
The Influence of Online and Offline Purchases on Customer Loyalty with Customer Satisfaction as an Intervening Variable at Magnesium137 Store Blitar

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Abstract:

The rapid development of the global internet has significantly impacted business and consumer shopping behavior, leading to the emergence of two dominant purchasing methods: online and offline. Each of these methods offers distinct advantages and challenges, which in turn influence customer satisfaction. Satisfied customers are more likely to become loyal, a process shaped by their purchasing experiences. This study focuses on analyzing customer responses to improve the quality and evaluation of a local brand, Magnesium137 Store in Blitar. Utilizing an associative study technique with a quantitative approach, the research surveyed customers who made both online and offline purchases. Data were analyzed using path analysis to examine the effects of these purchasing methods on customer satisfaction and loyalty. The results revealed that both online and offline purchases significantly impact customer satisfaction. However, only offline purchases have a notable effect on customer loyalty, while customer satisfaction plays a crucial role in fostering loyalty.

Keywords: *Online Purchasing, Offline Purchasing, Customer Satisfaction, Loyalty Violation*

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1. Introduction

The advancement of information and communication technologies has facilitated rapid social, economic, and cultural transformations, significantly affecting all areas of information exchange. Technologies like the internet, smartphone applications, and various innovations have revolutionized how individuals carry out daily activities (Erchikka & Hidayat, 2022). In Indonesia, the role of technology in people's lives has grown significantly, particularly during the COVID-19 pandemic. Restrictions on in-person activities accelerated the adoption of the internet as a primary tool across multiple sectors (Ayu et al., 2022). This shift has made the public increasingly dependent on digital services, changing not only communication but also shopping habits.

Globally, the increase in internet users has had a profound impact on commerce, creating new insights into consumer behavior and shopping trends (Farhat, 2020). Shopping has become a habitual activity, and consumers are now presented with two dominant methods: online and offline shopping. Online shopping involves purchasing goods or services via the internet, allowing customers to browse products, select items, and make payments digitally without the need for physical interaction. In contrast, offline shopping requires customers to visit physical stores, interact with sales staff, and conduct transactions face-to-face (Farida & Prabowo, 2023).

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Each purchasing method has its own advantages and disadvantages. Online purchases offer convenience and accessibility, while offline purchases provide a tangible shopping experience with direct customer interaction. Both methods, however, affect customer satisfaction, which plays a key role in building customer loyalty. According to Kusumawati and Rahayu (2020), customer satisfaction is a sense of contentment or disappointment resulting from comparing expectations with actual product performance. This satisfaction is essential for fostering customer loyalty, which develops through repeated positive experiences with a product or service (Nuraini & Evianah, 2019).

Magnesium137 Store, a popular clothing retailer in Blitar City, has been in operation since 2013. The store has maintained its position as a leading local brand amidst the rise of numerous competitors by offering both online and offline purchasing options to meet diverse customer needs. With two physical stores and a growing online presence, Magnesium137 Store aims to provide exceptional customer satisfaction across both channels. As technology continues to evolve, this study seeks to analyze how online and offline purchasing decisions influence customer loyalty through customer satisfaction

2. Theoretical Background

Marketing

Marketing involves a series of activities aimed at creating value by optimizing location, time, and assets. It encompasses transporting goods from one place to another, storage, and eventually transferring ownership through buying and selling transactions. Fundamentally, marketing is the commercial process of distributing goods and services between producers and consumers (Farhat, 2020).

Strategically, marketing is essential for ensuring sustainable profitability for companies, whether they offer products or services. Its primary objective is to identify and meet human and social needs, thereby satisfying consumer demands. In this context, marketing can be described as a complete set of business activities focused on planning, pricing, distribution, and promotion of goods or services to fulfill consumer needs (Erchikka & Hidayat, 2022). The success of marketing activities is often seen as the cornerstone of business success.

Online Purchase

Online shopping, or indirect purchasing, is a method for marketing goods and services through various media, including magazines, radio, television, billboards, brochures, social media platforms, and the internet. It is an efficient means of conducting purchase transactions via electronic devices or social media, eliminating the need for physical store visits. Consumers can search for the desired product, make their selections, and complete the payment electronically. The product is then delivered to the customer's doorstep by an expedition service (Nurhalim, 2022).

