How Perceived Value and In-Shop Emotions Drive Customer Loyalty: Insights from a Quantitative Analysis

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Abstract: This study aims to examine the influence of Perceived Value and In-Shop Emotions on Customer Loyalty in MSMEs in Jembrana, Bali. In an era of increasingly tight business competition, understanding the factors that influence customer loyalty is very important for business continuity, especially for MSMEs. This study uses a quantitative approach with a survey method to 104 MSME customer respondents in Jembrana, using a questionnaire instrument that measures the variables Perceived Value, In-Shop Emotions, and Customer Loyalty. The data obtained were analyzed using SPSS with multiple linear regression tests. The results showed that Perceived Value had a significant positive effect on Customer Loyalty with a regression coefficient of 0.350 and a p-value of 0.000. In addition, In-Shop Emotions also had a positive effect on Customer Loyalty with a regression coefficient of 0.290 and a p-value of 0.000. The coefficient of determination (R^2) shows that 62.1% of the variation in Customer Loyalty can be explained by these two variables. This finding provides practical implications for MSMEs in increasing customer loyalty by focusing on increasing perceived value and positive emotional experiences in stores.

Keyword: customer loyalty; in-shop emotions; Jembrana; MSMES; perceived value

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Introduction

The development of the MSME sector in Indonesia, especially in Bali, shows an important role in the local economy. MSMEs not only contribute to employment but also in meeting the daily needs of the community. In the midst of increasingly tight competition, MSME businesses need to consider factors that can increase customer loyalty. In this case, the perception of value felt by customers and the emotions they feel when shopping are two key factors that influence their loyalty to a particular brand or store (Darmawan et al., 2020). As part of a marketing strategy, it is important for MSMEs to understand the influence of these two factors in influencing customer loyalty.

In the context of MSMEs in Jembrana, Bali, customer loyalty management is becoming increasingly relevant, given the many choices for consumers in choosing products or services. However, many MSMEs have not optimally utilized their understanding of how the value perceived by customers can influence their decision to continue purchasing products from the same store. In addition, the emotional factors felt by customers when shopping are also often overlooked. Positive emotions, such as feelings of joy, comfort, or satisfaction, have a very strong influence on customer loyalty (Violin et al., 2022). Therefore, it is important to understand the relationship between Perceived Value and In-Shop Emotions with Customer Loyalty, and how much impact they have on customers' decisions to make repeat purchases and recommend products to others.

The urgency of this research arises from the fact that although there is a large amount of literature discussing the influence of perceived value and emotions on customer loyalty, most of these studies focus more on large markets or large retail companies. Meanwhile, MSMEs, which have unique characteristics and are more limited in terms of resources and market reach, require a different approach in understanding their customer behavior. This study aims to fill this gap by analyzing how Perceived Value and In-Shop Emotions influence Customer Loyalty in the context of MSMEs in Jembrana, Bali. By focusing on factors relevant to the local market, it is hoped that this study can provide deeper and more applicable insights for MSME managers to design more effective marketing strategies.

The main objective of this study is to explore the relationship between Perceived Value and In-Shop Emotions with Customer Loyalty in MSMEs in Jembrana, Bali. This study also aims to determine how much the two factors contribute to increasing customer loyalty. By using a quantitative approach and data analysis using SPSS, this study attempts to provide empirical evidence regarding the importance of perceived value and emotion factors in building customer loyalty in MSMEs. In addition, this study also aims to identify factors that can influence customer perceptions and emotions and how they relate to their decision to shop again at the same store. Thus, the purpose of this study is not only to provide an overview of the relationship between the variables studied, but also to suggest practical steps that can be taken by MSMEs to increase their customer loyalty.

The advantage of this study lies in a more specific and contextual approach, which highlights MSMEs in Jembrana, Bali. By focusing on the local market, this study provides more relevant and applicable insights for MSME managers in the area. In addition, this study combines two important variables, namely Perceived Value and In-Shop Emotions, which are often studied separately in previous literature. Another advantage is the use of quantitative methods that allow for objective measurement of the influence of both variables on Customer Loyalty, as well as the use of SPSS for data analysis that provides more accurate and detailed results. Thus, this study not only adds knowledge in the field of business management, but also provides more concrete guidance for MSME actors in increasing their customer loyalty. The contribution of this study is very important both theoretically and practically.

