



Service Quality Towards Customer Loyalty through Customer Satisfaction at Starbucks Sentul City, Bogor Regency

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Abstract

This study aimed to investigate the effects of customer relationship management (CRM) and service quality on customer loyalty through customer satisfaction at Starbucks Sentul City, Bogor Regency. The study used path analysis with a sample of 100 Starbucks Sentul City customers with Starbucks Card membership. The results of the study showed that CRM and service quality had a significant effect on customer satisfaction. CRM also had a significant effect on customer loyalty, while service quality did not have a significant effect on customer loyalty. However, service quality had an indirect effect on customer loyalty through customer satisfaction. Based on the results of this study, it can be concluded that CRM and customer satisfaction are important factors in increasing customer loyalty at Starbucks in Sentul City.

Keywords:

Customer Relationship Management (CRM), Service Quality, Customer Satisfaction, Customer Loyalty

Introduction

In the era of globalization, coffee has become a part of the lifestyle. Coffee shops have become popular places for customers to visit for various needs. The quality of coffee, ambiance, and facilities are important factors that can influence customer satisfaction and their loyalty. Customer loyalty plays an important role in the progress of the company, especially in the increasingly crowded coffee shop industry. CRM is a new approach to managing the relationship between companies and customers. CRM aims to enhance customer loyalty and added value. Starbucks, a pioneer of CRM in the coffee shop industry, implements CRM through the Starbucks Card program, which offers promotions to customers. The CRM program can improve interaction, loyalty, efficiency, and revenue.

The suboptimal service quality at Starbucks is causing customer satisfaction to decline. This can reduce customer loyalty. Based on the background explained above, the author is interested in conducting research with the title "The Influence of Customer Relationship Management and Service Quality on Customer Loyalty Through Customer Satisfaction."

The purpose of the research to be conducted is:

1. To understand how CRM affects customer satisfaction
2. To understand how service quality affects customer satisfaction
3. To understand how customer satisfaction affects customer loyalty
4. To understand how CRM affects customer loyalty
5. To understand how service quality affects customer loyalty
6. To understand how CRM affects customer loyalty through customer satisfaction
7. To understand how service quality affects customer loyalty through customer satisfaction
8. To understand how CRM, service quality, and customer satisfaction affect customer loyalty

Literature Review

Marketing Management

Management is an art in science and organization, which involves planning, building organizations and their structures, movement, and control. Marketing management is the activity of creating, preparing, and implementing the company's plan to generate profit. Kotler and Keller (2017:6) state that marketing management is the target market that attracts, retains, and enhances consumers.

Consumer behavior is the process and activities undertaken by an individual in acquiring and consuming products, including the stages of decision-making initiation and the establishment of those actions. (Kotler & Keller, 2016, p. 179) state that consumer behavior is influenced by factors such as cultural factors, social factors, personal factors, and psychological factors.

Understanding Loyalty

Customer loyalty is the tendency of customers to continuously purchase a product or service because they have high satisfaction with that product or service. Customer loyalty can be measured by indicators such as Repeat, which is customer loyalty towards product purchases, Retention, which is customer resilience against negative influences from the company, and Referrals, which is the tendency of customers to recommend the product or service to others. Customer loyalty is important for companies because it provides benefits such as increased sales, reduced marketing costs, and improved company image.

Understanding Customer Satisfaction

Customer satisfaction is the response of fulfillment from customers towards a product or service that has met their needs and expectations. The level of customer satisfaction can be seen from the extent to which customer expectations are met through the performance or quality of a service or the quality of a product. Satisfied customers are likely to purchase the offered products again, and they will even share their positive experiences when buying those products.

According to Kotler and Keller (2018:140), customer satisfaction has several dimensions, namely customer loyalty, purchasing new company products and renewing products, product recommendations, and being less attentive to competitor brands and less sensitive to price. According to Indrasari (2019:87-88), the factors that influence customer satisfaction are Product Quality, Service Quality, Emotional, Price, and Cost. The company needs to strive to improve customer satisfaction by providing quality products or services, satisfactory service, and attractive loyalty programs.

Understanding Customer Relationship Management (CRM)

CRM is a strategy for managing the relationship between a company and its customers, so that both parties derive maximum value from the relationship. The goal of CRM is to enhance customer satisfaction, customer loyalty, and company profitability. There are three phases in the CRM process cycle, namely customer acquisition, service enhancement, and customer retention.