Offline Purchases

Face-to-face or offline shopping refers to a transaction process where sellers and buyers meet physically. Offline shopping allows for direct interaction, enabling both parties to build, develop, and maintain mutually beneficial exchange relationships. In this form of transaction, the seller transfers their products directly to the buyer. Offline shopping remains a commonly used purchasing method, involving direct product acquisition from the seller (Ayu et al., 2022).

Customer Loyalty

Customer loyalty is a crucial factor for any business, as it ensures continuous patronage and long-term profitability. It involves a strong commitment to re-purchase products or services in the future, despite potential changes in market conditions. Companies must offer high-quality services at competitive prices to retain customer loyalty (Pramudita et al., 2022). Service quality is the primary determinant in meeting customer expectations, and repeated purchases of the same product can signify loyalty.

Customer Satisfaction

Customer satisfaction arises when there is a match between the customer's expectations and the actual performance of the product or service they receive. If the product meets or exceeds the customer's expectations, it leads to customer satisfaction (Pramudita et al., 2022). Factors influencing customer satisfaction include product quality, service, emotional connection, pricing, costs, and the promotional strategies employed by the company. These factors apply to both online and offline shopping platforms, highlighting the importance of offering quality across all channels (Kusumawati & Rahayu, 2020).

This integration of marketing strategies, customer satisfaction, and loyalty illustrates the key dynamics that businesses must navigate to ensure sustainable growth and consumer engagement in both digital and traditional shopping environments.

3. Methodology

This study applies associative study techniques with a quantitative approach. Data were collected through responses obtained from the completion of questionnaires by 200 respondents were Magnesium Store Blitar customers. Respondents are customers who have made purchases both online and offline.

The variable measurements in this study were carried out using the Likert scale. This study adopts a quantitative approach involving two independent variables (X), namely online purchasing (X1) and conventional purchasing (X2), as well as one dependent variable (Y) which measures customer loyalty. In addition, there is an intervening variable (Z) that focuses on customer satisfaction. The researchers utilized techniques *NonProbability Sampling* with technique *Purposive Sampling*. The type of data used is primary data. To measure and prove results, this study utilizes the Classical

Assumption Test, Path Analysis (*Path Analysis*), Coefficient of Determination (R²), and Hypothesis Test.

4. Empirical Findings/Result

The survey instrument was distributed to 200 participants and then their data was processed. The participants were divided into 68% or 136 male participants and 32% or 64 female participants. So participants in this study tended to be dominated by men. According to age group, it was found that participants aged 17-20 years were 18% or 36 people, 21-24 years old, 50% or 100 people, 25-28 years old, 24% or 48 people, 29-31 years old Some 6% or 12 people, and 32-35 years old Some 2% or 4 people. The customers who have the most effect in making purchasing decisions at Magnesium137 Store Blitar are customers aged 21-24 years.

Validity Test

Validity test results for each variable indicator used in this study can be seen in the table below :

Table 1. Validity Test Results

| Variable | Items | R-count | R-table | Description |
|---------------------------|-------|---------|---------|-------------|
| Online Purchase (X1) | X1.1 | 0.850 | 0.181 | Valid |
| | X1.2 | 0.853 | 0.181 | Valid |
| | X1.3 | 0.844 | 0.181 | Valid |
| | X1.4 | 0.874 | 0.181 | Valid |
| Offline Purchase (X2) | X2.1 | 0.928 | 0.181 | Valid |
| | X2.2 | 0.930 | 0.181 | Valid |
| | X2.3 | 0.911 | 0.181 | Valid |
| | X2.4 | 0.928 | 0.181 | Valid |
| Consumer Satisfaction (Z) | Y.1 | 0.813 | 0.181 | Valid |
| | Y.2 | 0.782 | 0.181 | Valid |
| | Y.3 | 0.734 | 0.181 | Valid |
| | Y.4 | 0.767 | 0.181 | Valid |
| Customer Loyalty (Y) | Z.1 | 0.666 | 0.181 | Valid |
| | Z.2 | 0.739 | 0.181 | Valid |
| | Z.3 | 0.697 | 0.181 | Valid |
| | Z.4 | 0.734 | 0.181 | Valid |
| | Z.5 | 0.736 | 0.181 | Valid |

Based on this table, it can be seen that the correlation value is greater than r table, so the validity test states that all variables in the research have been *valid*.

