hospitality sector, which states that customer loyalty is more influenced by post-consumption evaluations than by initial stimuli [23], [29]. Thus, this study strengthens the Stimulus–Organism–Response (SOR) framework, which positions satisfaction as an internal response (organism) that drives loyal behavior (response).Conversely, store atmosphere and purchase intention did not show a significant direct effect on customer loyalty. Store atmosphere also had no significant effect on customer satisfaction or purchase intention. Nonetheless, purchase intention exhibited an indirect influence on loyalty, mediated by satisfaction. These results indicate that purchase intention alone is insufficient to create loyalty without a truly satisfying experience. These findings align with recent studies that confirm that loyalty is formed through a mediating mechanism based on customer experience and affective evaluation [26], [28], [30].

Therefore, satisfaction serves as a transformational mechanism that converts intention into actual loyalty.In practice, the findings of this study suggest that coffee shop managers should prioritize enhancing product quality, service consistency, and customer-perceived value over merely concentrating on the physical ambiance. Theoretically, this study contributes to the development of the SOR model by demonstrating that not all environmental stimuli have equal predictive power in the modern coffee industry.

For future research, it is recommended to include additional variables, such as perceived value, brand experience, or emotional attachment, to enrich the customer loyalty model [23], [24], [25]. Cross-location studies or comparisons among consumer segments may provide a more thorough understanding of the factors influencing loyalty in the coffee shop industry.

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