According to Tjiptono (2014:427), the crucial factors in the implementation of CRM are Identification, Individualization, Interaction, Integration, and Integrity. According to Hasan (2010) in Priansa (2017), CRM can be considered successful if it meets the following criteria: focusing on products based on customer desires, generating long-term profits, providing individual attitudes, habits, and special styles to customers, identifying the value for consumers of specific products to be offered to customers, understanding the relative value importance of each customer segment, and building a customer group supported by communication technology. According to Priansa (2017), CRM has three important dimensions in building CRM, namely People, Process, and Technology.

Understanding Service Quality

Service quality is a measure of the service provided by sellers to customers in meeting consumer needs to achieve customer satisfaction. According to Tjiptono (2017), the five dimensions to measure service quality are Tangible or Direct Evidence, which is the tangible proof of the care and attention provided by service providers to consumers; Reliability or Dependability, which is the ability to deliver accurate service as promised; Responsiveness or Readiness, which is the willingness to help customers and provide service accordingly; Assurance or Guarantee, which is the knowledge and behavior of employees to build customer trust and confidence; and Empathy, which is the company's ability to provide individual attention to consumers.

Framework of Thought

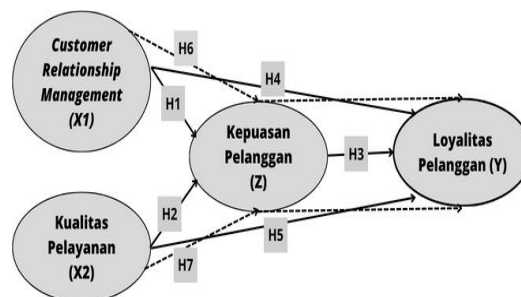


Figure 1. Framework of Thought

Research Methodology

This research uses a quantitative method with a causal approach to examine the relationship between the use of Starbucks Card membership and customer loyalty at Starbucks Sentul City. The population in this study consists of all customers at Starbucks Sentul City from September 2022 to February 2023 who have a Starbucks Card membership. The sample was taken using the lemeshow technique with a

minimum sample size of 96.04, maximized to 100 respondents. The data collection technique used is a questionnaire distributed directly to the respondents. The independent variable in this study is the use of the Starbucks Card membership, while the dependent variable is customer loyalty. The operational definition of the variable of Starbucks Card membership usage is the frequency of card usage in a month, while the operational definition of the variable of customer loyalty is the tendency to choose Starbucks as a gathering place and to buy coffee drinks. Data analysis was conducted using validity tests, reliability tests, correlation tests, and path analysis.

This research only focuses on the relationship between the use of the Starbucks Card membership and customer loyalty at Starbucks Sentul City. This research does not discuss other factors that may influence customer loyalty at Starbucks Sentul City. The materials and data collection techniques used in this research are questionnaires distributed directly to respondents.

Results and Discussion

Questionnaire Results

Based on the data obtained from the Google Form questionnaire filled out by the respondents, there were 100 respondents who answered, and the results obtained are as follows:

- 1) Characteristics of Respondents by Gender
44 people are male and 56 people are female. The dominant respondents are women.
- 2) Characteristics of Respondents Based on Age
The majority (92%) are aged between 17-30 years. The number of respondents under 17 years, over 40 years, and over 50 years is relatively small.
- 3) Characteristics of Respondents Based on Occupation
The majority (50%) work as private employees. The number of student respondents is also significant (31%).
- 4) Characteristics of Respondents Based on Education
The majority (42%) have a bachelor's degree as their highest education. The number of respondents with high school/equivalent, associate degree/diploma, and master's/doctorate degrees is also significant.
- 5) Characteristics of Respondents Based on Monthly Income
The majority (46%) have a monthly income above Rp6,000,000. The number of respondents with an income below Rp1,000,000 is also significant (10%).

Validity Test

Table 1. Summary of the Validity Test Results for the Variables of CRM, Service Quality, Customer Satisfaction, and Customer Loyalty

Variabel	Jumlah Pernyataan	Nilai hitung	r	Nilai r tabel	Keterangan
CRM	10	0,712 0,846	-	0,165	Valid
Kualitas Pelayanan	10	0,680 0,862	-	0,165	Valid
Kepuasan Pelanggan	10	0,665 0,891	-	0,165	Valid

Loyalitas Pelanggan	10	0,716	- 0,165	Valid
		0,811		

Based on the calculated r values obtained, all statements have a significant correlation with the variable to be measured. The calculated r values range from 0.665 to 0.891, which means that all statements have a strong correlation with the variable to be measured. Overall, the results of the validity test conducted indicate that the questionnaire used in this study is valid. This means that the questionnaire can be used to obtain accurate data to answer the research questions.

