

The Role of Service Quality and Digital Promotion on Customer Loyalty Café Meine Welt Palangka Raya, Central Kalimantan

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ABSTRACT

Research in the field of Marketing focuses on Service Marketing and applying digital marketing to increase Customer Loyalty. This research is based on the Dynamic Capability theory which indicates that a business unit to be able to survive must be evaluated and make business strategies that are relevant to the dynamics of business change. The research was conducted at the Café Meine Weltz in Palangka Raya City with 150 consumers as a benchmark and analyzed using the SPSS 22 statistical program. The results prove that the important role of service quality and knowledge sharing is to increase customer loyalty, which is 79.3%. The implications of the results can be a reference for Café Meine Weltz business actors, and can become a global reference for business actors at cafés in the city of Palangka Raya. Future research can adopt research indicators to increase market orientation in the culinary business

INTRODUCTION

Service quality is an important factor in service marketing. In the understanding of service marketing, service quality is the level of excellence required and control over the level of excellence to meet customer needs (Supriyanto et al., 2021). Service quality consists of five crucial elements, namely, physical evidence, guarantee, empathy, responsiveness and reliability. To create positive quality services, the company must be able to fulfill the services that consumers expect. Customer loyalty is a person's feeling of trust or loyalty that exists after comparing the estimated product performance (results) with the required product or service (Mary et al., 2023). According to customer loyalty theory, an emotional response in the service assessment of the consumption experience of a product or service.

One of the methods used by many business actors such as culinary businesses today in an uncertain business environment such as a pandemic is to prioritize quality as raw materials. This is an advantage for the business unit to continue to survive and maintain customer loyalty. In maintaining customer loyalty, product quality starts from raw materials, to delivery, meaning the art of supply chain in main management which benefits product-based businesses (Rita et al., 2019). The problem with the Meine Weltz café business is that new cafés are emerging with the same concept, namely: a café atmosphere, almost the same food menu and a pre-order and reservation system. For business actors, this must be addressed so that businesses can continue to survive in the midst of conditions by controlling service quality and digital promotions . Consumer behavior which requires consuming food and carrying out work anywhere is an opportunity for business actors to use production practices that comply with fast, easy, cheap and healthy food standards. Obtaining issues that concern consumer interests will be effective and efficient using knowledge sharing with business actors to significantly increase customer loyalty. Knowledge sharing in several studies has significantly increased business performance with quality products. Sharing knowledge is the primary task of business actors in managing management, because a business unit that is able to manage management can have a significant impact on business income even if business changes occur.

Currently, the development of the restaurant or cafe industry is very rapid, new business players are emerging. As in this research, the Meine Weltz cafe is one of the cafes in the city of Palangka Raya. The cafe's strategic location is on Jl. Kapuas No.3 makes it easy to approach the market, Cafe Meine Weltz has a relatively strategic area, namely close to offices, and practically within reach of various places. The initial concept of Cafe Meine Weltz was to provide a comfortable area, the best products and at competitive prices. After several years, it turned out that this concept was able to attract many consumers, so that now the business managed by it can develop rapidly. The small-scale economy now demands the ability of business units to synergize with the business environment. Based on observations found in the Meine Weltz cafe business in the city of Palangka Raya, the many cafe competitors must be able to provide superior strategies for the quality of service provided to employees and digital promotions so that consumers always update information regarding the menu

and atmosphere of the cafe which is able to attract customers. High quality service is one of the keys to cafe success.

LITERATURE REVIEW

Marketing Management

Marketing management is the art and science of selecting target markets and obtaining, retaining and increasing the number of customers using, forming, delivering and communicating superior customer value. Marketing is something so basic that it is no longer seen as a function that is separate from other functions (Ginting et al., 2023). Marketing means the actualization of all business activities which must be observed from the final consequences, namely from the customer or consumer perspective. A good understanding of service marketing needs to be supported by an understanding of the service itself, the aspects that create service marketing opportunities and strategic issues that need to be considered by service providers (Lestari, 2023).

Service Quality in increasing Customer Loyalty

Service quality is a form of consumer evaluation of the level of service received using the required level of service. If the service received or perceived is in sync with what is required, then the quality of service is perceived as good and satisfactory (Tussifah & Navitsha, 2021). The satisfaction that has been formed can encourage consumers to make repeat purchases and hopefully become loyal customers. Service quality means a dynamic requirement that is in synergy with service products, people, processes, and the environment that can meet and/or exceed consumer desires (Tendur et al., 2021). Service quality is a holistic characteristic and feature of a good or service that influences its ability to satisfy stated and implicit needs. The quality of service provided by the company is able to meet the needs of its consumers.

