

THE EFFECT OF PRODUCT VALUE, SERVICE QUALITY, AND CUSTOMER SATISFACTION ON CUSTOMER LOYALTY AT KEDAI KOPI KENANGAN MALL OF INDONESIA

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Abstract: *This study aims to analyze the relationship between product value, service quality and customer satisfaction to customer loyalty at Kopi Kenangan Mall of Indonesia. The population in this study were visitors who came to the Kopi Kenangan Mall of Indonesia from May to June 2021 and the number of samples used for the study were 200 customers that visited Kopi Kenangan Mall of Indonesia. All samples were taken by filling out a questionnaire and distributed with convenience sampling method. Data collection through questionnaires was analyzed using PLS-SEM. The results of this study showed a positive relationship between product values and customer satisfaction, a positive relationship between service quality and customer satisfaction, a positive relationship between product values and customer loyalty, a positive relationship between service quality and customer loyalty and a positive relationship between customer satisfaction and customer loyalty. Based on the results of the study, it can be concluded that customer loyalty is positively influenced by customer satisfaction and increasing product value and service quality can increase customer satisfaction.*

Keywords: *Product Value, Service Quality, Customer Satisfaction, Customer Loyalty, Coffee Shop*

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1. Introduction

Competition in business is something that should be considered for every company, especially with the presence of globalization. Competition requires business people to create superior goods or services and maintain profits so that the company is able to survive or compete in a tight market. According to (Reichheld & Sasser, 1990), when a company retains its customers, profits will increase. In this case, (Delgado et al., 2011) also argues that customer loyalty is a valuable asset for companies that are needed to maintain and maintain good relationships with customers. Regular customers and profits are always seen as two things that are mutually sustainable in order to survive long in the competition. Therefore, maintaining customer loyalty is important for the sustainability of a company.

Competition in various industrial fields also affects the coffee business. Coffee shops have become a necessity for modern society in the era of globalization. The coffee shop is considered the third comfortable place after the home as a residence and the office as a place of work for the Indonesian people. Someone spends and spends most of their time-consuming coffee because

coffee shops can apparently be used for various purposes (Lee et al., 2018). Coffee consumption has become a lifestyle, it is not surprising that many coffee shops have started to appear to offer Indonesian coffee.

The object in this observation is a local coffee shop called Kopi Kenangan which is located in Mall of Indonesia (MOI), North Jakarta. Sales of Kopi Kenangan products are shown by the large number of visitors who come to Kedai Kopi Kenangan. However, the results of an interview with the manager of the Kopi Kenangan Mall of Indonesia (MOI) shop, which has been established for two years, stated that the phenomenon of the decline in the number of visitors was beyond expectations. Based on the answers given by the manager, the actual number of loyal customers who visit in one month on average is 1,000 - 2,000 visitors, while the manager's estimate is around 3,000 visitors. The manager explained that the coffee business has been rapidly spread out, and Kopi Kenangan is not the only coffee shop that is open at the Mall of Indonesia shophouse.

Every business needs regular customers to survive in the face of less favorable situations. However, customers remain loyal only as long as they feel completely satisfied with the goods or services they get. When consumers are satisfied, they will implement repeat purchases and slowly become regular customers. With the intense competition that involves many producers in achieving the needs and desires of consumers, the company must be oriented to customer satisfaction as the main goal (Tjiptono, 2016). *Customer satisfaction* is the emotional value given by the customer to the provider of goods or services. The emotional value is summarized in the word '*satisfaction*' where certain satisfaction values are related to customer retention. Customer satisfaction is seen as a tool in creating retention, namely the satisfaction felt by users will lead to retention in the form of repeated or not at all use (Yustine & Fadilah, 2015).

