

# Effect of Service Quality on Customer Loyalty at Fortunate Coffee Cemara Asri, Deli Serdang

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## Abstract

Fortunate Coffee Cemara Asri is a cafe that offers a diverse range of vegan food and beverage options, including breads, desserts, snacks, coffee, and cuisine from Nusantara, the Western world, and the East. This study aims to examine the impact of service quality on customer loyalty at Fortunate Coffee Cemara Asri. The indicators of service quality evaluated include reliability, awareness, attention, and accuracy. Indicators of customer loyalty include repeat purchases, recommendations to others, brand loyalty, and positive word-of-mouth. This study utilizes quantitative associative research methods to measure the impact of the independent variable on the dependent variable. The sample size consists of 75 participants, who were selected through incidental sampling. The study's normality test yielded a result of 0.178, exceeding the significance standard of 0.05, leading to the conclusion that the data is normally distributed. The coefficient of determination test revealed that there is a 39.56% relationship or influence between Service Quality and Customer Loyalty. The simple linear regression test yields a regression model equation  $Y = 17,210 + 0.585X$ , signifying that each unit's increase in service quality can boost customer loyalty by 0.585 times. The Z test results indicate that Z value (5.411) > Z table value (1.00), affirming the influence of service quality on customer loyalty in Fortunate Coffee Cemara Asri, Deli Sedang.

**Keyword:** Service Quality and Customer Loyalty

## 1. INTRODUCTION

The café industry is becoming increasingly competitive. This is characterized by an increase in the number of new cafes opening. Moreover, currently the Restriction of Community Activities (PPKM) has been lifted, which has resulted in cafes that were previously empty of visitors since the last two years becoming busy again. The return of customers and consumers makes cafe entrepreneurs compete with each other to attract consumers by giving a positive impression and satisfaction to customers. The trust and loyalty of consumers that are built will have a major influence in maintaining market share. A consumer who shows loyalty to a product will repurchase the product continuously. Service quality itself is no less important in increasing customer loyalty.

According to Tjiptono (Indrasari, 2019: 61), service quality or customer service is a dynamic condition that is closely related to products, services, human resources, as well as processes and environments that can at least meet or even exceed the expected service quality. Service quality focuses on efforts to meet the needs and desires of consumers. The effort is also in the form of delivery accuracy to meet customer expectations. According to Wyckof (Sinollah, 2019: 49) service quality is the level of excellence expected and control over the level of excellence to meet customer desires. Indicators of service quality according to Parasuraman, Zeithaml, and Berry (Indrasari, 2019: 65), include reliability, awareness, attention, and accuracy.

Sheth & Mittal (Firmansyah, 2019: 47) reveal that customer loyalty is a customer commitment to a brand, store or supplier based on very positive traits and is reflected in consistent repeat purchases. Two important conditions related to loyalty are customer retention and total share of customers. Tjiptono (Ramdani, 2020) explains that the indicators of customer loyalty are [1] making repeat purchases, namely: consumers make repeat purchases more than once, [2] recommending to others, namely: suggesting to others to buy or use the product he bought, [3] being loyal to a particular product or brand means that loyal consumers do not intend to switch or change the product or brand, [4] talking about positive things about the product purchased. There are four phases of the loyalty model revealed by Oliver (Adam, 2018: 63-64). The different aspects of loyalty do not arise simultaneously but sequentially over time. The following are the stages of customer loyalty, starting from [1] the cognitive loyalty phase, [2] the affective loyalty phase, [3] the conative loyalty phase, and [4] the action loyalty phase.

