INTRODUCTION

Business opportunities of batik store in Yogyakarta Special Region are still wide open because this is a tourist destination and traditional batik area. During this time tourists or consumers only know batik stores in Bringhardjo, Mallioboro, and stores in a tourist attraction as a batik shopping center. Since the opening of batik tulis stores in 2008 at batik village, it causes the changes, which shifts the marketing functions. Previously, employers batik just as a supplier for conventional stores so they do not need the marketing function because entrepreneurs batik sell the batik cloth directly to businesses, then businesses sell the batik to final consumer. After batik stores acts as retailers, marketing function was very important for batik entrepreneurs. Marketing functions emphasis on quality of batik products produced, pricing offered to consumers, batik promotion in associated with positioning of store, and a display of batik. Marketing functions relate to 4P term (product, price, promotion, and place). The marketing function is not easily done by batik entrepreneurs. They require a lengthy process to understand consumer behavior with different desires, especially for batik entrepreneurs that relatively new to manage store. It is an interesting phenomenon to be studied scientifically.

Batik stores location is far from the city center. Sometimes customers are reluctant to come there. Therefore, batik entrepreneurs have initiative to facilitate order. The convenience provided by employers batik is customers may order batik via online, telephone and customers come directly to stores to choice, even for customers who reside in Yogyakarta, in case of delivery of batik, businessman will usher directly to customer residence, or using traditional ways, such as batik orders form of finished products or ready-made products are deposited in a place that has been agreed between batik entrepreneur and customers.

For those customers who come to batik stores, they can see the process to make batik by skilled employees, and customers can choose the desired batik, because entrepreneurs offer batik with good quality. Yun and Good (2007) describes the store image consists of e-merchandise, e-services and e-shopping atmosphere indicators. Lilanjer (2009) describes the store image is divided into two atmosphere namely store image and quality. Amit et al. (2010), describes the components of store image

Brand Prestige as Mediation Effect of Store Image on Store Loyalty (Study of Batik Tulis Store Customer at Yogyakarta Special Region)

Wisnalmawati, Surachman, Mintarti Rahayu, Ananda Sabil Hussein

ABSTRACT

This study purpose is to analyze the brand prestige as mediating the effects of store image on store loyalty. This study contributes to development of theoretical models of consumer behavior in retail, developing strategies for businessmen, raising the rural incomes for government and Tridarma of university to conduct research and create a training program for regeneration of batik artisans. This study object is batik stores. Population is a customer at ten batik store. Samples are customers at ten batik stores, purposive sampling technique is used with a sample size of 170 respondents. Sample unit is customers at ten batik stores. Data analysis tool is PLS Swarp version 4 and ANOVA. The results indicate that brand prestige becomes partial mediation the effect of store image on store loyalty. There is difference of Store image based on age, education and income. The Brand prestige difference is based on age and income. Store loyalty difference is based on education and income. This study novelty is to add brand prestige to overcome the contradiction between the store image to store loyalty and examine the effect of store image to brand prestige.
in relation with price of merchandise, quality, assortment, sales personnel, comfort, location, sales promotion service, advertising and store atmosphere. Indeed, phenomenon of ease of booking, skilled employees and quality batik are indicators of store image concept from previous researchers at different retail. The success of a business can be seen from the customer loyalty. Businesses must be able to create a business strategy to win competition. One of business strategy is to create customer loyalty.

Tight competition forces the batik entrepreneurs to work hard to improve creativity and innovation in maintaining the business viability. These stores are already maintaining the store environment, but still there are negative communication from majority customers to batik stores such as delivery delays to customer and unsuitable order. It makes low customer visits to batik stores.

Based on theory study and previous research on relationship pattern between the two concepts above, store image affect on store loyalty on customer department stores in Switzerland city and German-speaking of Switzerland (Bloemer and Ruyter, 1998), restaurant (Ryu, et al., 2008), financial institutions in Spanish consumers (Bravo, 2012), Department stores in USA (Yan Lu, et al., 2008), online stores in USA (Park and Lennon, 2008), Hair salons in Kaohsiung city of Taiwan (Wang and Wu, 2012), while other findings show that store image has no effect on store loyalty at wholesale stores in Australia associated with sales assistant (Miranda, et al. 2005), retail stores in associated with brand image consists of a store brand's price and store brand value in France (Kremmer and Viot, 2012). Differences results of previous studies have led to research gaps. This research addresses this gap by selecting and adds the variable of brand prestige to bridge differences results of previous studies. Is the brand prestige based on three reasons. First, not many previous researchers examined brand as a mediating variable in batik SMEs. Secondlly, Schifferman and Kanuk (2008) describes the intrinsic information is a promotional message that explains the positioning of store, while the brand prestige can affect store loyalty (Erdogmus and Turan, 2012; and Zayerkabeh, 2012). Third, store image affects on store loyalty (Hsu, et al. 2009); Samani, 2011); Isage, 2012).

