



THE ROLE OF CUSTOMER SATISFACTION IN MEDIATING THE EFFECT OF STORE ATMOSPHERE AND EMOTIONAL BRANDING ON CUSTOMER LOYALTY

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Abstract

This study aims to analyze the effect of store atmosphere and emotional branding on customer loyalty with consumer satisfaction as a mediating variable among Generation Z consumers of Kopi Kenangan in Cirebon. The study uses a quantitative approach with a causal associative design. The research sample consisted of 230 Generation Z respondents selected through purposive sampling. Data were collected using a Likert scale questionnaire and analyzed using the Structural Equation Modeling–Partial Least Square (SEM-PLS) method using the SmartPLS application. The results showed that emotional branding and customer satisfaction had a positive and significant effect on customer loyalty. Store atmosphere had a positive and significant effect on customer satisfaction but did not have a significant direct effect on customer loyalty. Customer satisfaction was found to fully mediate the effect of store atmosphere on customer loyalty and partially mediate the effect of emotional branding on customer loyalty. These findings confirm that Generation Z consumer loyalty is more influenced by emotional experiences and satisfaction levels than by physical store factors directly.

Keywords: Store Atmosphere, Emotional Branding, Customer Satisfaction, Customer Loyalty, Generation Z, Coffee Shop.



INTRODUCTION

The development of the food and beverage industry in Indonesia has shown significant growth in recent years, particularly in the coffee shop sector. The phenomenon of increasing coffee consumption is no longer merely about fulfilling functional needs but has evolved into a lifestyle for urban communities (Nugroho & Setyorini, 2021). Coffee shops now function as social spaces — places to work, interact, and express self-identity, especially among the younger generation. This condition drives increasingly fierce competition between coffee businesses, both local and international brands, thereby demanding more innovative and consumer-experience-oriented marketing strategies (Pratama et al., 2022).

Generation Z has become a dominant market segment in Indonesia's coffee shop industry. This generation is known as consumers who grew up in the digital era, possess rapidly changing preferences, and tend to evaluate a brand not only based on product quality but also on the experience, values, and emotional connection offered (Priporas et al., 2017). Customer loyalty among Gen Z presents its own challenges because they have numerous alternatives, tend to switch brands easily, and are heavily influenced by emotional experiences and perceptions of satisfaction (Ladhari et al., 2019). Therefore, understanding the factors that shape Gen Z loyalty has become a critical issue for the sustainability of the coffee shop business.

In the context of modern marketing, store atmosphere and emotional branding are viewed as two strategic elements capable of shaping the consumer experience. Store atmosphere reflects the physical environment of the outlet, including interior design, lighting, layout, music, aroma, and cleanliness, which collectively influence consumer emotions and perceptions while inside the store (Kotler & Keller, 2016). Meanwhile, emotional branding focuses on a brand's efforts to build emotional relationships through brand storytelling, values, visual aesthetics, and consistent interaction with consumers (Gobé, 2010). Both factors are believed to create positive experiences that lead to customer satisfaction and loyalty.

Kopi Kenangan, as one of Indonesia's leading local coffee brands, has successfully captured the attention of Generation Z through a modern brand concept, strong digital marketing strategies, and product accessibility. Nevertheless, the high intensity of competition and the dynamic characteristics of Gen Z mean that customer loyalty cannot be built solely through product excellence or the physical ambiance of the outlet. Customer satisfaction serves as



a key factor bridging the perceived experience with long-term loyalty behavior (Oliver, 2014).

Numerous previous studies show varying findings regarding the influence of store atmosphere and emotional branding on customer loyalty, particularly when customer satisfaction is placed as a mediating variable. Some studies found a significant direct influence, while others indicated that this influence only emerges after being mediated by customer satisfaction (Han et al., 2018). Furthermore, most previous research was conducted within different industrial contexts and consumer characteristics, leaving a research gap for studies focused on local coffee brands and Generation Z.

