Analysis of the Influence of Self Congruity, Functional Congruity, Perceived Value, and Attractiveness of Alternatives on Customer Satisfaction and Ultimately Customer Loyalty at Hypermart Lippo Plaza in Kupang

Chrisantus Yobelto Seran

1 Faculty of Economics and Business, Pelita Harapan University, Surabaya, Indonesia

ABSTRACT

The retail industry has experienced rapid growth and development throughout the world, including Indonesia. One of the major retail industries in Indonesia, namely Hypermart. Apart from providing jobs, Hypermart also contributed greatly to the growth of the national economy. Thus, making it one of the multipurpose stores that is quite reliable by the public, and Hypermart also really maintains consumer loyalty by continuously strengthening consumer satisfaction in using the products and services offered by Hypermart. The purpose of this study was to determine the effect of self-congruity, functional congruity, perceived value, attractiveness of alternatives and customer satisfaction on customer loyalty. The benefit of this research is to increase insight and knowledge, especially in knowing how much influence customer satisfaction has so that it can increase customer loyalty. This research is a causal research using quantitative methods and processed with the help of a statistical program, namely AMOS version 22.0. Data was collected by distributing questionnaires using the snowball sampling technique to 100 respondents, with the characteristics of the respondents being both male and female, aged 18-60 years, domiciled in Kupang, had bought and visited Hypermart at least 2 (two) times in the period within the last 6 (six) months, have purchased and used other similar products in the past year and have interacted with employees of Hypermart.

Keywords: Self Congruity, Functional Congruity, Perceived Value, Attractiveness of Alternatives, Customer Satisfaction and Customer Loyalty.

Corresponding Author:
Chrisantus Yobelto Seran
Faculty of Economics and Business, Pelita Harapan University, Surabaya, Indonesia
Email: chrisantus.seran03@gmail.com

1. INTRODUCTION

At this time, the retail industry continues to evolve and grow worldwide, including Indonesia. Not only does it create job opportunities, but this industry also contributes significantly to the national economy. Some Indonesians are undoubtedly familiar with modern stores (modern markets) such as minimarkets, supermarkets, department stores, and wholesale markets. The retail industry is quite favored by citizens because it provides a fairly complete...
range of primary and secondary products in each market, easily accessible locations, and a safe atmosphere.

The continuous challenges faced by the retail industry require its participants to work extra hard to maintain their existence. This doesn't mean that the retail industry is facing extinction. However, the growth of the digital world and all the conveniences it gradually provides are pressing on the presence of existing stores. This challenge seems daunting as some popular retail industries have decided to close their stores. A challenge for retailers is the rapidly changing technology. This makes it difficult to choose a new system or to adapt between new and previously used technologies. One example of rapidly evolving technology is online shopping, which relates to consumer trust in using it. Then there are also several challenges such as changes in shopping trends, where retail businesses that tend to offer physical stores will increasingly be pressured by the trend of online shopping. Additionally, the growing digital transactions can facilitate consumers in obtaining the needed products without having to visit stores that are quite far away and consume time, energy, and transportation costs.

The retail industry also has to face the challenge of maintaining customer loyalty, where in the current digital era, essential goods are already spread across various online shops or e-commerce platforms that undoubtedly offer various options and more affordable prices. Therefore, consumers nowadays are presented with numerous choices, so when a store no longer provides the desired service, products, and prices, there are still other alternatives available. To address this challenge, the retail industry needs to take a direct or personal approach to consumers, such as by paying attention to members and providing information about consumer needs related to the offered products.

Data shows intense competition between Hypermart and Carrefour as well as Lotte Mart. Based on the data, it can be concluded that Hypermart has the most outlets in Indonesia. However, competition among competitors can proceed smoothly based on creative development and innovation, thus attracting public attention to use products and services from retail companies in Indonesia. Based on this competitive data, Hypermart must enhance customer loyalty to maintain success and continue to compete. Building customer loyalty is a way to sustain a company, as loyal customers benefit the company as producers by maintaining interest in the offered products [1].