Service is an intangible product resulting from reciprocal activities between the service provider and the service recipient (customer) through one or several activities to meet customer needs. Service can be a way or service, providing everything people need (Rasaily et al., 2023).

There are five factors determining service quality, the five more factors include: 1. Tangible, namely in the form of physical appearance, equipment and lots of good communication materials. 2. share the feeling, namely the willingness of employees and entrepreneurs to care more about providing direct attention to customers. For example, employees must try to put themselves in the shoes of customers. If a customer complains, a solution must be sought immediately, so that a harmonious relationship is always maintained, by showing genuine concern. With the attention given by employees to serving and providing responses to consumer complaints. 3. Quick response, namely the willingness of employees and entrepreneurs to help customers and provide services quickly and listen to and resolve consumer complaints. Using the way employees deliver service responsively, the ability to deliver service quickly and precisely, the readiness of employees to be friendly to each customer, the readiness of employees to work together with customers. 4. Reliability, namely the ability to provide services as promised, reliably and thoroughly, and consistently. Examples of this include the ability of employees to deliver the best

service, the ability of employees to handle consumer needs quickly and precisely, the company's ability to deliver good service in accordance with consumer desires. 5. Assurance, namely the ability of employees

According to previous empirical studies, there are factors that influence a service, namely expected service and perceived service. If the service received is appropriate and can even fulfill what is needed then the service is said to be good or positive (Edyansyah et al., 2022). If perceived service exceeds expected service, then the service quality is perceived to be ideal quality. On the contrary, if perceived service is worse than expected service, then the quality of service is perceived as negative or bad. Therefore, whether service quality is good or not depends on the company's ability and its nature to consistently meet customer needs. Based on previous research and research theory, the hypothesis proposed in the research is:

H1: Service Quality significantly positively increases Customer Loyalty.

Digital Promotion in increasing Customer Loyalty

Promotion is a place where a business informs and conveys everything from products, prices and locations (Febriana et al., 2023). The place that is attractive to consumers is the most strategic, pleasant and efficient place. Choosing promotions is a way to maintain competitiveness. Apart from the factor of closeness to customers, the factor of suitability of information and products offered is very important for business units (Sassen & Windhorst, 2008).

If the company has the right promotions so that consumers often see, pass by and visit them, then a product being sold or offered will have the opportunity to be bought a lot, more often or sell better than similar products sold in other places and surrounding areas (Djoko Sulistiyo & Augustian F, 2018). Before establishing a company, it is necessary to pay attention to the promotional planning that will be distributed to potential consumers. Promotion planning needs to be done as well as possible because errors in determining promotions will have an impact on the inefficiency and effectiveness of product activities, as well as potential buyers' trust in the product which will result in a lack of product purchases/sales and ultimately the company can experience continuous losses. According to (Lazo et al., 2023) promotion indicators are:

1. Suitability of the information provided
2. Interesting products offered
3. The language spoken is easy to understand

The relationship between promotion and sales performance. Promotion it is part of a sales strategy in marketing activities that uses media to increase product awareness and generate a certain level of sales (Nugraha & Kurniawan, 2023). Business communication by providing information about products can spread through business, social and community networks which are considered very influential.

Promotion can be done by direct communication between customers or between members of a group, as well as by print media and online media. Promotions that customers receive through people they trust such as experts, friends, family tend to be accepted more quickly. According to (Ahmad Akbar et al., 2023) promotion is an effort to market a product or service using viral

marketing so that customers talk about, promote and recommend a product and service to people.

The fundamental relationship of change from knowledge to business can gradually require the ability of business actors to increase the effectiveness of system management, such as building opportunities for business actors to gain access to knowledge, obtain new knowledge in business changes, and be able to make quick decisions when there is a decline in income. These basic things can be an effort to gain good knowledge and significantly positively increase management skills which have an impact on increasing business performance (Ellickson et al., 2023). Furthermore, sharing knowledge is not only able to receive information and knowledge, but can also open opportunities for business actors to explore knowledge to form ways to increase income. Based on previous research and research theory, the hypothesis proposed in the research is

H2: Digital Promotion significantly positively increases Customer Loyalty.