The author takes several studies as references and strengthens the author's research. One of them is research conducted by Awaluddin, a student from Makassar State University with the title "The Effect of Service Quality and Brand Image on Online Transportation Customer Loyalty". The results of the F test conducted by the researcher obtained that the calculated f value obtained was 12.847 and f table was 3.20 while the significance value was 0.000. From these results, it shows that  $f_{count} > f_{table}$  and significance value  $< 0.05$ , which means that service quality simultaneously affects online transportation customer loyalty. (Awalludin, 2019)

Fortunate Coffee Cemara Asri itself is one of the cafes known for providing healthy vegan culinary without preservatives and MSG. Fortunate Coffee Cemara Asri has built healthy and natural characteristics in its cafe since it first opened, namely on August 8, 2015. By continuing to improve the quality of service to consumers, it will attract more consumers to continue to visit and buy Fortunate Coffee Cemara Asri products. Satisfied consumers are expected to increase the intention to repurchase Fortunate Coffee Cemara Asri products and create great

loyalty to Fortunate Coffee products. On several occasions, the author has met Fortunate Coffee Cemara Asri customers who have complained about the delay in serving food. Some customers also feel that employees are insensitive to customers, for example, employees forget to give cutlery to customers who eat on the spot. In addition, there are also customers who state that some products from the Fortunate Coffee menu are sometimes not available which has caused a sense of disappointment from some customers to Fortunate Coffee. From this problem, the author aims to conduct this research to determine the effect of service quality on customer loyalty at Fortunate Coffee Cemara Asri, Deli Serdang.

## 2. RESEARCH METHODS

### 2.1 Research Framework

The method used in this research is descriptive research method, namely by revealing problems and facts in the field, by providing analysis or interpretation. Research based on the type and analysis can be divided into two types, namely qualitative research and quantitative research. The type of research used is quantitative research. Quantitative research is a type of research that produces findings that can be achieved using instrument procedures or other ways of quantification or measurement (Sujarweni, 2021:06). The author uses one independent variable (X), namely service quality and one dependent variable (Y), namely customer loyalty.

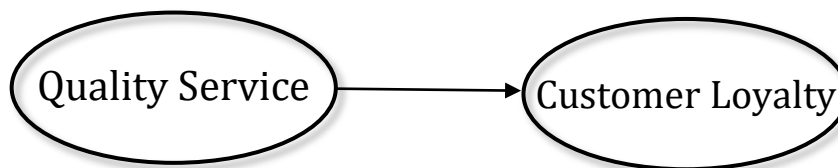


Figure 1. Framework

### 2.2 Population and Sample

According to Sugiyono (Elvera, 2021: 50), population is a generalistic area consisting of objects / subjects that have certain quantities and characteristics set by researchers to study and then draw conclusions. The population used by the author is loyal customers at Fortunate Coffee Cemara Asri, Deli Serdang.

According to Sugiyono (Elvera, 2021: 57), a sample is a part of the whole and the characteristics possessed by a population. Sampling is used to make it easier for researchers to carry out the research process. The author uses the Slovin formula to determine the sample size.

Table 1. Loyal Customer Data for 2020-2022

Year	Total
2020	82
2021	98
2022	120

The total number of Fortunate Coffee loyal customers in 2020-2022 is 300 people. The author will use the Slovin formula to determine the number of samples to be studied. The results are as follows.

$$n = \frac{N}{1 + Ne^2} = \frac{300}{1 + 300(0.1)^2} = \frac{300}{1 + 3} = 75$$

The author uses a margin of error of 10% so that the sample studied is 75 people. The technique taken is incidental sampling or the technique of determining the sample by chance and is considered suitable or feasible as a data source.

### 2.3 Research Data

Data based on its source is divided into two types, namely primary data and secondary data (Sujarweni, 2021: 73-74).

#### 1. Primary Data

Primary data is data obtained from respondents through questionnaires, focus groups, and panels, or also data from researchers' interviews with sources. The author uses a questionnaire or questionnaire as a data source that will be given to Fortunate Coffee Cemara Asri customers.

#### 2. Secondary Data

Secondary data is data obtained from records, books, financial reports, government reports, articles, books as theory, magazines and others. The author obtains secondary data through theories listed in books related to the problem in the study.

### 2.4 Data Collection Technique

In this study, the authors collected data using the closed questionnaire distribution method. The questionnaire is a series of question instruments which are compiled based on measuring instruments for research variables (Sahir, 2021: 29-30). A closed questionnaire is a form of questionnaire for which answer options have been provided, so that respondents can only choose one answer from several answers provided. The questionnaire was

carried out using the Likert scale measurement technique. The Likert scale is used to measure the attitudes, opinions, and perceptions of a person or group of people about social phenomena. (Sugiyono, 2018: 93)

### 3. RESULT AND DISCUSSION

#### 3.1 Description of Respondent Data

The total sample taken in this study was 75 people who could be categorized based on their gender. A total of 36 people (48.0%) were male and 39 people (52.0%). The data results can be seen in the following table.