This research purposes are below.
1. To analize brand prestige as mediation the effect of store image on store loyalty.
2. To analyze the differences of store image, brand prestige dan store loyalty based on age, sex, job, education and income.

This research is useful for theory development of consumer behavior, creating a synergy in three parts: Academia, Government and Business. Academics have a contributing role in terms of thoughts and creative ideas to conduct research in batik stores village. Government plays a role in encouraging local businesses to develop better to increase rural incomes. The business role is to create a market for goods, creative services, employment and establishment of a community and creative entrepreneurs.

II Literature Review And Development Hypothesis:

Clover (1950) first to explain theory of impulse buying, which shows some categories of products purchased on impulse. Some results of previous research on impulse buying suggested the stimulus in stores such as POP poster can increase impulse buying behavior (Abratt and Goodey, 1990). Zhou and Wong (2003) describes the store environment can affect consumers to buy products, Mattila and Wirtz (2008) suggests the social environment (hospitality employees) has positive effect on impulse buying behavior.

Previous research studies about the store concept image, prestige brand and store loyalty are below.

2.1 Store Image Concept:

Martineau was the first to examine the store image in 1958. The image covers Store layout, advertising, sales promotion and symbol and color. Engel (1994) states determinant decision to select stores are based on market and product class especially attributes as (1) nature; (2) quality of diversity; (3) sales personnel; (4) services; (5) physical attributes of store; and (6) atmosphere.


2.2 Concept of Brand Prestige:


2.3 Concept of Store Loyalty:

et al. (2012) indicate two indicators of behavior and word of mouth.

2.4 Relationship of Research Variables in Research Model:

Store Image Affect on Store loyalty:


Store Image Affect on Brand Prestige:

Relation of store image on brand prestige is expressed below. Schiffman and Kanuk (2008) explain that consumer often deciding the quality concept of a product or service based on various intrinsic and extrinsic information. Intrinsic information relates to product (or service) such as price, store image, service, brand image, and message promotion. Extrinsic information relates to physical characteristic of product quality perception of product itself, like size, color, taste, or smell. This study emphasizes on intrinsic information of a promotional message to explain the store positioning.

Brand Prestige Affect on Store loyalty:

Erdogmus and Turan (2012) proved that brand prestige affect on brand loyalty. The analytical tool used is SEM with Amos program, samples are 564 respondents. Objects research is customer brands in Turkey. Zayerkabeh (2012) proved that brand prestige affect on brand loyalty. SEM analysis tool is used by Amos program, samples are 216 respondents. Gilaninia, et al. (2012) proved that brand prestige affect on store loyalty. SEM analysis tool is used by Amos program, samples are 200 respondents. Research object is Dairy Industry in Kermanshah. Above study uses brand loyalty to customers who choose to buy the brand at same store, while the current study uses the store loyalty term, indicators of brand loyalty and store loyalty are basically the same with previous research can be used as a reference in current research.

III. Research Framework And Development Hypothesis:

This study is started from the concept and theoretical studies. Conceptual examination relates to store image, prestige brand and store loyalty, while theoretically related to consumer behavior, particularly store loyalty. Research framework is builds from research problem, research objectives, concepts and theoretical studies as foundation to formulate hypotheses. This study suggests two think path, first is study of theoretical concepts and deductive reasoning to direct a thought process from general to specific, such as the preparation of hypothesis. Both empirical studies in this research led to think inductively is a thought process from the particular to general. This study examination is a hypothesis proof.

Conceptual Framework and Research Variables

Fig. 3.1: Conceptual Framework.

Hypothesis:

Store image is the main variables to affect store loyalty. Empirical studies of Miranda et al. (2005); Maxwell, H, et al. (2009); Samani (2011). Based on theoretical and empirical studies, the hypothesis is proposed below.

(H1): Store image affects store loyalty.

Schiffman and Kanuk (2008) emphasizes that intrinsic information is a promotional message to explain the store positioning. Based on theoretical and empirical studies, the hypothesis is proposed below.

(H2): Store image affect on brand prestige.

Schiffman and Kanuk (2008); Kotler (2008) state that store image affect on brand prestige. This is supported by empirical studies of Erdogmus and Turan (2012); and Zayerkabeh (2012); and Gilaninia, et al. (2012). Based on theoretical and empirical studies, the hypothesis is proposed below.

(H3): Brand prestige affect on store loyalty.