Variables influencing customer loyalty include customer satisfaction. Customer satisfaction is the perceived result of a buyer from the company's performance that meets their expectations [2]. Customers are satisfied when their expectations are met and delighted when their expectations are exceeded. Satisfied customers will remain loyal longer, buy more, be less price-sensitive, and provide positive feedback about the company. There are also variables affecting customer satisfaction and loyalty, such as self-congruity. Self-congruity is a concept where consumers compare their perception of a brand's image with their own self-concept [3]. There are also variables affecting customer satisfaction and loyalty, such as functional congruity. Functional congruity can be interpreted as the comparison between a brand's utilitarian attributes and consumers' expectations of product attributes [4]. The functional congruity model is based on the fact that consumers can choose a brand or product based on functional aspects.

Based on research conducted by Sari W.N, it was found that Self congruity has a positive and significant influence on Customer satisfaction. Because in the study by Sari W.N ,Self
congruity is a unique self-image possessed by a café, Beranda Eatery. Therefore, as a premium café that presents distinctive building forms, interior designs, equipment used, and constantly refreshed menu flavors, it will generate its own appeal and certainly increase satisfaction among customers who come to visit. There is also research indicating that Self Congruence does not have a significant effect on Customer satisfaction at Broadway Barbershop [5]. Thus, at Broadway Barbershop, there is a belief that Self Congruence does not influence Customer satisfaction. Furthermore, research by H. Tan and R. Karina shows that Perceived value has a significant influence on Customer satisfaction, where the perceived value by consumers, therefore, they will feel satisfied with the shopping experience at Shopee.

Based on the elaboration above, this study will discuss the factors influencing customer satisfaction and customer loyalty towards Hypermart. This research will examine whether self congruity, functional congruity, perceived value, and attractiveness of alternatives influence customer satisfaction and customer loyalty among customers of Hypermart Lippo Plaza in Kupang.

2. METHOD
2.1 Types of research
The research method used in this study is a type of quantitative research. Quantitative research methods are referred to as traditional methods because they have been used for a long time and have become traditional as one of the methods for research. Quantitative research methods are one type of research that is systematic, planned, and clearly structured from the beginning to the design of the research. Quantitative research methods can be defined as research methods based on positivism philosophy used to examine a specific population or sample by collecting data using research instruments, conducting numerical or statistical data analysis with the aim of testing predetermined hypotheses [6]. This type of research is causal research because it aims to test and analyze the influence of independent variables on dependent variables and is used to develop a research model that has been determined based on literature review to address the problems identified in the previous chapter.

2.2 Population and Sample
Population is a generalization area consisting of objects or subjects with certain quantities and characteristics determined by the researcher to be studied and then conclusions drawn. The population encompasses all data within a certain scope and timeframe that we will define [7]. Population refers to all members of a group of people, events, or objects that have been clearly formulated [8]. Based on this understanding, it can be understood that the population can be determined from the area to be studied through research and conclusions drawn from the research results. In this case, the population used is the customers of Hypermart in Kupang.

Sample is a part of the total and characteristics possessed by the population. According to Margono, a sample is a subset of the population and an example to be taken using certain methods. In this study, the sampling technique used is Non-Probability Sampling with the Snowball Sampling method. Non-probability Sampling is a method that does not provide equal opportunity or chance for every element or member of the population to be selected as a sample. Snowball Sampling is a technique for determining a sample initially, then this sample spreads from its friends who are selected as samples [9].

Journal Homepage: https://jurnal.intekom.id/index.php/ijeam
2.3 Data Processing

Data analysis method is the process of dissolution and systematic arrangement of data derived from data obtained through field observations and documentation by categorizing data, elaborating it into units, synthesizing, arranging data in patterns, conducting analysis, and drawing conclusions, so that the data obtained is easily understood by oneself and others. Meanwhile, data analysis explains the techniques and steps taken in processing or analyzing data, as well as simplifying data into a form that is easier to read and present. A study is required to interpret the results of data analysis with the aim of answering all the questions posed by the researcher. In quantitative data analysis, the measurements used in the study are calculated by a certain number of units or expressed through numbers. This analysis includes data processing up to determining the data results [10].