The loyal attitude of Kopi Kenangan consumers is also shown by buying and consuming Kopi Kenangan products as their favorite drink. In the initial research conducted on 10 loyal customers of Kopi Kenangan MOI, information was obtained about the reasons that make them keep coming to the Kopi Kenangan shop. The results of interviews with 10 customers explained that 6 customers indicated a sense of satisfaction with the value of the product and 4 other customers indicated a sense of satisfaction with the quality of service which was the reason for them to repurchase Kopi Kenangan products. (Hidayat, 2017) also suggests that customer satisfaction is more influenced by product quality, service quality, costs, and human factors. (Hasan, 2013) states that customer satisfaction occurs when the performance of a product and service quality exceeds the expected results. It is also explained by (Tjiptono, 2016) that satisfaction is the appearance of a sense of happiness or disappointment after making a comparison between the expectations and performance of a real product or service value

According to (Praman, 2014), customer loyalty is the initial trial of a product that is reinforced by a sense of satisfaction so that it will lead to repeat purchases. Subjects of satisfaction and loyalty affect customer interest. Customer satisfaction is the driver of customer loyalty which will later support the company's performance. If the manager of Kopi Kenangan Mall of Indonesia cannot meet the satisfaction of its visitors, then it is unlikely that visitors will want to come back.

The purpose of this study was to analyze whether product value has a positive effect on customer satisfaction; whether service quality has a positive influence on customer satisfaction; whether the product value has a positive influence on customer loyalty; whether service quality has a positive influence on customer loyalty; whether customer satisfaction has a positive influence on customer loyalty. The results of this study are expected to help the management of

Kopi Kenangan Mall of Indonesia to increase its visitors by evaluating the effect of product value, service quality, and customer satisfaction on customer loyalty.

Study of Literature and Hypotheses

The relationship between product value and customer satisfaction

Product value is one of the measuring tools to determine the level of customer satisfaction. The relationship between product value and customer satisfaction is closely related because it can influence customer decisions to consume the products offered (Gunawan & Azhar, 2020). Customers feel satisfied if the value of the product received matches or even exceeds their expectations. Conversely, customers will feel disappointed when the value of the product received is less or below expectations (Apriyani & Sunarti, 2017). The increasing value of the product will of course also affect the competition in the culinary industry, especially coffee products which are increasingly spread out at this time. This is supported by the statement of (Daryanto, 2014) that customer satisfaction is a condition if the product value is in accordance with customer needs or expectations.

Hypothesis 1: Product value has a positive effect on customer satisfaction

The relationship between service quality and customer satisfaction

Service quality is an effort to fulfill consumer needs and desires according to consumer expectations to increase satisfaction (Tjiptono, 2016). According to Mayasari (2011), service quality is one of the determining or dominant variables in determining customer satisfaction. Good service quality will result in high satisfaction. Meanwhile, dissatisfaction can be a reason to move or stop buying. This is also in accordance with Tjiptono (2016) that in maintaining relationships with consumers, manufacturers do not only rely on product quality but also provide the best quality service for accumulative satisfaction which ultimately meets customer expectations. So the second hypothesis proposed is:

Hypothesis 2: Service quality has a positive effect on customer satisfaction

The relationship between product value and customer loyalty

Kotler et al. (2016) state that the relationship between product value and consumer loyalty is very close because customer loyalty is obtained when customers feel satisfied with the value of the product and the quality of services provided. This is also supported by Afnina & Hastuti (2018) that customers become loyal because of the perceived satisfaction with the value of the product. Product value can be met if a business can provide all the attributes attached to the product in accordance with or exceeding customer expectations. A good product value will also create good relationships with customers and in the long term, this good relationship will help the company to understand the customer's expected needs and provide benefits for the company (Kotler et al., 2016) So the third hypothesis proposed is:

Hypothesis 3: Product value has a positive effect on customer loyalty

The relationship between service quality and customer loyalty

According to Griffin, R; Moorhead, (2016) before becoming a loyal customer, consumers have made a conclusion about the quality of service they feel. Kotler (2003) suggests that good

service will create good relationships with customers and become the basis for consumers to decide to repurchase in the future. Delgado et al. (2011) also argue that when consumers receive better service quality, it will increase their loyalty to product providers because the higher the service quality, the higher the satisfaction felt by customers and customer loyalty will be created. So the third hypothesis proposed is:

