

## The Effect of Service Quality and Facilities on Consumer Loyalty Moderated by Consumer Satisfaction (Harbour Coffee Case Study)



Lukiyana<sup>1</sup>, Gerry Aditya Pratama<sup>2</sup>

<sup>1,2</sup>Universitas 17 Agustus 1945, Indonesia

**ABSTRACT:** In today's fast-paced era, many entrepreneurs compete to get more customers, loyal and able to repurchase the products or services offered. On that basis, this research will examine the quality of service and facilities to consumer loyalty moderated by consumer satisfaction. The research was conducted at the Harbour Coffee shop located on Jl. Taruna Raya No.43B, RT.13/RW.4, Serdang, Kemayoran sub-district, Central Jakarta City. The sample taken in this study amounted to 30 people, including those who often come to the shop. The results show that (1) Service Quality Affects Consumer Loyalty, (2) Facilities Affect Consumer Loyalty, (3) Service Quality and Facilities Affect Consumer Loyalty, (4) Consumer Satisfaction is able to moderate the influence of Service Quality on Consumer Loyalty and (5) Consumer Satisfaction is able to moderate the influence of Facilities on Consumer Loyalty.

**KEYWORDS:** Service Quality, Facilities, Consumer Loyalty, Consumer Satisfaction.

### I. INTRODUCTION

As with any other country in this age of globalization, competition in the Indonesian market is heating up quickly. The food industry is one of the most promising sectors. In Indonesia, the food and beverage industry, including coffee shops that attract a young consumer, is expanding rapidly (Herlina et al., 2021). This is evidenced by the growing number of new coffee shops offering a variety of brands. Fast progress in the coffee industry in Indonesia can be attributed to a general shift in social norms and preferences, especially among the country's youth. It's becoming increasingly common for people to use coffee shops as an alternative to traditional meeting spaces, gathering spots, and even workplaces.

The number of Indonesians visiting coffee shops is beginning to rise dramatically. This phenomenon can provide entrepreneurs with a highly promising business opportunity. People now have a wide range of coffee shop options thanks to this business. The proliferation of coffee shops in Indonesia may explain why an increasing number of Indonesians enjoy coming to or visiting coffee shops. One of the coffee shops in the Central Jakarta area is Harbour Coffee. Harbour Coffee is a coffee shop established on 2021 which located at Jl. Taruna Raya No.43B, RT.13/RW.4, Serdang, Kemayoran Sub-district, Central Jakarta City.

Harbour Coffee was founded by customer concern, of course, coffee enthusiasts or coffee aficionados in the Kemayoran area, causing the owner was ultimately inspired to establish a harbor by collecting the restlessness in terms of products and customer happiness. The high number of competitors in the Central Jakarta Coffee Shop industry poses a challenge for every coffee shop business actor, including Harbour Coffee, to be able to survive and improve the quality of their products in order to differentiate them from those of competitors. Currently, numerous competitors in Central Jakarta offer coffee beverage goods at reasonable costs and of high quality. This can result in an unpredictable level of coffee shop sales, including for Harbour Coffee. In order to please their clients, coffee shop business players must be able to prioritize the quality of the coffee beverage goods they sell.

Customer loyalty is significantly influenced by service quality. The greater the quality of service delivered to clients, the greater the customer's loyalty. The inclusion of the correlation coefficient inside the interval range indicates that the association between variables is quite robust (Khayru et al., 2021). An investigation conducted by Putra & Ngatno (2017) With a regression value of 0,27, the service quality variable has a major and positive effect on consumer loyalty. This demonstrates that the higher the quality of service, the more likely consumers are to sense brand loyalty. The value of the advertising variable's coefficient of determination is 40%. According to the findings of the basic linear regression test, the t-statistic value of 8,076 is bigger than the t-table value (1,9845).

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Based on research conducted by Andreas & Yuniati (2016), the results of the study. Based on the direct effect of product quality on customer satisfaction, the coefficient value was 0,660 and significant at 0,000 while the direct effect of customer satisfaction on customer loyalty was obtained by a coefficient value of 0,609 and significant at 0,000. Hence, it can be noted that there is an indirect effect of product quality on customer loyalty through customer satisfaction as an intervening variable.