Reliability Test

Table 2. Reliability Test Results

Variabel	Cronbach's alpha	Keterangan
CRM	0,927	Reliabel
Kualitas Pelayanan	0,939	Reliabel
Kepuasan Pelanggan	0,935	Reliabel
Loyalitas Pelanggan	0,902	Reliabel

Based on the table above, all variables have a Cronbach's Alpha value > 0.60 . A Cronbach's Alpha value greater than 0.60 indicates that the research instrument is reliable, meaning the instrument is consistent in measuring the variable it intends to measure. Based on the obtained Cronbach's Alpha values, it can be concluded that all variables have high consistency in measuring the variable they intend to measure. The obtained Cronbach's Alpha values range from 0.902 to 0.939, which means that all variables have very high consistency in measuring the variable they intend to measure.

Classic Assumption Test Normality Test

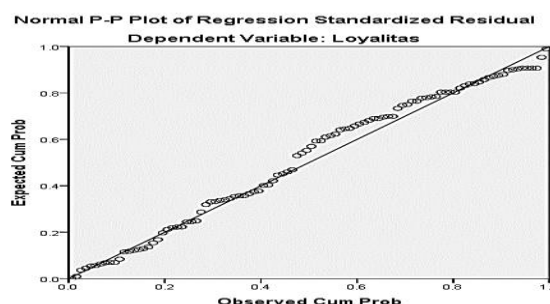


Figure 2. Results of the P-Plot Normality Test
Source: SPSS Output, processed 2022

Based on the image above, the points on the plot are well-distributed around the diagonal line. This means that the data used in this study is well-normally distributed.

Multicollinearity Test

Table 4. Results of the Multicollinearity Test Coefficientsa

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
CRM	,267	3,748
Kualitas Layanan	,203	4,938
Kepuasan Pelanggan		
	,141	7,111

Source: SPSS Output, processed 2022

Based on the obtained VIF values, all independent variables have a low correlation level. The VIF values obtained range from 3.748 to 7.111, which means that all independent variables have a low correlation level. This indicates that there is no significant multicollinearity between the independent variables.

Heteroscedasticity Test

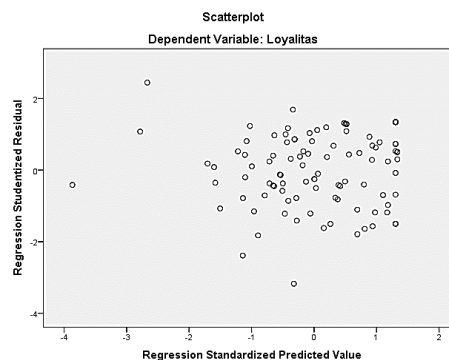


Figure 3. Results of the Heteroscedasticity Test

Source: SPSS Output, processed 2022

Based on the scatter plot graph, the points are scattered above and below 0 with an irregular pattern. This indicates that there is no significant heteroscedasticity in the data. Based on the results of the heteroscedasticity test that has been conducted, the regression model used in this study meets the heteroscedasticity assumption. This means that there is no variance in the residuals from one observation to another in the regression model.

Data Analysis Results

The Direct Influence of CRM and Service Quality on Customer Satisfaction

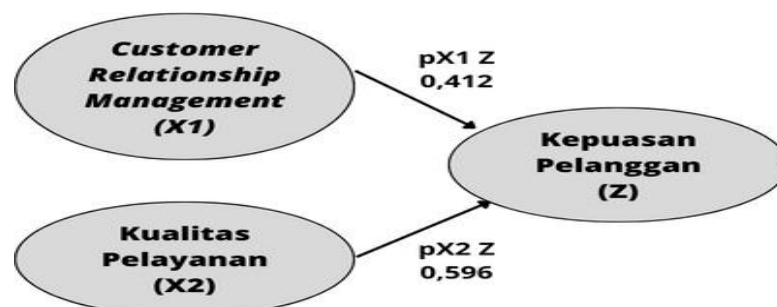


Figure 4. Framework X1 and X2 against Z
 Source: Processed primary data, 2022

Structural Equation I:

$$Z = a + PZX_1 + PZX_2 + e$$

$$Z = -1,228 + 0,412 X_1 + 0,596 X_2 + e$$

Based on the equation, the influence of CRM on customer satisfaction ($X_1 \rightarrow Z$) directly has a value of 0.412. This means that if CRM increases by 1 unit, customer satisfaction will increase by 0.412 units. The influence of service quality on customer satisfaction ($X_2 \rightarrow Z$) directly has a value of 0.596. This means that if service quality increases by 1 unit, customer satisfaction will increase by 0.596 units.