Based on this background, this study aims to analyze the influence of store atmosphere and emotional branding on customer loyalty, with customer satisfaction as a mediating variable among Generation Z consumers of Kopi Kenangan in Cirebon. This research is expected to provide empirical contributions to the development of marketing literature, specifically regarding Gen Z consumer behavior, and serve as a practical reference for coffee shop businesses in designing experience- and emotion-based marketing strategies to build sustainable customer loyalty.

LITERATURE REVIEW

This study is grounded in the Theory of Planned Behavior (TPB), introduced by Icek Ajzen (1991) as an extension of the Theory of Reasoned Action. TPB explains that human behavior is primarily driven by behavioral intention, which serves as the strongest predictor of actual behavior. This intention is influenced by three main components: attitude toward behavior, subjective norms, and perceived behavioral control (Ajzen, 1991).

Attitude toward behavior reflects an individual's evaluation of a particular action, whether favorable or unfavorable. Subjective norms refer to perceived social pressure from significant others, while perceived behavioral control represents an individual's perception of their ability to perform the behavior based on available resources and opportunities. These three components collectively shape behavioral intention, which ultimately determines actual behavior (Ajzen, 1991).

In marketing, TPB has been widely applied to explain consumer behavior, including purchase decisions, satisfaction, and customer loyalty. The theory is particularly relevant in understanding how internal and external factors influence Generation Z consumers in choosing and remaining loyal to a brand.



The concept of store atmosphere refers to the perspective of Philip Kotler and Kevin Lane Keller (2018), who define it as a critical element in creating customer experience and differentiating a brand from its competitors. Store atmosphere includes various physical aspects such as layout, lighting, music, scent, and cleanliness, all designed to influence consumer emotions and behavior (Turley & Milliman, 2000; Eroglu et al., 2003).

From the TPB perspective, store atmosphere is associated with perceived behavioral control, as comfort and accessibility influence consumers' perceptions of their ability to engage in purchasing behavior. A well-designed store atmosphere can create positive experiences that enhance customer satisfaction and encourage repeat purchases.

Furthermore, emotional branding, as introduced by Marc Gobé (2005), emphasizes building emotional connections between consumers and brands through meaningful experiences, values, and storytelling. Emotional branding goes beyond functional attributes and focuses on creating strong emotional bonds with consumers (Schmitt, 1999).

Within the TPB framework, emotional branding is linked to subjective norms, as emotional attachment and social influence shape consumer preferences and loyalty. Previous studies have shown that emotional attachment plays a significant role in enhancing both customer satisfaction and loyalty (Thomson et al., 2005; Carroll & Ahuvia, 2006).

Customer loyalty in this study is defined as a commitment to repurchase and maintain a long-term relationship with a brand (Oliver, 1999). Loyalty is reflected not only in repeat purchase behavior but also in positive attitudes and willingness to recommend the brand to others (Griffin, 2005). From the TPB perspective, loyalty represents actual behavior influenced by intention, attitudes, social norms, and perceived control.

Meanwhile, customer satisfaction is defined as an emotional response resulting from the comparison between expectations and perceived performance (Kotler & Keller, 2018). Satisfaction plays a crucial role in shaping customer loyalty, as positive experiences increase the likelihood of repeat purchases (Oliver, 1999). Moreover, satisfaction acts as a mediating variable linking marketing factors to customer loyalty (Anderson & Srinivasan, 2003; Verhoef et al., 2009).

Empirical studies indicate that the relationships among store atmosphere, emotional branding, customer satisfaction, and customer loyalty remain inconsistent. Some studies highlight the mediating role of satisfaction, while



others demonstrate direct effects on loyalty (Adisaputra et al., 2025; Alfiansyah et al., 2024; Azhar & Nirawati, 2022; Anjani, 2024).

These inconsistencies are influenced by differences in research context, consumer characteristics, and methodologies. Therefore, this study aims to address this gap by examining the mediating role of customer satisfaction in the relationship between store atmosphere, emotional branding, and customer loyalty among Generation Z consumers in the coffee shop industry.