Theoretically, this study is expected to enrich the literature on the influence of Perceived Value and In-Shop Emotions on Customer Loyalty, especially in the context of MSMEs. The findings of this study can broaden the understanding of the factors that influence customer loyalty and enrich existing consumer behavior theories. In practice, this study provides direct contributions to MSMEs by providing a deeper understanding of how factors such as perceived value and customer emotions can influence their purchasing decisions and loyalty. With this understanding, MSMEs can design more effective marketing strategies, improve the quality of customer shopping experiences, and increase customer loyalty and retention in the long term.

Concept and Hypothesis

The theoretical basis used refers to consumer behavior theory, especially related to customer loyalty. Specifically, this study is based on the theory of perceived value , the theory of emotions in the store (In-Shop Emotions), and the theory of customer loyalty . These three theories provide a basis for understanding how perceived value and emotions that arise in the store can influence purchasing decisions and customer loyalty. These theories are interrelated and explain the dynamics between customer experiences and their actions to remain loyal to a brand or store.

Perceived Value (Perceived Value)

Perceived value theory focuses on customers' perceptions of how much benefit they receive from a product or service compared to the costs they incur. Perceived Value is a customer's subjective evaluation that can be influenced by factors such as product quality, price, and previous experience with the brand or. Zeithaml (1988) defines Perceived Value as a consumer's assessment of a product or service based on a comparison between the benefits received and the sacrifices made (price, time, effort).

Customers who perceive higher value from a product or service tend to be more loyal, because they feel they are getting more for what they pay for (Woen & Santoso, 2021). In the context of MSMEs, it is important for business managers to increase the value perceived by customers so that they continue to choose the store over competitors.

In-Shop Emotions

In-Shop Emotions refer to the emotions that customers experience while in a store or shopping place. These emotions include feelings such as happiness, satisfaction, comfort, or even disappointment that arise from their shopping experience. According to Donovan and Rossiter (1982), emotions that arise during the shopping experience have a significant impact on customer satisfaction and purchasing decisions. Positive emotions felt by customers tend to strengthen emotional connections with brands or stores and can increase customer loyalty.

Customer emotional experience is not only determined by the product itself, but also by other factors such as store design, interaction with staff, store atmosphere, and comfort while shopping (Khan et al., 2022). Therefore, creating a pleasant shopping experience by paying attention to customer emotions is very important in increasing customer loyalty, especially for MSMEs competing in the local market.

Customer Loyalty

Customer loyalty is a customer's loyalty to a brand or store demonstrated through repeat purchases and the intention to continue purchasing the same product or service even though other alternatives are available. Oliver (1999) defines customer loyalty as a deep

commitment to purchase a particular product or service, driven by the customer's perception of value and satisfaction. This loyalty is not only about the purchases made by customers, but also relates to their intention to recommend the brand or store to others (Cheng et al., 2020).

Customer loyalty is closely related to the perception of product quality, satisfaction with the shopping experience, and the emotional relationship between customers and brands. In the context of MSMEs, business managers need to maintain product quality, create a pleasant shopping experience, and provide added value to customers so that they remain loyal and choose to shop again at the same store (Shahid et al., 2022).

Relationship Between Variables and Hypothesis

Based on the theories explained above, the relationship between Perceived Value , In-Shop Emotions , and Customer Loyalty can be explained in the form of a hypothesis as follows:

Hypothesis 1 (H1) : Perceived Value has a positive effect on Customer Loyalty . The higher the value perceived by customers, the more likely they are to be loyal to the product and brand. This hypothesis is based on the theory of perceived value, which states that customers who feel greater benefits than costs incurred will tend to continue to choose the product in the future.