Hypothesis 4: Service quality has a positive effect on customer loyalty

The relationship between customer satisfaction and customer loyalty

According to Chiguvi (2016), customers become loyal when they feel satisfied with a product or service that meets expectations. In this case, Kartajaya (2016) explains that satisfied customers want to have a high potential to be loyal to a product or service that begins with excellent service. In addition, satisfied consumers will buy more and also recommend products to their relatives (Rahmawati, 2017). To generate satisfaction, companies must be able to sell goods or services with value and service quality in accordance with consumer expectations because when customers are satisfied there will be a good relationship between producers and consumers which is the basis for loyal and repeat purchases (Hidayat, 2017). So, the fifth hypothesis proposed is:

Hypothesis 5: Customer satisfaction has a positive effect on customer loyalty

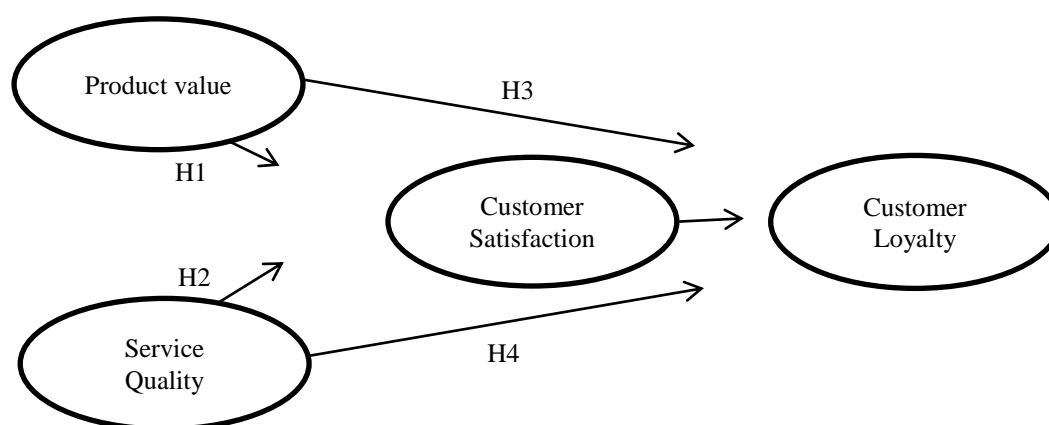


Figure 1. Research Model

2. Research Method

The This research was conducted to examine the relationship between product value and service quality on customer satisfaction and loyalty at Kedai Kopi Kenangan Mall of Indonesia. The independent variables in this study are product value, service quality. The dependent variable is customer loyalty, while customer satisfaction acts as an intervention variable. The research was conducted quantitatively with the type of explanatory research to determine the extent of the relationship between cause and effect. The unit of analysis in this study is the individual as a customer of Kopi Kenangan products that has been determined in number. The target population is all customers of Kedai Kopi Kenangan which is located in Mall of Indonesia,

Kelapa Gading sub-district, North Jakarta area. In this research, the minimum number of samples based on the recommendation of the sample theory by Kock & Hadaya (2018), namely *The Inverse Square Root Method* as many as 160 respondents. Thus, the accumulated sample was rounded up to 200 respondents. The sampling technique used is *convenience sampling* which is included in the *non-probability sampling* method. The study took place from May to June 2021.

The data collection method was carried out by distributing questionnaires and filled in by respondents consisting of all visitors to the MOI Kenangan Coffee shop. Then, the data were analyzed using a structural equation modeling (SEM) model with the help of the SmartPLS version 3.3.3 program. Each item of the questionnaire measures the role of product value, service quality, and customer satisfaction on customer loyalty using dimensions. The product value dimensions consist of emotional values, social values and functional values taken from Sweeney & Soutar (2001). Furthermore, the dimensions of service quality and customer satisfaction are taken from Tjiptono (2016) including the dimensions of service quality which consist of physical evidence (tangibles), reliability, responsiveness, assurance, and empathy as well as dimensions of customer satisfaction consisting of expectations, performance, comparison, and confirmation. The customer loyalty dimension is taken from Genoveva (2017) and consists of four dimensions, namely *repeat purchase*, *cross selling*, *recommendation*, and *retention*. All items for the construct of product value, service quality, customer satisfaction, and customer loyalty are the result of scale development. The measurement of the questionnaire items used a 5-point Likert scale, namely 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree. Furthermore, the instrument was tested for validity and reliability by statistical analysis of PLS-SEM at the measurement model stage (outer model) and structural model (inner model). In the measurement model, convergent validity was measured by calculating the average variance extraction (AVE), outer loading and discriminant validity. The instrument meets the validity requirements if the AVE value is > 0.5 , the outer loading > 0.7 and the discriminant validity must meet the Fornell-Larcker criteria, namely the AVE square root value must be greater than the correlation value between variables (Hair et al., 2017). After that, a reliability test is calculated with a composite reliability value that must be greater than 0.7 (Hair et al., 2017; Imam, 2011). Furthermore, the structural model is the stage for calculating collinearity, R^2 , f^2 , and hypothesis testing.