Based on these theoretical and empirical foundations, it can be concluded that store atmosphere and emotional branding play significant roles in influencing customer satisfaction and loyalty. Customer satisfaction serves as a mediating variable linking emotional and physical factors to customer loyalty, forming the conceptual framework of this study (Hair et al., 2017).

RESEARCH METHOD

This study employs a quantitative approach with a causal associative design, aiming to examine the cause-and-effect relationship between store atmosphere, emotional branding, and customer loyalty, with customer satisfaction as a mediating variable (Sugiyono, 2019). The quantitative approach was selected as it allows for objective variable measurement and empirical hypothesis testing based on numerically analyzed statistical data (Creswell & Creswell, 2017).

The research population consists of Generation Z consumers who have purchased Kopi Kenangan products in the Cirebon area. Sampling was conducted using a purposive sampling technique, specifically targeting respondents categorized as Generation Z who have purchased Kopi Kenangan at least once in the last three months (Sekaran & Bougie, 2016). The sample size consists of 230 respondents, which fulfills the requirements for Structural Equation Modeling–Partial Least Square (SEM-PLS) analysis, necessitating five to ten times the number of research indicators (Hair et al., 2017).

The data used in this study comprise both primary and secondary data. Primary data were obtained through the distribution of online questionnaires using a five-point Likert scale, ranging from "strongly disagree" (1) to "strongly agree" (5) (Sugiyono, 2018). The questionnaire was developed based on indicators representing the variables of store atmosphere, emotional branding, customer satisfaction, and customer loyalty. Meanwhile, secondary data were gathered from supporting sources such as books, academic journals, and previous relevant research findings.



Data collection was conducted via a survey method, considering the characteristics of Generation Z respondents who are highly active in digital media. The research instrument was designed to capture respondents' perceptions and experiences regarding the outlet's ambiance, emotional attachment to the brand, satisfaction levels, and loyalty toward Kopi Kenangan. Before analysis, the data underwent quality testing through validity and reliability tests to ensure the accuracy and consistency of the instrument (Ghozali, 2021).

Data analysis was performed using the SEM-PLS method assisted by SmartPLS software. The analytical stages included evaluating the measurement model (outer model) to assess the fit of indicators to the research constructs and evaluating the structural model (inner model) to test the relationships between variables (Hair et al., 2014). Hypothesis testing was conducted by examining path coefficients, t-statistic values, and p-values obtained through the bootstrapping procedure. Additionally, a mediation effect analysis was performed to determine the role of customer satisfaction in mediating the influence of store atmosphere and emotional branding on customer loyalty. The entire research process adhered to ethical principles, ensuring voluntary participation and maintaining data confidentiality for academic purposes.

RESULTS AND DISCUSSION

1. Descriptive Statistical Analysis Results

This study involved 230 Generation Z respondents who had purchased products from Kopi Kenangan in Cirebon. Descriptive analysis was employed to illustrate the respondents' characteristics based on gender, age, occupation, and purchasing behavior (Table 1)

Table 1.
Respondent Characteristics

Category	Subcategory	Frequency	Percentage
Gender	Male	82	35.7%
	Female	148	64.3%
Age	<18 years	13	5.7%
	18–22 years	184	80.0%
	23–27 years	32	13.9%
	28–30 years	1	0.4%
Occupation	Student	189	82.1%



	Private Employee	26	11.3%
	Government Employee	8	3.5%
	Entrepreneur	7	3.0%
Purchases in the Last 3 Months	1 time	54	23.5%
	2–3 times	71	30.9%
	>3 times	99	43.0%
	Never	6	2.6%
Purchase Frequency	Once per month	95	41.3%
	2–3 times per month	77	33.5%
	Once per week	25	10.9%
	>1 time per week	33	14.3%

Source: Data processed by the researcher, 2026

The majority of respondents were aged 18–22 (80%), confirming Generation Z's dominance as Kopi Kenangan's primary target market. This aligns with the characteristics of Generation Z, who tend to seek new experiences and consume products that are trending on social media (Priporas et al., 2017). Female respondents dominated at 64.3%, indicating that the female market segment significantly contributes to the consumption of modern coffee products in urban environments.

