



# Mediating Mechanism to Loyalty: Evidence from Indonesia's Halal Coffee Shop Sector in a Sustainability-Oriented Framework

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## ABSTRACT

**Purpose** – This study investigates how service quality and promotion influence customer loyalty through the mediating role of customer satisfaction in the rapidly expanding halal coffee shop sector in Indonesia. Recent shifts in consumer behavior toward value-driven, ethical, and sustainability-oriented consumption have repositioned loyalty as a strategic indicator of long-term business resilience in Muslim-majority markets. Drawing on SERVQUAL, Expectation–Confirmation Theory, and principles of Shariah service ethics, this research employs a quantitative approach using 100 valid responses collected through non-probability and accidental sampling.

**Method** – Data were analyzed using descriptive statistics, path analysis, and Sobel testing to assess the significance of the mediating effects.

**Findings** – The findings show that service quality and promotion positively and significantly affect customer satisfaction and loyalty, while satisfaction itself serves as a strong mediating mechanism that strengthens the indirect effects of both predictors..

**Practical Implication** – This study contributes theoretically by integrating Islamic ethical perspectives into mainstream loyalty models, and practically by offering sustainability-driven implications for halal-based service enterprises.

**Originality/value** – These results highlight the strategic importance of delivering trustworthy, ethical, and sustainable service experiences aligned with Shariah values to cultivate long-term customer attachment.

## A. Introduction

The global food and beverage (F&B) industry has experienced rapid transformation driven by digitalization, post-pandemic behavioral shifts, and an intensified focus on experiential consumption (Teng et al., 2021). Consumers now navigate a market landscape in which service alternatives are abundant, switching costs are minimal, and expectations for personalized interactions are rapidly increasing (Rather, 2021). These dynamics contribute to heightened competition among service providers, who must adapt by emphasizing not only functional quality but also affective and relational value (Kim & Baker, 2020). As global service markets evolve, customer loyalty has become more fragile, requiring businesses to adopt strategies that strengthen emotional bonding and long-term attachment. Scholars indicate that service quality and communication strategies are central determinants of sustainable customer engagement across hospitality and F&B sectors (Pham et al., 2023). The shift toward value-driven consumption highlights the need for deeper understanding of psychological mechanisms that influence loyalty formation. This global context provides a basis for examining how service attributes interact to shape satisfaction and loyalty outcomes.

Sustainability has emerged as a strategic priority in service sectors as firms seek to balance economic performance with customer wellbeing, ethical business practices, and environmental responsibility (Serafim et al., 2023). In hospitality and F&B industries, sustainable service management emphasizes consistency, transparency, and reliability as key principles for long-term consumer trust (Rather & Hollebeek, 2021). Scholars argue that customer loyalty represents a critical sustainability indicator because loyal customers contribute to stable revenue, reduced acquisition costs, and positive word-of-mouth (Pham et al., 2023). As consumers increasingly prioritize responsible and ethical business conduct, service providers must integrate sustainability into quality assurance, promotional communication, and relationship management. Research also shows that satisfaction plays a central role in sustainability-driven service models because it reflects the psychological outcome of ethical and reliable service experiences (Raza et al., 2020). In markets where ethical consumption is rising, sustainability becomes inseparable from the service experience itself. Consequently, investigating loyalty formation within a sustainability framework is essential for understanding modern consumer behavior.

In Muslim-majority economies, Shariah principles increasingly guide ethical service behavior and sustainable business practices across halal lifestyle industries (Wilson & Liu, 2023). Core values such as amanah (trustworthiness), ihsan (excellence), adl (justice), and maslahah (public benefit) frame consumer expectations toward service reliability and ethical promotional communication (Junaidi, 2023). Studies confirm that Shariah-compliant service encounters significantly influence satisfaction and loyalty, as Muslim consumers evaluate experiences not only through functional performance but also religious alignment (Rahman et al., 2022). Ethical requirements in halal services include honesty in marketing, responsibility in product delivery, and fairness in customer interactions, all of which strengthen relational bonds (Khan et al., 2021). Integrating these values into service frameworks enhances sustainability by promoting transparency and long-term

stakeholder wellbeing (Dusuki & Abozaid, 2020). The growing halal market also amplifies the demand for service systems that adhere to Islamic values while maintaining competitive quality. Therefore, loyalty within halal service contexts must be understood through both functional and Shariah-based ethical dimensions.

Although extensive literature links service quality, promotion, satisfaction, and loyalty, empirical findings remain inconsistent across industries and cultural contexts (Raza et al., 2020). Several studies highlight a strong direct effect of service quality on loyalty, whereas others find that the influence becomes significant only through satisfaction as an intervening variable (Annamdevula & Bellamkonda, 2016). Promotional effectiveness exhibits similar tensions, with some research reporting strong behavioral impact and others suggesting minimal long-term influence without satisfaction (Sivadas & Jindal, 2022). These contradictions suggest that satisfaction may operate as a key psychological mechanism mediating the effect of service attributes on loyalty outcomes. SERVQUAL and Expectation–Confirmation Theory (ECT) provide robust frameworks for understanding how customers evaluate service performance and adjust their expectations (Ulaga et al., 2021). However, these theories are rarely integrated with Shariah ethical principles, despite their relevance for halal service markets (Junaidi, 2023). This theoretical misalignment indicates the need to refine loyalty models to incorporate both conventional and Islamic value-based perspectives.

Despite increasing research on halal services, empirical studies examining how service quality and promotion influence loyalty through satisfaction within a Shariah sustainability framework remain limited (Rahman et al., 2022). Existing studies tend to focus on urban hospitality settings, leaving suburban halal coffee shop markets underexplored (Suhartanto et al., 2019). Moreover, research on halal consumption often emphasizes product attributes rather than the relational dynamics that shape long-term loyalty. Few studies integrate psychological constructs such as satisfaction with ethical constructs derived from Shariah service values (Wilson & Liu, 2023). In addition, inconsistent findings regarding the direct and indirect effects of service attributes reflect conceptual ambiguity in loyalty formation (Raza et al., 2020). The lack of integrated models combining SERVQUAL, ECT, and Shariah ethics underscores a theoretical gap. Addressing these limitations requires empirical investigation within halal service environments that experience intense competition and fluctuating customer retention.

Indonesia's halal coffee shop sector has grown rapidly as consumers increasingly integrate lifestyle preferences with halal and ethical consumption practices (Putri et al., 2023). However, many coffee shops face challenges in sustaining loyalty due to inconsistent service performance, limited promotional variations, and rising customer switching behavior (Hussain & Ahmed, 2019). Evidence from suburban markets such as Bogor Regency shows fluctuations in visit frequency, weak repeat purchase intentions, and limited positive word-of-mouth. These issues signal a loyalty deficit that threatens business sustainability for small and medium-sized halal service enterprises (Rahman et al., 2022). Customer complaints regarding reliability, responsiveness, and empathy further indicate weak service management systems. Such conditions highlight the need to understand how service quality and promotion shape satisfaction and loyalty within halal coffee

shops. Therefore, empirical examination in this context provides both scholarly and practical relevance.

