THE INFLUENCE OF SERVICE QUALITY ON CUSTOMER LOYALTY (CASE STUDY AT CAFE UNCLE SAM LUBUK PAKAM)

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Abstract

This research aims to test and analyze the influence of service quality on customer loyalty at Uncle Sam's Cafe. The entire population of Uncle Sam's cafe consumers. Determining the number of samples to use the formula is 5 times the number of indicator variables, totaling 24 indicators used, totaling 120 samples. The analysis technique used is multiple linear regression analysis. The research results prove that the influence of service quality using five indicators as research gaps is a factor causing customer loyalty, which has an impact on increasing the number of visitors to Uncle Sam's cafe. This is known from the respondents' answers where the respondents' perceptions regarding Tangibles, Reliability, Responsiveness partially have a positive and significant effect on Customer Loyalty at Uncle Sam's Cafe. Meanwhile, Assurance and Emphaty show that they partially have no significant effect on customer loyalty at Uncle Sam's Cafe. Simultaneous testing shows that Service Quality simultaneously influences Customer Loyalty at Uncle Sam's Cafe.

Keywords: *Service Quality, Customer Loyalty*

1. INTRODUCTION

The growth and development that occurs in various business sectors currently appears to be very rapid. This is caused by increasingly advanced economic development ((Devi et al., 2020; Fathurrahman et al., 2022; Mustikasari et al., 2023). Rapid competition can be seen in all business sectors such as the culinary, housing and hotel business sectors. , or other business sectors (Abdurrohman & Nita, 2020; Aini et al., 2020). Companies are required to have quality services in order to compete in getting and retaining customers (Nasfi et al., 2020; Wulandari et al., 2020) . Progress in various fields is currently marked by increasingly sharp competition in the business world, so that company innovation strategies must be able to know and understand the overall needs and desires of consumers so that they can grow and develop in the future. Based on the idea that every consumer is the target market for the product being offered, whether the product is accepted or not really depends on consumer acceptance.

Consumers before buying a product or service generally try to determine why, what, where and how to buy a product. In answering this question, consumers will of course be faced with many preferences and have certain considerations when shopping. Therefore, based on the considerations that will be taken by consumers before deciding to purchase a product as well as factors both external and internal as the author has stated above, it is very important for the Company to first understand its consumers, so that the products offered can be accepted. and purchased by consumers. Customer loyalty must be obtained so that companies can compete in today's rapidly developing business environment. Companies must make efforts to create and maintain customer loyalty because this will have a positive effect on the company in retaining customers who have previously made transactions with the company concerned (Pandaleke et al., 2021; Setiobudi et al., 2021).

MSMEs play a very important role in economic development. As time goes by, Service Quality greatly influences Customer Loyalty so companies must pay attention to this. Data regarding improving Service Quality on Customer Loyalty shows a decline. Cafe Uncle Sam is one of the MSMEs operating in the culinary sector, which is located on Jl. P. Diponegoro no.72, Petapahan, Lubuk Pakam sub-district, Deli Serdang district, North Sumatra.

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Table 1.1 Number of Visitors to Uncle Sam's Cafe Post Covid-19 2021-2023

Year	Number of Visits (times)	Growth (%)
2020	18,123 times	-
2021	19,530 times	1.077%
2022	21,610 times	1.106%
2023	24,721 times	1.143%
Average Amount of Growth	**80,984 times**	**3.326%**

Table 1.1 shows that the number of customer visits to Uncle Sam's Cafe has increased every year with an average growth of 3.326%. When compared to the previous year during Covid-19, in 2020 the number of visitors to Uncle Sam's Cafe was recorded at 18,123x visitors in a year. The increase in the number of visitors at Uncle Sam's Cafe is a positive impact of Covid-19 because many visitors choose to buy food and drinks at Uncle Sam's Cafe online via the application, because the taste of the food menu at Uncle Sam's Cafe is quite delicious and customers like it.

