

Price, Atmosphere, and Service Quality on Customer Loyalty

St. Rukaiyah ^{1*} Sultan ² Novita Rosanti ³

^{*1} Universitas Fajar, Indonesia

² STIE Makassar Maju, Indonesia

³ Institut Bisnis dan Keuangan Nitro, Indonesia

ARTICLE INFO



Correspondence Email:

rukaiyah@unifa.ac.id

Keywords:

price; atmosphere; service quality;
customer loyalty; café industry.

DOI:

<https://doi.org/10.33096/jmb.v13i1.1622>

ABSTRACT

This study aimed to analyze the influence of price, atmosphere, and service quality on customer loyalty at SS Coffee Space in Makassar. A quantitative research design was employed, using a survey to collect primary data. Respondents were selected using purposive sampling based on the criteria of having visited the establishment more than twice. Data were analyzed using Partial Least Squares - Structural Equation Modeling to test the research hypotheses. The results revealed that price, atmosphere, and service quality each had a significant positive impact on customer loyalty. Among the factors examined, service quality was identified as the most dominant driver of consumer commitment. The model demonstrated substantial explanatory power, suggesting that the combination of fair pricing, an aesthetic environment, and excellent service effectively explained the variance in loyalty. These findings indicate that while price and environment are vital, service excellence is the primary factor for customer retention. Management should prioritize continuous service enhancement to maintain a competitive advantage.

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh harga, suasana, dan kualitas pelayanan terhadap loyalitas konsumen pada SS Coffee Space di Makassar. Desain penelitian kuantitatif diterapkan dengan menggunakan metode survei untuk mengumpulkan data primer. Responden dipilih melalui teknik purposive sampling bagi pelanggan yang telah berkunjung lebih dari dua kali. Data dianalisis menggunakan Partial Least Squares - Structural Equation Modeling untuk menguji hipotesis penelitian. Hasil penelitian menunjukkan bahwa harga, suasana, dan kualitas pelayanan masing-masing memberikan pengaruh positif yang signifikan terhadap loyalitas konsumen. Di antara faktor-faktor yang diteliti, kualitas pelayanan diidentifikasi sebagai pendorong yang paling dominan terhadap komitmen konsumen. Model penelitian menunjukkan kekuatan eksplanatori yang besar, yang mengindikasikan bahwa kombinasi harga yang wajar, lingkungan yang estetik, dan layanan yang baik secara efektif menjelaskan varians dalam loyalitas. Temuan ini menunjukkan bahwa kualitas pelayanan tetap menjadi faktor utama dalam mempertahankan pelanggan. Manajemen sebaiknya memprioritaskan peningkatan layanan secara berkelanjutan untuk menjaga daya saing.



This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

INTRODUCTION

The café business in Indonesia has grown rapidly, in line with changes in modern lifestyles, making cafés no longer places to brew coffee but social spaces that support activities such as relaxing, working, and taking selfies. In Indonesia, cafés are growing rapidly, with people competing to open them, making the café business highly profitable in the modern era. This change in the function of cafés is driven by consumer preferences for comfortable, aesthetically pleasing, and emotionally appealing spaces. The food menu at cafés now complements the relaxed atmosphere, and any café visited feels incomplete without a comfortable setting conducive to taking selfies. This atmosphere encompasses lighting, color, music, aroma, and visuals that can influence attractiveness, emotions, and purchasing behavior.

In the context of café management, management is a key foundation for ensuring that all aspects of the business align with its objectives. According to Kristiawan in (Husaini & Fitria, 2019), management is a science and art of controlling, organizing, communicating, and utilizing resources through the functions of planning, organizing, actuating, and controlling so that objectives can be achieved effectively and efficiently. In café service marketing, pricing, atmosphere, and service quality strategies play a central role. Ismanto (2019:14) emphasizes that marketing is a series of processes for creating, communicating, and delivering value to customers. Price, as explained by Budiharja (2016), is an important factor in determining a company's sustainability. The atmosphere of a café is also highly influential because, according to Mandei et al. (2020), a comfortable and attractive atmosphere determines customer loyalty. In addition, service quality, according to Setyowati (2016), is a measure of how well the service meets customer expectations. The intense competition among cafés in major cities such as Makassar requires café owners to understand the factors that influence customer loyalty, making this research important.

Recent studies confirm that customer loyalty is influenced by the complex interactions among price, service quality, and perceived atmosphere, with findings that are not always consistent across industries. Across studies spanning various industries, price emerges as the most reliable predictor of customer loyalty (Hutagaol & Erdiansyah, 2020). This shows that perceptions of price fairness are an important basis for consumers in deciding to repurchase. Service quality, on the other hand, shows mixed results. Some studies report a significant effect on loyalty (Simatupang & Pasaribu, 2025), while others find no direct relationship and suggest that service quality operates through mediating variables such as satisfaction (Lie et al., 2019). Similar findings were reported by Muhammad et al. (2024), who found that service quality had a positive and significant effect on customer loyalty, whereas price perception yielded mixed results. Livia & Hendratmoko (2024) emphasized that service quality directly affected loyalty, even though price perception alone was insufficient. Perceptions of atmosphere or ambiance showed inconsistent patterns of influence. Several studies state that atmosphere has an indirect effect through service quality (Purwadi et al., 2020). Suryana et al. (2022) found that price discounts, store atmosphere, and service quality individually and simultaneously have a significant impact on customer loyalty. These findings are reinforced by Nurani (2023), who noted that price has the strongest influence (0.335), followed by atmosphere (0.206) and service quality (0.154). However, Labiba & Moko (2022) reported different results, surprisingly finding a negative impact of store atmosphere and price on loyalty. Other studies, such as Saputra et al. (2024), show that atmosphere, employee attitude, and product quality affect satisfaction, which in turn drives loyalty, while Simatupang & Pasaribu (2025) emphasize the importance of price and service differentiation in maintaining loyalty in luxury markets, such as coffee shops.