Most respondents were students (82.1%). This finding suggests that coffee shops do not merely function as beverage providers but have transformed into a "third place" for social activities and academic productivity (Oldenburg, 1989; Nugroho & Setyorini, 2021).

Regarding purchasing behavior, 43% of respondents made more than three purchases within the last three months. This high intensity of purchasing behavior indicates a strong engagement between consumers and the brand, serving as the primary foundation for long-term loyalty formation (Oliver, 2014).

2. Measurement Model Evaluation (Outer Model)

The evaluation of the outer model aims to assess the validity and reliability of the research constructs. This step ensures that the indicators accurately represent their respective latent variables.

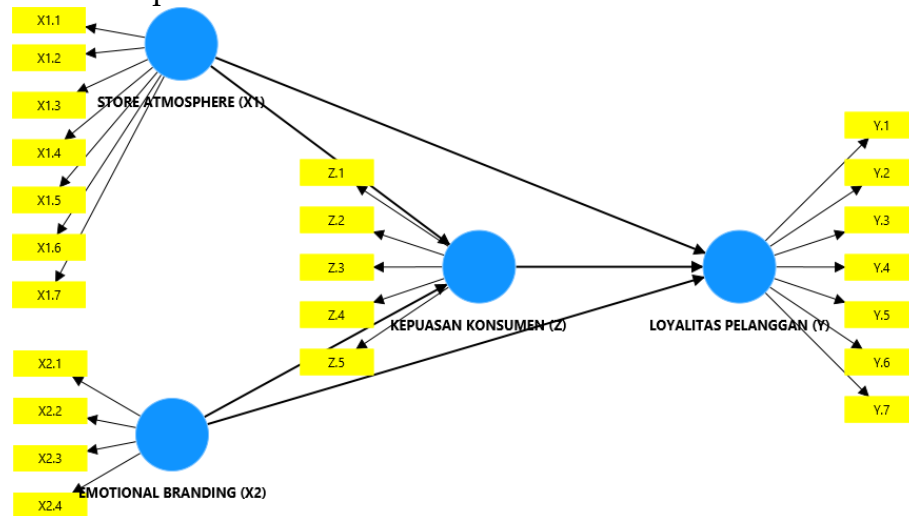


Figure 1.
Outer Model Test

a. Convergent Validity

Table 2.
Loading Factor Values

Item Code	Emotional Branding	Customer Satisfaction	Customer Loyalty	Store Atmosphere
X1.1				0.733
X1.2				0.799
X1.3				0.705
X1.4				0.761
X1.5				0.677
X1.6				0.753
X1.7				0.708
X2.1	0.764			
X2.2	0.782			
X2.3	0.817			
X2.4	0.793			
Y.1			0.776	
Y.2			0.828	
Y.3			0.906	



Y.4			0.881	
Y.5			0.861	
Y.6			0.849	
Y.7			0.852	
Z.1		0.862		
Z.2		0.812		
Z.3		0.786		
Z.4		0.786		
Z.5		0.698		

Source: Processed data using SmartPLS, 2026

Most indicators exhibit loading factor values above 0.70, indicating that they adequately represent their respective constructs. In PLS-SEM analysis, a loading factor of ≥ 0.70 is considered ideal, as it reflects a strong contribution of the indicator to the latent construct.

However, indicators with loading values between 0.60 and 0.70 are still acceptable, particularly in exploratory research stages, as long as the Average Variance Extracted (AVE) exceeds 0.50.