Reliability Test

The following Reliability Test results can be seen in the table below :

Table 2. Reliability Test Results

| Cronbach's | Cronbach's |
|------------|------------|
|------------|------------|

| Variable | Alpha | Minimum Alpha | Description |
|-----------------------|-------|---------------|-------------|
| Online Purchase | 0.877 | 0.70 | Reliable |
| Offline Purchases | 0.941 | 0.70 | Reliable |
| Customer Loyalty | 0.775 | 0.70 | Reliable |
| Customer Satisfaction | 0.759 | 0.70 | Reliable |

Based on the results of reliability testing, it shows that each variable has *cronbach alpha* > 0.70 so it can be concluded that all the instruments in this research are reliable.

Normality Test

The following are the results of the normality test which can be seen in the table below

Table 3. Normality Test Results
One-Sample Kolmogorov-Smirnov Test

| | Unstandardized Residual |
|--|-------------------------|
| N | 200 |
| Normal Parameters ^{a, b} Mean | .0000000 |
| Std. Deviation | 1.82074670 |
| Most Extreme Differences | Absolute .092 |
| Positive | .071 |
| Negative | -.092 |
| Kolmogorov-Smirnov Z | 1,301 |
| Asymp. Sig. (2-tailed) | .068 |

a. Test distribution is Normal.

b. Calculated from data.

Based on the test results above, it shows that the significance value in AsymSig (2-tailed) is 0.068 > 0.05. So the fact can be drawn that the residual value is normally distributed.

Multicollinearity Test

The following is a table of multicolonierity test results in this study :

Table 4. Multicolonierity Test Results

| No. | Variable | Tolerance | VIF |
|-----|---------------------------|-----------|-------|
| 1 | Online Purchase (X1) | 0, 854 | 1,172 |
| 2 | Offline Purchase (X2) | 0.858 | 1,166 |
| 3 | Customer Satisfaction (Z) | 0.989 | 1,012 |

From the table of independent variable test results, it can be concluded that it has a tolerance of less than 10% and has a VIF value of < 10, so this shows that in this regression model there are no symptoms of multicolonierity.

Heteroscedacity Test

The results of the heteroscedacity test in this study are shown in the following fig:

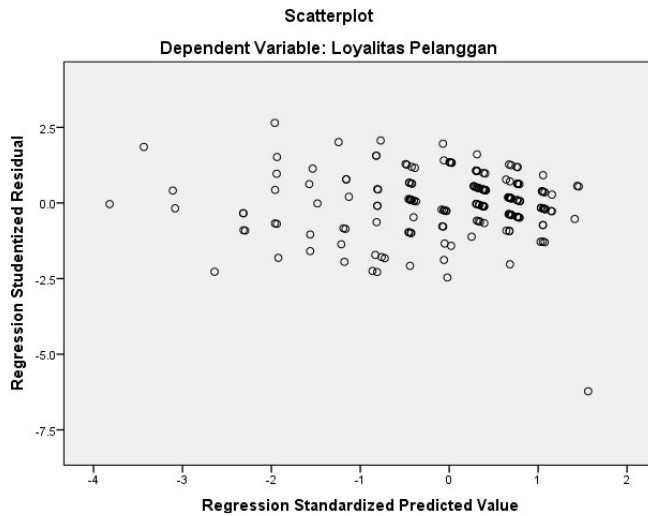


Figure 1. Heteroscedacity Test Results

To determine heteroscedacity, it can be seen from the distribution of the dots. If the dots form a pattern then heteroscedacity is stated to have occurred, and vice versa. Apart from that, the basis for making a decision is also stated if the significance value of > 0.05 is concluded not to occur, and if the significance value is < 0.05 then it is concluded that there is a problem.

Path Analysis (Path Analysis) Sub Structure I Equation:

Table 5. Structural Path Analysis Results Table 1
Coefficients^a

| Model | Unstandardized Coefficient | | Standardized Coefficients |
|-------------------|----------------------------|------------|---------------------------|
| | B | Std. Error | Beta |
| (Constant) | 19,128 | 1,326 | |
| 1 Online Purchase | .089 | .063 | .108 |
| Offline Purchases | .041 | .040 | .077 |

a. Dependent Variable: Customer Satisfaction

Based on the calculation of structural path analysis I, the equation is obtained:

- The constant value shows the positive effect of the variables Online Purchase (X1) and offline purchase (X2) on the variable satisfaction of purchase (Z), having a fixed value of 19,128.
- The value of the regression coefficient of the online purchasing variable (X1) is marked positive for customer satisfaction (Z) by having a value of 0.089.
- The regression coefficient value of the offline purchasing variable (X2) is marked positive for customer satisfaction (Z) by having a value of 0.041.