Although various studies show that price, atmosphere, and service quality affect customer loyalty, these findings remain inconsistent, creating empirical and theoretical gaps. Empirically, studies such as Agung Riza Suryana et al. (2022) and Nurani (2023) confirm that these three variables, namely price, atmosphere, and service quality, simultaneously have a significant influence on loyalty, with price contributing the most. However, these findings contradict the study by Ahmad Labiba & Moko (2022), which found that price and atmosphere negatively affect customer loyalty. The inconsistency of these results indicates that the influence of the three variables is highly contextual, shaped by industry characteristics, market segmentation, and

different customer experience models. This condition indicates that there is no definitive conclusion about the relationship between variables, especially in the context of modern cafés oriented towards customer experience rather than mere product consumption. From a theoretical perspective, most previous studies have focused on the retail industry, fast-food restaurants, or modern stores, so research on contemporary cafés remains very limited. Cafés with concepts of spatial aesthetics, social comfort, and digital activities have service characteristics that differ from those of other industries. In addition, previous studies have not provided a comprehensive explanation of how price, atmosphere, and service quality interact to shape loyalty to experience-based businesses. Several studies have identified the roles of mediation and moderation, but the explanations remain fragmented. Therefore, further research is needed to broaden and deepen the understanding of the dynamics of the relationship between these variables, especially in cafés in Makassar City, thereby making this study relevant to filling the existing gap.

Based on these empirical and theoretical gaps, this study offers novelty by simultaneously analyzing the influence of price, atmosphere, and service quality on consumer loyalty in the context of a contemporary café oriented towards customer experience, namely SS Coffee Space in Makassar City. Unlike previous studies, which were mostly conducted on minimarkets, modern retailers, or fast-food restaurants, this study focuses on cafés that combine spatial aesthetics, social comfort, and digital interactions, which strongly influence the behavior of today's consumers. Furthermore, this study expands on previous findings that showed inconsistent results, such as the positive influence of price and atmosphere in Nurani's (2023) study, which contradicts the negative impact found by Labiba & Moko (2022), by retesting them in a different empirical context. Thus, the purpose of this study is to examine, in part and simultaneously, how price, café atmosphere, and service quality affect consumer loyalty to SS Coffee Space and to provide a more comprehensive theoretical understanding of the dynamics of loyalty-building factors in the modern café industry. The findings of this study are expected to strengthen the service marketing literature in the hospitality field and provide practical recommendations for café businesses in Makassar on designing effective strategies to maintain and increase customer loyalty.

Customer Loyalty

Customer loyalty is a customer's commitment to consistently repurchase and maintain preference for a brand or service provider, even when many alternatives are available. In the context of the service and hospitality business, loyalty is reflected not only in the frequency of visits but also in affective, cognitive, and behavioral aspects that bind customers to a service provider. The understanding of loyalty is further deepened by recent research findings that confirm that loyalty is built through a holistic experience that includes perceived value, quality of interaction, and consistency of service. This is evident in Astutik's (2025) research, which explains that customers become loyal when they feel they are getting value for money through a combination of service quality, fair prices, and a comfortable atmosphere. This explanation aligns with the understanding that loyalty does not arise suddenly but is formed through repeated evaluations of consumption experiences. In addition, research by Gunawan et al. (2024) emphasizes that loyalty develops when consumers assess that the quality of products and services always meets their expectations and even provides added value. Thus, loyalty results

from a longitudinal evaluative process and is strongly influenced by the consistency with which businesses deliver value. In the context of the local coffee industry, as explained by Silalahi & Novenson (2024), consumer loyalty is not only generated by the core quality of the product, such as the taste or aroma of coffee, but also by the emotional experience and social interaction created in coffee shops.

Consumer loyalty is understood as a form of long-term attachment that is created when customers feel deep satisfaction and have confidence in the consistency of the service provider's quality. A study by Wijaya & Tjokrosaputro (2024) confirms that in the cafe industry, loyalty is formed through two main components: satisfaction derived from the consumption experience and confidence that the service provider can maintain its quality standards over time. This shows that loyalty has prospective characteristics, in which customers not only assess past experiences but also hold positive expectations for future ones. Handayani & Priyanto (2021) also show that loyalty develops when customers feel comfortable in various aspects, such as facilities and an atmosphere that supports productivity and relaxation. In another study, Purwanto et al. (2024) emphasize that loyalty is formed not only by emotional factors but also by trust that arises when customers see that service providers consistently fulfill their quality promises. This trust strengthens the psychological bond, encouraging customers to continue choosing the same product or service despite competing offers. This understanding is in line with the findings of Haris (2023), who asserts that service and product attributes have direct implications for consumer loyalty, as consumers will demonstrate repeated commitment when they experience consistent, satisfying, and expected service.

Price

Price is the monetary value consumers must sacrifice to obtain a product or service, which, in practice, reflects not only economic costs but also perceived value, quality, and fairness in a transaction. From a modern marketing management perspective, price is understood as an important signal that influences consumers' evaluation of the benefits they receive, so studies on price focus not only on the nominal value but also on the perceptions formed through interactions between consumers and service providers. The study by Hride et al. (2022) shows that the perception of price fairness is a central element in fostering positive consumer responses, as consumers tend to assess prices comparatively, based on their experiences with similar service providers and their expectations of the promised quality. In this context, price functions as a psychological element that can influence how consumers assess the balance between sacrifice and benefit, making an understanding of price perception increasingly important in contemporary literature. Research by Senali et al. (2024) reinforces this view by emphasizing that perceptions of price fairness are shaped by transparency, consistency, and the rationality consumers perceive in the price structure. When prices are perceived as fair, consumers show more positive emotional reactions toward service providers and view their purchasing decisions as reasonable and justifiable. Furthermore, research by Croitoru et al. (2024) found that the value perceived by consumers, one component of which comes from price evaluation, plays an important role in shaping the overall perception of a service. The understanding that price also influences purchasing decisions is supported by Darise et al. (2025), who show that a pricing structure considered appropriate by consumers strengthens their confidence in choosing a product or service.

