The Effect of *Product Related Atributes, Store Related Attributes* and *Discount Perception* on *Customer Statisfaction* and *Retail Patronage* at Store 3 *Second* in Jember City

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Abstract:- This aims of study were to know the effect of product related attributes on consumer satisfaction; The effect of store related attributes on consumer satisfaction, The effect of discount perceptions on consumer satisfaction and the effect of consumer satisfaction on repatronage intention. This type of research were explanatory research. The population were consumers of 3 second products in stores in Jember. The research sample was selected by accidental sampling. Methods of analysis used SEM. The results showed that product related attributes had a significant effect on consumer satisfaction. Store related attributes had a significant effect on consumer satisfaction. Discount perceptions had a significant effect on consumer satisfaction and consumer satisfaction with a significant effect on repatronage intention.

Keyword:- Discount perceptions, Consumer Satisfaction, Product Related Atributes, Repatronage intention dan Store related attributes.

I. INTRODUCTION

The development of global retail business, especially foreign fashion products entering Indonesia today is increasing. Based on Merdeka.com, Head of Advisory of Jones Lang LaSalle (JLL) Vivin Harsanto said that the Indonesian economy which continues to increase has had a positive influence on the retail industry. According to him, domestic economic growth in the second quarter of 2017 was 5.19 percent, which will have an impact on the development of the retail industry in the next quarter. One of the drivers of the increasing retail industry is the large number of foreign companies in the fields of fashion and design, cosmetics and entertainment, which opened their businesses in a number of modern shopping centers. The development of factory outlets in the city of Jember is considered to have bright business prospects. One of the ways that factory outlets can survive is by cooperating with Indo Grosir's retail network, this is done in order to be faster and more efficient in developing business networks. Every factory outlet must try to bring up something different from other factory outlets so that they can still survive in intense competition. In less than a year Surabaya became an attractive land for factory outlet business.

CV Biensi Fesyenindo or now known as 3Second is a company engaged in fashion. 3Second features fashion that is up to date in an attractive appearance. 3Second has been operating in the City of Jember since 2011 and has become a fashion shop that is well known to most consumers. Based on the results of the pre-research through interviews with the head of the shop and five staff of 3Second on March 22, 2019 3Second was able to invite 75 to 100 visitors in a day. the development of the 3 Second store in Jember so that it was chosen as the object of research. Sales of 3 Seconds in the City of Jember generally decreased every month. The highest sales were only in June 2016-2018 but then the following month for three consecutive years experienced a sharp decline

Based on the phenomenon that occurs at the 3 Second Store in Jember, it can be explained that the decline in sales and profits is a thought that must be considered for conducting a sales strategy. Therefore companies must get consumers and create retail patronage. Retail patronage is the condition of consumers in visiting or repurchasing products or retail stores that sell the same product or in the same retail field (Hwa and Perumal, 2017). Retail companies must consider the factors that influence patronage behavior because this information can be used to develop effective retail strategies (Chang et al, 2015). Patronage behavior, or repurchase of a brand by consumers, has become the center of several previous studies, and is considered by retailers to be an important way to achieve success and business sustainability.

Customer re-patronage intention is influenced by customer satisfaction (Chang et.al (2015)). Customer satisfaction is a significant determination of repeat purchase, information from positive word of mouth and customer loyalty. Chang et al. (2015) found that customer satisfaction has an effect on customer re-patronage intention. Nair (2016) also found that consumer satisfaction is related to patronage intention. Ballantine et.al (2015) explains the relationship between customer satisfaction and patronage intention.