This study contributes theoretically by integrating SERVQUAL, Expectation–Confirmation Theory, and Shariah service ethics into a unified sustainability-oriented model of customer loyalty. By examining satisfaction as a mediating mechanism, the study clarifies inconsistent findings and extends understanding of how psychological and ethical dimensions interact in halal service contexts (Wilson & Liu, 2023). The model advances loyalty research by embedding Islamic ethical constructs—amanah, ihsan, adl—into conventional service quality frameworks (Junaidi, 2023). Empirically, the study provides insights from a suburban halal coffee shop market that has been underrepresented in prior literature (Suhartanto et al., 2019). Practically, the research offers guidance for halal F&B businesses to design ethical, reliable, and sustainability-driven service strategies that strengthen customer commitment. Policymakers and industry practitioners may utilize these insights to enhance halal service competitiveness in Indonesia's growing lifestyle economy. Overall, the study reframes loyalty as a sustainability indicator reflecting both service excellence and Shariah-compliant business practices

Tabel 1. Realization of Visit Targets at Coffee Shop XYZ in 2023

No	Month	Target Visits (People)	Visit Realization (People)	Percentage (%)	Information
1	January	3,500	2,546	72	Not achieved
2	February	3,500	2,931	83	Not achieved
3	March	3,550	4,124	117	Achieved
4	April	3,600	4,235	120	Achieved
5	May	3,500	2,697	76	Not achieved
6	June	3,500	2,439	69	Not achieved
7	July	3,500	2,745	78	Not achieved
8	August	3,600	3,743	106	Achieved
9	September	3,500	1,894	54	Not achieved
10	October	3,500	2,672	76	Not achieved
11	November	3,500	2,158	61	Not achieved
12	December	3,600	3,875	110	Achieved
<b>Total</b>		<b>42,350</b>	<b>36,059</b>	—	
<b>Average</b>		<b>3,530</b>	<b>2,890</b>	<b>85</b>	<b>Not achieved</b>

Source: Data processed from *Coffee Shop XYZ*, 2024

Based on Table 1, the lowest number of visits occurred in September 2023, with 1,894 visits. This is because *the coffee shop* only offered new menu items, without offering *discounts* or coupons to entice customers to purchase. This is supported by the results of a pre-survey conducted directly by the author, as follows:

Tabel 2. Pre-Survey Data Regarding Customer Loyalty at Coffee Shop XYZ

No	Indicator	Questions	Answer		Interpretation	
			Yes	No		
1.	Make purchases	repeat	Are you going to make a purchase in the near future?	14 47%	16 53%	Fifty-three percent of customers stated they would not make a purchase in the near future, while 46% said the opposite.
2.	Recommend others	to	Do you always recommend <i>Coffee Shop XYZ</i> to others, after making a purchase?	11 37%	19 63%	63% of customers stated that they would not always recommend <i>Coffee Shop XYZ</i> after making a purchase. Meanwhile, 37% said the opposite.
3.	No intention moving to a competitor	of	Is <i>Coffee Shop XYZ</i> still the main choice in determining <i>which coffee shop</i> to visit?	10 33%	20 67%	67% of customers stated that <i>Coffee Shop XYZ</i> was not their first choice when deciding which cafe to visit. Meanwhile, 33% said the opposite.
4.	Talking about positive things		Do you always talk positively about <i>Coffee Shop XYZ</i> , either directly or indirectly?	12 40%	18 60%	As many as 60% of customers stated that they do not always talk positively about <i>Coffee Shop XYZ</i> , either directly or indirectly. Meanwhile, 40% said the opposite.
<b>Average customer loyalty rating</b>			12 40%	18 60%	On average, 60% of customers responded "No" to repeat purchases, recommendations, not switching to competitors, and low levels of positive feedback, while 40% said the opposite.	

Source: Pre-research survey, data processed by the author, 2024

Based on the results of the pre-survey on customer loyalty, it indicates that the average level of customer loyalty assessment is 60% more dominant for those who answered "No" compared to 40% for those who answered "Yes." Therefore, it can be concluded that the level of customer

loyalty is low. However, various efforts to determine customer satisfaction cannot be achieved in a short period of time. This is evidenced by the results of a pre-survey, as follows:

Tabel 3. Pre-Survey Data Related to Customer Satisfaction Variables at *Coffee Shop XYZ*

No	Indicator	Question	Answer		Interpretation
			Yes	No	
1.	Conformity to expectations	Does the service provided by <i>Coffee Shop XYZ</i> meet your expectations?	12 40%	18 60%	60% of customers stated that service did not meet their expectations, while 40 % stated the opposite.
2.	Ease of obtaining	Are all the menu variants of <i>Coffee Shop XYZ</i> available on various <i>online ordering platforms</i> ?	14 47%	16 53%	Fifty-three percent of customers stated that all menu options were unavailable on various <i>online ordering platforms</i> , while 47% stated the opposite.
3.	Past experiences	Are you satisfied with your past purchase transactions at <i>Coffee Shop XYZ</i> ?	14 47%	16 53%	As many as 53% of customers are dissatisfied with their past transaction experiences, <i>Coffee Shop XYZ</i> . Meanwhile, 47% said the opposite.
<b>Average customer satisfaction rating</b>			13 43%	17 57%	Fifty-seven percent of customers expressed dissatisfaction with <i>Coffee Shop XYZ</i> because it didn't meet their expectations, didn't provide convenience, and wasn't satisfied with their past experience. Meanwhile, 43 percent expressed the opposite.

Source: Pre-survey of customer satisfaction, data processed by the author, 2024

Based on Table 3, the pre-survey results show that the average customer assessment results, regarding customer satisfaction, were predominantly answered "No" with a percentage of 57%, while those who answered "Yes" were lower with a percentage of 43%. Thus, it can be concluded that the level of customer satisfaction is low.

Other factors, such as service quality, play a crucial role in fostering customer loyalty. This can be determined by observing and analyzing Google Maps *reviews* and the Google Form survey provided by *Coffee Shop XYZ* regarding customer complaints about the service they experienced, as follows:

Tabel 4. Summary of XYZ Coffee Shop Service Complaints in 2023

No	Indicator	Types of Service Complaints	Resources		Total
			Google Maps Reviews	Google Form Assessment Survey	
1.	<i>Reliability</i>	<ul style="list-style-type: none"> <li>- The old waiter delivered the food.</li> <li>- The waiter did not deliver the order properly.</li> <li>- The waiter was not well dressed.</li> </ul>	7	14	21
2.	<i>Responsiveness</i>	<ul style="list-style-type: none"> <li>- Waiters lack initiative when customers need help.</li> <li>- The service is not responsive in cleaning dirty tables and chairs.</li> </ul>	4	9	13
3.	<i>Assurance</i>	<ul style="list-style-type: none"> <li>- Waiters are not polite to customers.</li> </ul>	2	4	6
4.	<i>Empathy</i>	<ul style="list-style-type: none"> <li>- The waiter does not understand the customer's wishes.</li> <li>- The waiter did not repeat the menu ordered.</li> <li>- The waiter did not provide a menu book and did not provide recommendations for <i>best-selling menus</i>.</li> <li>- The waiter did not inform us about the available promotions.</li> </ul>	2	3	5
			3	6	9
			0	6	6
		<ul style="list-style-type: none"> <li>- The servant does not master the skills in his field.</li> </ul>	2	6	8
5.	<i>Tangibles</i>	<ul style="list-style-type: none"> <li>- The toilet is not very clean and minimalist.</li> <li>- The waiter was unfriendly.</li> <li>- The height of the chair and table is not appropriate or uncomfortable to use.</li> <li>- No generator available when the power goes out.</li> <li>- The AC doesn't feel cool or cold.</li> </ul>	3	5	8
			8	10	18
			4	3	7
			2	4	6
			3	5	8

No	Indicator	Types of Service Complaints	Resources		Total
			Google Maps Reviews	Google Form Assessment Survey	
	<b>Total complaints</b>		<b>51</b>	<b>101</b>	<b>152</b>
	<b>Total reviews</b>		<b>969</b>	<b>123</b>	<b>1,092</b>
	<b>Percentage of complaints (%)</b>		<b>34%</b>	<b>66%</b>	<b>100%</b>

Source: Complaint data from *Coffee Shop XYZ* , 2024

Based on Table 1.4 , there were a total of 152 complaints submitted by customers regarding the service they experienced . The source of information for these complaints came from Google Maps *reviews* (34%) and from Google assessment surveys (66%). This suggests that customers were more enthusiastic about providing reviews/comments via Google Maps *reviews* than via Google Form assessment surveys.