Price has a strategic dimension that directly shapes consumer behavior and preferences. Belarmino et al. (2022) describe how the tariff or pricing structure in the hospitality industry can influence consumer perceptions of service quality, even though the differences in service between star-rated hotels and limited-service hotels remain significant. These findings confirm that consumers understand price not merely as a number but as a representation of expected quality or a promise of service from the service provider. When the price does not align with the quality received, consumers tend to experience cognitive dissonance, which directly affects their evaluation of the service provider. In the context of modern services, Fiqqih (2023) emphasizes that the perception of price fairness arises from the interaction of several factors, such as product quality, service experience, and the emotional value generated during consumption. Prices considered commensurate or reasonable create a sense of satisfaction because consumers feel their sacrifices are in line with the benefits they receive. In addition, research by Pinaraswati et al. (2024) emphasizes that consumers assess prices based on a combination of transaction convenience, ease of access, and consistency of price information provided. The more transparent the price information consumers receive, the stronger their perception that the price is rational and accountable. This understanding shows that price is not only an economic function, but also a communication function that reflects a company's competence in building public trust.

Atmosphere

Atmosphere refers to the physical and emotional environment of a service space that shapes customer perceptions, comfort, and consumption experiences. In the context of cafés and restaurants, atmosphere encompasses visual, auditory, and olfactory elements, as well as spatial arrangements that produce a comprehensive sensory experience for customers. Atmosphere refers not only to lighting, color, and interior decoration, but also to music, cleanliness, seating comfort, and patterns of interaction within the space. Choi & Kandampully (2019) explain that atmosphere in the hospitality industry serves as the main stimulus that can trigger customer emotions from the moment they enter the service space. Consumers often form their initial impressions of an experience's quality solely from their perceptions of the physical environment. A similar understanding is conveyed by Croitoru et al. (2024), who state that consumers' perception of value in a restaurant setting is strongly influenced by the alignment between the atmosphere provided and consumers' expectations for comfort and aesthetics. A well-designed atmosphere helps create a more positive emotional experience, especially in cafés, which are synonymous with relaxation and casual social spaces. Azhari et al. (2023) explain that a well-managed store atmosphere can increase customers' perceived comfort, thereby creating a more satisfying shopping experience through spatial arrangements and sensory elements aligned with consumer expectations.

Atmosphere has a major influence on the perception of experience because service users respond to the environment through complex sensory and psychological processes. Research by Juliana et al. (2022) outlines that the atmosphere of a restaurant influences how customers construct emotional experiences, which then shape their overall impression of service quality, even before customers evaluate the taste or quality of the menu. This shows that atmosphere functions as a “stage for experience” that directly shapes customer emotions. Tamburian et al. (2019) also found that a well-managed atmosphere significantly affects consumer evaluation, as

physical elements such as spatial layout, seating comfort, and lighting foster a sense of security and relaxation, making it easier for consumers to enjoy eating or drinking in a café. In modern café environments, Mudjiyanti & Sholihah (2022) explain that atmosphere is not only an aesthetic aspect but also a strategic component that influences how customers perceive the space as a place to gather, work, or unwind. This makes the atmosphere part of the service identity, influencing consumers' perceptions of the overall quality of the experience. Conceptually, atmosphere is a combination of aesthetic, sensory, and social elements that create a unique spatial experience, where every detail, from the aroma of coffee to soft music, contributes to the formation of customer emotions and perceptions.

Service Quality

Service quality is the ability of a service provider to meet or exceed customer expectations by delivering consistent, reliable, empathetic, responsive, and guaranteed services, supported by convincing physical evidence. In modern literature, service quality is understood as a comprehensive customer perception formed through a series of interactions with service providers, so that the measurement of service quality does not depend on a single aspect but on the entire process perceived as a whole experience. Perdomo-Verdecia et al. (2024) emphasize that service quality in the hotel industry is formed through a configuration of complementary dimensions, such as reliability, responsiveness, assurance, empathy, and physical evidence, so that customer satisfaction only arises when all these dimensions are consistently in place. The importance of consistency is also explained by Zibarzani et al. (2022), who found that restaurant service quality is strongly influenced by how service providers maintain service standards in challenging situations, such as a pandemic, because customers evaluate service accuracy, employee attitudes, and facility cleanliness in response to the service environment. Service quality not only determines satisfaction but also forms the basis for creating an emotional experience that makes customers feel valued. Meshack & Prusty (2021) explain that service quality in Tanzania's hotel industry has been shown to foster long-term customer relationships when service providers demonstrate assurance, empathy, reliability, and consistent quality in personal interactions. This understanding is in line with the findings of Hidayat et al. (2024), who emphasize that service quality can foster long-term loyalty through the creation of customer satisfaction, especially when the services provided can create a sense of security, comfort, and trust in customers in every service interaction, as explained in their research.

Service quality is understood as a form of value communication between service providers and customers through repeated interactions. When customers receive service that is informative, friendly, structured, and meets their expectations, the experience shapes a positive perception of the service organization. Supriyanto et al. (2025) show that in the café industry, service quality is a determining factor in how customers assess their emotional relationship with service providers, because customers associate good service with feeling valued and a pleasant atmosphere. Service quality also has a strategic dimension, as it is an indicator of business reliability in the eyes of consumers. Joviando & Kurniawati (2022) explain that superior service quality increases customer value, builds trust, and reinforces the perception that service providers can maintain quality standards over the long term. This understanding is reinforced by Tania et al. (2024), who found that service quality in three-star hotels in Palembang directly contributes to loyalty, as customers experience clear information, responsiveness, honesty, and

consistent personal attention. In the context of modern services, service quality is assessed not only by the speed and accuracy of the process but also by how providers create a comfortable, safe, and professional experience.

RESEARCH METHODS

This study employed a quantitative research design focused on hypothesis testing using numerical data analysis. The quantitative approach was selected because it can objectively describe relationships between variables through standardized measurement procedures and statistical data analysis. Unlike traditional linear methods, this research employed Partial Least Squares - Structural Equation Modeling as the primary analytical framework to evaluate both the measurement and structural components of the proposed model. This approach allowed for a comprehensive assessment of the complex relationships between the independent and dependent variables. The population in this study consisted of all visitors to SS Coffee Space Makassar who had visited the location more than twice. This specific population was selected on the assumption that repeat visitors have a more consistent service experience and can therefore provide more accurate assessments of the business. The research sample was determined using purposive sampling, selecting respondents based on specific criteria aligned with the research objectives. The sample size was determined to meet the requirements for multivariate analysis, resulting in a total of 40 respondents who had visited and made purchases more than twice in the last month.