3. Results and Discussion

3.1. Results

The profile of the respondents showed that the majority of respondents were man as many as 106 people (53%) and the remaining 94 people (47%) stated that they were woman. The age of the respondents varied from < 20 years to > 40 years. Most of the respondents in this study stated that they were aged 21-30 years, as many as 80 respondents (40%). Then, respondents who have unmarried status are 117 respondents (58.5%). Meanwhile, 83 respondents (41.5%) stated that they had married status. The majority of respondents, namely Bachelor Degree as many as 75 people (37.5%) and 78 people (39%) in this study stated that they had jobs as private employees.

Table 1. Respondent Profile

Statement	Amount	Percentage (%)
Gender		

Statement	Amount	Percentage (%)
Gender		
Man	106	53%
Woman	94	47%
Age		
< 20 Years	78	39%
21-30 Years	80	40%
31-40 Years	26	13%
> 40 Years	16	8%
Marital status		
Marry	83	41.5%
Not Married	117	58.5%
Last education		
Secondary school	42	21%
Diploma	34	17%
Bachelor's Degree	75	37.5%
Master Degree	36	18%
Other	13	6.5%
Profession		
College student	40	20%
Private employees	78	39%
Government employees	43	21.5%
Other	39	19.5%

Source: Data Processing Results

Measurement Model (*Outer Model*)

The measurement model was carried out to test the validity and reliability of the model by calculating convergent validity, discriminant validity and composite reliability (Ghozali & Latan, 2015). Hair et al. (2014) stated that ideally the outer loading of each indicator item is $\geq 0,7$, Hair et al. (2014) also stated that the outer loading value between 0.4 to 0.7 can still be used as long as the AVE value is > 0.5 . Meanwhile, the AVE value meets the criteria if the AVE value of each variable is $\geq 0,5$ (Uce, n.d.).

The results of data processing in Table 2 below show that the indicators in each dimension have an outer loading value of $\geq 0,7$, so it can be said that all indicators meet the requirements and can be analyzed further. In accordance with the AVE criteria, a variable is said to be valid when the AVE value is 0.50, which means that each latent variable must be able to explain each indicator at least 50% (Imam, 2011). The calculation results also show that the AVE value ranges from 0.729 to 0.911, which means that all latent and manifest variables meet the AVE criteria and are able to explain more than half of the variance of the indicators. Furthermore, the reliability test was carried out by calculating the *composite reliability* (CR). Based on data processing to test the validity of the discriminant analysis, the results of the calculation of the CR value are between 0.843 to 0.954 for each variable and indicator. These results indicate that the CR value is in accordance with the criteria, namely > 0.7 . Therefore, all variables can be declared to have high reliability and the analysis process can be continued.

Table 2. Evaluation of the Measurement Model (Outer Model)