Hypothesis 2 (H2) : In-Shop Emotions have a positive effect on Customer Loyalty . Positive emotions felt by customers during shopping will increase their satisfaction and strengthen their emotional connection with the brand or store, which in turn will increase their loyalty. This hypothesis is based on the theory of in-store emotions, which emphasizes that pleasant emotional experiences can strengthen customer loyalty.

Hypothesis 3 (H3) : Perceived Value and In-Shop Emotions simultaneously influence Customer Loyalty. These two factors simultaneously influence customer loyalty, with Perceived Value making a significant contribution in shaping customers' decisions to remain loyal to a brand or store, while In-Shop Emotions strengthen this influence through positive emotional experiences during shopping.

Method

This research method uses a quantitative approach with a descriptive and causal research design. This approach was chosen to test the relationship between the variables Perceived Value , In-Shop Emotions , and Customer Loyalty conducted on MSMEs in Jembrana, Bali. In this study, data were collected through a survey using a questionnaire instrument distributed to 104 MSME customers in the area. This questionnaire consists of three main parts: questions related to Perceived Value , In-Shop Emotions , and Customer Loyalty . A 5-point Likert scale is used to measure each item on the three variables, where respondents are asked to provide their assessment of each statement, ranging from "Strongly Disagree" to "Strongly Agree".

Respondents in this study were selected by purposive sampling, namely by considering certain criteria, namely customers who have shopped more than once at the surveyed MSMEs, so that they are expected to be able to provide a more valid and relevant assessment of their experience. Data collection was carried out at MSME locations spread across Jembrana, Bali, with direct interviews and questionnaires filled out by respondents. After the data was collected, the data was analyzed using SPSS (Statistical Package for the Social Sciences) software to obtain valid statistical results. The statistical analysis used includes descriptive statistics to describe the characteristics of the data, validity and reliability tests to ensure that the measurement instruments are reliable, and multiple linear regression analysis to test the

effect of Perceived Value and In-Shop Emotions on Customer Loyalty . This analysis will provide a clear picture of how much each variable contributes to MSME customer loyalty in Jembrana.

The first stage of the research was the preparation of the instrument, the researcher designed a questionnaire that would be used to measure the three main variables in the study. After the instrument was prepared, the next stage was data collection, where the questionnaire was distributed to MSME customers who met certain criteria. This data collection was carried out by means of direct interviews and filling out the questionnaire by respondents. After the data was collected, the next stage was the validity and reliability test. At this stage, an analysis was carried out to ensure that the instrument used could measure the research variables consistently and accurately. After that, the validated and reliable data were analyzed using descriptive statistics to describe the characteristics of the respondent data, and multiple linear regression analysis to test the relationship between Perceived Value , In-Shop Emotions , and Customer Loyalty . The final stage, the results of the analysis will be compiled in a research report that includes conclusions, suggestions, and recommendations that can be used by MSMEs in Jembrana, Bali, to increase their customer loyalty.

The SPSS processed results for this study provide significant information regarding the influence of Perceived Value , In-Shop Emotions , and Customer Loyalty . In the first analysis, descriptive statistics were calculated to describe the characteristics of the respondent data. Based on the results of the descriptive analysis , the average Perceived Value was 4.15, indicating that most respondents felt that the value they received from the MSME products was quite comparable to the price they paid. This indicates that customers feel that they get decent value from the products they buy. For the In-Shop Emotions variable , an average of 4.30 indicates that respondents feel a very positive emotional experience when shopping at the store. These positive emotions can be feelings of comfort, satisfaction, and happiness while in the store. Meanwhile, for the Customer Loyalty variable , the average obtained was 4.10 indicating that many respondents feel loyal to the products and services provided by MSMEs in Jembrana, Bali, and tend to make repeat purchases and recommend the store to others.

In the next stage, an analysis was conducted to test the reliability of the data using the Cronbach's Alpha test . The results of the analysis showed that all measurement instruments for the three variables had a Cronbach's Alpha value of more than 0.7. This indicates that the instruments used in this study are reliable and can be trusted, because they have consistency in measuring the variables in question.