Data collection was conducted through the distribution of questionnaires and direct observation. Questionnaires served as the primary instrument and were completed by respondents. At the same time, observations were conducted to obtain a realistic view of the service conditions and the café environment. The questionnaire was developed based on indicators of Price, Atmosphere, Service Quality, and Customer Loyalty. Each item was measured using a five-point Likert scale to facilitate precise quantitative analysis of participants' level of agreement. Before the final analysis, the instruments underwent validity and reliability testing to ensure the quality and suitability of the measurement tools. The collected data were analyzed using Partial Least Squares Structural Equation Modeling with specialized statistical software. The analysis process was conducted in two distinct stages. The first stage involved evaluating the measurement model to confirm the internal consistency and convergent validity of the constructs using factor loadings, reliability coefficients, and the average variance extracted. The second stage involved evaluating the structural model to test the hypotheses using bootstrapping procedures. This stage focused on examining the path coefficients, the coefficient of determination, and the model's predictive relevance to assess the significance of the effects of Price, Atmosphere, and Service Quality on Customer Loyalty.

RESULTS AND DISCUSSION

Results

Before conducting hypothesis testing, the measurement model was evaluated to ensure that all research instruments met the requirements for validity and reliability. The metrics employed in this stage included factor loadings for indicator validity, Cronbach's Alpha and Composite Reliability for internal consistency, and Average Variance Extracted for convergent validity. Generally, a construct is deemed reliable when its reliability coefficients exceed 0.70

and is considered to possess convergent validity if the average variance extracted is greater than 0.50.

Table 1 Measurement model evaluation (Outer Model)

Construct	Outer Loading	Cronbach's Alpha	Composite Reliability	AVE	Conclusion
Price (PRC)		0.898	0.915	0.642	Valid & Reliable
PRC1	0.914				
PRC2	0.854				
PRC3	0.723				
PRC4	0.851				
PRC5	0.861				
PRC6	0.660				
Atmosphere (ATM)		0.876	0.902	0.535	Valid & Reliable
ATM1	0.831				
ATM2	0.809				
ATM3	0.845				
ATM4	0.689				
ATM5	0.802				
ATM6	0.561				
ATM7	0.660				
ATM8	0.594				
Service Quality (SVQ)		0.886	0.908	0.502	Valid & Reliable
SVQ1	0.661				
SVQ2	0.685				
SVQ3	0.785				
SVQ4	0.817				
SVQ5	0.650				
SVQ6	0.710				
SVQ7	0.726				
SVQ8	0.726				
SVQ9	0.695				
SVQ10	0.552				
Customer Loyalty (CLY)		0.796	0.845	0.528	Valid & Reliable
CLY1	0.806				
CLY2	0.761				
CLY3	0.790				
CLY4	0.811				
CLY5	0.611				
CLY6	0.592*				

The evaluation results confirmed that all constructs within this study met the necessary quality standards. Price recorded a Cronbach's Alpha of 0.898 and a Composite Reliability of 0.915, while the Atmosphere variable achieved an Average Variance Extracted of 0.535. Furthermore, Service Quality and Customer Loyalty displayed high reliability, with Composite Reliability values of 0.908 and 0.845, respectively. Since all factor loadings and average variance extracted values exceeded the required benchmarks, it was concluded that the measurement model was robust and accurate for the subsequent structural analysis.

A collinearity assessment was conducted to ensure that the independent variables did not exhibit excessive correlation, which could potentially bias the structural model estimates. The Variance Inflation Factor was used as the primary metric, with a recommended threshold of less than 3.3. This assessment is crucial to ensure that each variable's influence on customer loyalty remains distinct and is not distorted by information overlap between variables.

Table 2 Collinearity Assessment (Inner VIF Values)

Independent Variable	VIF Value	Threshold	Conclusion
Price (PRC)	1.863	< 3.3	No multicollinearity
Atmosphere (ATM)	3.104	< 3.3	No multicollinearity
Service Quality (SVQ)	2.575	< 3.3	No multicollinearity

The findings indicated that the model was entirely free of multicollinearity. The Variance Inflation Factor values for Price were 1.863, Atmosphere was 3.104, and Service Quality was 2.575. Because all values remained well below the critical threshold, it was confirmed that each independent variable provided a distinct and stable contribution to the model. This provides a solid empirical foundation for interpreting the individual structural impact of each construct on the dependent variable.

The overall quality of the structural model was assessed to determine how accurately it represented the observed data. Fit indices, such as the Standardized Root Mean Square Residual and the Normed Fit Index, were used to assess the model's fit. Additionally, the R-squared value was used as a measure of explanatory power, indicating the percentage of variance in the dependent variable explained by the predictors in this study.

Table 3 Goodness of Fit

Fit Criteria	Value	Conclusion
SRMR	0.064	Good Fit (< 0.08)
NFI	0.885	Acceptable Fit (Approaching 1)
R-Square	0.824	Substantial

Based on the diagnostic results, the model achieved a strong fit, as evidenced by a Standardized Root Mean Square Residual of 0.064 and a Normed Fit Index of 0.885. The most notable finding was the model's explanatory power, as indicated by an R-squared value of 0.824. This suggests that the combination of Price, Atmosphere, and Service Quality collectively accounts for 82.4 percent of the variance in Customer Loyalty. This result is categorized as substantial, indicating that the model has a very high capacity to predict loyalty outcomes.

The final stage of the analysis involved testing the hypothesized relationships through a bootstrapping procedure to determine their statistical significance. The criteria for supporting a hypothesis were based on a T-statistic greater than 1.96 and a P-value of less than 0.05. The path coefficients were analyzed to assess the direction and strength of each predictor's impact on the target variable.

Table 4 *Structural model and hypothesis testing results (Bootstrapping)*

Path Relationship	Original Sample (O)	T-Statistic	P-Value	Decision
PRC → CLY	0.253	2.656	0.012	Supported
ATM → CLY	0.321	2.605	0.013	Supported
SVQ → CLY	0.442	3.944	0.000	Supported

The hypothesis testing results demonstrated that all proposed relationships were positive and statistically significant. The impact of Price on Customer Loyalty was supported by a P-value of 0.012, and the Atmosphere variable also showed a meaningful positive influence, with a coefficient of 0.321. However, the primary finding of this research highlighted Service Quality as the most dominant driver of loyalty, yielding the highest path coefficient of 0.442 and a highly significant P-value of 0.000. Overall, the data supported all hypotheses and confirmed that service excellence is the most critical factor in fostering customer loyalty compared to the other variables tested.

