

ABSTRACT

The global fashion retail industry has been characterized by fierce competition for numerous years. Retail store increasing pressure to distinctly differentiate them from other competing retail stores by offering fashion merchandise. Since customers are becoming ever more demanding as fashion evolves and new trends becoming more booming though out the world until it reach Surabaya, Indonesia, retail stores. Accordingly, marketers have to ensure good price, product assortment, product quality, employee service and store image in the fashion retail industry in order to survive and prosper. For marketers to attract and retain customers, they have to adjust their marketing strategies and utilize various elements in the marketing mix to compete for customers' attention, satisfy their retail experience needs, and encourage them to return. (The Influence Of Boutique Store Atmosphere On Customer Satisfaction, Store Loyalty And Repurchase Intention, April 2016)

The purpose of this research is to reveal which factors between Price, Product Assortment, Product Quality, and Employee Service toward Behavior Intention through Customer Satisfaction and Store Image on H&M at Supermall in Surabaya. This is a case study of H&M that aimed to use 7 variables to identify their customer loyalty toward them since H&M just open the retail store in February 2017 in Pakuwon Mall, Surabaya.

This study uses a quantitative approach to the analysis technique of Structural Equation Model (SEM) and the AMOS 22.0 software. The questionnaire distributed to 166 respondents in the sample in which the characteristics of respondents which consists of men and women in the age range 18-50 years, consumers who live in Surabaya, bought a product in H&M at Pakuwon Mall, Surabaya, within at least 3 times in 3 last month. The sampling method used in this research that is non - probability sampling.

The results showed that Price variables have significant positive effect on the Customer Satisfaction with coefficient regression of 0,346, Product Assortment variables have significant positive effect on the Customer Satisfaction with coefficient regression of 0,150, Product Quality variables have significant positive effect on the Customer Satisfaction with coefficient regression of 0,185, Employee Service variables have significant positive effect on the Customer Satisfaction with coefficient regression of 0,295, Customer Satisfaction variables have significant positive effect on the Behavior Intention with coefficient regression of 0,561, Store Image variables have significant positive effect on the Customer Satisfaction with coefficient regression of 0,181, and Store Image variables have significant positive effect on the Behavior Intention with coefficient regression of 0,251.

Keywords: Price, Product Assortment, Product Quality, Employee service, Customer Satisfaction, Store Image, Behavior Intention, H&M.