

**THE COSTUMER SATISFACTION ROLES IN CUSTOMER SATISFACTION
 AFFECT THE QUALITY OF SERVICE CUSTOMER LOYALTY**

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ARTICLE HISTORY	ABSTRACT
<p><i>Received: January 27th, 2024</i> <i>Revised: Februari 20th, 2024</i> <i>Accepted: March 15th, 2024</i></p> <p>Keywords: Customer Satisfaction Customer Loyalty Service Quality</p>	<p><i>Customer loyalty is a very important aspect, and therefore, efforts are needed to increase customer loyalty by using several supporting factors, such as improving service quality so that customers are satisfied. This study aims to determine the effect of service quality on customer loyalty mediated by customer satisfaction. This research is quantitative. The sample obtained in this study was selected using simple random sampling. The number of samples used in this study was 78. The data analysis method used was the Partial Least Square (PLS) approach. The results of the study indicate that hypothesis 1 is significant, with a t-statistic value of 37.397 > 1.96 and a p-value of 0.000 < 0.05. This result proves that service quality plays a role in creating customer satisfaction and increasing customer loyalty. Hypothesis 2 is significant, with a t-statistic value of 23.791 > 1.96 and a p-value of 0.000 < 0.05. This result proves that service quality has a role in creating customer satisfaction and increasing customer loyalty. Hypothesis 3 is significant with a t-statistic value of 8.002 > 1.96 and a p-value of 0.000 < 0.05. This result proves that customer satisfaction is important in increasing customers' loyalty at Café Bandrek Opung Palangkaraya.</i></p>

INTRODUCTION

Technological advancements today have led to the growth of many businesses, indicating tight competition. This competition can be won if businesses innovate quickly, such as by improving service quality and aligning prices with the offered products. This can run smoothly if the business correctly determines its strategy and effectively attracts targeted customers. The intense competition makes consumers very sensitive to changes, so every business player must be able to follow changes in consumer demand. According to Kotler (2017), business players initially focused solely on sales targets, but over time, marketers have prioritized customer attention and maintaining relationships with customers. Good service quality plays a crucial role in increasing customer satisfaction and creating customer loyalty.

Customer loyalty is the success of a company. Emotional relationships and connections affect customer loyalty because customers feel valued, cared for, and listened to regarding their complaints. Service quality is the key for a company or business to survive and gain customer trust. According to Parasuraman (2014), service quality is grouped into five dimensions: physical evidence

Customer satisfaction arises after someone gets quality service from a service provider, thus creating a satisfying experience for the customer. According to Kotler (2005: 70), customer satisfaction is a reaction or feeling of pleasure or disappointment that arises after comparing the product's performance (results) with expectations or thoughts about the performance or product.

In the current technological development, many businesses in the MSME category are developing, one of which is the business or cafe business. Cafes are a growing business in recent years. This cafe is used as the most comfortable place to relax, do assignments, for meetings of both organizations and companies and also a place to meet with friends or casual business meetings. The establishment of this cafe business is a form of economic growth that

is happening in an area and can provide benefits for job seekers.

These technological advancements will also affect various aspects of café operations such as digital payment systems, online ordering such as Gofood or other applications that can be used to order food. Cafes that are able to provide healthy and quality food at an affordable price will attract customers who are concerned about a healthy lifestyle.

Cafe or coffee shop business is one of the businesses that is in great demand by business people in Palangka Raya City. This can be seen from the many coffee shops that have sprung up in various locations in the city of Palangka Raya. This results in a high level of competition, so efforts are needed to win this competition. Kafe Bandrek Opung Palangka Raya is one of the cafes in Palangka Raya City which is located at Jl. Seth adji no 45, Langkai, Kec. Pahandut Palangkaraya City. Bandrek Opung Cafe was established on August 07, 2021. However, Bandrek Oppung has been there before in 2015. In 2020, COVID-19 occurred, resulting in a lockdown as an effort to prevent the transmission of the Covid-19 Virus. So that not many visitors come to Bandrek oppung anymore, Bandrek Opung finally closed the cafe and looked for good opportunities for business at that time.

Bandrek Opung palangka Raya is open every day from 16.00 to 23.30 WIB. Bandrek Oppung provides coffee from Sidikalang, Siantar (Opung coffee), and Aceh coffee. Based on interviews conducted by researchers on June 13, 2023 to the owner of Bandrek Opung, explained that there were complaints from customers. There are several complaints from customers such as delays in food orders during peak hours and crowded visitors. Lack of availability of space when crowded with visitors, lack of a limited parking area. Availability of shade when it rains because the place is outdoors.

Based on the description of the problem above, it is important to conduct research on the role and influence of service quality and customer satisfaction to increase customer loyalty so that researchers take the title "The Role of Customer Satisfaction in Mediating the Effect of Service Quality and Price Perception on Customer Loyalty (In the Case Study of Kafe Bandrek Opung Seth Adji Palangka Raya City)".