Research Framework

Based on the description above, a conceptual framework can be created that states that service quality and knowledge sharing directly or indirectly influence customer loyalty. The rationale for this research can be seen in the following picture:

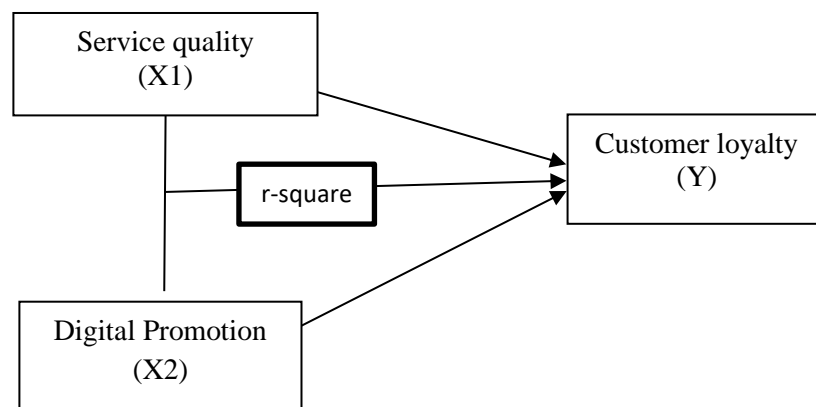


Figure 1. Conceptual Framework

METHODOLOGY

The type of research used in this research is an associative quantitative analysis method. The quantitative analysis method is a research method based on the philosophy of positivism which is used to research specific populations or samples with research data in the form of numbers from a Likert scale and analysis using statistics with the aim of testing hypotheses that have been determined so that significance is obtained between the variables studied (Nahan et al., 2019). This research was conducted in Palangka Raya with the consumer object at Cafe Meine Weltz Palangka Raya which is located on Jl. C. Bangas No. 17, Palangka Raya City, Central Kalimantan. This research location was chosen considering the ease of obtaining research data, both primary data and secondary data in conducting research, because an average of 100 visitors come per day on weekdays. The number of respondents was 150 customers who had been to the cafe at least 3 times. The variable measurement technique was carried out using a Likert scale (Christa et al., 2020). In SPSS analysis, regression analysis is used to predict how far the value of the dependent variable will change. Associative quantitative regression analysis to measure the strength of the influence of the relationship between 2 or more variables, and draw conclusions about the role of the direction of the relationship between the independent variable (X) and the dependent variable (Y) (Aref Puadi et al., 2023).

RESULTS AND DISCUSSION

Cafe Meine Weltz is a vibes café that is attractive for teenagers to adults, apart from that the café serves various delicious western-style menu variants at friendly prices, there is music as entertainment, the toilets are clean and comfortable, the large space can be used for birthday celebrations year, and other events (Peridawaty et al., 2021). Cafe Meine Weltz is a culinary business with free WiFi facilities, ample parking and a cozy cafe atmosphere and has been established since 2022 with prices that can reach students to workers.

The results of the analysis from distributing the questionnaire directly showed that from 150 respondents the questionnaire submitted was valid and reliable, and met classical assumptions. So you can continue testing the t test and f test, here are the results. The following are the results of a simple (partial) regression test.

Table. 1 Test Parsial

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1(Constant)	15.014	.193		23.180	.042
Service Quality (X1)	.618	.88	.512	3.215	.000
Digital Promotion (X2)	.731	.98	.641	11.015	.000

Source: Authors, 2024

Based on the table above, a multiple linear regression model can be determined which is expressed in the form of the following equation:

$$Y = 15.014 + 0.618 X1 + 0.731 X2 + e$$

Information:

Y = Customer Loyalty

X1 = Service Quality

X2 = Digital Promotion

From the value of the regression equation above, it can be seen that:

A constant of 15.014 means that the Service Quality and Digital Promotion variables in the research show that they can significantly increase customer loyalty. However, based on research, it is stated that management cannot directly encourage (Peridawaty) to improve business unit performance, which is a gap in this research. So, in order to improve the skills of business actors, management management is needed, because a business unit that is able to manage management can have a significant impact on business income even if business changes occur. Furthermore, the digital promotion variable is the second independent variable in the research to increase customer loyalty. The measure of business success that can survive in conditions of significant business change is the business performance that is able to maintain customer loyalty.

The Regression Coefficient value for the Positive Service Quality variable in the regression equation shows a positive value of 0.618, meaning that if the Service Quality variable increases by 1 unit, the Customer Loyalty value will increase by 0.618, in other words, the magnitude of the influence of the Service Quality variable on Customer Loyalty is 0.618 or 61.8 %.

The Regression Coefficient value for the positive digital promotion variable in the regression equation shows a positive value of 0.731, meaning that if the digital promotion variable increases by 1 unit, the customer loyalty value will increase by 73.1%, in other words, the magnitude of the influence of the digital promotion variable on customer loyalty is 0.731 or 73.1%.