Based on these results, all research variables, namely:

- Store Atmosphere
- Emotional Branding
- Customer Satisfaction
- Customer Loyalty

have met the criteria for convergent validity. This indicates that the measurement model is capable of adequately explaining the latent constructs.

b. Average Variance Extracted (AVE)

Table 3.
Nilai AVE

Variable	Average Variance Extracted (AVE)
Emotional Branding	0.623
Customer Satisfaction	0.625
Customer Loyalty	0.725
Store Atmosphere	0.540

Source: Processed data using SmartPLS, 2026



All variables show AVE values above 0.50, indicating that more than 50% of the variance of the indicators is explained by their respective latent constructs. An AVE value ≥ 0.50 indicates good convergent validity in PLS-SEM (Fornell & Larcker, 1981; Hair et al., 2017) . Customer Loyalty has the highest AVE value (0.725), indicating strong indicator consistency.

c. Discriminant Validity

Table 4. Table 4. Fornell–Larcker Criterion

Variable	Emotional Branding	Customer Satisfaction	Customer Loyalty	Store Atmosphere
Emotional Branding	0.789			
Customer Satisfaction	0.679	0.791		
Customer Loyalty	0.749	0.744	0.851	
Store Atmosphere	0.729	0.732	0.677	0.735

Source: Processed data using SmartPLS, 2026

Based on the Fornell–Larcker criterion, the square root of AVE for each construct is greater than its correlations with other constructs. This confirms adequate discriminant validity (Fornell & Larcker, 1981; Hair et al., 2014) . Thus, the model satisfies discriminant validity requirements.

d. Reliability Test

Table 5. Reliability Test Results

Variable	Cronbach’s Alpha	Composite Reliability
Emotional Branding	0.798	0.868
Customer Satisfaction	0.850	0.892
Customer Loyalty	0.936	0.948
Store Atmosphere	0.858	0.891

Source: Processed data using SmartPLS, 2026

All constructs have Cronbach’s Alpha and Composite Reliability values above 0.70, indicating good internal consistency. In PLS-SEM, Composite Reliability ≥ 0.70 is considered acceptable (Hair et al., 2014; Bagozzi & Yi, 1988) . Customer Loyalty shows the highest reliability (CR = 0.948), indicating excellent internal consistency. Therefore, all constructs are reliable.

3. Structural Model Evaluation (Inner Model)

Bootstrapping Results

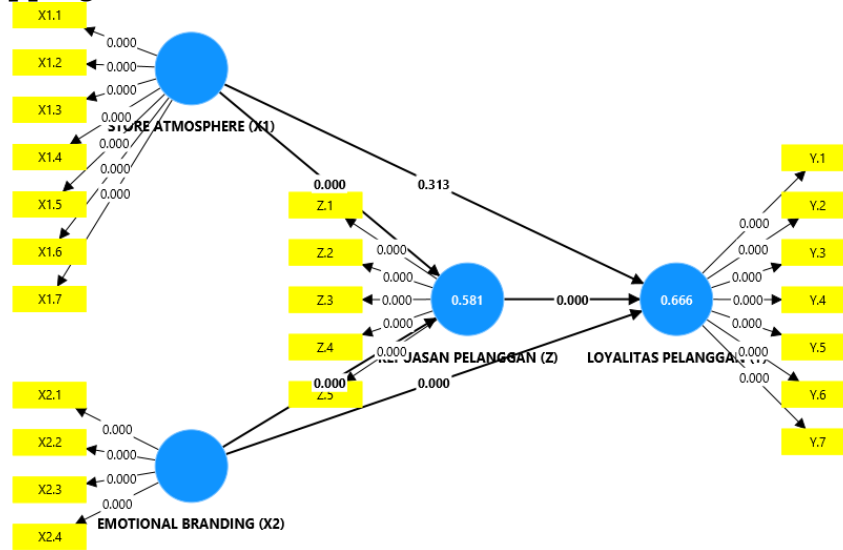


Figure 2.
Inner Model Test

a. Coefficient of Determination (R^2)

Table 6.
R-Square Values

Endogenous Variable	R^2	R^2 Adjusted
Customer Satisfaction	0.581	0.577
Customer Loyalty	0.666	0.661