Discussion

The Effect of Price on Consumer Loyalty

The results of the study indicate that the price variable has a positive and significant effect on consumer loyalty to SS Coffee Space Makassar. These findings indicate that price perception, encompassing affordability, suitability, and competitiveness, is an important factor encouraging consumers to make repeat purchases and establish long-term relationships with service providers. The price affordability indicator was the dominant component in shaping consumer perceptions of price. This can be seen in the respondents' tendency to give this indicator the highest rating, while the price competitiveness indicator received a lower rating. These findings indicate that consumers are more responsive to prices they consider reasonable and aligned with their economic capabilities than to price competition among brands or cafes. The results of this study also show that positive price perceptions are related not only to the nominal price itself but also to a sense of fairness, comfort, and the overall transaction experience. In the context of SS Coffee Space Makassar, respondents view price as part of the café's service identity, reflecting the quality of its products and atmosphere. The high rating on the affordability indicator indicates that consumers expect prices proportional to the value of the experience they receive. Meanwhile, the low rating on the price competitiveness indicator suggests that consumers may not prioritize comparisons between cafés but instead emphasize how well prices align with their personal experiences at SS Coffee Space Makassar.

These findings can be interpreted through the basic concept of price as a form of consumer sacrifice in obtaining a product or service. According to Hasan & Hamid (2021), price is the cost consumers sacrifice to obtain a product or service, and it is the primary assessment of a product's value in consumers' minds. Thus, when the price is perceived to be in line with

financial capabilities and the benefits obtained, consumers tend to evaluate the product more positively. This condition aligns with the phenomenon observed at SS Coffee Space Makassar, where consumers feel more confident making repeat purchases when the price is perceived as reasonable and does not impose an economic burden. Variations in individual income also influence how consumers view price as an important factor in decision-making, especially in cafés, which are often gathering places, particularly for certain groups, such as men, who engage in more social activities there. Thus, affordability not only influences purchasing interest but also shapes the overall consumption experience and contributes to the formation of long-term loyalty.

The findings of this study can also be reinforced by the customer value theory, which posits that consumer loyalty arises when the perceived value received exceeds the sacrifice made. In this context, price becomes one of the main components in creating perceived value. When the price is considered reasonable, consumers can rationalize their decision to continue purchasing, thereby fostering emotional bonds and sustained satisfaction. This theory aligns with the findings of this study, which show that SS Coffee Space Makassar consumers consider price a factor that fosters a sense of comfort in transactions, ultimately leading to loyal behavior.

The results of this study support findings from several previous studies confirming the positive influence of price on consumer loyalty. Research conducted by Cardia et al. (2019) on the influence of product quality, price, and promotion on customer loyalty shows that price significantly increases customer loyalty. The study explains that the better consumers' perception of the price offered, the more likely they are to continue choosing the same product or service. The consistency of these findings reinforces the belief that the right price is a key determinant of loyalty in the culinary and café industry.

The Effect of Atmosphere on Consumer Loyalty

The results show that the Atmosphere variable has a positive and significant effect on Consumer Loyalty at SS Coffee in Makassar. These findings confirm that the café's physical environment, as represented by the indicators of store exterior, general interior, store layout, and interior display, plays an important role in shaping the overall consumption experience. Consumers assess the quality of a café not only by the products served, but also by the impression created by the space's atmosphere, from the moment they first see the front of the café to the moment they sit down to enjoy drinks or food. The results show that the store layout indicator is the dominant element, as an effective and aesthetic layout can create a sense of comfort, facilitate mobility, and provide a pleasant visual experience for consumers. This phenomenon is highly relevant to the preferences of today's youth, who prioritize minimalist and aesthetic design, making them feel comfortable lingering and more likely to return.

Conceptually, these findings can be understood through the Stimulus-Organism-Response theory, which posits that the physical environment of a service acts as a stimulus that directly influences consumers' psychological processes as organisms and elicits behavioral responses, including loyalty. In the context of SS Coffee, the café atmosphere becomes a stimulus that shapes perceptions of comfort, relaxation, and emotional satisfaction. When this stimulus creates positive internal conditions, such as feelings of happiness, relaxation, and comfort, consumer responses tend to include returning, recommending the café to others, and developing long-term loyalty. The theoretical implications of these findings show that

atmosphere is not only a decorative element but also a strategic instrument for creating a memorable customer experience, ultimately strengthening the business's position in an increasingly competitive café industry.

The results of this study also show that a good atmosphere is related not only to the visual aspects of the space but also to the layout's orderliness, cleanliness, lighting, seating comfort, and the balance between private and social areas. Consumers who perceive the café space as well-designed are more likely to feel satisfied and emotionally connected to the place. This sense of emotional attachment then develops into stable preferences and creates loyalty that benefits the business. In the context of SS Coffee, these findings reinforce the importance of maintaining a consistent, aesthetic atmosphere that is in line with the preferences of the main market, namely young people and creative workers who use cafés as places to socialize, work, or relax.

These findings are consistent with Mandei et al. (2020), which show that the café atmosphere has a significant effect on consumer loyalty at Brownice Beverage and Pastry. The similarity of these results reinforces the assumption that the atmosphere is an important determinant for café businesses offering similar products at comparable prices. In such a competitive industry, differentiation through atmosphere is an important strategy for attracting new customers and retaining existing ones. According to Mandei et al. (2020), the atmosphere of a café can be an effective differentiator from competitors because consumers evaluate a café not only on its menu but also on the emotional experience and comfort they feel in the space. When consumers face a choice among cafés with similar prices and products, atmosphere becomes an additional determinant of their purchasing decisions and intentions to return.

In addition, this study confirms that the café atmosphere not only influences purchasing decisions but also strongly correlates with customer satisfaction. When the created atmosphere meets consumer expectations in both visual aspects and physical comfort, customer satisfaction increases, contributing to loyalty. Thus, this study reinforces the understanding that loyalty is formed not only by product quality but also by the quality of the experience created by the space's atmosphere. These findings support various literature in service marketing that emphasizes the role of atmosphere as an important component in building a holistic customer experience.