Based on the results of the description of the background and the results of the survey conducted by the researcher, the researcher undertaken this study entitle "The Effect of Service Quality and Facilities on Consumer Loyalty Moderated by Consumer Satisfaction (Harbour Coffee Case Study)".

### **II. LITERATURE REVIEW**

#### **A. Service Quality**

A company's success can be increased by providing high-quality services. Customers will be more loyal to the company if its services are of a high standard. Quality of service refers to the excellence that is expected and the management of that excellence to fulfill client needs. Service quality is considered acceptable, ideal, and fulfilling if it either meets or exceeds client expectations (Amelia et al., 2021).

#### **H1: Service Quality Affects Consumer Loyalty**

#### **B. Facilities**

Services cannot be provided to customers without first securing the necessary facilities. Because the services provided to clients so frequently necessitate supplementary facilities for delivery, facilities are an aspect of marketing that has a very significant role. To better serve their clients, service providers should learn how their customers react to the design of their facilities. From what has been said, it is clear that facilities consist of anything that is utilized by and enjoyed by employees, guests, and users (Sulistiyana et al., 2015).

#### **H2: Facilities Affects Consumer Loyalty**

#### **C. Consumer Loyalty**

There is no such thing as a static consumer, and consumer behavior is one of many human behaviors that shift and evolve over time in response to the unique environmental and social circumstances in each particular areas. The one thing that businesses always desire from their customers is loyalty. Loyalty to a product, whether it be a service or a physical object, is one definition of customer loyalty. Loyalty isn't something that can be forced, but rather something that develops organically in response to one's surroundings. Griffin in (Hasanuddin et al., 2020) explain the meaning of customer loyalty "Loyalty is defined as non-random purchasing expressed over time by some decision-making units." Previously, satisfying customers' wants and needs was a surefire way to win over their hearts and minds. Clients are deemed loyal if their purchasing habits do not fluctuate based on a small number of seemingly random variables.

#### **H3 : Service Quality and Facilities Affects Consumer Loyalty**

#### **D. Consumer Satisfaction**

Customer satisfaction according to Kotler (2009) "is the level of one's feelings after comparing the performance (or results) that he perceives compared to his expectations." Meanwhile, according to Park (in (Hardati, 2021)) customer satisfaction is "a consumer feeling in response to products or services that have been consumed." With this definition in mind, "loyalty" more accurately describes the tendency of individual decision-makers to repeatedly buy from a same seller over time.

#### **H4 : Consumer Satisfaction is able to moderate the influence of Service Quality on Consumer Loyalty**

#### **H5: Consumer Satisfaction is able to moderate the influence of Facilities on Consumer Loyalty**

### **III. METHOD**

This study uses a quantitative approach where the research object was "Service Quality (X1), Facilities (X2), Consumer Loyalty (Y) and Consumer Satisfaction (Z)." In this study, we used descriptive analysis, namely collecting, compiling, processing, and analyzing data in order to provide a situation so that conclusions can be drawn. The population in this study were 103 people per day who visit Harbour Coffee, but there was a minimum number that should be taken, thus as many as 30 samples were collected. As stated by Baley in (Mahmud, 2011) that for research using statistical data analysis, the minimum sample size was 30. Therefore, the sample in this study were 30 Harbour Coffee visitors who visit the place. The sample selection technique was done randomly or accidentally meet at the place.

By using SPSS from the questionnaire results, we identified the research problem and continued with a study of the research literature related to the problems and variables raised in this study. Further, it was developed into a research framework related

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to the problem to be studied, identifies each variable, hypotheses and research design development, determines the technique to be used, data collection to data management and produces discussions and conclusions from this research.