Consumer satisfaction can be created from several factors that influence it such as store attributes with various dimensions including Product Related Attributes, store related and discount perception. Dissatisfaction arises because of the attributes of the product, the product

attributes themselves are product elements that are considered important by consumers and are used as the basis for purchasing decision making (Tjiptono, 2016: 58). Consumer satisfaction will increase if companies pay attention to store attributes such as store atmosphere, image and convinience. Ghatak et al. (2016) shows that there is a positive relationship between the four variables. Chang et al (2015) show that sales employers and store atmosphere attributes of Activewear Specialty Store have a positive effect on consumer satisfaction. Whereas Tariq et al (2016) conducted a study with the title "the impact of consensus confident and store attributes on store satisfaction and store loyalty" this study aims to determine the effect of store attributes on store satisfaction store loyaty. In addition, discount perception has a relationship with customer satisfaction. Schifmann and Kanuk (2007) explain perception is a process of an individual in selecting, organizing, and transcribing information stimuli that come into a comprehensive picture.

Perception has a strong influence on consumers. One of the factors that influence consumers is the perception of prices. Perception of price is defined as something that is given or sacrificed to obtain services or products (Athanasopoulus et al., 2000). Noyan et al. (2014) found that comparative price perception had an effect on consumer satisfaction. Jian and Rosenbloom (2014) found that price perception had an effect on consumer satisfaction. The purpose of this study includes knowing the effect of Product related attributes on Consumer satisfaction; Store related attributes to Consumer satisfaction; find out the effect of discount perception on Consumer satisfaction; and knowing the effect of consumer satisfaction on repatronage intention.

II. LITERATURE REVIEW AND HYPOTHESIS

➤ *Effect of Product Related Attributes on Consumer Satisfaction*

Zeithaml and Bitner (2008: 110) describe consumer satisfaction as a consumer response to the evaluation of perceived mismatches between expectations and actual performance of services. Attributes related to product, namely the dimensions of satisfaction related to the attributes of the value obtained with prices, the ability of the product to determine satisfaction, the benefits of the product. Product attributes are characteristic of a product that is considered important in a product and is part of the product itself that can distinguish it from other brands.

Consumers will use a product if the product has attributes that are able to meet or even exceed their expectations and desires. Nair (2016) found that product attributes are related to achieving customer satisfaction. Lonial and Zaim (2017) state that product related factors are determinants of customer satisfaction or dissatisfaction. Suchaneck (2015) and Lin (2017) explain that optimal product related factors will increase customer satisfaction. Based on the theory and empirical hypothesis described as follows.

H1: Product Related Attributes affect Consumer Satisfaction

➤ *Effect of Store Related Attributes on Consumer satisfaction*

The store specialist who provides fashion goods that are quite complete makes consumers consider shopping and their easy-to-find locations to be a factor for consumers to come shopping. In addition, the atmosphere of a store that is comfortable and pleasant when choosing items can also attract consumers. Therefore, Store Related Attributes can cause consumer satisfaction if it is interesting.

Ghatak et al. (2016) found a positive relationship between the four variables. Chang et al (2015) found sales employers and store atmosphere attributes of Activewear Specialty Store to have a positive effect on consumer satisfaction. Tariq et al (2016) found the effect of store attributes on store satisfaction store loyalty. Based on the theory and empirical hypothesis described as follows.

H2: Store related attributes have an effect on Consumer satisfaction

➤ *Effect of Discount Perceptions on Consumer satisfaction*

A discount is the result of a deduction from the base price or the listed price or the reduced price can be in the form of a price cut or other concessions such as a number of free items. The relationship between these variables explains the relationship between the effect of price discount and customer satisfaction. Rusdiana (1999) states that a price discount strategy is a strategy by making price cuts to attract consumer purchasing decisions. This opinion is supported by the opinion that price discount can affect the positive emotional state of the buyer and that condition can cause a purchase to occur. A positive emotional state will make two dominant feelings namely feeling happy and arousing desire (Sutisna, 2001).

The price discount will have a higher probability of being chosen by consumers compared to those that are not good. Based on several opinions above it can be concluded that price discount has a positive effect on customer satisfaction. Noyan et.al (2014) found that perceptions of comparative prices affect customer satisfaction

H3: Discount Perceptions have an effect on Consumer satisfaction

➤ *Effect of Consumer satisfaction on Repatronage intention*

The orientation of world-class companies has shifted from the conventional approach to the contemporary approach in the past decade. Conventional approaches emphasize customer satisfaction, cost reduction, market share, and market research. While the contemporary approach focuses on customer loyalty, customer retention, zero defections, lifelong customers, therefore customer satisfaction must be accompanied by Repatronage intention. Really loyal consumers not only have the potential to become word-of-mouth advertisers, but also the

possibility of Repatronage intention in the company's product and service portfolio for many years (Tjiptono, 2014: 391).