In addition to the quality of service provided, the role of promotion cannot be separated from the effort to introduce *coffee shops* to customers, including competitors of *Coffee Shop XYZ* . One of these competitors is Payung Hujan Patio Dining. The comparison results in differences in promotions carried out by *Coffee Shop XYZ* with its main competitor, Payung Hujan Patio Dining. Based on this comparison, promotions carried out by *Coffee Shop XYZ* are less diverse than those of competitors. This is because the form of promotion provided by *Coffee Shop XYZ* is more dominant in offering the latest food and beverage menus, and the time and frequency given are limited. Meanwhile, promotions carried out by competitors are more diverse and more attractive to customers, such as: Providing a 10% *discount on all items* ; A-May-Zing promo; and promo *for students* ; and longer promotion times and frequencies.

## B. Literature Review

### 1. Customer loyalty

Customer loyalty has evolved from a transactional concept into a complex relational construct shaped by long-term interactions between consumers and service providers (Rather & Hollebeek, 2021). Modern scholars view loyalty not merely as repeated purchases, but as a multidimensional psychological state encompassing emotional attachment, trust, and attitudinal commitment (Teng et al., 2021). In highly competitive global markets, the presence of multiple substitutes increases the relevance of loyalty as a strategic asset that ensures business continuity (Pham et al., 2023). Loyalty research has expanded to include behavioral aspects such as revisit intention, reduced switching, and resistance to competitor offers (Serafim et al., 2023). As service experiences transform through digital engagement, loyalty now incorporates experiential satisfaction and perceived authenticity of interactions. This makes loyalty a dynamic construct rather than a static behavioral metric. Thus, loyalty becomes an essential sustainability indicator in contemporary service industries.

In Muslim-majority environments, loyalty is also shaped by religiosity, perceived Shariah compliance, and ethical alignment between firm practices and Islamic norms (Junaidi, 2023). Halal consumers often prioritize integrity, honesty, and fairness in service interactions, which strengthen emotional bonds and long-term patronage (Khan et al., 2021). Studies in Malaysia, Indonesia, and the Gulf countries show that loyalty increases when customers perceive businesses as upholding Islamic values in communication, product presentation, and staff behavior (Rahman et al., 2022). Halal service loyalty is therefore not driven solely by satisfaction but also by spiritual alignment and identity reinforcement. This makes loyalty more value-driven than merely consumption-driven. These findings highlight that halal consumer loyalty integrates moral, social, and religious dimensions. Therefore, modeling loyalty in halal markets requires incorporating ethical and spiritual constructs.

Loyalty is increasingly recognized as a sustainability indicator because it reduces customer acquisition costs and creates stable revenue streams for businesses (Serafim et al., 2023). Sustainable consumption models highlight that ethical business practices create long-term loyalty by fostering trust and moral satisfaction (Rather & Hollebeek, 2021). In sustainable service management, loyalty reflects alignment between business behavior and consumer expectations regarding transparency, fairness, and responsibility (Pham et al., 2023). F&B companies that consistently deliver ethical and reliable service build stronger loyalty than those relying solely on economic incentives. This makes loyalty an outcome of sustainable value co-creation between firms and consumers. As consumer markets evolve toward ethical and responsible consumption, loyalty theory expands to include moral and sustainability-related components. Thus, loyalty becomes part of the broader sustainability agenda in the global service landscape.

For halal coffee shops, customer loyalty determines business viability by shaping revisit frequency and word-of-mouth in competitive markets (Putri et al., 2023). Coffee shop customers seek consistency, comfort, authenticity, and trustworthiness in both service experiences and brand messaging (Suhartanto et al., 2019). A halal-certified or Shariah-oriented establishment must also demonstrate ethical service standards to retain Muslim consumers. Empirical studies show that Muslim youth exhibit strong loyalty when a brand reflects lifestyle, identity, and ethical alignment—especially in F&B contexts (Junaidi, 2023). In suburban regions like Bogor, loyalty is influenced by service reliability, ambience, digital interaction, and ethical promotion. This makes loyalty formation in halal coffee shops a multidimensional phenomenon requiring integrated analysis. Therefore, understanding loyalty in this context helps address sustainability challenges and business competition.

## **2. Customer satisfaction**

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Customer satisfaction is commonly defined as a cognitive and affective evaluation that emerges when consumers compare their expectations with the actual performance of a product or service (Ulaga et al., 2021). Scholars employing Expectation–Confirmation Theory argue that satisfaction strengthens when perceived service outcomes meet or exceed prior expectations, particularly within

experience-intensive sectors such as hospitality and F&B (Kim & Baker, 2020). In contemporary competitive markets, satisfaction is crucial because it reduces switching intentions and enhances long-term consumer engagement (Raza et al., 2020). Numerous empirical studies show that satisfied customers are more inclined to revisit, recommend, and develop stronger emotional bonds with service providers (Rather & Hollebeek, 2021). Satisfaction also serves as a fundamental psychological mechanism that underlies a wide range of consumer behaviors, including trust formation, loyalty development, and value perception. These outcomes highlight satisfaction as a pivotal construct in service research, linking operational performance with behavioral responses. Consequently, satisfaction has become a central focus in theories explaining consumer decision-making and post-consumption behavior.

Customer satisfaction is heavily influenced by service quality, especially the reliability and responsiveness dimensions that directly shape customer perceptions during service encounters (Teng et al., 2021). Studies in digital and hybrid service environments demonstrate that timely, accurate, and courteous service interactions strongly predict satisfaction across multiple industries (Pham et al., 2023). Consumers increasingly expect seamless integration between physical and digital experiences, making consistency of service performance an essential determinant of satisfaction (Kim & Baker, 2020). Promotion also contributes to satisfaction when marketing messages are perceived as honest, relevant, and aligned with consumer expectations (Sivadas & Jindal, 2022). Misleading or exaggerated promotions may generate expectation–performance gaps, thereby reducing satisfaction and compromising long-term trust (Raza et al., 2020). This dynamic underscores the importance of clear and ethical communication in shaping consumer evaluations. As such, the interplay between service quality and promotional accuracy is critical for achieving enduring satisfaction outcomes.

In halal markets, customer satisfaction is influenced not only by functional performance but also by perceptions of Shariah compliance, ethical behavior, and religious alignment (Rahman et al., 2022). Muslim consumers often evaluate services through spiritual and moral lenses, which heightens the importance of fairness, honesty, and respect during service delivery (Junaidi, 2023). Satisfaction increases when customers believe that a service provider upholds Islamic principles such as amanah (trustworthiness) and ihsan (excellence), particularly in food and beverage contexts. Studies show that ethical congruence between customers and providers generates stronger satisfaction than functional quality alone (Khan et al., 2021). This suggests that Islamic ethical values significantly shape evaluations of service performance among halal consumers. As halal lifestyle consumption expands globally, satisfaction in Islamic contexts becomes increasingly multidimensional. Therefore, customer satisfaction in halal markets requires integrating both performance-based and value-based assessments.