Constructs and Items		Outer Loading
Product Value / NP (AVE = 0.797, CR = 0.922)		
Emotional Value (NE); (AVE = 0.751, CR = 0.858)		
NE 1	The coffee offered by the Kopi Kenangan shop has a delicious taste	0.870
NE 2	Kopi Kenangan products have good coffee quality	0.863
Social Value (NS); (AVE = 0.764, CR = 0.866)		
NS 1	Kopi Kenangan is one of the coffee products that is in demand by the public, especially the youth and adult community	0.851
NS 2	Drinking coffee at Kopi Kenangan is a lifestyle nowadays	0.897
Functional Value (NF); (AVE = 0.771, CR = 0.871)		
NF 1	The price of coffee drinks offered at the Kopi Kenangan shop is affordable	0.873
NF 2	The benefits of the products offered by Kopi Kenangan are in accordance with the performance of the products produced by real coffee	0.883
Quality of Service / KUA (AVE = 0.798, CR = 0.952)		
Physical Evidence/ Tangibles (BF); (AVE = 0.734, CR = 0.892)		
BF1	The facilities and infrastructure owned by the Kopi Kenangan shop are complete	0.892
BF2	The parking facilities at the Kopi Kenangan shop are quite spacious and adequate	0.842
BF3	The Memories Coffee shop area is clean and tidy	0.834
Reliability (K); (AVE = 0.828, CR = 0.935)		
K1	Kopi Kenangan employees serve customers quickly and satisfactorily	0.915
K2	Payment service at the cashier at the Kopi Kenangan shop is relatively fast	0.850
K3	Kedai Kopi Kenangan provides services that are never wrong in serving orders requested by consumers	0.961
Responsiveness (DT); (AVE = 0.744, CR = 0.853)		
DT1	Kopi Kenangan employees are quick to respond to customer complaints	0.858
DT2	Kopi Kenangan employees are quick to respond to customer orders	0.867
Assurance (J); (AVE = 0.729, CR = 0.843)		
J1	Kopi Kenangan employees greet customers politely and friendly	0.868
J2	Kopi Kenangan employees can be trusted in serving customers	0.839
Empathy (E); (AVE = 0.771, CR = 0.870)		
E1	Kopi Kenangan employees always invite their customers to interact casually	0.880
E2	The management of Kopi Kenangan always tries to give attention to the customers and the shop	0.876
Customer Satisfaction / KEP (AVE = 0.796, CR = 0.940)		
Expectations (H); (AVE = 0.881, CR = 0.937)		
E1	Memories coffee shop service as expected	0.937
E2	The price of the product and the taste of the Kenangan Coffee drink is in line with expectations	0.941
Performance (P); (AVE = 0.823, CR = 0.903)		
P1	The taste of Kopi Kenangan is always consistent	0.914
P2	The quality of Kopi Kenangan is better than similar coffee in other coffee shops	0.901
Comparison (PB); (AVE = 0.803, CR = 0.891)		
PB1	The taste and aroma of Kopi Kenangan products are in line with expectations compared to other coffee shops	0.896
PB2	The variety of coffee menu at Kopi Kenangan shop is in line with expectations compared to other coffee shops	0.897
Confirmation (KF); (AVE = 0.810, CR = 0.895)		

KF1	I am satisfied with the service quality of Kopi Kenangan	0.888
KF2	I am satisfied with the variety of Kopi Kenangan products	0.912
Customer Loyalty / LP (AVE = 0.794, CR = 0.939)		
<i>Repeat Purchase (RP); (AVE = 0.911, CR = 0.954)</i>		
RP1	I don't intend to switch to other coffee products	0.953
RP2	I will still buy the Kopi Kenangan	0.956
<i>Cross Selling (CS); (AVE = 0.813, CR = 0.897)</i>		
CS1	I am willing to try other products from Kopi Kenangan	0.900
CS2	I am willing to follow the recommendations of the Kopi Kenangan shop in choosing the type of drink	0.904
<i>Recommendation (RM); (AVE = 0.800, CR = 0.889)</i>		
RM1	I will recommend to relatives and friends to consume Kopi Kenangan products	0.891
RM2	I will recommend a coffee shop to relatives and friends, namely Kopi Kenangan	0.898
<i>Retention (RT); (AVE = 0.795, CR = 0.886)</i>		
RT1	I will not be influenced by people's persuasion to switch to using other coffee products	0.875
RT2	Even though there are offers that are more competitive than competitors, I will still buy Kopi Kenangan products	0.907
Description: AVE = Average variance of extracted; CR = composite reliability		

Source: Results of Data Processing with SmartPLS 3.3.3

Furthermore, the discriminant validity test was carried out using the Fornell-Larcker criteria, namely the square root value of AVE must be greater than the value of the relationship between variables (Hair et al., 2014). Based on testing using Fornell-Larcker, it can be seen in Table 3 that the relationship between each item and its own variable shows a higher number than the correlation value with other variables. So, all items can be used for the next analysis process.