Previous research said that customer satisfaction is an emotional response in the evaluation of the consumption experience of a product or service. A crucial thing for a company to know the level of customer satisfaction. That is because the level of customer satisfaction that has been known can make it easier for companies to apply customer retention strategies in total so that they can reach the intended target precisely. Chang et al. (2015), Nair (2016), Lonial and Zaim (2017) and Liu and Wang (2017) who found the relevance of the Consumer satisfaction and Repatronage intention variables. Based on the explanation above, the hypothesis proposed is:
H4: Consumer satidfaction has an effect on Repatronage intention

III.   METHODS

This research is explanatory research. The sampling technique used was purposive sampling. This study used a sample size of 145 respondents. Data will be used as a basis for analysis and testing, the hypotheses used a statistical inferential approach. Using the Structural Equation Modeling (SEM) using the AMOS (Analysis of Moment Structure) package version 18 and SPSS (Statistical Package for Social Science) for Window version 18. The use of SEM allows researchers to test the validity and reliability of research instruments, confirm the accuracy of the models while testing the effects of a variable on other variables.

IV.   RESULTS AND DISCUSSIONS

The results of the SEM analysis are explained by the SEM assumption test results, the results of the good ness index and hypothesis testing. Evaluation of SEM assumptions is divided into four types, namely: sample size, outliers test and normality test.

A. Sample Size

In SEM modeling the sample size that must be met is of two kinds, namely: first, between 100-200 samples (Hair et al., 1998), or second, using a comparison of 7 observations for each estimated parameter. With a total sample of 168 3-Second consumers, the sample in this study has fulfilled the assumptions about the number of samples.

B. Outlier Test Results

Outlier tests are extreme data searches that are different from observing other data, both for a single variable or for combination variables (Hair et al, 1998: 321). Outliers are observations that appear with extreme values both univariate and multivariate, which arise because of the combination of unique characteristics that are owned and look very different from other observations.

If an outliers occur, special treatment can be done on the outliers as long as it is known how the outliers appear. Detection of multivariate outliers is done by observing the Mahalanobis distance value. The criteria used are based on the value of Chi Squares on degree of freedom in the amount of indicator variables at a significance level of $p < 0.05$ (Ghozali, 2005: 130). The results of the outliers test in the study appear on Malahanobis distance or Mahalanobis d-squared. To calculate the value of Malahanobis distance based on the value of Chi squares at the free degree 168 (number of indicator variables) at the level of $p < 0.05$ ($\chi2$ 0.05) is 179.0819 (based on the distribution table $\chi2$). So the data that has a distance of Mahalanobis distance greater than 179.0819 is a multivariate outlier. Outlier test results show that none of the cases that have a Malahanobic distance value greater than 179.0819 can be concluded that there are no multivariate outliers in the research data.

C. Normality test

Normality test aims to measure the normality of data in univariate and multivariate. Testing the assumption of normality is done by calculating z-statistics for skewness and kurtosis data, which is seen from the Critical Ratio (CR) in the assessment of normality. At $\alpha = 5.00$, if the CR value is the value of the critical ratio below the absolute value of ± 2.58 the data is normally distributed, in univariate or multivariate (Ghozali, 2005: 128). Data of research variables, all of which have critical ratio values below the value of ± 2.58. This proves that there is no violation of the normality assumption of SEM in the data input of this study.

D. Multicollinearity

Symptoms of multicollinearity can be indicated from the determinant of exogenous variable data variance-covariance matrix. A small determinant value indicates symptoms of multicollinearity. If that happens, then the data cannot be used for research (Ghozali, 2007: 230). The test results show that the determinant value of the variance-covariance matrix = 0.101. This value is relatively large, and can be used as a measure of indication that there is no multicollinearity between exogenous variables.