**Table 2.** Characteristics of Respondents Based on Gender

No.	Genre	Number (People)	Percentage
1.	Male	36	48.0%
2.	Female	39	52.0%
<b>Total</b>		75	100.0%

#### 3.2 Validity and Reliability Test Results

##### 3.2.1 Validity Test Results

Respondents used in the pretest process of this test were 30 respondents. The criteria used from the research results are to compare r count with r table. If r count is greater than r table then the instrument item can be said to be valid. The results of the validity of the dependent and independent variables can be seen from the following table:

**Table 3.** Validity Test Results of Service Quality Variables (X) and Customer Loyalty Variables (Y)

SERVICE QUALITY VARIABLE VALIDITY TEST (X)				CUSTOMER LOYALTY VARIABLE VALIDITY TEST (Y)			
Item	r count	r table	Validity	Item	r count	r table	Validity
Item 1	0.727	0.361	VALID	Item 1	0.708	0.361	VALID
Item 2	0.701	0.361	VALID	Item 2	0.826	0.361	VALID
Item 3	0.839	0.361	VALID	Item 3	0.787	0.361	VALID
Item 4	0.771	0.361	VALID	Item 4	0.777	0.361	VALID
Item 5	0.518	0.361	VALID	Item 5	0.823	0.361	VALID
Item 6	0.78	0.361	VALID	Item 6	0.835	0.361	VALID
Item 7	0.824	0.361	VALID	Item 7	0.847	0.361	VALID
Item 8	0.809	0.361	VALID	Item 8	0.796	0.361	VALID
Item 9	0.765	0.361	VALID	Item 9	0.732	0.361	VALID
Item 10	0.841	0.361	VALID	Item 10	0.864	0.361	VALID

Based on the test results of the table above, it can be seen that 10 statement items from the service quality variable (X) are declared valid because the calculated r value is greater than the r table value.

Based on the results of testing the table above, it is also known that 10 statement items from the customer loyalty variable (Y) are declared valid because the calculated r value is greater than the r table value.

##### 3.2.2 Reliability Test Results

In the calculation process of the reliability test, the author will be assisted by SPSS 25. The respondents used in this testing process were 30 respondents. The results of the dependent and independent variable reliability tests can be seen from the following table:

**Table 4.** Reliability Test Results of Service Quality Variables (X) and Customer Loyalty Variables (Y)

Reliability Statistics			
Service Quality Variable Test (X)		Customer Loyalty Variable Test (Y)	
Cronbach's Alpha	N of Items	Cronbach's Alpha	N of Items
0.922	10	0.942	10

Based on the table above, it can be seen that the reliability instrument coefficient (cronbachalfa) of the service quality variable (X) is 0.922 > 0.600 so that the instrument of the service quality variable (X) is declared reliable.

Based on the table above, it can also be seen that the reliability instrument coefficient (cronbachalfa) of the customer loyalty variable (Y) is 0.942, so the instrument of the customer loyalty variable (Y) is declared reliable.

#### 3.3 Normality Test Results

According to Sujarweni (2021: 102), the normality test means a test that can measure whether our data has a normal distribution so that it can be used in parametric statistics. The technique used to test the normality of data is the Kolmogorov - Sminorv technique with SPSS 25. Data will be declared normal if the significance is more than 0.05. Data that are not normally distributed can use non-parametric statistics. The normality test is carried out by comparing the data we have with normally distributed data which has the same mean and standard deviation as our data.

**Table 5. Normality Test Results  
 One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		75
Normal Parameters <sup>a,b</sup>	Mean	0.0000000
	Std. Deviation	4.45296572
	Most Extreme Differences	
	Absolute	0.093
	Positive	0.093
	Negative	-0.052
Test Statistic		0.093
Asymp. Sig. (2-tailed)		.178 <sup>c</sup>

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

From the table above, it can be seen that the significance value for the service quality variable (X) and customer loyalty (Y) is 0.178 and greater than 0.05, so it can be concluded that the data can be normally distributed.