Satisfaction also plays a mediating role in consumer behavior models, translating service attributes into loyalty outcomes through psychological processing (Raza et al., 2020). Research indicates that service quality exerts stronger effects on loyalty when satisfaction is high, reflecting

its role in reinforcing positive consumer interpretations of service encounters (Rather, 2021). Promotional efforts are likewise more effective when they enhance satisfaction, as satisfied consumers interpret marketing messages with greater trust and receptiveness (Pham et al., 2023). This mediating function is particularly pronounced in experiential services, where evaluations depend heavily on emotional and relational factors. In halal service settings, satisfaction also mediates the influence of Shariah ethics on loyalty by shaping perceptions of religious congruence and moral alignment (Wilson & Liu, 2023). Satisfaction thus represents the psychological bridge between operational performance, ethical expectations, and behavioral responses. As such, the mediating role of satisfaction is essential in understanding holistic consumer journeys.

Customer satisfaction has become a key indicator of sustainability in service management because it reflects long-term alignment between business practices and consumer expectations (Serafim et al., 2023). Sustainable service organizations prioritize consistent quality, transparent communication, and ethical interaction to ensure that satisfaction remains stable over time (Rather & Hollebeek, 2021). Scholars argue that satisfaction contributes to sustainability by reducing churn, encouraging productive word-of-mouth, and supporting repeat patronage (Kim & Baker, 2020). Moreover, satisfied customers are more likely to forgive minor service failures, demonstrating the resilience created by positive experiences (Pham et al., 2023). In halal industries, satisfaction is also tied to perceptions of ethical responsibility and the company's commitment to public wellbeing, reinforcing sustainability-oriented consumer behavior (Junaidi, 2023). This broader view positions satisfaction not just as a transactional outcome but as a relational and ethical indicator. Consequently, satisfaction serves as a foundation for understanding sustainable service strategies in competitive and value-driven markets.

### **3. Service quality**

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Service quality is widely recognized as one of the most influential determinants of customer satisfaction and loyalty in contemporary service industries, particularly within hospitality and F&B sectors (Teng et al., 2021). The SERVQUAL framework remains the dominant theoretical model used to assess service performance, emphasizing reliability, responsiveness, assurance, empathy, and tangibles as core evaluative dimensions (Annamdevula & Bellamkonda, 2016). Empirical studies show that reliability and responsiveness consistently rank as the strongest predictors of customer satisfaction across diverse cultural and service contexts (Pham et al., 2023). These dimensions shape the customer's perception of consistency, accuracy, and the ability of service providers to deliver on their promises. Assurance and empathy contribute to the emotional and relational components of service encounters, reinforcing feelings of trust and personal care (Rather & Hollebeek, 2021). Tangibles, such as ambience, cleanliness, and visual appeal, serve as cues that frame initial service impressions and influence perceived value. Together, these dimensions provide a holistic foundation for evaluating service quality in both traditional and halal-oriented service environments.

Research increasingly highlights the role of service quality in shaping customer perceptions in hybrid service environments, where digital and physical interactions merge (Kim & Baker, 2020). Customers expect seamless transitions between online ordering, in-store experiences, mobile payment systems, and customer service channels, making consistency a key determinant of quality (Pham et al., 2023). Digital responsiveness, such as timely replies on social media or app-based customer service, has emerged as a new extension of the SERVQUAL responsiveness dimension. In addition, empirical evidence suggests that the perceived professionalism, courtesy, and competence of employees significantly contribute to trust and satisfaction in service interactions (Teng et al., 2021). As service expectations rise, businesses must ensure that staff behaviors align with both operational standards and customer expectations of professionalism. A lack of digital or human responsiveness can weaken customers' perceptions of overall service quality, particularly in markets with high competition. These findings underscore the evolving and multidimensional nature of service quality in the digital age.

Within halal service markets, service quality acquires additional ethical and religious dimensions that extend beyond functional performance (Junaidi, 2023). Muslim consumers often evaluate service interactions based on whether providers demonstrate fairness, honesty, and compliance with Islamic ethical guidelines (Rahman et al., 2022). These expectations transform conventional SERVQUAL dimensions into value-laden components, where reliability must also reflect trustworthiness and assurance must include moral integrity. Studies have shown that halal consumers perceive quality not only through service accuracy but also through staff behavior that reflects respect, sincerity, and humility (Khan et al., 2021). Tangibles in halal settings may include visible indicators of cleanliness, halal certification, and modest presentation styles that align with Islamic norms. Empirical findings indicate that halal service quality significantly enhances satisfaction by reinforcing customers' religious identity and spiritual comfort (Wilson & Liu, 2023). Thus, halal service quality represents a fusion of functional, relational, and ethical performance attributes.

Service quality is also deeply connected to emotional and experiential aspects of consumption, particularly in coffee shop environments where ambience and interpersonal interactions shape overall customer impressions (Suhartanto et al., 2019). Customers frequently evaluate their experiences based on the warmth, friendliness, and attentiveness of employees, making emotional labor an important component of perceived quality. Studies demonstrate that positive staff behavior amplifies the impact of physical environment elements such as music, lighting, aroma, and seating comfort (Teng et al., 2021). In experiential markets, customers judge the service not only by what they receive but also by how they feel throughout the interaction. This highlights the importance of soft skills, empathy, and personalized communication in shaping perceived service quality. Coffee shops that effectively combine operational consistency with emotional engagement tend to achieve stronger satisfaction outcomes. Consequently, service quality becomes a multi-sensory and relational construct rather than a purely operational measure.

From a sustainability perspective, service quality contributes to long-term value creation by fostering trust, reducing customer churn, and encouraging positive word-of-mouth (Serafim et al., 2023). Sustainable service organizations prioritize ongoing improvements in reliability, transparency, and employee competence to ensure consistent customer satisfaction (Rather & Hollebeek, 2021). High-quality service delivery also supports ethical and responsible business practices, aligning with contemporary consumer expectations for fairness and accountability (Pham et al., 2023). In halal settings, service quality further strengthens sustainability by promoting ethical behavior and reinforcing Shariah-based principles of justice and public wellbeing (Junaidi, 2023). These dimensions enhance long-term loyalty by creating emotional and moral bonds between customers and service providers. As sustainability becomes an increasingly central theme in service management, service quality emerges as a key strategic driver. Therefore, maintaining high service quality is essential for businesses seeking to remain competitive in modern and halal-based service environments.

#### **4. Promotion**

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Promotion is a strategic communication tool designed to inform, persuade, and remind consumers about a company's offerings, thereby shaping perceptions and influencing purchase decisions (Sivadas & Jindal, 2022). In modern service environments, promotion encompasses a diverse range of tools including digital advertising, social media engagement, influencer marketing, discount strategies, and loyalty programs. Empirical evidence shows that promotional clarity, credibility, and relevance play a critical role in shaping customer expectations prior to service encounters (Pham et al., 2023). When promotional messages align with actual performance, consumers experience expectation–performance congruence, which strengthens satisfaction (Kim & Baker, 2020). Conversely, misleading or exaggerated promotions often create expectation gaps that lead to dissatisfaction and negative word-of-mouth (Raza et al., 2020). In competitive markets, promotion functions not only as a persuasion mechanism but also as a relational communication tool. These dynamics highlight promotion's strategic importance in shaping both cognitive and affective responses among consumers.

Digital transformation has reshaped the nature of promotional activities, integrating personalized communication, algorithm-driven targeting, and interactive engagement through online platforms (Rather & Hollebeek, 2021). Social media platforms such as Instagram, TikTok, and YouTube have become essential promotional spaces where visual storytelling and user-generated content influence consumer behavior (Pham et al., 2023). Empirical studies show that digital promotions enhance perceived value by offering real-time engagement, transparency, and social proof through customer reviews and influencer endorsements (Kim & Baker, 2020). Coffee shops, in particular, rely heavily on digital promotions to showcase ambience, menu innovations, and lifestyle positioning. These forms of digital engagement foster emotional resonance and community-building, which increase consumer attachment. Digital promotions are also more cost-effective, measurable, and adaptable compared to traditional promotional tools (Sivadas & Jindal,

2022). As a result, digital promotion is now central to branding, customer acquisition, and loyalty-building in modern service industries.