2. LITERATURE REVIEW
A. Service Quality

It has become a necessity for companies to provide the best service quality in order to survive and remain trusted by customers. Creating Customer Satisfaction can provide benefits, including a harmonious relationship between the Company and Customers, Customers will make repeat purchases to create Customer loyalty, and forming a word of mouth recommendation that benefits the Company. According to Arianto (2018:83) Service Quality focuses on meeting needs and requirements, as well as on timeliness to meet customer expectations. Service Quality applies to all types of services provided by the company while the client is at the company. According to Kotler and Keller (2016: 143) "quality is the completeness of the features of a product or service that has the ability to provide satisfaction to a need". According to Kasmir (2017:47) Service Quality is defined as the actions or actions of a person or organization aimed at providing satisfaction to customers or employees.

B. Customer Loyalty

Kotler and Keller (2018) state that loyalty is a deeply held commitment to purchase or support a preferred product or service again in the future even though the influence of the situation and marketing efforts have the potential to cause customers to switch. Consumer loyalty is a consumer's effort to remain loyal with awareness, impression of quality, satisfaction and strong pride in a product followed by repeat purchases.

Cristopher and Lauren in Setiawan (2011) state that loyalty is a customer's willingness to continue to subscribe to a company in the long term, by purchasing and using its goods and services repeatedly, and voluntarily recommending the company's products to others. According to Selnes (Selnes, 1993) in Al-Rasyid (2018)

C. Previous Research

There are several studies on the influence of consumer loyalty on customer satisfaction in improving the work of MSMEs which have been analyzed previously, showing different results. Previous research is analyzed to determine significant or insignificant results, and the results and conclusions of previous research have been analyzed by other authors.

3. IMPLEMENTATIONMETHOD

1. Types and Research Approaches

This type of research is quantitative research, where quantitative research methods can be interpreted as methods used to research certain populations or samples, data collection using research instruments, statistical data analysis, with the aim of testing hypotheses that have been established using a causal research approach. Where the causal research method can be interpreted as research that aims to determine the cause-and-effect relationship between the independent variable and the dependent variable.

2. Population and Sample

The population and sample in this research is the totality of all objects or individuals who have certain, clear and complete characteristics that will be studied (Hasan, 2012). Population refers to the entire group of people, events, or other things that researchers want to investigate. The population group is a collection of all elements in the population from which the sample was taken. So, a sample is a subgroup or part of the population. In this study, the intended population is all Uncle Sam's cafe customers. Determining the number of samples to use the formula is 5 times the number of indicator variables, totaling 24 indicators used (Ferdinand, 2013) totaling 120 samples (the number of samples is outside 30 samples for testing research instruments). The sampling carried out in this research used purposive sampling where the researcher took respondents based on how easy they were to find and who had made transactions at Uncle Sam's Cafe.

3. Data collection technique

The data source in this research is primary data, namely data that is not yet available in the scope of observation, but there must be interaction between the researcher and the respondent. Sekaran and Bougie (2016:77) state that primary data is data obtained through answers from respondents collected directly by researchers. This data is in the form of a questionnaire filled out by respondents. The questionnaire will be collected by researchers for data processing purposes. The data collection technique in this research was carried out using a questionnaire by distributing questionnaire sheets directly to respondents. The reason for using this method is because respondents can pay attention and consider statements and answers clearly, interviewers can find more detailed information and can also control the questions asked (Rangkuti, 1997).

4. RESULTSAND DISCUSSION

A. Descriptive Research Data

Respondent perception analysis is useful for analyzing respondents' perceptions in answering each question in the questionnaire. Data analysis equipment to test respondents' perceptions by calculating average values and then grouping them into categories of respondents' perception assessments.

1) Descriptive Customer Loyalty Variables

Table 2 Respondents' Perceptions of Customer Loyalty Variables

No	Statement	Alternative Answers					Average
		STS	T.S	K.S	S	SS	
1.	When customers want to eat western food, customers have it	0	2	16	59	43	4.19
2.	Customers rarely switch to other cafes when visiting Lubuk Paka city	0	0	5	73	42	4.30

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No	Statement	Alternative Answers					Average
		STS	T.S	K.S	S	SS	
3.	Customers will make another visit to Cafe Uncle Sam.	0	0	25	48	47	4.18
4.	Customers give recommendations to other parties to eat at Cafe Uncle Sa	0	0	10	62	48	4.31
Average							4.25

Source: 2024 data (processed).