2.4 Hypothesis Test

The obtained data from the questionnaire will be processed using the SEM (Standard Equation Models) analysis technique. SEM is a set of statistical techniques that allow testing a relatively complex set of relationships simultaneously. Simultaneous models are formed through more than one dependent variable explained by one or several independent variables, and where a dependent variable simultaneously acts as an independent variable for other hierarchical relationships. Based on the obtained data, it can be explained that the items referred to in this study are X1-X13 and Y1-Y6. The exogenous constructs in the diagram are Self congruity, Functional Congruity, Perceived value, and Attractiveness of alternatives. The endogenous constructs are Customer satisfaction and Customer loyalty.

![Thinking Flow Diagram](image)

Figure 1. Thinking Flow Diagram

3. RESULTS AND DISCUSSION

3.1 Based on Demographic Characteristics

The respondents of this research are residents of Kupang, East Nusa Tenggara, who have visited and shopped at Hypermart Lippo Plaza Kupang. This shopping destination is popular among the community, both men and women, as 57% of the respondents are male and 43% are
female. Both men and women are interested in visiting Hypermart Lippo Plaza because besides fulfilling their needs, it can also be used as a place for refreshing with friends or family. The majority of visitors to Hypermart Lippo Plaza are young people aged between 18-35 years old, reaching 84% of the total respondents. Many young people are interested in visiting shopping places where they can shop while hanging out. It has become a culture and habit for young people to hang out and socialize in shopping places [11]. The lively atmosphere of shopping places is also an attraction for young people to visit and shop for their needs.

3.2 Factors That Influence Customer Satisfaction

The four variables hypothesized to influence customer satisfaction among shoppers at Hypermart Lippo Plaza are: self congruity, functional congruity, perceived value, and attractiveness of alternatives. The assessment of these four independent variables is considered to affect the level of customer satisfaction. The results of the first hypothesis test (H1) prove the influence of self congruity on customer satisfaction among shoppers at Hypermart Lippo Plaza. The lambda loading value of the influence of self congruity on customer satisfaction is 0.246 (positive), meaning self congruity has a positive influence on customer satisfaction. The test results show a c.r value of 2.890 with a p-value of 0.004. The c.r value is above 2.00 (statistical requirement) and the p-value is below 0.05. These results reinforce that self congruity has a positive and significant influence on customer satisfaction.

The second hypothesis is the influence of functional congruity on customer satisfaction among visitors to Hypermart Lippo Plaza. The lambda loading value of functional congruity on customer satisfaction is 0.368. This lambda loading value is positive, indicating that functional congruity has a positive influence on customer satisfaction. The c.r value of the influence of functional congruity on customer satisfaction is 3.317, with a p-value of 0.000. These results confirm that functional congruity at Hypermart Lippo Plaza has a positive and significant influence on customer satisfaction. Functional congruity is the alignment between consumers' ideal functional image of a product or service with the perceived image of an offer.

The third hypothesis is that perceived value significantly influences customer satisfaction. The lambda loading value of the influence of perceived value on customer satisfaction is 0.303, meaning that higher perceived value perceived by visitors to Hypermart Lippo Plaza leads to increased satisfaction. Similarly, when perceived value decreases, satisfaction also decreases. The statistical test with a c.r value of 3.846 and a p-value of 0.000 indicates that perceived value significantly influences customer satisfaction. Perceived value is the benefits received by customers related to the total cost. Perceived value is a combination of elements including physical attributes, service, and technical support obtained when using a product. From the research results, it is found that customers of Hypermart Lippo Plaza in Kupang feel that the products offered have prices commensurate with the quality offered, perceive that the service quality matches the price of the products offered, and feel that the prices are reasonable based on the good service experience provided. This will increase customer satisfaction as customers feel they receive good and satisfying products and services when visiting Hypermart Lippo Plaza.