Based on the method of determining values in the model, the testing variables of the first model are grouped into exogenous variables (exogenous variables) and endogenous variables (endogenous variables). Exogenous variables are variables whose values are determined outside the model. Endogenous variables are variables whose value is determined through the equation or from the model of relationships formed, including in the group of exogenous variables are Product related attributes (X1), Store related attributes (X2) and Discount Perceptions (X3) and endogenous variables Customer statisfaction (Z) and consumer intention repatronage (Y). Based on the goodness of fit indices, the criterion of the model and its critical value that has data compatibility can be seen in Table 1 below.

Goodness of fit index	Cutt of value	Models	Informations
Chi Square	Small	963,522	Goodness of Fit
Significane Probality	≥ 0,05	0,051	Goodness of Fit
RMSEA	≤ 0,08	0,078	Goodness of Fit
GFI	≥ 0,90	0,928	Goodness of Fit
AGFI	≥ 0,90	0,908	Goodness of Fit
CMIN/DF	≤ 2,00	2,234	Goodness of Fit
TLI	≥ 0,95	0,917	Goodness of Fit
CFI	≥ 0,95	0,901	Goodness of Fit

Table 1:- Evaluation of Criteria for Goodness of Fit Indices Source: Data processed

The model evaluation shows that all eight criteria of goodness of fit indices have met the criteria and have approached the recommended critical value, thus referring to the parsimony principle, the overall model can be said to be in accordance with the data and can be further analyzed. The test results give the results of structural equation models that show a relationship between variables Product related attributes with customer statisfaction, Store related attributes with customer statisfaction, discount perception with customer statisfaction, and customer statisfaction with repatronage intention.

The coefficients in the following structural equation:

$Z1 = 0.098X1 + 0.261X2 + 0.251X3 + \varepsilon$. (equation 1)
$Y = 0.157Z ++ \varepsilon$......... .... (equation 2)

After knowing the description of the relationship between the variables of this study, then the results of hypothesis testing will then be presented. In this case, the path coefficient values will be presented between the following variables, the significance of the results of the hypothesis test in Table 2, as follows:

Variables	Coeffisients	C.R	Informations
$X_1 \rightarrow Z$	0,098	2,650	Significan
$X_2 \rightarrow Z$	0,261	2,907	Significan
$X_3 \rightarrow Z$	0,251	2,672	Significan
$Z \rightarrow Y$	0,157	3,529	Significan

Table 2:- Value of Path Coefficients and Hypothesis Testing

The first, second and third hypotheses in this study state that Product related attributes, store related attributes and discount perceptions have a significant and positive effect on customer statisfaction. Based on Table 1. it is known that the path coefficient value between the Product related attributes of customer statisfaction is 0.098 with a CR value of 2.650 more than the critical value required by 2. As for the Store variable related attributes to customer statisfaction has a path coefficient value of 0.261 with a CR value amounting to 2.907 more than the critical value of 2 as required. Discount Perceptions for customer statisfaction have a path coefficient value of 0.251 with a C.R value of 2.672 more than a critical value of 2 as required. This result

supports (accepts) the first, second and third hypotheses in this study which states that the Product related attributes, store related attributes and discount perceptions have a significant and positive effect on the customer statisfaction 3-Second in the Jember Regency area.

The fourth hypothesis in this study states that customer statisfaction has a significant effect on the 3-Second consumer intention repatronage in Jember Regency. Based on the results of the analysis, it turns out that the path value of the customer statisfaction on consumer intention repatronage is 0.157 with a value of C.R 3.259. This C.R value is greater than the critical value required by 2. Then it can be concluded that customer statisfaction has a significant effect on the 3-Second consumer intention repatronage in the Jember Regency area. This result supports (accepts) the fifth hypothesis in this study which states that customer statisfaction has a significant and positive effect on the 3-Second consumer intention repatronage in the Jember Regency area. Based on the results, it can be concluded that all hypotheses proved significant and proved influential.