Source: Processed data using SmartPLS, 2026

The R^2 value indicates the extent to which exogenous variables explain endogenous variables. R^2 values of 0.75, 0.50, and 0.25 are categorized as substantial, moderate, and weak, respectively (Hair et al., 2017; Henseler et al., 2009). The results show that:

- 58.1% of Customer Satisfaction is explained by Store Atmosphere and Emotional Branding
- 66.6% of Customer Loyalty is explained by all variables in the model

Thus, the model can be classified as moderate to strong.



b. Effect Size (F²)

Table 7.
F-Square Values

Variable	Emotional Branding	Customer Satisfaction	Customer Loyalty	Store Atmosphere
Emotional Branding		0.107	0.223	
Customer Satisfaction			0.204	
Customer Loyalty				
Store Atmosphere		0.287	0.006	

Source: Processed data using SmartPLS, 2026

Based on the F-square (f²) values, the effect of each independent variable on the dependent variables shows varying effect sizes. The f² value for store atmosphere on customer loyalty is 0.006, indicating a very small effect size. This suggests that the direct contribution of store atmosphere in explaining customer loyalty is relatively minimal. In contrast, emotional branding on customer loyalty has an f² value of 0.223, which falls into the moderate category, indicating a fairly substantial effect.

Regarding customer satisfaction, store atmosphere has an f² value of 0.287, which is also categorized as moderate, indicating that the in-store environment plays a significant role in enhancing customer satisfaction. On the other hand, emotional branding on customer satisfaction has an f² value of 0.107, which is considered weak, suggesting that although there is an effect, it is not particularly strong. Furthermore, customer satisfaction on customer loyalty shows an f² value of 0.204, categorized as moderate, indicating that customer satisfaction makes a meaningful contribution to the development of customer loyalty.

c. Predictive Relevance (Q²)

Table 8.
Q-Square Values

Variable	Q ²
Customer Satisfaction	0.351
Customer Loyalty	0.473

Source: Processed data using SmartPLS, 2026



The Q² value evaluates the predictive relevance of the model. A Q² value greater than zero indicates that the model has predictive relevance (Hair et al., 2017; Geisser, 1974). Since all Q² values are above zero, the model demonstrates good predictive capability.

d. Model Fit

Table 9. Model Fit

Indicator	Value
SRMR	0.077
NFI	0.803

Source: Processed data using SmartPLS, 2026

An SRMR value below 0.08 indicates a good model fit (Henseler et al., 2015; Hair et al., 2021). Therefore, the model can be considered to have an acceptable level of goodness of fit.

4. Hypothesis Testing

Hypothesis testing was conducted using path coefficients, T-statistics, and P-values obtained through the bootstrapping procedure in PLS-SEM. A hypothesis is considered significant when the T-statistic exceeds 1.96, and the P-value is less than 0.05 at a 5% significance level (Hair et al., 2017; Henseler et al., 2016)

Table 10. Path Coefficients Values

Path	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics	P values
SA (X1) -> LP (Y)	0.075	0.075	0.074	1.009	0.313
EB (X2) -> LP (Y)	0.420	0.422	0.065	6.438	0.000
SA (X1) -> KK (Z)	0.506	0.507	0.065	7.796	0.000
EB (X2) -> KK (Z)	0.310	0.311	0.066	4.687	0.000
KK (Z) -> LP (Y)	0.404	0.403	0.061	6.613	0.000
SA (X1) -> KK (Z) -> LP (Y)	0.204	0.205	0.041	5.030	0.000
EB (X2) -> KK (Z) -> LP (Y)	0.125	0.125	0.033	3.822	0.000

Source: Processed data using SmartPLS, 2026



The results of the analysis are used to examine the relationships among variables in the research model. The findings indicate that store atmosphere (X1) has a positive effect on customer loyalty (Y), with a coefficient value of 0.075; however, the p-value of 0.313 exceeds the significance threshold of 0.05. This suggests that although the direction of the relationship is positive, it is not statistically significant, and thus the hypothesis is rejected. In other words, improvements in store atmosphere have not been proven to directly increase customer loyalty. In contrast, emotional branding (X2) demonstrates a positive and significant effect on customer loyalty, with a coefficient of 0.420 and a p-value of 0.000.