### 3.4 Linearity Test Results

The linearity test is used to show whether or not there is a strong linear relationship between variables. The linearity test is usually used as a prerequisite in correlation or linear regression analysis. Testing was carried out in the SPSS program with the Test for Linearity at the 0.05 significance level. Two variables are declared linear if the significance is less than 0.05. (Feliona et al., 2022)

**Table 6. Linearity Test Results**

			ANOVA Table				
			Sum of Squares	df	Mean Square	F	Sig.
		(Combined)	1539.376	19	81.020	5.009	0.000
Customer Loyalty * Service Quality	Between Groups	Linearity	961.648	1	961.648	59.454	0.000
		Deviation from Linearity	577.728	18	32.096	1.984	0.027
	Within Groups		889.610	55	16.175		
	Total		2428.987	74			

Based on the table above, it can be seen that the significance value of Deviation from Linearity of service quality variables on customer loyalty is 0.027 and smaller than the significance level of 0.05. Thus it can be concluded that the service quality and customer loyalty variables have a significant linear relationship.

### 3.5 Colleration Test Results

Correlation coefficient analysis is used to determine the direction and strength of the relationship between two or more variables. The direction is expressed in the form of positive and negative relationships, while the strength or weakness of the relationship is expressed in the magnitude of the correlation coefficient. the magnitude of the correlation coefficient (Andini, 2020).

The correlation coefficient (r) shows the degree of correlation between the independent variable and the dependent variable. The correlation coefficient value must be within the limits of -1 to +1 (-1 < r ≤ +1) which results in several possibilities, including as follows:

- a. A positive sign indicates a positive correlation in the variables tested, which means that any increase and decrease in the values of X will be recognized by an increase and decrease in Y. If r = +1 or close to 1, it indicates that the positive influence between the variables tested is very strong.
- b. A negative sign indicates a negative correlation between the variables tested, meaning any increase in X values will be followed by a decrease in Y values and vice versa. If r = -1 or close to -1, it indicates a negative influence and the correlation between the variables tested is weak.
- c. If r = 0 or close to 0 then it shows a weak correlation or there is no correlation at all between the variables being studied and tested.

**Table 7. Correlation Test Results**

		Correlations	
		Service Quality	Customer Loyalty
Service Quality	Pearson Correlation	1	.629**
	Sig. (2-tailed)		0.000
	N	75	75
Customer Loyalty	Pearson Correlation	.629**	1
	Sig. (2-tailed)	0.000	
	N	75	75

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The correlation value ranges from -1 to 1, the closer to 1, the stronger the relationship between the two variables. From the results of the correlation test, it is found that the correlation value obtained is 0.629, which means that the level of relationship between the service quality variable and customer loyalty is quite high.

### 3.6 Determination Coefficient Test Results

The coefficient of determination (Goodness of fit), denoted by R<sup>2</sup> is an important measure in regression. Determination (R<sup>2</sup>) aims to calculate the effect of the independent variable on the dependent variable. The higher the R<sup>2</sup> value, the greater the proportion of the total variation in the dependent variable that can be explained by the independent variable. (Sujarweni, 2021: 228)

**Table 8.** Determination Coefficient Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.629 <sup>a</sup>	0.396	0.388	4.483

a. Predictors: (Constant), Service Quality  
 b. Dependent Variable: Customer Loyalty

The formula for testing the coefficient of determination (R<sup>2</sup>) is as follows.

$$\begin{aligned}
 KD &= R^2 \times 100\% \\
 &= (0.629)^2 \times 100\% \\
 &= 39.56\%
 \end{aligned}$$

From the results of the above calculations, it can be seen that the magnitude of the effect of service quality (X) on customer loyalty (Y) is 39.56%.