Table 3. Fornell-Larcker Criteria

	BF**	CS**	DT**	E**	H**	J**	K**	KEEP*	KF**	KUA*	LP*	NE**	NF**	NP*	NS**	PB**	P*	RM**	RP**	RT**
BF**	0.857																			
CS**	0.629	0.902																		
DT**	0.738	0.581	0.862																	
E**	0.815	0.668	0.710	0.878																
H**	0.597	0.609	0.629	0.640	0.939															
J**	0.753	0.567	0.706	0.673	0.660	0.854														
K**	0.765	0.551	0.776	0.738	0.701	0.822	0.910													
KEEP*	0.727	0.758	0.712	0.741	***	0.738	0.728	0.812												
KF**	0.704	0.685	0.607	0.660	0.654	0.654	0.597	***	0.900											
KUA*	***	0.664	***	***	0.720	***	***	0.781	0.717	0.786										
LP*	0.764	***	0.712	0.758	0.716	0.691	0.658	0.800	0.805	0.765	0.809									
NE**	0.614	0.498	0.548	0.597	0.528	0.548	0.599	0.624	0.585	0.652	0.634	0.867								
NF**	0.639	0.569	0.644	0.686	0.581	0.604	0.617	0.650	0.566	0.708	0.683	0.653	0.878							
NP*	0.722	0.628	0.686	0.715	0.650	0.670	0.672	0.751	0.684	0.771	0.761	***	***	0.779						
NS**	0.679	0.608	0.640	0.631	0.625	0.638	0.586	0.730	0.675	0.704	0.767	0.684	0.747	***	0.874					

PB**	0.640	0.716	0.640	0.667	0.689	0.627	0.634	***	0.812	0.713	0.803	0.543	0.602	0.670	0.644	0.896
P**	0.653	0.695	0.663	0.678	0.713	0.691	0.665	***	0.779	0.743	0.800	0.572	0.570	0.674	0.658	0.907
RM**	0.707	0.700	0.624	0.694	0.641	0.625	0.605	0.802	0.822	0.724	***	0.608	0.625	0.730	0.716	0.894
RP**	0.670	0.589	0.669	0.661	0.615	0.606	0.561	0.778	0.773	0.699	***	0.559	0.616	0.700	0.694	0.955
RT**	0.707	0.666	0.652	0.675	0.680	0.657	0.621	0.801	0.788	0.736	***	0.583	0.614	0.712	0.704	0.891

Note: *(Higher Order Construct), **(Lower Order Construct), *** (cannot establish discriminant validity between LOC and HOC)

Source: Results of Data Processing with SmartPLS 3.3.3

Structural Model (*Inner Model*)

The structural model performs tests on multicollinearity, R^2 , f^2 , and hypothesis testing. Multicollinearity testing was carried out using the Variance Inflation Factor (VIF) value to determine whether there was a tendency for collinearity in the relationship between the existing independent variables. Hair et al. (2014) explained that the VIF value must be less than 5. If it is more than 5, then the research model has multicollinearity constraints. The test results in Table 4 below show that there is no collinearity because all VIF values are below 5.

Table 4. Value of Variance Inflation Factor (VIF)

	Product Value	Service quality	Customer satisfaction	Customer loyalty
Product Value			2,470	2,783
Service quality			2,470	3,555
Customer satisfaction				3,297
Customer loyalty				

Source: Results of Data Processing with SmartPLS 3.3.3

Measurement of R^2 is carried out to determine the extent to which the independent variable explains the dependent variable. Hair et al. (2014) explains that the coefficient of determination (R^2) is never negative and ranges from 0 to 1 ($0 \leq R^2 \leq 1$). In this case, the coefficient value is categorized as getting better if the R^2 value is close to 1 (Ghozali, 2014). Based on Table 5, the results of the R^2 test of customer satisfaction are 0.687 (68.7%). That is, the existence of the customer satisfaction variable can be explained by the value of the product and service quality of 68.7%, while the rest is explained by other factors beyond this study. The next R^2 test is on customer loyalty which is influenced by product value, service quality, and customer satisfaction. The value of the coefficient of determination on customer loyalty is 0.838 (83.8%). In this case, the existence of the customer loyalty variable can be explained by the value of the product and the quality of service of 83.8% and the rest is influenced by other factors beyond this study. Thus, based on the results of R^2 data management, the independent variables of product value and service quality have a strong ability to explain customer satisfaction and loyalty.