This result indicates that stronger implementation of emotional branding leads to higher levels of customer loyalty. Furthermore, store atmosphere is also found to have a positive and significant effect on customer satisfaction (Z), with a coefficient of 0.506 and a p-value of 0.000, suggesting that a well-designed store environment enhances customer satisfaction. Emotional branding likewise has a positive and significant effect on customer satisfaction, with a coefficient of 0.310 and a p-value of 0.000.

Customer satisfaction (Z) itself is shown to have a positive and significant effect on customer loyalty (Y), with a coefficient of 0.404 and a p-value of 0.000, confirming that satisfied customers are more likely to become loyal customers. In testing the indirect effects, customer satisfaction is found to fully mediate the relationship between store atmosphere and customer loyalty, as the direct effect is not significant while the indirect effect is significant, with a coefficient of 0.204 and a p-value of 0.000. Meanwhile, in the relationship between emotional branding and customer loyalty, customer satisfaction acts as a partial mediator because both the direct and indirect effects are significant, with the indirect effect having a coefficient of 0.125 and a p-value of 0.000.

Table 11. Goodness of Fit (GOF)

Variable	Average Variance Extracted (AVE)	R-square
Store Atmosphere	0.540	
Emotional Branding	0.623	
Customer Loyalty	0.725	0.666
Customer Satisfaction	0.625	0.581
Average	0.628	0.623

Source: Processed data using SmartPLS, 2026



The GOF value is calculated using the formula:

Nilai GOF = Average AVE × Average R Square

Nilai GOF = $\sqrt{0.628 \times 0.623}$

Nilai GOF = 0.626

Based on the analysis results, the GOF value is 0.626, indicating that the combination of the measurement model (outer model) and the structural model (inner model) in this study can be categorized as having a high goodness of fit.

5. Comprehensive Discussion

a. The Effect of Emotional Branding on Customer Loyalty

In contrast to store atmosphere, emotional branding has been shown to have a positive and significant effect on customer loyalty. This finding indicates that emotional attachment built through brand identity, relevant communication, and a strong brand image can encourage Generation Z consumers to continue choosing Kopi Kenangan over competing brands (Schmitt, 1999; Thomson et al., 2005).

Generation Z tends to develop emotional relationships with brands that represent their lifestyle, values, and self-identity. Therefore, Kopi Kenangan's ability to create a brand narrative that resonates with young consumers' daily lives becomes an important factor in building customer loyalty (Fournier, 1998; Kotler & Keller, 2016).

Furthermore, emotional attachment to a brand has been proven to create strong and sustained repurchase commitment, even in the presence of alternative products (Oliver, 1999; Carroll & Ahuvia, 2006).

b. The Effect of Store Atmosphere and Emotional Branding on Customer Satisfaction

The results show that store atmosphere has a positive and significant effect on customer satisfaction. A comfortable, clean, and well-organized store environment is able to create a positive experience that enhances customer satisfaction. Although it does not directly influence loyalty, store atmosphere still plays an important role in shaping satisfaction as an initial consumer response to the brand (Turley & Milliman, 2000; Eroglu et al., 2003).

In addition, emotional branding is also proven to have a positive and significant effect on customer satisfaction. The emotional relationship established between consumers and the brand not only enhances positive perceptions of the brand but also strengthens post-purchase satisfaction (Schmitt, 1999; Thomson et al., 2005).



These findings indicate that customer satisfaction is influenced not only by product and service quality but also by the emotional aspects experienced by consumers. This is consistent with the concept of customer experience, which emphasizes the importance of emotional dimensions in shaping satisfaction (Kotler & Keller, 2016; Verhoef et al., 2009).

c. The Effect of Customer Satisfaction on Customer Loyalty

Customer satisfaction has been proven to have a positive and significant effect on customer loyalty. Consumers who are satisfied with their purchase experience tend to engage in repeat purchases, exhibit positive attitudes toward the brand, and recommend Kopi Kenangan to others. This finding confirms the role of customer satisfaction as a key factor in building customer loyalty among Generation Z (Oliver, 1999; Kotler & Keller, 2016).