The coefficient of the Service Quality variable is significant at $\alpha = 0.05$, because $t \text{ count} > t \text{ table}$ ($3.215 > 1.677$) or the sig value. $0.00 < 0.05$. This means that the influence of the Service Quality variable on customer loyalty at Cafe Meine Weltz Palangka Raya is significant. This means that hypothesis one (H1) which states that Service Quality influences Customer Loyalty at Cafe Meine Weltz Palangka Raya can be accepted.

The coefficient of the digital promotion variable is significant at $\alpha = 0.05$, because $t \text{ count} > t \text{ table}$ ($11.015 > 1.677$) or the sig value. $0.00 < 0.05$. This means that the influence of digital promotion variables on customer loyalty at Cafe Meine Weltz Palangka Raya is significant. This means that hypothesis two (H2) which states that digital promotions influence customer loyalty at Cafe Meine Weltz Palangka Raya can be accepted. Furthermore, when viewed simultaneously, how does the influence of service quality and digital promotions become important factors in increasing customer loyalty from the results of the f test table, below.

Table 2. F-Test ANOVAa

Model	Sum of Squares	Df	Mean Square	F	SSig.
1 Regression	18.933	3	8.316	24.318	0000 _b
Residual	11.035	147	.462		
Total	29.968	150			

a. Dependent Variable: Customer Loyalty (Y)

b. Predictors: (Constant), Service Quality (X1), Digital Promotion (X2)

This test is used with the aim of proving whether the independent variables have a joint effect on the dependent variable (Kristinae, 2021). The results of calculations via SPSS show that the f-count is 24.318 and f-table = 3.94 (using a significance level of 0.05% and degrees of freedom (df); $n - (k+1)$; $150 - (2+1) = 147$). This states that f-count (24.318) > f-table (3.94) so it is significant and accepted. This means that the independent variables consisting of Service Quality and Digital Promotion simultaneously influence customer loyalty at Cafe Meine Weltz Palangka Raya. Next, to see the relationship in the coefficient of determination, the results are in the following table.

Table 3. Coefficient of Determination
 Model Summary

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate	Durbin-Watson
1	.874a	.793	.684	.6016	1.183

a. Dependent Variable: Customer Loyalty (Y)

b. Predictors: (Constant), Service Quality (X1), Digital Promotion (X2)

The adjusted coefficient of determination (r^2) is 0.793, indicating that customer loyalty is explained by the Service Quality and knowledge sharing variables at 79.3% while 20.7% is explained by other variables not analyzed in the model. The following is a discussion of the results:

1. The Influence of Service Quality on Customer Satisfaction

Service quality is the fulfillment of customer needs and desires and the accuracy of delivery to match customer expectations, so that customers feel loyal to the product or service. Thus, there are two main factors that influence service quality, namely the expected service and the perceived/perceived service in marketing services. The research results show that the service quality variable has an influence on customer loyalty at Café Meine Weltz Palangka Raya, indicated by a service quality significance value of 0.00. This t-calculated value shows that there is an influence of service quality on customer loyalty at Cafe Meine Weltz Palangka Raya.

2. The Effect of Digital Promotion on Customer Loyalty

Digital promotion states that there is a need for excellence in the field of digitalization which is currently easy to apply, making it easier for consumers to find information on places to relax while working. Based on the data test in table 2, the results of H2 show a significant and positive relationship with digital promotion from the t-table value with a significance of $0.00 < 0.05$. The higher the ability of business actors to provide information, knowledge, methods/ways in responding to changes in the business environment with digital promotions, the greater the ability to increase customer loyalty.

3. The Influence of Service Quality and Digital Promotion on Customer Loyalty

Based on the results, it was found that the variables of Service Quality and Digital Promotion had a simultaneous influence on customer loyalty. With a threshold significance level of $> 5\%$, it was found that (1) service quality has a positive effect on consumer satisfaction, (2) digital promotions have a positive effect on consumer loyalty. The role of this independent variable also shows its importance in customer loyalty.

CONCLUSIONS AND RECOMMENDATIONS

Based on research results, service quality and digital promotions show a very significant role in customer loyalty. For this reason, efforts need to be made to maintain the quality of service and digital promotions so that they can form a competitive advantage with other cafes in maintaining relationships with customers so as to create customer loyalty. Efforts can be made by Cafe Meine Weltz in Palangka Raya City with service quality as a strategy and with digital promotions to provide the latest information to increase customer loyalty, to maintain the business in the changing and uncertain business environment. Further research can be further refined and developed by adding various other variables, so that this research is more useful for the development of science and the interests of the world of practitioners (culinary business actors).

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