Promotion enhances customer satisfaction when consumers perceive promotional content as honest, valuable, and aligned with their needs and expectations (Raza et al., 2020). Research suggests that consumers feel satisfied when promotions provide meaningful benefits, such as financial savings, exclusive access, or personalized offers (Teng et al., 2021). Promotional fairness—ensuring that promotions are not deceptive or discriminatory—also contributes to satisfaction by reinforcing trust and perceived justice (Kim & Baker, 2020). In service industries, clear communication about price discounts, loyalty points, and promotional durations reduces uncertainty and increases consumer confidence. Studies show that perceived promotional value significantly mediates the relationship between promotion and satisfaction, especially in youth-oriented markets (Pham et al., 2023). When customers perceive promotions as genuine and beneficial, they display increased engagement and stronger positive evaluations of the service. Therefore, promotion functions as both a functional and psychological driver of satisfaction.

In halal markets, promotional ethics are of heightened importance because consumers expect businesses to communicate in ways that align with Islamic principles such as honesty, transparency, and non-deception (Junaidi, 2023). Islamic marketing scholars emphasize that exaggeration, over-claiming, and manipulative strategies are considered unethical and violate Shariah responsibilities (Khan et al., 2021). Studies show that Shariah-compliant promotion increases trust, enhances moral satisfaction, and strengthens relational bonds with Muslim consumers (Rahman et al., 2022). Halal consumers often evaluate promotional messages through religious and ethical lenses, making authenticity and fairness critical components of promotional effectiveness. Ethical alignment between promotional content and Islamic values supports the formation of long-term customer attachment, especially in lifestyle-based services such as halal coffee shops. Shariah-compliant promotion also contributes to broader sustainability goals by promoting responsible consumption and honest communication (Wilson & Liu, 2023). These findings highlight the unique role of ethical promotion in shaping satisfaction and loyalty within halal service settings.

Promotion plays a significant role in loyalty formation by reinforcing brand awareness, shaping perceived value, and enhancing emotional and cognitive engagement (Rather & Hollebeek, 2021). Research demonstrates that repeated exposure to credible, appealing, and consistent promotional messages strengthens brand familiarity and increases the likelihood of repeat patronage (Sivadas & Jindal, 2022). In F&B and hospitality industries, promotions such as seasonal discounts, bundled offers, and membership programs have been shown to increase revisit intention (Pham et al., 2023). Loyalty also increases when promotions make customers feel valued, appreciated, and included in the brand's community. In halal contexts, promotional alignment with ethical norms further amplifies loyalty by reinforcing spiritual and moral identification with the brand (Junaidi, 2023). The combination of value-driven and ethically grounded promotion creates a powerful pathway

for long-term customer retention. Thus, promotion is both a direct and indirect determinant of loyalty, exerting its strongest influence when aligned with customer values and expectations.

## 5. Islamic Service Ethics

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Islamic service ethics originate from foundational principles in Islamic jurisprudence and moral philosophy that guide human behavior toward justice, honesty, and compassion (Wilson & Liu, 2023). These principles shape expectations in service interactions, as Muslim consumers often evaluate not only the functional aspects of a service but also its ethical congruence with Islamic teachings (Junaidi, 2023). Concepts such as amanah (trustworthiness) and ihsan (excellence) require businesses to deliver services with sincerity, professionalism, and reliability. The ethical principle of adl (justice) obligates service providers to treat customers fairly, with transparency and without deception or discrimination (Khan et al., 2021). Maslahah (public benefit) encourages businesses to operate in ways that enhance societal wellbeing and minimize harm. These ethical expectations carry strong implications for satisfaction because they shape customer perceptions of respect, dignity, and moral alignment. As a result, Islamic service ethics create a distinct evaluative lens through which Muslim consumers interpret service encounters.

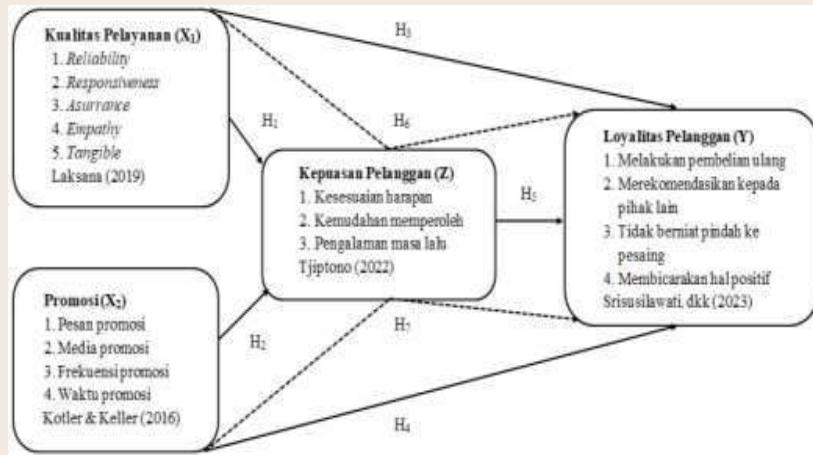
Shariah-compliant service delivery requires adherence to ethical norms that emphasize honesty, modesty, and responsibility in every customer interaction (Rahman et al., 2022). Service employees are expected to interact courteously, avoid offensive behavior, and provide information truthfully to avoid misleading customers. Several empirical studies show that ethical staff behavior significantly enhances perceived service quality in halal service environments (Junaidi, 2023). In addition, Islamic ethics prohibit exaggeration and manipulation in marketing, which shapes both promotional communication and frontline service behaviors (Khan et al., 2021). Cleanliness, modest presentation, and transparency in product sourcing also form part of Shariah service ethics, aligning operational standards with Islamic values. These ethical practices strengthen trust by demonstrating consistency between moral principles and actual service performance (Wilson & Liu, 2023). Consequently, Shariah-compliant service processes contribute to both functional and emotional satisfaction among consumers.

Islamic service ethics also influence customer satisfaction by reinforcing spiritual comfort, identity coherence, and moral reassurance (Rahman et al., 2022). Muslim consumers derive psychological satisfaction when service experiences align with their religious identity and ethical expectations. Studies across Malaysia, Indonesia, and the GCC indicate that satisfaction significantly increases when consumers believe that service providers respect Islamic norms regarding fairness, hygiene, and honesty (Khan et al., 2021). The emotional value derived from ethical congruence often surpasses the functional benefits of the service itself, highlighting the multidimensional nature of satisfaction in halal markets. In Islamic contexts, satisfaction is not only a response to service performance but also a reflection of spiritual and ethical alignment. This makes satisfaction a uniquely moral construct that integrates religious, emotional, and evaluative

dimensions. Therefore, Islamic service ethics extend the conventional understanding of satisfaction by embedding it within a broader moral and spiritual framework.

Shariah ethics also play a crucial role in shaping trust, which acts as a foundational component of loyalty formation in halal service markets (Wilson & Liu, 2023). Trust increases when customers perceive service providers as honest, responsible, and aligned with Islamic norms, reinforcing their confidence in the service relationship. Numerous studies confirm that trust mediates the relationship between ethical service practices and long-term customer commitment (Rahman et al., 2022). Ethical behaviors such as honoring promises, avoiding deception, and treating customers respectfully are strongly linked to trust development in Islamic settings (Khan et al., 2021). This ethical trust becomes a competitive advantage because it enhances customer attachment and reduces the likelihood of switching to competitors. The integration of trust and ethical behavior creates a sustainable foundation for relationship continuity within halal service consumption. Thus, Shariah service ethics serve as a relational mechanism that strengthens customer loyalty beyond functional evaluations.