Based on these coefficient values, the influence of service quality on customer satisfaction ($X_2 \rightarrow Z$) is dominant with a higher value compared to the influence of CRM on customer satisfaction ($X_1 \rightarrow Z$). In this context, service quality has a more dominant impact on customer satisfaction compared to CRM.

The Direct Influence of CRM and Service Quality on Customer Loyalty

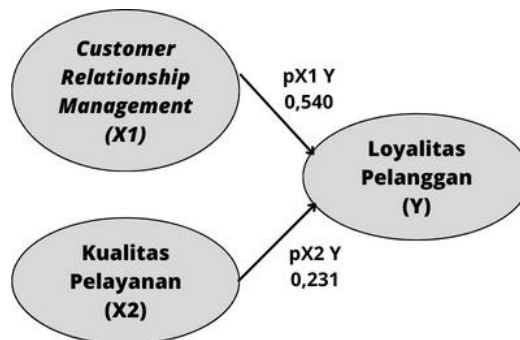


Figure 5. Framework X1 and X2 against Y
 Source: Processed primary data, 2022

Structural Equation 2:

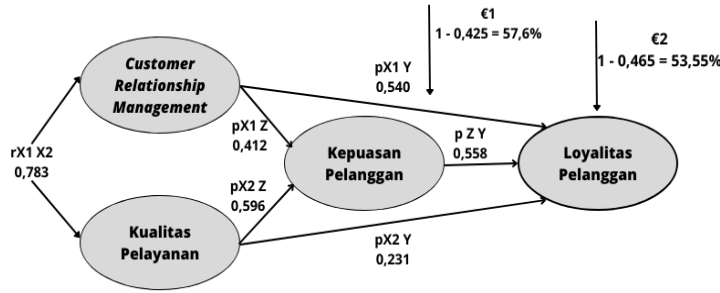
$$Y = a + PYX_1 + PYX_2 + e$$

$$Y = 4,341 + 0,540X_1 + 0,231 X_2 + e$$

Based on the equation, CRM has a direct influence on customer loyalty ($X_1 \rightarrow Y$) with a value of 0.540. This means that if CRM increases by 1 unit, customer satisfaction will increase by 0.540 units. The influence of service quality on customer loyalty ($X_2 \rightarrow Y$) has a direct value of 0.231. This means that if service quality increases by 1 unit, customer loyalty will increase by 0.231 units.

Based on these coefficient values, the influence of CRM on customer loyalty ($X_1 \rightarrow Y$) is dominant with a higher value compared to the influence of service quality on customer loyalty ($X_2 \rightarrow Y$). In this context, CRM has a more dominant impact on customer loyalty compared to service quality.

The Indirect Influence of CRM and Service Quality on Loyalty through Customer Satisfaction



Source: Processed Primary Data
 Figure 6. Framework X1 and X2 on Y through Z

Structural Equation 3:

$$Y = a + PZX1 + PZX2 + PZY + e$$

$$Y = 5.085 + 0.262 X1 + -0.116 X2 + 0.558 Z + e$$

From the overall total, CRM and service quality have a positive influence on customer loyalty. This means that the better the CRM and service quality of a company, the higher the customer loyalty. The influence of CRM on customer loyalty (X1 → Z → Y) through customer satisfaction has a value of 0.229896. This indicates that CRM has a positive indirect influence on customer loyalty through customer satisfaction. The influence of service quality on customer loyalty through customer satisfaction (X2 → Z → Y) has a value of 0.332568. This indicates that service quality has a positive indirect influence on customer loyalty through customer satisfaction. The total effect of CRM on customer loyalty (X1 → Y) has a value of 0.97. This indicates that CRM has a positive total influence on customer loyalty. The total effect of service quality on customer loyalty (X2 → Y) has a value of 1.154. This indicates that service quality has a greater total influence compared to CRM.