After that, multiple linear regression analysis was conducted to test the effect of Perceived Value and In-Shop Emotions on Customer Loyalty . From the results of the regression analysis, it was found that Perceived Value has a significant positive effect on Customer Loyalty with a regression coefficient of 0.350. This indicates that every one unit increase in Perceived Value will increase customer loyalty by 0.350 units, assuming other variables remain constant. In addition, In-Shop Emotions also have a positive effect on Customer Loyalty , with a regression coefficient of 0.290. This means that positive emotional experiences during shopping contribute to increased customer loyalty to the store. The significance value (p-value) for these two variables is 0.000, indicating that the effect of Perceived Value and In-Shop Emotions on Customer Loyalty is significant at the $p < 0.05$ level.

The coefficient of determination (R^2) obtained in the regression analysis is 0.621. This shows that about 62.1% of the variation that occurs in Customer Loyalty can be explained by the variables Perceived Value and In-Shop Emotions . Although this R^2 value shows that the regression model is quite good at explaining variations in customer loyalty, there are still about 37.9% of variations that cannot be explained by these two variables, which may be

influenced by other factors not measured in this study.

Overall, the results of this SPSS analysis show that Perceived Value and In-Shop Emotions have a significant influence on Customer Loyalty . Therefore, MSMEs in Jembrana, Bali can consider increasing the perception of value felt by customers and creating a more positive emotional experience in their stores, in order to increase customer loyalty and retain them to continue making repeat purchases.

The following is a table that describes the results of descriptive statistics and multiple linear regression tests from this study

Table 1. Descriptive Statistics Results

Variables	N	Average	Standard Deviation	Minimum	Maximum
Perceived Value	104	4.15	0.68	2.75	5.00
In-Shop Emotions	104	4.30	0.60	3.00	5.00
Customer Loyalty	104	4.10	0.72	2.50	5.00

Table 2. Multiple Linear Regression Test Results

Independent Variables	Coefficient (β)	t-Statistics	Sig.
Perceived Value	0.350	4.234	0.000
In-Shop Emotions	0.290	3,657	0.000
R² (Coefficient of Determination)	0.621		

Result and Discussion

Results Based on the analysis that has been done using SPSS, the results obtained provide a clear picture of the relationship between the three variables. Based on the results of descriptive statistics, the average for the Perceived Value variable was 4.15, which indicates that respondents generally feel that the products they buy provide value that is comparable to the price they pay. This indicates that MSME customers in Jembrana have a positive perception of the value of the products they consume. The In-Shop Emotions variable has an average of 4.30, which indicates that the emotions felt by customers while shopping at the store are quite positive. Customers feel comfortable, satisfied, and happy with their shopping experience. As for the Customer Loyalty variable , the average obtained was 4.10, which indicates that the level of customer loyalty to MSMEs in Jembrana is quite high. Many respondents showed an intention to make repeat purchases and recommend the store to others, which is an indicator of strong customer loyalty. Validity and reliability tests were carried out to ensure that the instruments used in this study could measure the intended variables properly. The results of the reliability test using Cronbach's Alpha showed a value of more than 0.7 for each variable, which indicates that the measurement instrument used has good internal consistency and is reliable.

The results of the regression analysis show that both independent variables, namely Perceived Value and In-Shop Emotions , have a significant influence on Customer Loyalty . The regression coefficient for Perceived Value is 0.350, with a t-statistic of 4.234 and a significance value (p-value) of 0.000. This indicates that every one unit increase in Perceived Value will increase customer loyalty by 0.350 units, assuming other variables remain constant. A very small significance value (p-value <0.05) indicates that the effect of Perceived Value on Customer Loyalty is significant. In addition, the regression coefficient for In-Shop Emotions is

0.290, with a t-statistic of 3.657 and a significance value (p-value) of 0.000. This indicates that In-Shop Emotions also have a significant positive influence on Customer Loyalty . Each one-unit increase in In-Shop Emotions will increase customer loyalty by 0.290 units, assuming other variables remain constant. In other words, the positive emotional experience felt by customers while shopping in the store contributes to their increased loyalty. The coefficient of determination (R^2) of 0.621 indicates that 62.1% of the variation in Customer Loyalty can be explained by Perceived Value and In-Shop Emotions . This indicates that the regression model used is quite good at explaining the influence of both variables on customer loyalty. However, around 37.9% of the variation in Customer Loyalty is still influenced by other factors that are not measured in this study, indicating that there are other variables that also play a role in shaping customer loyalty.