Service Quality and Customer Loyalty

The results of the study indicate that the Service Quality variable has a positive and significant effect on Customer Loyalty at SS Coffee in Makassar. These findings indicate that the quality of service provided by employees not only serves as a transactional process but also creates a comprehensive consumption experience. Service quality is reflected through five main indicators, namely tangibles related to the physical appearance and facilities of the café, reliability which describes the ability of employees to provide consistent and accurate service, responsiveness which shows the responsiveness of employees in serving consumer needs, assurance which provides a sense of security and trust through the competence and politeness of employees, and empathy which shows personal attention to customer comfort. These five indicators simultaneously build positive perceptions that are very important in experience-based industries such as cafés. Consumers who receive friendly, fast, and accurate service tend to view SS Coffee as a place that not only sells products but also provides comfort and attention.

Conversely, when consumers encounter slow, unresponsive, or less empathetic service, they are more likely to feel discomfort, which leads to a negative assessment of the overall experience. Therefore, good service quality is the foundation for building customer trust and emotional comfort, which then develops into loyalty. This loyalty is reflected in consumers' desire to return, recommend the café to others, and maintain their preference for SS Coffee over other cafés.

From a basic conceptual perspective, service quality is closely related to customer satisfaction and value formation. The tangible dimension encompasses physical conditions such as cleanliness, the appearance of the space, and the tidiness of facilities, which influence consumers' initial assessment of a service. Reliability indicates the service provider's ability to deliver services consistently and as promised, while responsiveness refers to employees' willingness to respond to consumer needs quickly and appropriately. Assurance provides a sense of security through employee competence and clear information, while empathy emphasizes employees' ability to understand consumer needs on a personal level. These five dimensions are the core of the SERVQUAL model, which explains how service quality shapes customers' perceptions of value. When service is optimal in every dimension, consumers will have a positive emotional experience, which ultimately builds long-term loyalty. Theoretically, the findings of this study can be explained using the Stimulus-Organism-Response approach. In this theory, service functions as a stimulus that influences the organism through internal consumer processes such as feeling valued, feeling trusted, and feeling comfortable. These psychological processes then produce responses in the form of loyal behavior, such as the desire to return, recommend to others, and make more frequent purchases. In the context of SS Coffee, service quality serves as a stimulus that can shape consumers' emotional and rational experiences, especially through direct interaction with employees. When consumers receive friendly, fast, accurate, and convincing service, they feel satisfied with the consumption process, which is assessed not only by the product but also by the quality of the interaction.

The results of this study need to be linked to previous studies to strengthen the validity of the findings. The study by Mandei et al. (2020) highlights the influence of café atmosphere on loyalty, and this context can be paralleled with service quality, as both variables are part of the service experience in the café business. Although their study focuses more on the atmosphere, the emphasis on how a holistic experience determines consumer loyalty is highly relevant to this study's findings. Service quality is part of this holistic experience, and consistency in service also strengthens the emotional bond with customers. Although the contexts of the variables differ, both atmosphere and service contribute similarly, namely by creating added value that keeps consumers staying. This harmony demonstrates that service quality consistently has a positive influence on loyalty across various service studies.

CONCLUSION

This study examined how price, atmosphere, and service quality influence customer loyalty at SS Coffee Space Makassar. Overall, the results show that these three variables play an important role in building customer loyalty, both simultaneously and partially. This study also identified that the layout of the space is part of the atmosphere, and key aspects of service quality, such as reliability, responsiveness, assurance, empathy, and physical appearance, are dimensions that consumers strongly value in forming a positive perception of the café. Thus,

this study provides a comprehensive overview of the main factors that contribute to consumers' decisions to continue choosing SS Coffee as a place to visit.

This research has significant value for advancing science, particularly in the study of service marketing management and consumer behavior. Theoretically, this research reaffirms that customer experience in the café industry is determined not only by the products offered but also by the physical environment and accompanying service quality. The originality of this research lies in simultaneously testing these three variables in the context of the local café business in Makassar, which has unique consumer characteristics. From a managerial perspective, the results of this study have direct implications for SS Coffee Space managers: loyalty-enhancement strategies cannot be implemented in isolation but must be integrated with appropriate pricing, the creation of a comfortable and aesthetic café atmosphere, and consistent service-quality improvement. For other café businesses, these findings provide guidance that holistic customer experience management is key to maintaining competitiveness and business sustainability.

This study certainly has limitations that need to be considered. First, the study uses only a quantitative approach, so it cannot yet explore consumers' experiences or emotional perceptions in depth. Second, the sample size and geographic coverage are limited to one café, so the results should be generalized with caution. Given these limitations, future research should involve a mixed approach that combines qualitative methods to gain a deeper understanding of consumer experiences. In addition, future research could incorporate additional variables, such as brand image, digital facility comfort, or product quality, to enrich the model and broaden understanding of the factors that influence customer loyalty in the café industry. It is also necessary to expand the research scope by involving multiple cafés to obtain a more representative picture and increase the study's external validity.

REFERENCE

- Astutik, A. C. D. (2025). Pengaruh Kualitas Layanan Dan Harga Terhadap Loyalitas Pelanggan Dengan Store Atmosphere Sebagai Moderasi (Studi Pada Pelanggan Café Trijata Koffie Kota Malang). Universitas Muhammadiyah Malang.
- Azhari, A., Firman, A., Khalik, A., & Oktaviani, A. R. (2023). The Effect of Location, Product Diversity, and Store Atmosphere on Increasing Customer Satisfaction. *Advances in Business & Industrial Marketing Research*, 1(3), 108-116. <https://doi.org/10.60079/abim.v1i3.136>
- Belarmino, A., Koh, Y., & Shin, H. H. (2022). Blurred lines: comparing room rates, star ratings, and user-generated content for full-service and select-service hotels. *Service Business*, 16(3), 721-742. <https://doi.org/10.1007/s11628-021-00477-2>
- Budiharja, R. G. E. (2016). Pengaruh Kualitas Produk, Harga, Promosi dan Brand Image Terhadap Keputusan Pembelian Produk Aqua di Kota Pati. *Jurnal STIE Semarang*, 8(2), 133954.
- Cardia, D. I. N. R., Santika, I. W., & Respati, N. N. R. (2019). Pengaruh kualitas produk, harga, dan promosi terhadap loyalitas pelanggan. Udayana University. <https://doi.org/10.24843/EJMUNUD.2019.v08.i11.p19>