Conclusion and Recommendations

Conclusion

Based on the results of the research above, the following conclusions were obtained:

1. A positive and significant influence was obtained between the CRM variable and customer satisfaction at 0.412. This indicates that the better the implementation of CRM at Starbucks Sentul City, Bogor Regency, the higher the customer satisfaction achieved.
2. A positive and significant influence was obtained between the service quality variable and customer satisfaction at 0.596. This indicates that the better the service quality provided by Starbucks Sentul City, Bogor Regency, the higher the customer satisfaction achieved.
3. A positive and significant influence was obtained between the customer satisfaction variable and customer loyalty at 0.405. This indicates that the higher the customer satisfaction, the higher the customer loyalty towards Starbucks Sentul City, Bogor Regency.
4. A positive and significant influence was obtained between the CRM variable and customer loyalty at 0.540. This indicates that the better the implementation of CRM by Starbucks Sentul City, Bogor Regency, the higher the customer loyalty achieved.
5. The results show that service quality does not have a significant impact on customer loyalty. The magnitude of the influence of service quality on customer

loyalty is 0.231. This shows that service quality does not directly affect customer loyalty.

6. Analysis of the influence of CRM on customer loyalty through customer satisfaction. The direct influence of the CRM variable on customer loyalty is 0.540. Meanwhile, the indirect influence of CRM on customer loyalty through customer satisfaction is the product of the beta value of X1 (CRM) on Y (customer loyalty) and the beta value of Z (customer satisfaction) on Y (customer loyalty), which is: $0.412 \times 0.558 = 0.229896$. Therefore, the total influence of X1 (CRM) on Y (customer loyalty) is the direct influence plus the indirect influence, which is: $0.540 + 0.229896 = 0.769896$. Based on this calculation, it is known that the total influence value is greater than the direct influence, indicating that the variable X1 (CRM) on Y (customer loyalty) through Z (customer satisfaction) has a significant influence.
7. Analysis of the influence of service quality on customer loyalty through customer satisfaction. It is known that the direct influence of service quality on loyalty is 0.231. Meanwhile, the indirect influence of service quality on customer loyalty through customer satisfaction is the multiplication of the beta value of X2 (service quality) on Y (customer loyalty) with the beta value of Z (customer satisfaction) on Y (customer loyalty), which is: $0.596 \times 0.558 = 0.332568$. Therefore, the total influence of X2 (service quality) on Y (customer loyalty) is the direct influence plus the indirect influence, which is: $0.231 + 0.332568 = 0.563568$. Based on the above calculations, it is known that the direct influence value is smaller than the total influence, this result shows that X2 (service quality) through Z (customer satisfaction) has a significant influence on Y. (loyalitas pelanggan).

Suggestion

Based on the above conclusion, the recommendations that can be provided in this research are:

1. Considering that in this study the CRM variable has a significant impact on customer satisfaction at Starbucks Sentul City, it is expected that Starbucks Sentul City sales can continue to maintain CRM on the Starbucks Card application by maximizing the reward program with more attractive promotions for newcomers or new users.
2. In this study, it can also be seen that the service quality variable significantly affects customer satisfaction at Starbucks Sentul City, so it is expected that Starbucks Sentul City sales can maintain ongoing customer satisfaction by consistently upholding service quality every day.
3. Considering that the customer satisfaction variable significantly affects customer loyalty at Starbucks Sentul City, it is expected that Starbucks Sentul City's sales can continue to maintain customer satisfaction.
4. In this study, it was also found that the CRM variable has a significant influence on customer loyalty, so Starbucks Sentul City needs to further enhance the Starbucks Card reward program or promotions to achieve the best results for a broader increase in customer loyalty.
5. Considering that in this study the service quality variable does not significantly affect customer loyalty at Starbucks Sentul City, it is hoped that Starbucks Sentul City can continue to explore and improve service quality to be better.
6. The influence of CRM at Starbucks Sentul City on customer satisfaction has a very good impact, which ultimately also significantly affects customer loyalty.

By maintaining CRM on the Starbucks Card application, customers at Starbucks Sentul City will be satisfied and encouraged to become loyal customers. The influence of service quality at Starbucks Sentul City on customer satisfaction has a very good impact, which ultimately also significantly affects customer loyalty. By maintaining service quality, customers at Starbucks Sentul City will also feel satisfied and become loyal customers.

7. For future researchers, it is expected that they will be able to expand the objects, respondents, and other variables that can influence customer satisfaction and customer loyalty, so that broader and more accurate results can be obtained.

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