### 3.7 Simple Linear Regression Test Results

Simple Linear Regression is an analysis that consists of only two variables, namely the independent variable and the dependent variable. Simple Linear Regression can be described as follows following (Sahir, 2021):

$$Y = a + bX$$

**Table 9.** Simple Linear Regression Test Results

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	17.210	3.476		4.951	0.000
	Service Quality	0.585	0.085	0.629	6.917	0.000

a. Dependent Variable: Customer Loyalty

$$\begin{aligned}
 Y &= a + bX \\
 Y &= 17.210 + 0.585X
 \end{aligned}$$

The explanation of the above equation is as follows:

1. If the service quality have increased, customer loyalty is 17,210.
2. The service quality regression coefficient (X) is 0.585, which means that if the service quality increases or adds one unit, it can increase customer loyalty by 0.585.

### 3.8 Z-Test Results

The Z-test is carried out so that it can be known whether or not there is a significant influence between the service quality variable (X) on the customer loyalty variable (Y). The Z-test formula used is as follows.

$$\begin{aligned}
 Z &= \frac{r}{\frac{1}{\sqrt{n-1}}} \\
 &= \frac{0.629}{\frac{1}{\sqrt{75-1}}} \\
 &= \frac{0.629}{\frac{1}{\sqrt{74}}} \\
 &= \frac{0.629}{\frac{1}{8.602}} \\
 &= 5.411
 \end{aligned}$$

From the calculation of the formula above, the result of Zhitung is 5.411 while the number of Ztabel is 1.00 which is Zvalue (5.411) > Ztabel (1.00). Therefore, if Zhitung > Ztabel then there is an effect of service quality on customer loyalty at Fortunate Coffee Cemara Asri, Deli Serdang.

### 3.9 Discussion

The calculation process of all the tests above, the author is assisted by SPSS 25. The results of data processing obtained from this study can be seen in the test results above and the authors formulate the discussion below.



1. The validity test results show that  $r_{count} > r_{table}$  and all instruments of service quality variables and customer loyalty are declared valid.
2. The reliability test results show that the reliability instrument coefficient (cronbachalfa) of service quality is 0.922 and the reliability instrument coefficient (cronbachalfa) of customer loyalty is 0.942. The reliability instrument coefficient value (cronbachalfa) of all variables is greater than 0.600 so that the questionnaire used is reliable.
3. The normality test results for the service quality and customer loyalty variables are 0.178 and greater than 0.05 so that all data from this study can be normally distributed.
4. The results of the linearity test of this study indicate that the significance value of the Deviation from Linearity of the service quality variable on customer loyalty is 0.027. Thus it can be concluded that the variables of service quality and customer loyalty have a significant linear relationship because it is smaller than the significance standard of 0.05.
5. The correlation test results show that the correlation value is 0.629, meaning that service quality has a fairly high level of relationship with customer loyalty. The correlation value is declared high if it is close to 1.
6. The test result of the coefficient of determination value is 39.56%, which means that service quality has an influence of 39.56% on customer loyalty.
7. The results of the simple liner regression test produce a regression model equation  $Y = 17,210 + 0.585X$ , which means that every increase of 1 unit of customer quality can increase customer loyalty by 17,210 times.
8. The Z test results show that  $Z_{value} (5.411) > Z_{table} (1.00)$  which means that service quality has a significant influence on customer loyalty.

#### 4. CONCLUSION

Based on the test results and analysis of the effect of service quality on customer loyalty Fortunate Coffee Cemara Asri conducted based on the data and evidence that has been collected, the authors can draw the conclusion that the results of the hypothesis test or Z test state that service quality has a significant effect on customer loyalty Fortunate Coffee Cemara Asri. The Z test results show that the  $Z_{value} > Z_{table}$  value, where  $Z_{value}$  is 5.411 and  $Z_{table}$  is 1.00. From the results of the calculation of the coefficient of determination, it is also known that the customer loyalty of Fortunate Coffee Cemara Asri is 39.56% influenced by service quality while 60.44% is influenced by other factors not examined by the author. From the results of this study, the authors suggest that Fortunate Coffee pay more attention to the services provided to customers. Fortunate Coffee can improve service quality by serving customer dishes in a short time, expanding parking lots so that customers can calmly leave or park their vehicles. In accordance with the results of the study, good service quality will encourage higher customer loyalty for Fortunate Coffee Cemara Asri. These customers will continue to consume Fortunate Coffee products and will make regular purchases.

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