The fourth hypothesis testing concerns the influence of attractiveness of alternatives on customer satisfaction. The data processing results yielded a lambda loading value of -0.117 for the influence of attractiveness of alternatives on customer satisfaction, indicating that higher attractiveness of alternatives leads to decreased satisfaction, while lower attractiveness of alternatives results in increased visitor satisfaction. The statistical test yielded a c.r value of -2.434 with a p-value of 0.015. These results indicate that attractiveness of alternatives significantly negatively influences customer satisfaction. From the research findings, it is
obtained that customers of Hypermart Lippo Plaza in Kupang perceive that stores other than
Hypermart Lippo Plaza have attractive store displays, good service quality for shopping, and
offer product prices commensurate with their quality.

The sixth hypothesis is to test the influence of functional congruity on customer loyalty
among visitors to Hypermart Lippo Plaza in Kupang. The statistical results of the influence of
functional congruity on customer loyalty yield a lambda loading value of 0.159, which is
positive, indicating that functional congruity has a positive influence on customer loyalty,
meaning that better ratings of functional congruity lead to increased loyalty. However, the
research hypothesis test results show a c.r value of 1.209 with a p-value of 0.227. This finding
indicates that although functional congruity has an influence on customer loyalty, its effect is
very small and therefore not statistically significant. Functional congruity is the alignment
between perceived functional or important functional characteristics.

The seventh hypothesis is the significant influence of perceived value on customer loyalty
among visitors to Hypermart Lippo Plaza in Kupang. The lambda loading value of the influence
of perceived value on customer loyalty is 0.252, positive, indicating that perceived value has a
positive influence on customer loyalty, meaning that an increase in perceived value leads to
increased customer loyalty, and a decrease in perceived value leads to decreased customer
loyalty. The c.r value from the hypothesis test is 2.461 with a p-value of 0.014. This finding
indicates that perceived value has a direct and significant influence on customer loyalty.
Perceived value is the benefits received by customers related to the total cost. Perceived value
is a combination of elements including physical attributes, service, and technical support
obtained when using a product.

The eighth hypothesis is the significant influence of attractiveness of alternatives on
customer loyalty. The lambda loading value from the attractiveness of alternatives equation on
customer loyalty is -0.065, negative, indicating that attractiveness of alternatives has a negative
influence on customer loyalty, meaning that when competitor appearance, competitor service
quality, and price adequacy with competitor product quality are better than Hypermart Lippo
Plaza, loyalty decreases. However, if Hypermart Lippo Plaza is rated better than competitors,
loyalty increases.

The ninth hypothesis is the influence of customer satisfaction on customer loyalty. The
lambda loading value from the customer satisfaction equation on customer loyalty is 0.564,
positive, indicating that customer satisfaction has a positive influence on customer loyalty,
meaning that higher satisfaction leads to stronger loyalty and vice versa. The c.r value from the
hypothesis testing yields a value of 2.775 with a p-value of 0.006. This finding indicates that
customer satisfaction has a significant influence on customer loyalty

3.3 Gap Analysis
The managerial implications are related to the assessment of the gap between the best
indicators and the most important indicators. The ideal condition is that the indicator with the
best assessment is the most important indicator. The assessment of the best indicator is based
on the mean value, while the most important indicator is based on the lambda loading value.