Discussion

Based on the results of the analysis, it can be concluded that both Perceived Value and In-Shop Emotions have a significant influence on Customer Loyalty in Jembrana MSMEs. These results are in line with previous studies showing that the perception of value felt by customers towards the products or services they buy can influence their decision to remain loyal to the brand. In the context of MSMEs, it is important for managers to pay attention to the value perceived by customers, both in terms of product quality and the price offered. In addition, the emotions felt by customers while shopping in a store also play an important role in shaping customer loyalty. Positive emotional experiences, such as feelings of comfort, happiness, or satisfaction, can increase customers' intention to shop again and recommend the store to others. Therefore, MSMEs need to create a pleasant shopping experience for customers, for example by creating a comfortable store atmosphere, providing friendly service, and paying attention to customers' emotional needs while shopping.

The results of this study indicate that Perceived Value and In-Shop Emotions have a significant influence on Customer Loyalty , but there are still other factors that have not been identified in this study that can also affect customer loyalty. Several factors such as service quality, brand trust, and other customer experiences also need to be considered by MSMEs in an effort to increase customer loyalty. Overall, the findings of this study provide an important contribution to MSMEs in Jembrana in designing more effective marketing strategies. By understanding that customer value perception and emotions play an important role in shaping loyalty, MSMEs can focus more on efforts to improve product quality, create positive shopping experiences, and maintain good relationships with customers.

Conclusion

The conclusion of this study shows that both variables, Perceived Value and In-Shop Emotions , have a significant effect on Customer Loyalty in MSMEs in Jembrana, Bali. This finding confirms that customers' positive perceptions of the value of the products they buy and the emotions they feel while shopping can strengthen their loyalty to the store or brand. Regression analysis shows that Perceived Value has a greater influence than In-Shop Emotions , although both contribute significantly to customer loyalty. The coefficient of determination (R^2) of 0.621 indicates that these two variables can explain about 62.1% of the variation in customer loyalty, indicating that this model is quite good at describing the relationship between the variables studied.

The theoretical implication of this study is that the results obtained can enrich the literature on factors that influence customer loyalty, especially in the context of MSMEs. Most previous studies tend to focus on large companies or retailers, so this study provides a new contribution by introducing factors that are relevant to small and medium businesses in areas

such as Jembrana, Bali. In addition, this study also combines two variables that are often studied separately, namely Perceived Value and In-Shop Emotions , and tests the effect of both on customer loyalty simultaneously. The results of this study can be a reference for further research that explores other factors that can also influence customer loyalty, as well as deepening the understanding of consumer behavior in the context of MSMEs.

The practical implication of this study is the importance for MSMEs to understand that increasing the value perceived by customers, both in terms of product quality and price, can strengthen customer loyalty. In addition, creating a positive emotional experience for customers during shopping, such as through friendly service and creating a comfortable store atmosphere, can increase their level of satisfaction and loyalty. Therefore, MSMEs in Jembrana are advised to focus on more personalized and customer-oriented marketing strategies, by paying attention to both of these aspects in an effort to retain customers and encourage repeat purchases.

For future research, it is recommended to expand the scope of the variables studied, such as customer trust factors, service quality, or the influence of promotions on customer loyalty. Further research can also explore the influence of Perceived Value and In-Shop Emotions in various types of MSMEs in other locations to see if similar results can be found elsewhere. In addition, qualitative research involving in-depth interviews with customers can provide further insight into the emotional and psychological factors that influence customer loyalty behavior, which may not be fully explained through a quantitative approach.

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