LITERATURE REVIEW

Customer Loyalty

Customer loyalty is the success of a company. Customer loyalty arises because there is a sense of satisfaction after buying or using the services or products provided. Utomo (2006: 27) defines loyalty (service loyalty) as the degree to which a consumer shows repeated purchasing behavior from a provider. Service, have a positive attitude towards the service provider and only consider using this service provider when the service is needed. According to Sangadji and Sopiah (2013: 115) there are several indicators to measure customer loyalty, namely as follows:

1. Make repeat purchases
2. Habitual consumption of the brand.
3. Love the product.

Customer Satisfaction

Many factors influence customers' assessment of product performance, especially the type of loyalty relationship that customers have with a product. According to Edward (2014), customer satisfaction can increase customer loyalty. To increase customer satisfaction, a better marketing strategy is needed so that it can attract customer attention to the products offered. If a business increases customer satisfaction by lowering its price or improving its services, the possibility of increasing profits will decrease. This is done in increasing profitability in addition to increasing customer satisfaction by improving the manufacturing

process or investing more. According to Kotler (2008: 169) there are several factors that affect customer satisfaction, namely:

1. Price
Price is the amount of money spent or exchanged to obtain the product and its benefits. Consumers will feel satisfied if the money they spend through the price is paid for by the quality of the product they expect.
2. Service Quality
Service quality is an effort given by customers to meet customer needs or expectations through service.
3. Company Reputation
The assumption that corporate reputation, which consists of company image, brand reputation, best name, and everything related to customer satisfaction, must be prioritized in a company's marketing efforts.

According to Indrasari (2019: 92) indicators of customer satisfaction are described below:

1. Expectation match,
2. Interest in revisiting,
3. Willingness to recommend.

Service Quality

According to Kotler (2009) Service Quality includes benefits or actions provided by one party to another, where the benefits are intangible and not related to ownership of something. However, according to Tjiptono (2011) service quality is an ever-changing situation related to products, services, human resources, processes and the human environment that can at least meet the expected service quality. According to Zeithaml, et al (2011) in (Hardiyansah 2011: 11) service quality can be assessed based on five dimensions:

1. Realibility
2. Responsiveness
3. Asurannce
4. Empathy
5. Tangible

METHODS

The type of research used in this study is to use quantitative research methods. Sampling techniques are generally done *randomly* (*random*). In this study the technique used to determine the sample by means of Probability Sampling. The sampling technique used in this study was *simple random sampling*. Data collection techniques using research instruments, data analysis is quantitative / statistical which aims to test the hypothesis that hasbeen obtained (Sugiono, 2014: 13). Based on theory and some previous research results, a conceptual framework can be made to solve this research problem. The conceptual framework in this study is as follows:

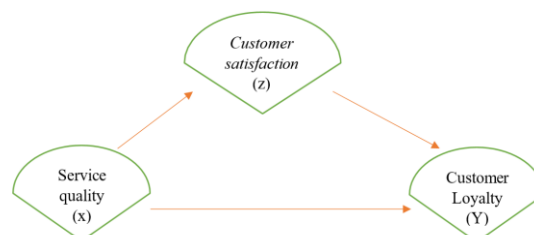


Figure 1. Conceptual Framework

The conceptual framework shows the relationship between variables and hypotheses which will be described as follows:

- H1: Service Quality has a positive effect on Customer Loyalty
- H2: Service Quality has a positive effect on Customer Satisfaction
- H3: Customer Satisfaction has a positive effect on Customer Loyalty.

The research participants were customers of Café Bandrek Opung. The total sample was 78 respondents who used the non-probability sampling method with the criteria of ages 15 to 45 years and had visited Café Bandrek Opung twice. Data collection techniques using questionnaires and data analysis techniques using descriptive statistics, with the Partial Least Squares (PLS) approach and analysis tools in the form of SmartPLS 4.0 software.

According to Sugiyono (2017) research instruments are tools used to measure observed natural and social phenomena. In this study, researchers used a Likert scale as the scale used to measure respondents' answers. This questionnaire or questionnaire utilizes the *Likert* scale in checklist format. The variables measured will be described into variable indicators that use a *Likert* scale. Furthermore, instrument items such as questions or statements are made based on these indicators. The answer to each instrument item that uses a *Likert* scale has a row from very positive to very positive. to negative, where the words are strongly agree (SS), agree (S), neutral (N), disagree (TS), strongly disagree (STS).

The *Outer Model* was used to evaluate the validity and actuality of the presentation of each variable. Convergent validity, discriminant validity, and reliability tests were used to evaluate this model. The following results were obtained using the measurement model applied through data tabulation and survey. If the outer loading value of an indicator in a category is greater than 0.5, it is considered to meet the convergent validity criteria.

RESULTS

Respondent Characteristics

Table 1. Characteristics of Respondents Based on Gender

Gender	Frequency	Percentage (%)
Male	57	73%
Female	21	27%
Total amount	78	100%

Source: Respondent Data Results, (2023)

Composite Reliability

Table 2. Composite Reliability

	Cronbach's alpha	Composite reliability (rho_a)	Description
Assurance	0.912	0.912	Reliable
Customer_Satisfaction	0.827	0.828	Reliable
Empathy	0.899	0.91	Reliable
Quality_Service	0.962	0.966	Reliable
Customer Loyalty	0.898	0.904	Reliable
Reliability	0.786	0.818	Reliable
Responsiveness	0.841	0.849	Reliable
Tangible	0.818	0.84	Reliable

Source: Processed Primary Data (2023)

Constructs are said to be *reliable* if the *Cronbach Alpha* value is > 0.6 and *Composite Reliability* > 0.7 (Jogiyanto 2011). Apart from observing the value of external loading, convergent validity can also be seen through the Average Variance Extracted (AVE) value for each indicator, this value must be > 0.5 (Ghozali, 2019).