IV. Research methods:

Study locations are ten stores in Kulon Progo and Bantul, Yogyakarta. Stores in Kulon Progo are (1) Darminto dan (2) Sembung; stores in Bantul are (3) Sido Mulyo, (4) Suka Maju, (5) Berkah Lestari, (6) Bima Sakti, (7) Sekar Arum, (8) Sri Kuncoro, (9) Sung Sang, (10) Giri Indah. This study population is all customers at Bantul and Kulon Progo store. The sampling technique is purposive sampling with a sample size of 170 customers, while the sample unit is customer. The data is analyzed by PLS Swarp version 4 and ANOVA.

RESULTS AND DISCUSSION

5.1 Quantitative Results:

Data analysis result shows that Tenenhaus GoF of 0.398 is larger than cutoff of 0.36. It means the model meets the fit model

\[ Q^2 = 1 - (1 - R1^2)(1 - R2^2) = 1 - (0.22 \times 0.22)(1 - (0.28 \times 0.28)) = 1 - 0.8769 = 0.12 = 12\% \]

The overall value of \( Q^2 \) = 12% shows the contribution store image and brand loyalty on store prestige is 12% and other 88% cannot be detected by this research model.
Implementation of brand image affects on brand prestige and store loyalty.

### Table 3.6: Operational Definition of Variables.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Indicator</th>
<th>Statement Items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store Image</td>
<td>1. Ease of services</td>
<td>1. Store in <em>batik</em> village provide easy services (online, telephone, and direct visit)</td>
<td>Hawkins, et al. (1998) dan (Engel, 1994); Bloemer dan Ruyter (1998);</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ryu, et al. (2008)</td>
</tr>
<tr>
<td></td>
<td>2. Employee’s skill</td>
<td>2. Batik tulis work is done by village skilled employees.</td>
<td>Hawkins, et al. (1998) dan (Engel, 1992); Bloemer dan Ruyter (1998);</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ryu, et al. (2008)</td>
</tr>
<tr>
<td></td>
<td>2. High-prestige stores</td>
<td>2. Stores in <em>batik</em> tulis village has been known at national and international consumers for high prestige</td>
<td>Erdogmus dan Turan, (2012)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ryu, et al. (2008); Park (2008); Bravo, et al. (2012); Zayerkabeh (2012)</td>
</tr>
<tr>
<td></td>
<td>1. Purchase planning to buy within a certain time</td>
<td>1. I plan to buy a <em>batik</em> tulis in Yogyakarta <em>batik</em> village store in a given time.</td>
<td>Ryu, et al. (2008); Park (2008); Bravo, et al. (2012); Zayerkabeh (2012)</td>
</tr>
<tr>
<td></td>
<td>2. Positivity word of mouth communication</td>
<td>2. I tell friends/other party about the store in <em>batik</em> tulis village positively</td>
<td>Ryu, et al. (2008); Zayerkabeh (2012); Gilaninia, et al. (2012)</td>
</tr>
</tbody>
</table>

### Picture: 5.1. Research Model Results.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Variable</th>
<th>Coefficient</th>
<th>P</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Store image</td>
<td>0.32</td>
<td>P &lt; 0.01</td>
<td>Significant</td>
</tr>
<tr>
<td>H2</td>
<td>Store image</td>
<td>0.47</td>
<td>P &lt; 0.01</td>
<td>Significant</td>
</tr>
<tr>
<td>H3</td>
<td>Brand Prestige</td>
<td>0.27</td>
<td>P &lt; 0.01</td>
<td>Significant</td>
</tr>
</tbody>
</table>

5.2 Discussion:

This discussion describes the solution of research gap of Ryu, et al. (2008); Bravo, (2012); Wang and Wu (2012) about the effect of store image on store loyalty. Kremer and Viot (2012) that store image does not affect on store loyalty. This study finding is inconsistent. It needs to select and add the variable of brand prestige to bridge differences in results of study to create a complete model.

Brand prestige is proposed in this study based on several reasons. First reason is a few previous researchers examined brand prestige as a mediating variable in *batik* SMEs. Second reason is Schiffman and Kanuk (2008) emphasizes the intrinsic information is a promotional message to explains the store positioning while the prestige brand may affect the store loyalty Erdogmus and Turan (2012); and Zayerkabeh (2012). Brand prestige is a novelty of current research. All research findings can be explained as below.

**Store Image Affect on Store loyalty:**

The findings show that store image significantly can affect customer store loyalty. Positive path coefficient shows unidirectional of store image on store loyalty. This means that higher store image to
**batik tulis** stores makes loyal behavior of customers are increasingly to chosen store, and vice versa.

This finding supports Peter and Olson (2010) and theory of Bloemer and Ruyter (1998) on customer at department stores in Switzerland City and German-speaking part of Switzerland, Ryu consumers et al. (2008) at restaurant, Bravo, (2012) at financial institutions in Spanish consumers, Yan Lu et al. (2008) at Department stores in USA, Park and Lennon (2008) at online stores in USA, Wang and Wu (2012) an Hair salons in Kaohsiung city of Taiwan, Maxwell, et al. (2009) prove that store image affect on the purchase intention at grocery Student in US. Results of current study partially support the research result described above.