Sub Structure II Equations**Table 6. Structure Path Analysis Results Table II**

| Model | Coefficients ^a | | |
|-----------------------|----------------------------|---------------------------|------|
| | Unstandardized Coefficient | Standardized Coefficients | |
| | B | Std. Error | Beta |
| (Constant) | 2,587 | 1,322 | |
| Online Purchase | .019 | .044 | .024 |
| Offline Purchases | .013 | .028 | .026 |
| Customer Satisfaction | .639 | .050 | .678 |

a. Dependent Variable: Customer Loyalty

The results of the structural path analysis II calculations were obtained by the equation:

- Constant values show a positive influence on the variables online purchasing (X1), offline purchasing (X2) and customer satisfaction (Z), which are interpreted the same way de Ngan 0, with a fixed value against the customer loyalty variable (Y) of 2,487.
- The regression coefficient value of the online purchasing variable (X1) has a positive sign of customer loyalty (Y) with a value of 0.019.
- The regression coefficient value of the offline purchasing variable (X2) has a positive sign of customer loyalty (Y) with a value of 0.013.
- The regression coefficient value of the customer satisfaction variable (Z) has a positive sign of customer loyalty (Y) with a value of 0.639

Coefficient of Determination R2**Analysis of Coefficient of Determination I****Table 7. Model Summary of Determination I**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .300 ^a | .456 | .071 | 3.74471 |

Based on the calculations above, it shows an Adjusted R-square of 0.456 or 45.6%. So it states that online purchases (X1), simultaneous offline purchases (X2) have an effect on customer satisfaction (Z) of 45.6%, while the remaining 100% - 45.6% = 54.4% is explained by other variables outside the research.

Analysis of the Coefficient of Determination II**Table 8. Table of Determination Coefficient Analysis Results II**

| Model | R | R Square | Adjusted R Square | Error of the Estimate |
|-------|-------------------|----------|-------------------|-----------------------|
| 1 | .430 ^a | .564 | .1592 | .689 30 |

a. Predictors: (Constant), Customer Satisfaction, Offline Purchasing, Online Purchasing

Based on the calculations above, it shows an Adjusted R-square of 0.564 or 56.4%. So it states that online purchases (X1), offline purchases (X2) and customer

satisfaction (Z) simultaneously affect customer loyalty (Z) by 56.4%, while the remaining $100\% - 56.4\% = 43.6\%$ is explained by other variables outside the research.

T Partial Test Partial Test T (I)

Table 9. Table of Partial Test Results T (I)

| Model | Coefficients ^a | | | T | Sig. |
|-------------------|----------------------------|------------|---------------------------|-------|------|
| | Unstandardized Coefficient | | Standardized Coefficients | | |
| | B | Std. Error | Beta | | |
| (Constant) | 11,517 | 2,652 | | 4,342 | .000 |
| Online Purchase | .379 | .125 | .302 | 3,037 | .003 |
| Offline Purchases | .096 | .086 | .110 | 1,110 | .005 |

a. Dependent Variable: Customer Satisfaction

Based on the tabel above, it can be seen that :

- The online purchasing variable (X1) has a t count of 3.037 and a sig value of 0.003. This shows that there is a positive and significant influence between online purchases (X1) on customer satisfaction (Z) as seen from the calculated t value of $3,037 > t$ table 1,971 and the sig value of $0.003 < 0.05$
- The offline purchasing variable (X2) has a t count of 1.110 and a sig value of 0.005. This shows that there is a positive and significant influence between offline purchases (X2) on customer satisfaction (Z) as seen from the calculated t value of $1,110 > t$ table 1,971 and the sig value of $0.005 < 0.05$.