### IV. RESULTS AND DISCUSSION

#### A. Descriptive Statistics

##### 1. Respondents Characteristic

Based on the results of the distribution of the questionnaire, testing was carried out using SPSS IBM 25 and the description of respondents based on age was obtained as follows:

##### 1) Age

**Table 1. Age of Respondents**

Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	17-22 Years	18	60.0	60.0	60.0
	23-27 Years	12	40.0	40.0	100.0
	Total	30	100.0	100.0	

Based on these results, it can be interpreted if the respondents based on age range from 17-22 years old to 18 respondents and 12 respondents from 23-27 years old. Hence, it can be concluded that the majority of customers at Harbour Coffee based on age are those aged 17-22 years with a total of 18 respondents.

##### 2) Occupation

**Table 2. Respondents' Occupations**

Occupation		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Shopeefood drivers	1	3.3	3.3	3.3
	Fresh Graduate	1	3.3	3.3	6.7
	Private sector employee	9	30.0	30.0	36.7
	College Student	15	50.0	50.0	86.7
	Student	4	13.3	13.3	100.0
	Total	30	100.0	100.0	

Based on these results, it can be interpreted if the respondents are based on occupations with the category of Driver Shopeefood as many as 1 respondent, Fresh Graduate as many as 1 respondent, Private Employees as many as 9 respondents, College Students as many as 15 respondents and students as many as 4 respondents. As such, it can be concluded that the majority of customers in Harbour Coffe based on their occupation are mostly from college students with a total of 15 respondents.

#### B. Validity test

Based on the results of the questionnaire distribution, testing was carried out using SPSS IBM 25 and the validity results were obtained as follows:

##### 1) Service Quality Validity (X1)

**Table 3. Service Quality Validity Results (X1)**

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Total Correlation	Item-Cronbach's Alpha if Item Deleted	
X1.1	37.67	10.851	.669	.888	
X1.2	37.87	9,223	.848	.870	

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X1.3	37.77	9,840	.623	.891
X1.4	37.87	9,844	.661	.887
X1.5	37.70	10,769	.657	.888
X1.6	37.70	10,493	.632	.889
X1.7	37.80	9,821	.689	.884
X1.8	37.70	10,286	.702	.883
X1.9	37.67	11,126	.559	.894

Based on these results, it can be seen that all indicators have a value >0,3. Thus, it can be concluded that “all indicators on the Service Quality variable (X1) are valid and can be continued on the further test.”

**2) Facility Validity (X2)**

**Table 4. Facility Validity Results (X2)**

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Total Correlation	Cronbach's Alpha if Item Deleted
X2.1	37.87	8,189	.686	.875
X2.2	37.63	9,895	.410	.893
X2.3	37.70	9,045	.482	.893
X2.4	37.83	7,937	.884	.856
X2.5	37.67	9,471	.440	.893
X2.6	37.73	8,685	.803	.866
X2.7	37.87	8,464	.794	.865
X2.8	37.70	9,183	.632	.879
X2.9	37.73	8,547	.722	.871

Based on these results, it can be seen that all indicators have a value >0,3. Hence, it can be concluded that “all indicators on the Facility variable (X2) are valid and can be continued on the next test.”

**3) Consumer Loyalty Validity (Y)**

**Table 5. Consumer Loyalty Validity Results (Y)**

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Total Correlation	Cronbach's Alpha if Item Deleted
Y1.1	37.63	11,413	.629	.925
Y1.2	37.70	10,907	.839	.910
Y1.3	37.60	11,972	.570	.927
Y1.4	37.63	11,413	.719	.918
Y1.5	37.53	11,568	.758	.916
Y1.6	37.63	11,413	.848	.911
Y1.7	37.57	11,840	.768	.916
Y1.8	37.73	10,823	.852	.909
Y1.9	37.63	11,275	.667	.922

Based on these results, it can be seen that all indicators have a value >0,3. Hence, it can be concluded that “all indicators on the Consumer Loyalty variable (Y) are valid and can be continued on the next test.”