Average Variance Extracted (AVE) Value

Table 3. Average Variance Extracted (AVE) Value

Construct	Average Variance Extracted (AVE)
Service Quality (X)	0.643
Customer Satisfaction (Z)	0.743
Customer Loyalty (Y)	0.830

Source: Processed Primary Data (2023)

Based on Table 4.9 above, it is known that the AVE value of each variable, namely Service Quality (X) = 0.643, Customer Satisfaction (Z) = 0.743 and Customer Loyalty. (Y) = 0.830 where all of these variables have an AVE value ≥ 0.50 with such a value being categorized as valid.

Path Coefficient

Table 4. Path Coefficient

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Result
Customer Satisfaction → Loyalty Customer	0.84	0.85	0.105	8.002	0	Significant
Service Quality → Assurance	0.944	0.944	0.014	66.557	0	Significant
Service Quality → Customer Satisfaction	0.837	0.837	0.035	23.791	0	Significant
Quality of Service → Emphaty	0.922	0.922	0.019	48.167	0	Significant
Service Quality → Loyalty Customer	0.923	0.043	0.118	37.397	0	Significant
Quality ofService → Reability	0.886	0.886	0.03	29.103	0	Significant
Quality of Service → Responsiveness	0.914	0.912	0.03	30.783	0	Significant
Quality ofService → Tangible	0.951	0.95	0.013	72.379	0	Significant

Source: Processed Primary Data (2023)

Hypothesis

- Hypothesis 1: Service Quality has a positive effect on Customer Loyalty.
Result: Accepted t-statistic value $37.397 > t\text{-table } 1.96$ and P-value < 0.05 .
- Hypothesis 2: Service Quality has a positive effect on Customer Satisfaction
Result: Accepted t-statistic value $23.791 > t\text{-table } 1.96$ and P-value < 0.05 .
- Hypothesis 3: Customer Satisfaction has a positive effect on Customer Loyalty
Result: Accepted t-statistic value 8.002 more than t-table 1.96 and P-value < 0.05 .

Coefficient of Determination

The results showed that *Customer Satisfaction* has a significant effect on Service Loyalty, Service Quality on Customer Loyalty P-values > 0.05 and the dimension value of Service Quality is significant based on this value Service Quality has a significant effect on Customer Loyalty. And Service Quality has a significant effect on *Customer Satisfaction*. It is said to be significant because the t-statistic value > t-table value, which is 1.96 and the significance value is <0.05.

Discussion

Service Quality to Service Loyalty

The test results using SmartPLS 4.0 obtained that the hypothesis testing of the Service Quality variable has a significant effect on the Customer Loyalty variable. This is in accordance with the hypothesis which states that there is a significant influence between the Service Quality Variable and Customer Loyalty. The results of this study are related to research conducted by Mariana Puspa Dewi (2020) which states that the higher the Service Quality, the higher the Customer Loyalty and the increase in Customer Loyalty due to the increase in Service Quality is relatively large. This shows that Bandrek Opung Palangka Raya consumers are quite sensitive to changes in Service Quality.

Service Quality to Customer Satisfaction

Based on the test results using SmartPLS 4.0, it is found that testing the hypothesis that the Service Quality variable has a significant effect on the Customer Loyalty variable. The findings in this study support the findings revealed by Ayu Bunga Pertiwi and her colleagues (2022), who concluded that service quality has an important role in the process of forming Customer Satisfaction with Cafe Bandrek Opung Palangka Raya.

Customer Satisfaction on Customer Loyalty

Based on the test results using SmartPLS 4.0, it is obtained that testing the hypothesis of the Customer Satisfaction variable has a significant effect on the Customer Loyalty variable. This is in accordance with the hypothesis which states that it is suspected that there is a significant influence between the Customer Satisfaction Variable on Customer Loyalty. The results of this study are related to research conducted by Ayu Bunga Pertiwi, et al (2022) which states that Customer Satisfaction is a determinant of Customer Loyalty because satisfied customers will form loyal customers at Cafe Bandrek Opung Palangka Raya.

CONCLUSION

Based on the results of this study, it is known that the Service Quality and Customer Satisfaction Variables have a significant effect on Customer Loyalty, where the results of this study emphasize the real benefits of encouraging Cafe Bandrek Opung, which has received positive assessments from consumers to have stronger competitiveness in the market and still be able to satisfy consumers with its products by one of them marketing products with good quality and providing quality service to consumers and customers. Therefore, efforts need to be made to improve the quality of service that increases the satisfaction of consumers or customers so that this will make customers Loyal to Cafe Bandrek Opung.

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