Based on Table 2, it can be seen that the average Customer Loyalty value is 4.25. The average value of 4.25 is between (3.41-4.19), meaning that the respondent's perception of question items related to Customer Loyalty is Good.

2) Descriptive Service Quality Variables

Table 3 Respondents' Perceptions of Service Quality Variables

No	Statement	Alternative Answers					Average
		STS	T.S	K.S	S	SS	
Tangibles							
1.	Cafe Uncle Sam has clean physical facilities	0	0	14	56	50	4.30
2.	Cafe Uncle Sam has an attractive interior design	0	0	16	55	49	4.27
3.	Cafe Uncle Sam's employees look neat	0	0	17	58	45	4.23
4.	The physical facilities owned by the cafe are in accordance with the service provider (adequate)	0	0	18	60	42	4.20
Average							4.25
Reliability							
9.	Uncle Sam's Cafe employees provide service as promised	0	0	7	65	48	4.34
10.	Uncle Sam's Cafe waiters provide friendly service from when customers arrive until they leave	1	1	21	43	54	4.23
11.	Uncle Sam's Cafe cashier provides accurate purchase receipts.	0	2	25	35	58	4.24

No	Statement	Alternative Answers					Average
		STS	T.S	K.S	S	SS	
12.	Cafe Uncle Sam employees convey information about promotions, discounts and payments clearly	0	1	40	35	44	4.01
Average							4.20
Responsiveness							
13.	Cafe Uncle Sam employees respond to customer complaints with se	0	0	1	42	77	4.63
14.	Customers receive appropriate service d	0	0	12	35	73	4.50
15.	Uncle Sam's Cafe Waiters are willing to help customers with difficulties in choosing a menu	0	0	14	30	76	4.51

Table 4.10 Continued

No	Statement	Alternative Answers					Average
		STS	T.S	K.S	S	SS	
16.	Waiters consumer requests about products freshly	0	0	13	32	75	4.51
Average							4.54
Assurance							
17.	According to customers, the taste of the food at Cafe Uncle Sam is delicious	0	0	15	55	50	4.29
18.	Customers don't worry if they eat at Uncle Sam's Cafe (clean cooking ingredients	1	0	16	47	56	4.30
19.	Cafe Uncle Sam guarantees security when making transactions	0	0	15	52	53	4.31
20.	According to customers, Cafe Uncle Sam's employees are polite	0	0	15	50	55	4.33
Average							4.31
Empathy							
21.	Uncle Sam's Cafe employees pay attention to customers	0	0	17	57	46	4.24

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No	Statement	Alternative Answers					Average
		STS	T.S	K.S	S	SS	
22.	After the customer eats, the waiter asks the customer for comments about the food and drinks ordered	0	1	21	52	46	4.19
23.	Waiters pay attention to customer needs. (for example, children are given baby chairs)	0	0	17	63	40	4.19
24.	Chef gives product compliments to customers who celebrate their birthdays at Cafe Uncle Sam	0	0	17	65	38	4.17
	Average						4.20
	Overall Average						4.30

Source: Primary Data, 2024 (processed).

Based on Table 3, it can be seen that the average Service Quality value is 4.30. The average value of 4.30 is between (3.41-4.19), meaning that the respondent's perception of the question items related to Service Quality is "Good".

B. Multiple Linear Regression Results

Table 4 Regression Analysis Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	,618	,216		2,862	,005		
	X1	.311	,084	,337	3,681	,000	,267	3,744
	X2	,343	,092	.408	3,744	,000	,188	5,310
	X3	,278	,082	,295	3,384	,001	,294	3,398
	X4	.143	,085	,163	1,680	,096	,238	4,206
	X5	,053	.123	,055	,431	,668	.136	7,368

a. Dependent Variable: Y
Source: Processed Primary Data, 2024

Thus, the results of statistical calculations can be written as a simultaneous multiple linear regression equation as follows:
Y = 0.618 + 0.311Tangibles+0.343Reliability + 0.278Physical Appearance+
0.143Assurance+0.053Emphaty