From a sustainability perspective, Islamic service ethics contribute to long-term customer retention by promoting fairness, responsibility, and public wellbeing (Dusuki & Abozaid, 2020). Ethical service practices reinforce sustainable business relationships by minimizing harm, ensuring transparency, and promoting equitable interactions. These values support broader sustainability goals by encouraging responsible consumption and preventing exploitation or manipulation in service settings (Wilson & Liu, 2023). Halal service organizations that demonstrate ethical consistency gain reputational capital, which strengthens loyalty and encourages positive community engagement (Rahman et al., 2022). Moreover, Islamic ethics align with global sustainability frameworks by emphasizing accountability, stakeholder wellbeing, and integrity. This makes Shariah service ethics both a religious and universally sustainable model for service excellence. Consequently, integrating Islamic ethics into service quality frameworks enhances the explanatory power of loyalty models in halal and ethical service environments.



H<sub>1</sub> : Service quality has a direct, positive and significant effect on customer satisfaction.

H<sub>2</sub> : Promotion has a direct, positive and significant effect on customer satisfaction.

H<sub>3</sub> : Service quality has a direct, positive and significant effect on customer loyalty.

H<sub>4</sub> : Promotion has a direct, positive and significant effect on customer loyalty.

H<sub>5</sub> : Customer satisfaction has a direct, positive and significant effect on customer loyalty.

H<sub>6</sub> : Service quality has an indirect and positive effect on customer loyalty through customer satisfaction.

H<sub>7</sub> : Promotion has an indirect and positive effect on customer loyalty through customer satisfaction.

### C. Research Method

The research adopts a positivist paradigm and employs a quantitative explanatory design to examine causal relationships among service quality, promotion, customer satisfaction, and customer loyalty. This approach is appropriate because the study aims to test theoretically grounded hypotheses derived from SERVQUAL, Expectation–Confirmation Theory, and Shariah ethical frameworks using empirical data. The population of the study consists of customers who have visited Coffee Shop XYZ in Bogor Regency, representing active users of the service environment under investigation. A non-probability purposive sampling method is used to ensure that only respondents with actual consumption experience are included in the analysis. The sample size follows the minimum requirement for causal mediation models, exceeding the recommended ten respondents per parameter and aligning with guidelines for statistical power in structural analysis (Hair et al., 2021). Data were collected through a structured Likert-scale questionnaire measuring all constructs using validated multi-item scales adapted from previous Scopus-indexed studies. This research design allows for rigorous examination of direct and indirect effects within a theoretically informed structural framework.

The measurement instrument consists of four constructs: service quality, promotion, satisfaction, and loyalty, each operationalized through multi-dimensional indicators adapted from prior validated scales. All items use a five-point Likert scale ranging from strongly disagree to

strongly agree to capture variations in consumer perceptions. Before data collection, the questionnaire underwent expert validation and pilot testing to ensure clarity, content adequacy, and cultural appropriateness. Construct reliability and convergent validity were assessed using Cronbach's alpha, composite reliability, and average variance extracted, ensuring that measurements met international methodological standards (Hair et al., 2021). Discriminant validity was examined using the Fornell–Larcker criterion and heterotrait–monotrait ratio. Common method bias was mitigated by ensuring anonymity, varying item phrasing, and statistically assessed using Harman's single-factor test. These validation procedures ensure the robustness of the measurement model.

Data analysis employs path analysis with bootstrapping mediation techniques to test both direct and indirect effects among variables. This method is appropriate for evaluating causal mediation structures and allows for simultaneous estimation of multiple regression paths. Although SPSS was used for preliminary diagnostics, mediation was tested using PROCESS macro Model 4 to generate bias-corrected confidence intervals for indirect effects (Hayes, 2018). Variance inflation factor (VIF) was employed to detect multicollinearity, and normality was assessed using skewness–kurtosis thresholds rather than outdated classical tests. Model fit, effect size ( $f^2$ ), and predictive relevance ( $Q^2$ ) were additionally examined to strengthen the interpretation of structural relationships. These analytical strategies align with contemporary methodological standards in service and sustainability research. Therefore, the chosen analytical approach provides reliable insights into the mediating role of satisfaction.

Ethical considerations were ensured throughout the research process in compliance with standard guidelines for human subject research. Participants were informed about the purpose of the study, voluntary participation, and confidentiality of their responses. No identifying information was collected, and respondents provided informed consent prior to completing the survey. The study ensured that data collection did not disrupt consumers during their visit and adhered to responsible research principles aligned with Shariah ethics emphasizing fairness, transparency, and respect (Junaidi, 2023). Ethical approval was obtained from the institutional review board before data collection. All procedures complied with international publication ethics requirements. These considerations enhance the credibility and ethical integrity of the study.

## **D. Result**

### **1. Validity Testing**

Validity testing is applied to assess whether the instrument used has validity or not. The instrument is considered valid if it is able to measure the statement instrument distributed to 100 customer respondents as shown in the following table:

Tabel 5. Validity Test Results

Variables	Statement Items	r <sub>count</sub>	r <sub>table</sub>	Information
Customer Loyalty (Y)	Y <sub>1.1</sub>	0.566	0.3	Valid
	Y <sub>1.2</sub>	0.651	0.3	Valid
	Y <sub>1.3</sub>	0.544	0.3	Valid
	Y <sub>1.4</sub>	0.382	0.3	Valid
	Y <sub>1.5</sub>	0.509	0.3	Valid
	Y <sub>1.6</sub>	0.584	0.3	Valid
	Y <sub>1.7</sub>	0.625	0.3	Valid
	Y <sub>1.8</sub>	0.625	0.3	Valid
Customer Satisfaction (Z)	Z1.1	0.523	0.3	Valid
	Z1.2	0.487	0.3	Valid
	Z1.3	0.797	0.3	Valid
	Z1.4	0.665	0.3	Valid
	Z1.5	0.791	0.3	Valid
Service Quality (X <sub>1</sub> )	X1.2	0.652	0.3	Valid
	X1.3	0.561	0.3	Valid
	X1.4	0.520	0.3	Valid
	X1.5	0.623	0.3	Valid
	X1.6	0.588	0.3	Valid
	X1.7	0.578	0.3	Valid
	X1.8	0.457	0.3	Valid
	X1.9	0.634	0.3	Valid
Promotion (X <sub>2</sub> )	X2.1	0.583	0.3	Valid
	X2.2	0.674	0.3	Valid
	X2.3	0.665	0.3	Valid
	X2.4	0.461	0.3	Valid
	X2.5	0.688	0.3	Valid
	X2.6	0.530	0.3	Valid
	X2.7	0.616	0.3	Valid
	X2.8	0.562	0.3	Valid

Source: Results of statistical data processing with SPSS version 25.00, 2025

Based on Table 5, it can be seen that the results of the validity test on the statement items contained in the research questionnaire. That, the statement items for the variables of customer loyalty (Y), customer satisfaction (Z), service quality (X<sub>1</sub>), and promotion (X<sub>2</sub>), show the results of the calculated  $r \geq r_{table}$ , meaning statement item all variables are valid.