- Choi, H., & Kandampully, J. (2019). The effect of atmosphere on customer engagement in upscale hotels: An application of S-O-R paradigm. *International Journal of Hospitality Management*, 77, 40–50. <https://doi.org/https://doi.org/10.1016/j.ijhm.2018.06.012>
- Croitoru, G., Capatina, A., Florea, N. V., Codignola, F., & Sokolic, D. (2024). A cross-cultural analysis of perceived value and customer loyalty in restaurants. *European Research on Management and Business Economics*, 30(3), 100265. <https://doi.org/10.1016/j.iiedeen.2024.100265>
- Darise, N. T., Akbar, M. A., & Lina, R. (2025). The Impact of Price and Product Quality on Purchasing Decisions. *Advances in Business & Industrial Marketing Research*, 3(2 SE-Articles), 90–102. <https://doi.org/10.60079/abim.v3i2.485>
- Fiqqih, M. N. (2023). The effect of perceived price fairness, product quality, and service quality on customer loyalty with customer satisfaction mediation on Shopee consumers. *Proceedings of the 19th International Symposium on Management (INSYMA 2022)*, 223, 265. https://doi.org/10.2991/978-94-6463-008-4_35
- Gunawan, A. W., Muhaimin, A. W., & Sitawati, R. I. (2024). High Quality Product, Good Services, and Competitive Pricing of Local Coffee Shop to Increase Consumer Satisfaction and Loyalty. *Jurnal Teknik Pertanian Lampung (Journal of Agricultural Engineering)*, 13(2), 592–605. <https://doi.org/10.23960/jtep-1.v13i2.592-605>
- Handayani, C. M., & Priyanto, W. (2021). Customer Loyalty of Kanggo Riko Coffee Shop Sidoarjo. *Journal of Applied Management and Business*, 2(2), 60–69. <https://doi.org/10.37802/jamb.v2i2.209>
- Haris, A. (2023). Implications of Service and Product Attributes on Customer Loyalty. *Advances: Jurnal Ekonomi & Bisnis*, 1(2 SE-Articles). <https://doi.org/10.60079/ajeb.v1i2.72>
- Hasan, A., & Hamid, N. A. (2021). Analisis Persepsi Harga, Suasana Cafe Dan Pelayanan Terhadap Loyalitas Pelanggan Pada Zero Cafe Makassar. *Jurnal Ilmiah Manajemen Emor (Ekonomi Manajemen Orientasi Riset)*, 4(2), 256–270.
- Hidayat, M. A., Rasyid, A., & Pasolo, F. (2024). Service Quality on Customer Loyalty: Mediation of Customer Satisfaction. *Advances in Business & Industrial Marketing Research*, 2(3 SE-Articles), 150–163. <https://doi.org/10.60079/abim.v2i3.158>
- Hride, F. T., Ferdousi, F., & Jasimuddin, S. M. (2022). Linking perceived price fairness, customer satisfaction, trust, and loyalty: A structural equation modeling of Facebook-based e-commerce in Bangladesh. *Global Business and Organizational Excellence*, 41(3), 41–54. <https://doi.org/10.1002/joe.22146>
- Husaini, H., & Fitria, H. (2019). Manajemen kepemimpinan pada lembaga pendidikan Islam. *JMKSP (Jurnal Manajemen, Kepemimpinan, Dan Supervisi Pendidikan)*, 4(1), 43–54. <https://doi.org/10.31851/jmksp.v4i1.2474>
- Hutagaol, D. C., & Erdiansyah, R. (2020). The effect of service quality, price, customer satisfaction on customer loyalty of Airasia customers. *Tarumanagara International Conference on the Applications of Social Sciences and Humanities (TICASH 2019)*, 356–362. <https://doi.org/10.2991/assehr.k.200515.063>
- Joviando, J., & Kurniawati, K. (2022). The Effects of Overall Service Quality, Customer Value, Customer Trust, and Customer Satisfaction on Customer Loyalty in the Hotel Industry. *Jurnal Ekonomi, Bisnis & Entrepreneurship (e-Journal)*, 16(2), 156–169. <https://doi.org/10.55208/jebe>