From the results of the regression equation above, it is known that the results of the research are as follows:

1. The constant value is 0.618, meaning that if the Service Quality variable is zero or constant, then the Customer Loyalty variable will have a positive value of 0.618.
2. The regression coefficient for the influence of Tangibles is 0.311, explaining that every increase in Tangibles will increase Customer Loyalty by 0.311, meaning that there is a positive influence of the Tangibles variable on Customer Loyalty.
3. The regression coefficient for the influence of Reliability is 0.343, explaining that every increase in Reliability will increase Customer Loyalty by 0.343, meaning that there is a positive influence of the Reliability variable on Customer Loyalty.
4. The regression coefficient for the influence of Responsiveness is 0.278, explaining that every increase in Responsiveness will increase Customer Loyalty by 0.278, meaning that there is a positive influence of the Responsiveness variable on Customer Loyalty.
5. The regression coefficient for the influence of Assurance is 0.143, explaining that every increase in Assurance will increase Customer Loyalty by 0.143, meaning that there is a positive influence of the Assurance variable on Customer Loyalty.
6. The regression coefficient for the influence of Emphaty is 0.053, explaining that every increase in Emphaty will increase Customer Loyalty by 0.053, meaning that there is a positive influence of the Emphaty variable on Customer Loyalty.

D. **Strategies to increase customer visits**

To increase customer visits, the most important thing is to make customers feel satisfied. Satisfied customers will be loyal and have an interest in visiting again. Increasing customer satisfaction can be done by improving the quality of service provided. The following things can be done to improve service quality as follows:

1. Improvements to physical facilities. This can be done by creating a clean cafe environment, changing the interior design to make it more attractive and increasing employee neatness in clothing.
2. Increasing customer satisfaction can also be done by giving customers a good impression when they visit with friendly service. Employees can provide clear information regarding product info and promotional info that is currently in effect.
3. The cafe must also improve its response to every customer complaint. Every time a customer submits a complaint, employees must respond quickly at the first opportunity. This needs to be done so that customers feel cared for.
4. Furthermore, the cafe can also provide insurance to customers during transactions where if the employee does not provide a receipt, the food will be considered free by the cafe.

Service quality factors are effective in increasing customer satisfaction. However, in this service only tangibles, reliability and responsiveness factors have a significant effect on customer satisfaction. Meanwhile, assurance and empathy do not have a significant effect on customer loyalty.

5. CONCLUSION

Based on the discussion of the research results presented in the previous section, the following conclusions can be drawn:

1. The research results prove that service quality (tangibles, reliability, responsiveness, assurance, empathy) is a factor causing an increase in the number of visits by Café Uncle Sam customers. This is known from the respondents' answers where the respondents' perception of service quality is good.
2. The results of statistical tests show that assurance and empathy partially do not have a significant effect on customer loyalty at Café Uncle Sam. Meanwhile, tangibles, reliability and

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    responsiveness show that they partially have a positive and significant effect on customer loyalty at Café Uncle Sam.

3. Simultaneous test results show that tangibles, reliability, responsiveness, assurance, empathy simultaneously influence customer loyalty at Café Uncle Sam

Suggestions

Based on the research results, the suggestions that can be given are:

1) Service quality (tangibles, reliability, responsiveness, assurance, empathy) is a factor causing an increase in the number of visits by Café Uncle Sam customers. This can be a concern for Café Uncle Sam's management to be able to maintain the existing service quality and even improve it so that customer loyalty increases.

2) Tangibles are perceived well by customers. However, there still needs to be improvements where Café ncle Sam has to upgrade or repair the physical facilities where the old facilities must be replaced with new ones. This can make customers feel more comfortable.

3) To increase reliability, Cafe Uncle Sam employees can convey information about promotions, discounts and payments clearly to customers. This delivery can be done before ordering food or at the Café entrance. So that customers know information about price discounts before ordering products.

4) To increase empathy, Cafe Uncle Sam employees can give product compliments to customers who celebrate their birthdays at Cafe Uncle Sam.

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