V. DISCUSSION

> *Effect of Product Related Attributes on Consumer Satisfaction*

The test results show that Product related attributes have a significant and positive effect on customer statisfaction. Attributes related to product, namely the dimensions of satisfaction related to the attributes of the value obtained with prices, the ability of the product to determine satisfaction, the benefits of the product. Consumer satisfaction as a consumer response to the evaluation of perceived mismatch between expectations and actual intention repatronage services.

The results of this test are in accordance with the results of Nair's research (2016) which explains that product attributes influence consumer satisfaction. This study also supports the results of Lonial and Zaim (2017) research that product related factors are determinants of customer satisfaction or dissatisfaction and Suchaneck (2015) and Lin (2017) shows that product related factors influence consumer satisfaction.

➢ *Effect of Store Related Attributes on Consumer Satisfaction*

The test results show that Store Related Attributes have a significant and positive effect on customer statisfaction. If the Store Related Attributes get better, customer statisfaction will increase. Store Related Attributes 3 Second, which provides goods that are sufficiently complete for fashion needs, makes consumers consider shopping and their easy-to-find locations as a factor for consumers to come shopping. In addition, the atmosphere of a store that is comfortable and pleasant when choosing items can also attract consumers. Therefore, Store Related Attributes can cause consumer satisfaction if it is interesting.

According to Lydia (2012), a consumer often judges a store on its first impression seen from the Store Related Attributes, whether in the form of layout, lighting, music, store color, and layout. This is often the reason why consumers have an interest in shopping at these stores. Although sometimes consumers who come to the store will not all buy the item, but they only want to see what new product models are offered. Only by having the intention to refresh. It is not a problem with this, it could be by looking at the products offered by consumers, they will change their mind and have the desire to buy it. But the important thing is customer satisfaction when coming to the shop. Because if consumers feel satisfied then they certainly will not hesitate to return to just see or even come to buy a product so that customer satisfaction will be achieved. The results of this study in accordance with Ghatak et al. (2016) found a positive relationship between the four variables. In addition, this study is also in accordance with the research of Chang et al (2015) and Tariq et al (2016) to find sales employers and store atmosphere attributes of active wear specialty stores have a positive effect on consumer satisfaction.

➢ *Effect of Discount Perceptions on Consumer satisfaction*

The test results show that the perception of price cuts has a significant effect on customer satisfaction. The discounted price is the result of a reduction from the base price in the form of a price cut or other concessions such as a number of free items. Discount Perceptions affect consumer satisfaction. If Discount Perceptions gets higher, customer satisfaction will be higher. Discount Perceptions can affect the buyer's positive emotional state and that condition can cause a purchase to occur. Thus giving rise to feelings of pleasure and arousing desire. The results of this study in accordance with Noyan et al. (2014) found that the perception of comparative prices affects customer satisfaction

➢ *Effect of Consumer satisfaction on Repatronage intention*

The test results show that customer statisfaction has a significant effect on 3 Second consumer intention repatronage in Jember Regency. Consumers who are truly loyal are not only very potential to become word-of-mouth advertisers, but also likely Repatronage intention in the company's product and service portfolio for many years.

Customer satisfaction is an emotional response in evaluating the consumption experience of a product or service. A crucial thing for a company to know the level of customer satisfaction. The results of this study are in accordance with Chang et. Al (2015), Nair (2016), Lonial and Zaim (2017) and Liu and Wang (2017) who found the relevance of the Consumer satisfaction and Repatronage intention variables.

VI. CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the analysis, it can be concluded that the matters of Product related attributes have a significant effect on Consumer satisfaction. Store related attributes have a significant effect on Consumer satisfaction. Discount Perceptions have a significant effect on Consumer satisfaction. Consumer satisfaction has a significant effect on Repatronage intention. Suggestions that can be proposed include companies increasing store attributes in improving Consumer Satisfaction and Repatronage intention. For the next researcher, the variables used in the study should be added as other variables that shape consumer loyalty so that the results of the research will be accurate and as desired.

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