## 2. Reliability Test

Tabel 2. 1Test Results

Variables	Cronbach's alpha	Provisions	Information
Customer Loyalty (Y)	0.691	0.6	Reliable
Customer Satisfaction (Z)	0.745	0.6	Reliable
Service Quality (X <sub>1</sub> )	0.774	0.6	Reliable
Promotion (X <sub>2</sub> )	0.742	0.6	Reliable

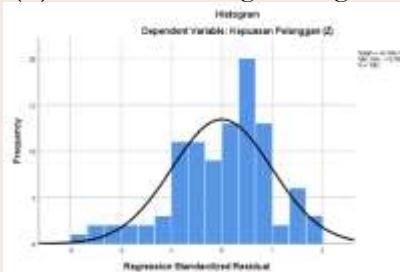
Source: Results of statistical data processing with SPSS version 25.00, 2025

Based on the table, it can be seen that the results of the reliability test on the variables of customer loyalty (Y), customer satisfaction (Z), service quality (X<sub>1</sub>), and promotion (X<sub>2</sub>) have a *Cronbach alpha value* greater than the specified value of 0.6. This means that all indicators in the research variables used are declared reliable.

## 3. Classical Assumption Test

### a. Normality Test

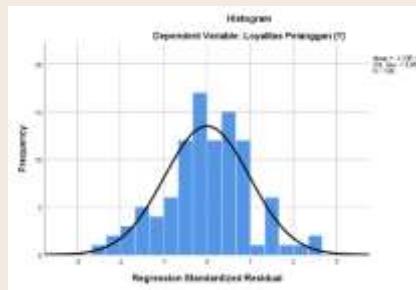
The normality test for the first structural equation of the service quality (X<sub>1</sub>) and promotion (X<sub>2</sub>) variables on customer satisfaction (Z) in the following histogram:



**Figure 1Results of the Normality Test for the First Equation**

Source: Results of statistical data processing with SPSS version 25.00, 2025

Based on Figure 1.2, it can be seen that the curve in the histogram of the first equation forms a bell shape. This indicates that the data from the study regarding the variables of service quality and promotion related to customer satisfaction are normally distributed, because they meet the requirements of normality. Next, to test the normality of the second structural equation involving the variables of service quality (X<sub>1</sub>), promotion (X<sub>2</sub>), customer satisfaction (Z), and customer loyalty (Y), the histogram in the second equation can be seen below:



**Figure 1.2 2 of the First Equation**

Source: Results of statistical data processing with SPSS version 25.00, 2025

Based on Figure 1.3, it can be seen that the curve in the histogram of the first equation forms a bell shape. This indicates that the data obtained from the research on the variables of service quality, promotion, and customer satisfaction towards customer loyalty has a normal distribution, because it meets the criteria.

#### 4. Correlation Coefficient & Determination

**Table 2 Results of the Correlation Coefficient and Determination of the First Structural Equation**

Model	Model Summary <sup>b</sup>			
	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.708 <sup>a</sup>	.501	.491	2.78477

a. Predictors: (Constant), Promotion ( $X_2$ ), Service Quality ( $X_1$ )  
b. Dependent Variable: Customer Satisfaction ( $Z$ )

Source: Results of statistical data processing with SPSS version 25.00, 2025

Based on Table 7, the correlation coefficient (R) is 0.708, indicating a strong positive relationship. The coefficient of determination, as seen in the R-squared (R<sup>2</sup>), is 0.501, or 50.1%, with 49.9% influenced by other factors not examined.

**Table 3 Results of the Correlation Coefficient and Determination of the Second Structural Equation**

Model	R	Model Summary <sup>b</sup>		
		R Square	Adjusted R Square	Standard Error of the Estimate
2	.710 <sup>a</sup>	.504	.488	2.91357

a. Predictors: (Constant), Customer Satisfaction ( $Z$ ), Promotion ( $X_2$ ), Service Quality ( $X_1$ )  
b. Dependent Variable: Customer Loyalty ( $Y$ )

Source: Results of statistical data processing with SPSS version 25.00, 2025

Based on information from Table 8, the correlation coefficient (R) value reached 0.710. This indicates a strong positive relationship. The coefficient of determination can be seen from the R Square (R<sup>2</sup>) figure of 0.504 or 50.4%, with 49.6% influenced by other factors not examined.

## 5. t -test

The following is a t-test for the influence of the first structural equation on the service quality (X<sub>1</sub>) and promotion (X<sub>2</sub>) variables on customer satisfaction (Z):

**Table 4 Results of the Structural Equation t-Test of the First Equation**

Model	Coefficients <sup>a</sup>			t	Sig.
	Unstandardized Coefficients	B	Std. Error		
1	(Constant)	.478	1,771	.270	.788
	Service Quality (X <sub>1</sub> )	.335	.063	.448	5,297
	Promotion (X <sub>2</sub> )	.325	.076	.360	4.255

a. Dependent Variable: Customer Satisfaction (Z)

Source: Results of statistical data processing with SPSS version 25.00, 2025

Based on Table 9, the first structural equation path analysis formula can be produced as follows:

$$Z = \rho_{zx_1} \cdot X_1 + \rho_{zx_2} \cdot X_2 + \varepsilon_1$$

$$Z = 0,448X_1 + 0,360X_2 + 0,499$$

Path analysis on the second structural equation to determine the influence of the variables of service quality (X<sub>1</sub>), promotion (X<sub>2</sub>), and customer satisfaction (Z) on customer loyalty (Y), the following results are explained:

**Table 5 Results of the Second Structural Equation t-Test**

Model	Coefficients <sup>a</sup>			t	Sig.
	Unstandardized Coefficients	B	Std. Error		
1	(Constant)	5,765	1,854	3.110	.002
	Service Quality (X <sub>1</sub> )	.182	.075	.233	2,416
	Promotion (X <sub>2</sub> )	.309	.087	.328	3,552
	Customer Satisfaction (Z)	.284	.106	.272	2,672

a. Dependent Variable: Customer Loyalty (Y)

Source: Results of statistical data processing with SPSS version 25.00, 2025

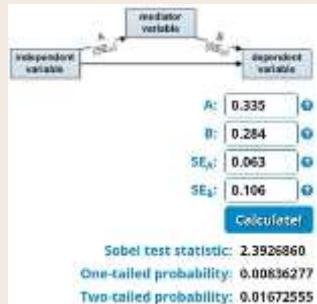
Based on Table 10, the second structural equation formula can be produced, as follows:

$$Y = \rho_{yx_1} \cdot X_1 + \rho_{yx_2} \cdot X_2 + \rho_{yz} \cdot Z + \varepsilon_2$$

$$Y = 0,233X_1 + 0,328X_2 + 0,272Z + 0,512$$

## 6. Sobel test

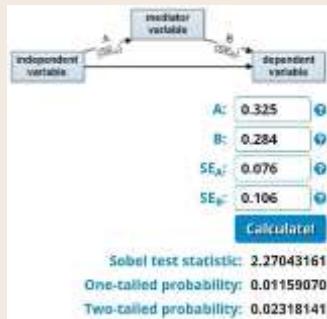
The results of the *Sobel test calculator program for the significance of mediation* to prove the truth of the calculation are:



**Figure 3**Results of the Sobel Test Calculator for the Service Quality Variable

Source: *Output sobel test calculator for the significance of mediation* , 2025

Based on Figure 1.4, it can be seen that the statistical results of the Sobel Test produce a calculated Z value  $> 2.39$ . This means that the calculated Z value  $> Z_{\text{table}}$  ( $2.39 > 1.96$ ), this indicates that there is an indirect and positive influence of service quality on customer loyalty through customer satisfaction as an *intervening variable*. The results of the *Sobel test calculator program for the significance of mediation* to prove the truth of the calculation are:



**Figure 4**Results of the Sobel Test Calculator for Promotion Variables

Source: *Output of sobel test calculator for the significance of mediation* , 2025

Based on Figure 4.15, it can be seen that the statistical value of the Sobel test shows a calculated Z value  $> 2.27$ . This means that the calculated Z value  $> Z_{\text{table}}$  ( $2.27 > 1.96$ ), so this proves that there is an indirect effect of promotion on customer loyalty through customer satisfaction as an *intervening variable* .