<table>
<thead>
<tr>
<th>Question Items</th>
<th>Mean</th>
<th>Lambda Loading</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC1 I feel that the way Hypermart Lippo Plaza employees serve me suits my personality type</td>
<td>3.380</td>
<td>0.822</td>
<td>Tidak Ideal</td>
</tr>
<tr>
<td>SC2 I feel that the way Hypermart Lippo Plaza employees answer questions regarding product information suits my personality type</td>
<td>3.270</td>
<td>0.843</td>
<td></td>
</tr>
</tbody>
</table>
Based on the comparison between the best indicators and the most important indicators, it is known that the indicator with the best assessment of self congruity is employees' ability to explain information about products that match the consumer's personality, meaning among the three other indicators, the ability to explain information about products is the best. Meanwhile, based on the lambda loading value, it is known that the way employees show attention to visitors is considered most important by the visitors.

This condition is considered less than ideal because ideally, the best assessment should be the most important assessment. Therefore, the management of Hypermart Lippo Plaza deserves to provide training to employees regarding the importance of visitors knowing that employees pay attention to them. Additionally, management should also be able to provide various examples of how employees show attention to visitors that align with the visitors' personalities. Evaluation of visitor characteristics or personalities should continue to be conducted so that management better understands visitor personalities and can employ various forms of approach to visitors.

Table 2. Gaps in Functional Congruity Variables

<table>
<thead>
<tr>
<th>Question Items</th>
<th>Mean</th>
<th>Lambda Loading</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC3 I feel that the way Hypermart Lippo Plaza employees explain product information suits my personality type</td>
<td>3,400</td>
<td>0.844</td>
<td></td>
</tr>
<tr>
<td>SC4 I feel that the way Hypermart Lippo Plaza employees show attention to customers suits my personality type</td>
<td>3,220</td>
<td>0.878</td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed data (2024)

Based on visitor responses, the pleasant environment of the Lippo Plaza Hypermart store is considered the best indicator of functional congruity. However, based on the level of importance, it turns out that the lambda loading value is highest in a comfortable shopping atmosphere. Visitors feel that the comfort level of the shopping place is very important because with a comfortable atmosphere, visitors can be calmer when shopping at Hypermart Lippo Plaza, and for visitors who also want to hang out then can feel more comfortable.

Conditions for functional congruity are considered not ideal because the best indicators are not the most important indicators. Hypermart Lippo Plaza management should be able to continue to innovate in the shopping space, starting from decoration, arrangement of shopping shelves, air conditioning and other things that can make visitors feel comfortable while shopping. A comfortable atmosphere in a shopping place is considered important by visitors because apart from getting shopping goods, visitors can also relax at Hypermart Lippo Plaza.
Perceived value is in ideal conditions, because the indicators that are considered the best in appearance are the indicators that are considered the most important by visitors. Visitors to Hypermart Lippo Plaza consider that prices that are in line with product quality are the best as perceived by visitors, and that price and quality match are also considered the most important by visitors in addition to price match and the experience they get when shopping at Hypermart Lippo Plaza.

Hypermart Lippo Plaza management can continue to maintain appropriate pricing based on the quality of the products or the experience that visitors can get while shopping at Hypermart Lippo Plaza. Management can continue to monitor the prices of similar products offered by competitors to increase the competitiveness of selling prices at Hypermart Lippo Plaza. Management can also create product categories based on their quality and the prices set are adjusted to the quality of the product to increase the perceived value felt by visitors.

The assessment of the attractiveness of the best alternatives for Hypermart Lippo Plaza is based on the lowest average value, namely the service quality of competitors that is better than Hypermart Lippo Plaza. Meanwhile, the indicator of attractiveness of alternatives that is considered the most important is the price of the product in accordance with the quality of the product offered by competitors. For this reason, the attractiveness of alternatives in conditions is not ideal because the best indicator is not the most important indicator.