Table 5. Evaluation of R^2

Variable	R^2
Customer satisfaction	0.697
Customer loyalty	0.838

Source: Results of Data Processing with SmartPLS 3.3.3

Further, the f^2 measurements are shown in Table 6 below. Hair et al. (2014) explains that the value of f^2 with a value of 0.02 is declared small, a value of 0.15 is declared moderate, and a value of 0.35 is declared large. The results of data processing show that the customer satisfaction variable has a f^2 value of 0.842, which means that the variable has a large effect. While the variable value of product and service quality shows f^2 values of 0.095 and 0.024 which indicates that these two variables have little effect. In this case, it can be seen that the variables of product value, service quality, and customer satisfaction have a contribution to explain the variable of customer loyalty.

Table 6. Evaluation of f^2

Variable	f^2
Customer satisfaction	0.842
Service quality	0.024
Product Value	0.095

Source: Results of Data Processing with SmartPLS 3.3.3

Hypothesis testing in this study uses path coefficient values and p-values. The *rules of thumb* used in this study are p-values < 0.05 which concludes that there is a significant effect between the independent variable and the dependent variable. Through the results of data processing, the level of significance of the relationship is also obtained to see whether the hypothesis is significant or not.

Based on Table 7 below, it is known that the results of testing the first hypothesis show that the path coefficient value of the product value variable is +0.308 with a p-value of 0.000 which is in accordance with the conditions for the p-values < 0.05 . Hence, it can be concluded that the value of the product has a positive effect on customer satisfaction. The second hypothesis states that the path coefficient of the service quality variable is +0.574 with p-values of 0.000. So, it can be said that service quality has a positive effect on customer satisfaction. Furthermore, the third hypothesis on the results of testing the product value variable on customer loyalty is +0.207 with p-values of 0.000 where the p-values show < 0.05 which means that the third hypothesis is supported because there is a positive influence between product value on the level of customer loyalty. The fourth hypothesis explains that the coefficient value of the service quality variable is +0.291 with p-values of 0.008. This also shows that service quality is supported by a positive influence on customer loyalty. The fifth hypothesis states that the coefficient value of the customer satisfaction variable is +0.671 with p-values of 0.000 according to the p-values < 0.05 . Based on the results of hypothesis testing, it can be concluded that customer satisfaction has a positive effect on customer loyalty.

The relationship between variables can be assessed through the path coefficient column, while the level of significance can be assessed through the p-values column, as follows:

Table 7. Hypothesis Testing Results

Hypothesis	Standardized Path Coefficients	p-values	Conclusion
H1: Product value has a positive effect on customer satisfaction	0.308	0.000	Supported

H2: Service quality has a positive effect on customer satisfaction	0.574	0.000	Supported
H3: Product value has a positive effect on customer loyalty	0.207	0.000	Supported
H4: Service quality has a positive effect on customer loyalty	0.291	0.008	Supported
H5: Customer satisfaction has a positive effect on customer loyalty	0.671	0.000	Supported

Source: Results of Data Processing with SmartPLS 3.3.3

3.2. Discussion

The results of testing the first hypothesis (H_1) show that the value of the product has a positive influence on customer satisfaction is supported. An increase in product value will also increase customer satisfaction. The results of this test are in line with Gunawan & Azhar (2020) that the relationship between product value and customer satisfaction is very closely related because it can affect customer satisfaction to consume the products offered. Customers will be satisfied if the value of the product received matches or even exceeds their expectations. On the other hand, customers will be disappointed if the value of the product received is less or below expectations (Afnina & Hastuti, 2018). The increasing value of the product will of course also affect the competition in the culinary industry, especially coffee products which are increasingly spread out at this time. This result is also in line with the statement put forward by (Daryanto, 2014) that customer satisfaction is a state when the value of the product is as needed and expected by the customer.