- Juliana, J., Maleachi, S., Djakasaputra, A., Sianipar, R., & Mora, R. A. A. P. (2022). Impact Of Restaurant's Atmosphere Towards Customer's Loyalty: An Extended Mehrabian Russel Model. *Hospitour: Journal of Hospitality & Tourism Innovation*, 6(2), 24–34.
- Labiba, A. I., & Moko, W. (2022). Pengaruh Store Atmosphere Dan Harga Terhadap Loyalitas Pelanggan. *Jurnal Manajemen Pemasaran Dan Perilaku Konsumen*, 1(2 SE-Articles), 179–185. <https://doi.org/10.21776/jmppk.2022.01.2.05>
- Lie, D., Sudirman, A., Efendi, & Butarbutar, M. (2019). Analysis of Mediation Effect Of Consumer Satisfaction On The Effect Of Service Quality, Price and Consumer Trust On Consumer Loyalty. *International Journal of Scientific and Technology Research*, 8(8), 421–428.
- Livia, V., & Hendratmoko, H. (2024). The Effect of Service Quality and Price Perception on Customer Loyalty Mediated by Customer Satisfaction at Bengkel Sukses Jaya. *Jurnal Indonesia Sosial Sains*, 5(11), 2795–2811. <https://doi.org/10.59141/jiss.v5i11.1467>
- Mandei, J. M. V, Massie, J. D. D., & Soepeno, D. (2020). Pengaruh Suasana Kafe, Kualitas Pelayanan Dan Keanekaragaman Produk Terhadap Loyalitas Konsumen Di Brownice Beverage And Pastry. *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 8(4). <https://doi.org/10.35794/emba.v8i4.30785>
- Meshack, H. E., & Prusty, S. (2021). Service quality, satisfaction and loyalty of customers in hotels: The case of Northern Tanzania. *African Journal of Hospitality, Tourism and Leisure*, 10(4), 1430–1451. <https://doi.org/10.46222/ajhtl.19770720-171>
- Mudjiyanti, R., & Sholihah, M. (2022). The Effect of Cafe Atmosphere on Loyalty through Customer Satisfaction. *Innovation Business Management and Accounting Journal*, 1(1), 18–23. <https://doi.org/10.56070/ibmaj.v1i1.5>
- Muhammad, B., Simon, Z. Z., & Suryono, D. W. (2024). Building customer loyalty: The impact of price perception and service quality mediated by customer satisfaction. *Research of Business and Management*, 2(2), 97–107. <https://doi.org/10.58777/rbm.v2i2.285>
- Nurani, M. L. A. (2023). Pengaruh Store Atmosphere, Service Quality Dan Harga Produk Terhadap Customer Loyalty "Studi pada Kopi Latar Gondanglegi Malang." *JAT : Journal Of Accounting and Tax*, 02(01), 13–22. <https://doi.org/10.36563/jat.v2i1.774>
- Perdomo-Verdecia, V., Garrido-Vega, P., & Sacristán-Díaz, M. (2024). An fsQCA analysis of service quality for hotel customer satisfaction. *International Journal of Hospitality Management*, 122, 103793. <https://doi.org/https://doi.org/10.1016/j.ijhm.2024.103793>
- Pinaraswati, S. O., Farida, I., Susilowati, S., & Suprihati, S. (2024). The Influence Of Service Convenience And Price Fairness On Customer Loyalty: Mediating Effect Of Customer Satisfaction. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, 8(2 SE-Articles). <https://doi.org/10.29040/ijebar.v8i2.14097>
- Purwadi, P., Devitasari, B., & Darma, D. C. (2020). Store Atmosphere, SERVQUAL and Consumer Loyalty: Case Study of Excelso Coffee Shop. *SEISENSE Journal of Management*, 3(4), 21–30. <https://doi.org/10.33215/sjom.v3i4.385>
- Purwanto, A., Qomariah, N., Nursaid, N., & Thamrin, M. (2024). The Influence of Service Quality, Trust and Product Quality on Customer Loyalty of the Coffee Shop" Kopi Roso" Jember. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*, 7(2), 335–345. <https://doi.org/10.33258/birci.v7i2.7881>

- Saputra, R. H., Mariam, S., & Ramli, A. H. (2024). The effect of service quality and customer satisfaction on customer loyalty in coffee shop. *Jurnal Ilmiah Manajemen Kesatuan* ; 12(5), 1697–1714. <https://doi.org/10.37641/jimkes.v12i5.2824>
- Senali, M. G., Iranmanesh, M., Ghobakhloo, M., Foroughi, B., Asadi, S., & Rejeb, A. (2024). Determinants of trust and purchase intention in social commerce: Perceived price fairness and trust disposition as moderators. *Electronic Commerce Research and Applications*, 64, 101370. <https://doi.org/https://doi.org/10.1016/j.elerap.2024.101370>
- Setyowati, E. (2016). Pengaruh Kualitas Pelayanan, Harga dan Citra Merek Terhadap Loyalitas Pelanggan dengan Kepuasan Pelanggan Sebagai Variabel Pemediiasi. Universitas Muhammadiyah Surakarta. <http://eprints.ums.ac.id/id/eprint/47243>
- Silalahi, R. V., & Novenson, N. (2024). Unlocking Customer Loyalty in Indonesian Local Coffee Shops: An In-depth Analysis of The Influential Factors. *Jurnal Manajemen Bisnis*, 15(2), 419–446. <https://doi.org/10.18196/mb.v15i2.22441>
- Simatupang, M., & Pasaribu, L. H. (2025). The Impact of Price, Service Quality, and Store Atmosphere on Customer Loyalty: A Starbucks Reserve Study. *Commercium : Journal of Business and Management*, 3(2 SE-Articles), 77–100. <https://doi.org/10.61978/commercium.v3i2.510>
- Supriyanto, A., Erstiawan, M. S., Soebijono, T., & Angesti, D. (2025). Service Quality and Customer Loyalty: The Mediating Role of Customer Satisfaction in Cafe's. *GREENOMIKA*, 7(1), 29–42. <https://doi.org/10.55732/unu.gnk.2025.07.1.4>
- Suryana, A. R. B., Harahap, D. A., & Rohandi, M. M. A. (2022). Pengaruh Price Discount, Store Atmosphere, Dan Service Quality Terhadap Costumer Loyalty Di Critoe Coffee Bandung. *Bandung Conference Series: Business and Management*, 2(2), 1116–1121.
- Tamburian, A., Kindangen, P., Tasik, H. H. D., Dari, B., & Di, R. (2019). The Impact Of Atmosphere On Customer Dining Satisfaction And Behavioral Intention Of 5 Restaurants In Manado Pengaruh Atmosfir Terhadap Kepuasan Makan Malam Pelanggan Dan Niat. *Jurnal EMBA : Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 7(3), 4436–4444. <https://doi.org/10.35794/emba.v7i3.25142>
- Tania, L. R., Rahmanita, M., Ingkadijaya, R., & Karo, P. K. (2024). The Effect of Service Quality and Trust on Customer Loyalty with Satisfaction as an Intervening Variable in Three Star Hotels, Palembang. *Journal of Management and Administration Provision* , 4(2 SE-), 230–240. <https://doi.org/10.55885/jmap.v4i2.361>
- Wijaya, F., & Tjokrosaputro, M. (2024). Analisis faktor-faktor yang memengaruhi customer loyalty pada kafe di Batam: Customer satisfaction sebagai mediasi. *Jurnal Manajemen Bisnis Dan Kewirausahaan*, 8(3), 533–547. <https://doi.org/10.24912/jmbk.v8i3.30215>
- Zibarzani, M., Abumalloh, R. A., Nilashi, M., Samad, S., Alghamdi, O. A., Nayer, F. K., Ismail, M. Y., Mohd, S., & Mohammed Akib, N. A. (2022). Customer satisfaction with Restaurants Service Quality during COVID-19 outbreak: A two-stage methodology. *Technology in Society*, 70, 101977. <https://doi.org/https://doi.org/10.1016/j.techsoc.2022.101977>