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**4) Consumer Satisfaction Validity (Z)**

**Table 6. Consumer Satisfaction Validity Results (Z)**

<b>Item-Total Statistics</b>					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Total	Item-Correlation	Cronbach's Alpha if Item Deleted
Z1.1	37.70	9.666	.650	.880	
Z1.2	37.60	9.972	.806	.869	
Z1.3	37.60	9.903	.705	.875	
Z1.4	37.67	9,678	.655	.880	
Z1.5	37.57	9.909	.726	.873	
Z1.6	37.53	10.395	.714	.876	
Z1.7	37.67	9,678	.655	.880	
Z1.8	37.50	11,086	.484	.891	
Z1.9	37.57	10.254	.527	.890	

Based on these results, it can be seen that all indicators also have a value >0,3. As such, it can be concluded that “all indicators on the Consumer Satisfaction variable (Z) are valid and can be continued on the next test.”

**C. Reliability Test**

Based on the results of the distribution of the questionnaire, testing was carried out using SPSS IBM 25 and the reliability results were obtained as follows:

**1) Service Quality Reliability (X1)**

**Table 7. Service Quality Reliability Results (X1)**

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
.898	9

Based on these results, it can be seen that all indicators have a value >0,6. Hence, it can be concluded that “all indicators on the Service Quality variable (X1) are reliable and can be continued on the next test.”

**2) Facility Reliability (X2)**

**Table 8. Facility Reliability Results (X2)**

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
.890	9

Based on these results, it can be seen that all indicators have a value >0,6. As such, it can be concluded that “all indicators in the Facility variable (X2) are reliable and can be continued on the next test.”

**3) Consumer Loyalty Reliability (Y)**

**Table 9. Consumer Loyalty Reliability Results (Y)**

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
.926	9

Based on these results, it can be seen that all indicators have a value > 0,6. It can be concluded that all “indicators on the Consumer Loyalty variable (Y) are reliable and can be continued on the next test.”

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### 4) Consumer Satisfaction Reliability (Z)

Table 10. Consumer Satisfaction Reliability Results (Z)

Reliability Statistics	
Cronbach's Alpha	N of Items
.891	9

Based on these results, it can be seen that all indicators have a value  $>0,6$ . Thus, it can be concluded that “all indicators on the Consumer Satisfaction variable (Z) are reliable and can be continued on the next test.”

#### D. Multicollinearity Test

Based on the results of the questionnaire distribution, testing was carried out using SPSS IBM 25 and the results of Multicollinearity were obtained as follows:

Table 11. Multicollinearity Test Results

Coefficients <sup>a</sup>							
Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1(Constant)	-1.533	3.382		-.453	.654		
Total_X1	.190	.200	.180	.949	.351	.128	7,792
Total_X2	.249	.249	.218	.998	.327	.128	7,792
Total_Z	.596	.321	.559	1.857	.075	.128	7,792

a. Dependent Variable: Total\_Y

Based on these results, it is known that the Tolerance value for the variables of Service Quality (X1), Facilities (X2), Consumer Loyalty (Y) and Consumer Satisfaction (Z) is 0.128 which is greater than 0.10. Meanwhile, the VIF value for the variables of Service Quality (X1), Facilities (X2), Consumer Loyalty (Y) and Consumer Satisfaction (Z) is 7,792 which is smaller than 10.00. In light of the basis of decision making in the multicollinearity test, it can be concluded that there are no symptoms of multicollinearity in the regression model.

#### E. Moderated Regression Analysis Test

Based on the results of the distribution of the questionnaire, testing was carried out using SPSS IBM 25 and the results of the Moderated Regression Analysis were obtained as follows:

Table 12. Moderated Regression Analysis Test Results

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1(Constant)	9.338	13.821		.676	.505
Total_X1	-5.173	3.431	-4.897	-1.508	.044
Total_X2	5.654	3.651	4.963	1,548	.034
X1M	.139	.088	10,602	1.585	.026
X2M	-.132	.090	-9,764	-1.463	.056

a. Dependent Variable: Total\_Y

Based on these results, it can be interpreted:

1. It is known that the value of the interaction variable between Service Quality and Consumer Satisfaction is 0,044 ( $<0,05$ ). Hence, it can be concluded if Consumer Satisfaction is able to moderate the influence of the Service Quality variable on the Consumer Loyalty variable.
2. It is known that the value of the interaction variable between Facilities and Consumer Satisfaction is 0,034 ( $<0,05$ ). So, it can be concluded if the Facility is able to moderate the influence of the Facility variable on the Consumer Loyalty variable.