Partial Test T (II)

Table 10. Table of Partial Test Results T (II)

| Model | Coefficients ^a | | | T | Sig. |
|-----------------------|----------------------------|------------|---------------------------|-------|------|
| | Unstandardized Coefficient | | Standardized Coefficients | | |
| | B | Std. Error | Beta | | |
| (Constant) | 16,673 | 2,084 | | 8,002 | .000 |
| Online Purchase | .019 | .094 | .020 | .201 | .061 |
| Offline Purchases | .227 | .062 | .347 | 3,643 | .000 |
| Customer Satisfaction | .195 | .073 | .259 | 2,666 | .009 |

a. Dependent Variable: Customer Loyalty

Based on the results of the partial T II test, it can be seen that :

- The online purchasing variable (X1) has a t count of only 0.201 and a sig value of 0.061. This shows that there is no positive and significant influence between online purchases (X1) on customer loyalty (Y) as seen from the calculated t value of $0.201 < t$ table 1.971 and the sig value of $0.061 > 0.05$.
- The offline purchasing variable (X2) has a t count of only 3.643 and a sig value of 0.000. This means that the results show that there is a positive and significant influence between offline purchases (X2) on customer loyalty (Y) as seen from the calculated t value of $3,643 > t$ table 1,971 and the sig value of $0,000 < 0.05$.
- The Customer Satisfaction Variable (Z) has a t count of only 2.666 and a sig value

of 0.009. This means that the results show that there is a positive and significant influence between customer satisfaction (Z) on customer loyalty (Y) which can be seen from the calculated t value of $2,666 > t$ table $1,971$ and the sig value of $0.009 < 0.05$

5. Discussion

In **Partial Test I**, the findings demonstrate that both **online purchases (X1)** and **offline purchases (X2)** have a **positive and significant influence** on **customer satisfaction (Z)**. The t-value for online purchases is 3.037, with a significance (sig) value of 0.003, which is below the threshold of 0.05, indicating a significant impact. Similarly, offline purchases show a t-value of 1.110 and a sig value of 0.005, which also confirms a significant effect. These results align with previous theories on consumer behavior, where **customer satisfaction** can be influenced by both online and offline shopping experiences (Pramudita et al., 2022). The convenience and accessibility of online shopping platforms, combined with the interpersonal interactions in offline shopping, can both contribute to a positive customer experience, which directly impacts satisfaction levels (Nurhalim, 2022; Ayu et al., 2022).

In **Partial Test II**, the impact of online and offline purchases on **customer loyalty (Y)** is analyzed. Interestingly, online purchases (X1) do not show a significant influence on customer loyalty, with a t-value of only 0.201 and a sig value of 0.061 (which is greater than 0.05). This result implies that while online purchases may contribute to satisfaction, they do not necessarily translate into **customer loyalty**. This could be due to the competitive nature of online markets, where consumers have easy access to alternative options, thus reducing their long-term commitment to a single brand (Erchikka & Hidayat, 2022).

Conversely, **offline purchases (X2)** exhibit a significant impact on customer loyalty, with a t-value of 3.643 and a sig value of 0.000, which is well below the 0.05 threshold. This finding reinforces the idea that physical, face-to-face shopping experiences can foster stronger emotional connections and brand loyalty compared to online transactions. The direct interaction between sellers and buyers in offline settings builds trust and customer satisfaction, which are essential drivers of loyalty (Ayu et al., 2022).

Furthermore, **customer satisfaction (Z)** also significantly influences **customer loyalty**, as indicated by a t-value of 2.666 and a sig value of 0.009. This finding supports the established view that **satisfied customers** are more likely to become **loyal customers**. When consumers' expectations are met or exceeded, their positive experience with the brand increases the likelihood of repurchasing and maintaining long-term loyalty (Pramudita et al., 2022). As customer satisfaction is influenced by both online and offline purchases, businesses must strategically manage both shopping channels to cultivate strong customer loyalty (Kusumawati & Rahayu, 2020).

6. Conclusions

The study concludes that online purchasing does not significantly impact customer loyalty at Magnesium137 Store, as it fails to meet the criteria for statistical significance. In contrast, offline purchasing has a significant positive effect on customer loyalty, showing that customers are more likely to remain loyal when engaging in face-to-face transactions. Moreover, online purchasing significantly influences customer satisfaction, highlighting that online transactions can enhance how satisfied customers feel with their experience. Customer satisfaction, in turn, plays a crucial role in boosting customer loyalty, demonstrating that satisfied customers are more likely to become loyal. Future research should explore additional factors that may influence customer loyalty in online purchasing, such as customer experience, trust, and convenience. Expanding the study to different industries or regions could provide more diverse insights. Additionally, incorporating a mixed-method approach, combining quantitative and qualitative research, may offer a deeper understanding of customer loyalty and the effectiveness of online purchasing strategies.

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