The results of testing the second hypothesis (H_2) that service quality has a positive influence on customer satisfaction is supported. This result is also in line with Tjiptono (2016) which states that service quality is an effort to fulfill needs that are customized to consumer expectations to increase satisfaction. Mayasari (2011) also state that service quality is one of the determining variables in determining customer satisfaction. The results of this test are also in line with Tjiptono, (2016) who argues that in maintaining relationships with customers, manufacturers do not only focus on product quality but also focus on quality services for accumulative satisfaction, because if the service received is in line with expectations, the service quality is perceived as good and satisfying.

The results of testing the third hypothesis (H_3) indicate that the value of the product has a positive influence on customer loyalty is supported. The results of the study are also in accordance with the opinion of Kotler et al. (2016) that the relationship between product value and consumer loyalty is very close because loyalty can be obtained when customers feel satisfaction with the value of the product and the quality of services provided. In addition, the results of this test are also supported by Kotler et al. (2016) who explain that a good product value will create good relationships with customers and in the long term this good relationship will help the company to understand the customer's expected needs and provide benefits for the company. The better the value of a given product, then the customer is more satisfied with the product and if the satisfaction is fulfilled then customer loyalty will also be fulfilled. The results of this study also support the opinion of Apriyani & Sunarti (2017) that customers become loyal because of the perceived satisfaction with the value of the product.

The results of testing the fourth hypothesis (H₄) indicate that service quality has a positive influence on customer loyalty is supported. The results of this study are in line with Delgado et al., (2011) who explain that when consumers receive better service quality, it will increase their loyalty to product providers. In addition, the results of the study support the opinion of Griffin, R; Moorhead (2016) regarding the concept of customer loyalty, namely before becoming a loyal customer, consumers have made a conclusion about the quality of service they feel. This is also in line with Kotler (2003) which explains that good service will create good relationships with customers and become the basis for consumers to decide to repurchase in the future.

The results of testing the fifth hypothesis (H₅) indicate that customer satisfaction has a positive influence on customer loyalty is supported. In this case, it is in line with Chiguvi (2016) which explains that customers become loyal when there is a sense of satisfaction with a product or service that has met or exceeded their expectations. These results also support the opinion of Kartajaya (2016) that satisfied customers usually have great potential to be loyal to a product or service that begins with excellent service. In addition, Rahmawati (2017) also agrees that satisfied consumers will buy more and also recommend products to their relatives. The results of the study are also in accordance with Hidayat (2017) which explains that when customers are satisfied, a good relationship between producers and consumers will be formed,

4. Conclusion

This study was conducted to see how product value, service quality, and customer satisfaction affect customer loyalty at Kedai Kopi Kenangan Mall of Indonesia. The results of hypothesis testing show that the value of the product has a positive influence on customer satisfaction. This shows that an increase in product value will also increase customer satisfaction. Service quality has a positive influence on customer satisfaction. This shows that an increase in service quality will also increase customer satisfaction. Product value has a positive influence on customer loyalty. This shows that an increase in product value will also increase customer loyalty. Service quality has a positive influence on customer loyalty. This shows that increasing service quality will also increase customer loyalty. Customer satisfaction has a positive influence on customer loyalty. This shows that increasing satisfaction will also increase customer loyalty.

Limitations of The Research and Suggestions for Further Research

This study only focuses on the Kopi Kenangan shop which is located in a shophouse Mall of Indonesia (MOI) and has only been established for 2 years. The location of this shop can be said to be strategic and enough to reach customers from various circles. However, there are still many other Kopi Kenangan branches with larger sizes that can be used as options for customer loyalty research. It is recommended that further research be carried out at the Kopi Kenangan shop, another branch that has been around for a long time so that research can take place with the presence of complete and large-scale data.

This study only focuses on the variables of product value and service quality as an influence on customer satisfaction and loyalty. As for other variables that can be used to support this research, which may be able to provide more variety to the results of the study so that it can be a good input for Kopi Kenangan shop in gaining customer loyalty. Furthermore, it is suggested to use other variables such as brand image, trust, and promotion in the next research in order to evaluate further about customer satisfaction and loyalty.

This study uses a *convenience sampling* technique so that there is a limited number of respondents that can be found and the results of this study are not representative of the entire

population. Further research is recommended to use simple random sampling so that each individual can get the same opportunity to be sampled so that the results of the study can represent the entire population in the place concerned.

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