Hypermart Lippo Plaza management should also continue to evaluate competitors, especially based on price suitability and product quality. Hypermart Lippo Plaza management can use the survey results on competitors as a reference in setting more attractive prices by setting prices in accordance with the quality of the products sold.
Table 5. Gaps in Customer Satisfaction Variables

<table>
<thead>
<tr>
<th>Question Items</th>
<th>Mean</th>
<th>Lambda Loading</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS1 I am overall satisfied with Hypermart Lippo Plaza</td>
<td>3.300</td>
<td>0.886</td>
<td></td>
</tr>
<tr>
<td>CS2 I feel satisfied with Hypermart Lippo Plaza compared to other similar stores</td>
<td>3.370</td>
<td>0.829</td>
<td>Not ideal</td>
</tr>
<tr>
<td>CS3 I feel satisfied with the pleasant experience when shopping at Hypermart Lippo Plaza</td>
<td>3.400</td>
<td>0.871</td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed data (2024)

Hypermart Lippo Plaza visitor satisfaction is highest based on the experience they get when visiting Hypermart Lippo Plaza. This experience has the highest satisfaction compared to the other two indicators. However, based on the indicator that is considered the most important in terms of satisfaction, it turns out that according to visitor assessments, it is overall satisfaction with Hypermart Lippo Plaza. For this reason, there is a gap in visitor satisfaction between the best indicators and the most important indicators.

Hypermart Lippo Plaza management should continue to improve all product and service components so as to build overall satisfaction. Improving the quality of products sold needs to continue to be improved, meaning that Hypermart Lippo Plaza also needs to improve its quality control (QC) performance to ensure that the products sold by Hypermart Lippo Plaza are quality products. Improving service quality also needs attention, for example service speed, resolution of visitor complaints, and other things. Meanwhile, the atmosphere or environment also needs to be kept clean, interior and exterior design innovations for shopping places can increase visitor comfort when shopping.

Table 6. Gaps in Customer Loyalty Variables

<table>
<thead>
<tr>
<th>Question Items</th>
<th>Mean</th>
<th>Lambda Loading</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>CL1 I feel that I will always choose Hypermart Lippo Plaza when I want to shop for daily necessities in the future</td>
<td>3.440</td>
<td>0.879</td>
<td>Not ideal</td>
</tr>
<tr>
<td>CL2 I would recommend Hypermart Lippo Plaza to others</td>
<td>3.550</td>
<td>0.839</td>
<td></td>
</tr>
<tr>
<td>CL3 I will continue to provide positive reviews of the performance of Hypermart Lippo Plaza</td>
<td>3.570</td>
<td>0.875</td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed data (2024)

Based on the evaluation of visitor loyalty at Hypermart Lippo Plaza, it turns out that of the three indicators of customer loyalty, the third indicator is the willingness of visitors to continue to provide visitor reviews about Hypermart Lippo Plaza which is considered the best by visitors. Meanwhile, loyalty which is considered the most important is always choosing Hypermart Lippo Plaza when you want to shop. For this reason, there is a gap (non-ideal conditions) between the best indicators and the most important indicators.

Management should continue to increase visitor loyalty, and so that visitors have the desire to continue choosing Hypermart Lippo Plaza when they want to shop, management can periodically organize certain events to attract interest in visits. Management can organize various events, for example live music at the Lippo Plaza Hypermart arena. This needs to be done to continue to increase visitors' desire to continue visiting Hypermart Lippo Plaza.

4. CONCLUSION

This research was conducted to test the influence of self-congruity, functional congruity, perceived value and attractiveness of alternatives on customer satisfaction and ultimately
customer loyalty among Hypermart Lippo Plaza customers in Kupang. Based on what is stated in the introduction, the research problem underlying this research has been explained, namely that there are still many factors that influence customer loyalty that can be explored and explained what underlies customer loyalty. Through research conducted on 57 male respondents and 43 female respondents aged 18-60 years and based on the research conducted, it was found that self-congruity, functional congruity, perceived value, and attractiveness of alternatives have a direct PGHS on customer satisfaction, and customer satisfaction has a direct influence on customer loyalty. Efforts to continue to increase visitor loyalty so they continue to shop at Hypermart Lippo Plaza, provide positive references about Hypermart Lippo Plaza, and provide positive reviews to other visitors can be done by continuing to increase visitor satisfaction.

REFERENCES