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### F. Hypothesis testing

Based on the results of the questionnaire distribution, testing was carried out using SPSS IBM 25 and the results of the Hypothesis Testing were obtained as follows:

#### 1) T test

**Table 13. T Test Result**

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1(Constant)	9.338	13.821		.676	.505
Total_X1	-5.173	3.431	-4.897	0.08	.044
Total_X2	5.654	3.651	4.963	0.028	.034
X1M	.139	.088	10.602	0.025	.026
X2M	-.132	.090	-9.764	0.023	.056

a. Dependent Variable: Total\_Y

Determination of whether the hypothesis is accepted or rejected can be done by comparing the significance value of T 0,05. Service Quality Value (X1) 0,08 <0,05, it can be concluded that Service Quality has a significant effect on Consumer Loyalty. Likewise, the Facility (X2) has a value of 0,028 <0,05, it can be concluded "the Facility has a significant effect on Consumer Loyalty."

#### 2) F test

**Table 14. F Test Results**

ANOVA <sup>a</sup>					
Model	Sum of Squares	df	Mean Square	F	Sig.
1Regression	364.844	3	121.615	63.464	.000 <sup>b</sup>
Residual	49.823	26	1.916		
Total	414.667	29			

a. Dependent Variable: Total\_Y

b. Predictors: (Constant), Total\_Z, Total\_X1, Total\_X2

Based on these results, it can be seen that the F value is 63,464 with an F Sig value of 0.000. The significance value obtained is smaller than 0.05 (0.000<0.05). It can be concluded that "the variables of Service Quality (X1), Facilities (X2), Consumer Loyalty (Y) and Consumer Satisfaction (Z) have a significant effect on consumer loyalty at Harbour Coffee."

#### The Effect of Service Quality on Consumer Loyalty

The preceding analysis demonstrates that the level of service provided significantly influences consumer loyalty. This is consistent with the findings of Andreas & Yuniati (2016), which found that customers' preference to purchase or reuse a product is affected by their happiness with the product's service. Consequently, the greater the quality of service offered, accompanied by a high degree of satisfaction, the more likely customers are to remain loyal.

#### The Effect of Facilities on Consumer Loyalty

The foregoing analysis clearly demonstrates that the facility has a major impact on Consumer Loyalty. This finding agrees with a study by Sulistiyana et al. (2015) that found that giving customers access to high-quality facilities increased their happiness with the brand.

#### The Effect of Service Quality Moderated by Consumer Satisfaction on Consumer Loyalty

Based on the findings of the calculations above, it can be noted that customer satisfaction, which is moderated by service quality, has a major impact on customer loyalty. This finding corroborates the findings of a study by Hasanuddin et al. (2020), which found that providing high-quality service is a key factor in ensuring repeat business from satisfied customers. Moreover, it is intrinsically linked to the development of financial gains for the business. Customer satisfaction rises as a direct proportion to the quality of the service offered by the business.



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### The Effect of Facilities Moderated by Consumer Satisfaction on Consumer Loyalty

From the results of the above calculations show that the facilities moderated by Consumer Satisfaction have a significant effect on Consumer Loyalty. This result is in line with Putra & Ngatno (2017) which states that with good facilities, consumers will continue to make repeated purchases of a product or service because of consumer loyalty to a product or service by re-purchasing the goods or services continuously.

### V. CONCLUSIONS

The studies' findings led the researchers to the following conclusions: (1) Service Quality Affects Consumer Loyalty, (2) Facilities Affect Consumer Loyalty, (3) Service Quality and Facilities Affect Consumer Loyalty, (4) Consumer Satisfaction is able to moderate the influence Service Quality on Consumer Loyalty and (5) Consumer Satisfaction is able to moderate the influence of Facilities on Consumer Loyalty.

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