In the context of intense competition, customer satisfaction becomes the primary foundation that determines the sustainability of long-term relationships between consumers and brands. Without consistent satisfaction, customer loyalty is difficult to maintain even when the brand has a strong image (Anderson & Srinivasan, 2003; Griffin, 2005).

d. The Mediating Role of Customer Satisfaction

The mediation analysis results indicate that customer satisfaction fully mediates the effect of store atmosphere on customer loyalty. This means that store atmosphere can only enhance customer loyalty if it first improves customer satisfaction. This finding explains why store atmosphere does not have a direct effect on loyalty but still plays a strategic role through satisfaction (Henseler et al., 2016; Hair et al., 2017).

Furthermore, customer satisfaction also partially mediates the effect of emotional branding on customer loyalty. This implies that emotional branding can influence loyalty both directly and indirectly through increased customer satisfaction. This relationship indicates that emotional aspects have a dual strength in building loyalty, both through direct emotional experiences and through the satisfaction perceived by consumers (Thomson et al., 2005; Carroll & Ahuvia, 2006).

Overall, the results of this study confirm that Generation Z customer loyalty toward Kopi Kenangan is more influenced by emotional factors and customer satisfaction than by physical store attributes. These findings provide important implications for coffee shop businesses to focus more on creating authentic emotional experiences while consistently maintaining customer satisfaction. This is consistent with prior studies showing that customer satisfaction acts as a key mediating variable in shaping customer loyalty



across various industries (Simanjuntak & Purba, 2020; Tedjokusumo & Murhadi, 2023).

CONCLUSION

Based on the results of the analysis and discussion, this study concludes that Generation Z customer loyalty toward Kopi Kenangan in Cirebon is significantly influenced by emotional factors and customer satisfaction. Emotional branding has been proven to have a positive and significant effect on customer loyalty, indicating that emotional attachment between consumers and brands plays an important role in shaping repeat purchase behavior and consumers' willingness to recommend the brand to others (Thomson et al., 2005; Carroll & Ahuvia, 2006).

Meanwhile, store atmosphere does not have a direct significant effect on customer loyalty. This finding suggests that the physical store environment is not the primary factor directly driving Generation Z loyalty, particularly in the context of Kopi Kenangan's business model, which emphasizes practicality and service speed (Turley & Milliman, 2000; Eroglu et al., 2003). However, store atmosphere still plays an important role as it has a positive and significant effect on customer satisfaction.

Customer satisfaction in this study is proven to have a positive and significant effect on customer loyalty and also acts as a mediating variable. Customer satisfaction fully mediates the effect of store atmosphere on customer loyalty, meaning that the store environment can only enhance loyalty if it first creates customer satisfaction (Hair et al., 2017; Henseler et al., 2016). In addition, customer satisfaction partially mediates the effect of emotional branding on customer loyalty, indicating that emotional branding can influence loyalty both directly and indirectly through increased satisfaction (Oliver, 1999; Kotler & Keller, 2016).

Overall, the findings confirm that in building Generation Z customer loyalty, emotional aspects and customer satisfaction play a more dominant role than physical store attributes. Therefore, coffee shop marketing strategies should emphasize creating emotionally relevant experiences aligned with Generation Z characteristics while consistently maintaining customer satisfaction (Verhoef et al., 2009; Lemon & Verhoef, 2016).

This study is expected to contribute empirically to the development of marketing research, particularly in the context of Generation Z consumer behavior, and to serve as a practical reference for coffee shop businesses in designing experience-based and emotionally driven marketing strategies. The



limitation of this study lies in its scope and respondent characteristics; therefore, future research is recommended to expand the research context and include additional relevant variables to achieve a more comprehensive understanding (Hair et al., 2017).

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