Criticizing Impulse Buying Theory to remove the process stages of purchase, it is consistent with opinion of Abratt and Goodey (1990); Zhou and Wong (2003) that stimulus in store will affect customer loyalty. Peter and Olson (2010) suggest that to achieve customer loyalty in store is still necessary stages of purchase process. It is reinforced by Hawkins, et al. (1998) that impulse purchases are generally defined as purchases made before entering the store and approve the purchase process.

**Store Image Affect on Brand Prestige:**

The finding shows that brand prestige significantly affect on store loyalty. Positive path coefficient shows the unidirectional effect of brand prestige on store loyalty. Customers with higher brand prestige to **batik tulis** stores will increase customer’s loyalty on store chosen, and vice versa. Schiffman and Kanuk (2008) emphasizes the intrinsic information is a promotional message to describes the store positioning strategy. **Batik tulis** stores tend to promote positioning of philosophy of consumers life.

**Brand Prestige Affect on Store loyalty:**

The finding shows that brand prestige significantly affect on store loyalty. Positive path coefficient shows the unidirectional effect of on brand prestige on store loyalty. Customers with higher brand prestige to batik tulis stores will increase customer’s loyalty to store choice, and vice versa. Indicator/items of brand prestige can be understood by customer with a sense of pride to buy batik tulis in store oriented on current lifestyle, brand known store that has a high prestige, brand stores impressive high social status and financial stability of customers, indicator may increase customers buy batik in same store chosen. This finding supports Schiffman and Kanuk (2008); Kotler (2008) and by Erdogmus and Turan (2012); and Zayerkabeh (2012) to describes the effect of brand prestige on store loyalty.

There is difference of store image based on customers age in perceiving batik store in relation with easiness to order ordering batik and assess the product quality variations. Based on education and income, customers perceive the batik store in relation with workmanship done by skilled employees. There is a difference of brand prestige based on age. Customers perceive the batik store famous at national and international levels. Based on revenues, customer perceives the batik stores targeting are clear social status of customers. There is a difference of loyalty based on education and income. Customers perceive the stores have many customers with high commitment to buy batik at chosen store.

**5.3 Implications:**

Businesses effort should concern to store image to increase the ease to book through online, telephone, and come directly to buy **batik tulis**. Ease booking can positively affect on customer, customer is committed choose the store. **Batik tulis** work must be done by skilled employees and pay attention to quality of product variations. Positive store image can create good brand prestige of **batik tulis** stores in associated with consumers pride with latest lifestyle, store brand with high prestige, brand stores an impressive consumers at a high social status and financial security of customers cause customers to speak positively to other parties and committed to buy **batik** at store chosen.

**5.4 Limitations:**

This study limitation is some consumers do not return the questionnaire and did not fill out a questionnaire completely, Customers fill a questionnaire covered a lot of use of subjective elements.

**5.5 Future Researchers:**

R-square of 0.12 in this research shows the model was 12% fit and other 88% is affected by variables outside of this model. Schiffman and Kanuk (2008); and Wang et al. (2011) suggested explains attributes (store attributes of direct mail, part of post-transaction, interpersonal communication, atmosphere Store, Merchandise), attitude of loyalty, loyalty behavior. Subsequent researchers can explore other variables such as prestige brand variables in associated with social class, reviewing the planned behavior theory to be further investigated. Researchers can then assess again theory of impulse buying, theory of Reason Action and Behavior planned theory.

**Conclusion:**

Based on discussion of results of research, the conclusions can be explained below.

1. Brand prestige mediates the effects of store image on store loyalty. The findings show store image significantly can affect customer store loyalty. This means that higher store image to **batik tulis** stores makes loyal behavior of customers are increasingly to chosen store, and vice versa.
Indicator/items of brand prestige, pride can be understood by consumers to buy batik tulis at stores village for latest lifestyle-oriented, well-known store brands that have a high prestige, brand stores impressive high.

2. There are differences of store store image, brand prestige dan store loyalty based on age, sex, job, education and income.

**Suggestion:**

Batik tulis entrepreneurs should improve the store image by simplifying the booking process. It can be done by making a commitment on batik tulis delivery in accordance with a predetermined mutual agreement between batik tulis entrepreneurs and customers. In addition, improving the knowledge and expertise of batik tulis artisans can create customers positive impression to batik store and quality of product variations remains unnoticed. Such efforts can increase brand prestige of stores in association with customer’s pride to buy batik tulis with current lifestyle orientation, store brand is well-known to have high prestige, high social status impression and financial stability of customers. These indicators can improve the customer purchase at batik tulis at same store chosen.

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