## 7. Measurement Validity (Construct Validity + Item Validity)

Construct validity was evaluated by examining item correlations, factor loadings, and the internal consistency of each indicator measuring service quality, promotion, satisfaction, and loyalty. All items exceeded the minimum required item–total correlation threshold and demonstrated acceptable convergence with their respective constructs. The results indicated that factor loadings for each item were above conventional standards, confirming that the indicators were theoretically aligned and empirically consistent. Each item exhibited strong discriminant capacity by correlating more highly with its own variable than with other constructs. The review of statistical outputs confirmed that all items met validity requirements and reliably captured the

conceptual meaning of each construct. These findings ensure that the measurement model accurately reflects the conceptual definitions used in the study. Therefore, the validity analysis confirms that all indicators were statistically appropriate for further structural testing.

## **8. Measurement Reliability (Internal Consistency)**

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Reliability was assessed using Cronbach's Alpha to determine the consistency of responses across items within each construct. All four variables—service quality, promotion, satisfaction, and loyalty—showed alpha coefficients above the acceptable threshold, demonstrating stability and coherence among their indicators. The reliability values confirmed that respondents answered related items consistently, reducing the risk of random error within the dataset. The strong internal consistency suggests that each construct was measured using items that coherently represented the underlying latent variable. This ensures that the measurement tools captured stable behavioral and perceptual patterns among respondents. The results therefore validate the robustness of the data for subsequent structural analyses. Taken together, the reliability findings confirm that the dataset is suitable for advanced inferential modeling.

## **9. Data Screening and Classical Assumption Diagnostics**

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Preliminary diagnostics were conducted to evaluate normality, collinearity, and the distribution characteristics of the observed variables. Normality assessment using visual inspection of histograms indicated bell-shaped curves, suggesting approximate normal distributions for the variables included in both structural equations. Although histogram-based normality testing is limited, complementary skewness and kurtosis values confirmed acceptable distribution ranges. Multicollinearity was assessed using variance inflation factor scores, which showed acceptable values indicating that predictors did not exhibit problematic overlap. The scatterplot and residual analysis also suggested that the data did not suffer from heteroscedasticity. These diagnostics ensured that regression-based structural modeling could proceed reliably. Thus, the dataset demonstrated acceptable adherence to classical statistical assumptions.

## **10. Correlation and Explained Variance (R and R<sup>2</sup>)**

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Correlation coefficients showed strong positive associations among the main constructs, indicating theoretically meaningful and empirically consistent relationships. The first structural model revealed that service quality and promotion collectively explained just over half of the variance in customer satisfaction. This suggests that customers' evaluations of satisfaction were significantly shaped by service experiences and promotional communication. The second structural model demonstrated a similar explanatory power, with service quality, promotion, and satisfaction

accounting for more than half of the variance in customer loyalty. These results confirm that the proposed predictors were substantively relevant in explaining behavioral outcomes within the coffee shop context. The remaining unexplained variance indicates that additional psychological or experiential factors may also influence loyalty. Therefore, the correlation and determination results support the theoretical framing of the study.

## 11. Hypothesis Testing: Direct Effects (t-tests)

Regression results demonstrated significant positive effects of service quality and promotion on customer satisfaction in the first structural equation. The magnitude of the coefficients indicates that improvements in service consistency and promotional effectiveness yield substantial increases in satisfaction outcomes. Statistical significance levels confirmed that these relationships were unlikely to occur by chance, reinforcing the theoretical expectations derived from prior studies. In the second structural equation, service quality, promotion, and satisfaction each exerted meaningful positive influences on customer loyalty. These findings support the premise that both functional service experiences and psychological evaluations contribute to long-term customer commitment. The significance of satisfaction further supports its mediating role within the structural model. Overall, the t-test results affirm the hypothesized direct relationships among the variables.

## 12. Hypothesis Testing: Indirect Effects (Sobel Test / Mediation)

The mediation analysis assessed whether customer satisfaction transmitted the effects of service quality and promotion onto customer loyalty. Sobel test results showed that the indirect pathway from service quality to loyalty through satisfaction was statistically significant, confirming satisfaction as a meaningful mediator. Likewise, the indirect effect of promotion on loyalty through satisfaction was also significant, indicating that promotional strategies enhance loyalty by improving satisfaction first. These findings demonstrate that customers interpret service quality and promotional cues through satisfaction before forming lasting loyalty judgments. The significance of both mediation pathways supports theoretical expectations grounded in Expectation–Confirmation Theory. The results suggest that satisfaction plays a central psychological role in transforming service experiences into behavioral loyalty. Therefore, the mediation analysis validates the overall structural model proposed in this study.

## E. Discussion

The positive effect of service quality on customer satisfaction aligns with the foundational logic of SERVQUAL, which conceptualizes service interactions as multidimensional experiences that shape cognitive and affective evaluations. Service quality is theoretically understood as a bundle of reliability, responsiveness, assurance, empathy, and tangible cues that collectively inform customers' judgment of excellence. Within Expectation–Confirmation Theory, service quality

represents the stimulus that shapes consumers' confirmation or disconfirmation processes, thereby influencing satisfaction outcomes. High service quality enhances perceived value, reduces cognitive dissonance, and reinforces customers' belief that the service provider fulfills its promises. This theoretical association positions service quality as an antecedent that directly shapes satisfaction without requiring intermediary constructs. The robustness of this theoretical interpretation is strengthened by the universal applicability of service quality models across service-intensive environments. Therefore, from a theoretical standpoint, service quality provides the structural foundation through which satisfaction is formed at Coffee Shop XYZ.

The mechanism linking service quality to satisfaction operates through customers' moment-to-moment interpretations of their service encounters. When employees demonstrate accuracy, attentiveness, and competence, customers experience reduced uncertainty and increased emotional comfort. This contributes to positive affective reactions, which subsequently form satisfaction judgments. Conversely, any breakdown in service delivery disrupts the mechanism by triggering perceptions of neglect or incompetence, which diminish satisfaction. The presence of consistent service reliability strengthens customers' internal attribution processes, leading them to credit the organization for its operational excellence. This internal attribution reinforces the psychological pathway that transforms service performance into satisfaction. Thus, the quality–satisfaction mechanism depends on continuous service consistency that reinforces consumers' interpretive stability.

Empirical studies in hospitality and F&B sectors consistently support the significant relationship between service quality and satisfaction. Prior findings show that reliability and responsiveness are strong predictors of satisfaction across cafés and restaurants in Southeast Asia. Studies in Malaysian and Indonesian coffee shops highlight similar patterns, demonstrating that personalized attention and speed of service significantly enhance satisfaction. Research conducted by Teng et al. (2021) confirms that service quality impacts satisfaction more strongly than price or product attributes. A study by Suhartanto et al. (2019) further reveals that ambience-related tangibles amplify the service quality effect on satisfaction among young café consumers. These studies collectively indicate that the quality–satisfaction nexus is highly stable across cultural and demographic contexts. Integrating these findings affirms that the results at Coffee Shop XYZ align with established global evidence.

The influence of service quality on satisfaction is particularly relevant in the context of Coffee Shop XYZ due to the competitive landscape of cafés in Bogor. Customers in this area have access to numerous alternative coffee shops, making service experience a primary differentiator. Local consumers tend to value service friendliness, ambience comfort, and quick response, which strengthens the relevance of service quality in shaping satisfaction. The demographic composition of the area—dominated by students, office workers, and young adults—further amplifies expectations of efficiency and personalized interaction. Social media culture also increases the visibility of good or bad service encounters, intensifying competitive pressure on service quality.

These contextual elements magnify the impact of service quality on customer satisfaction at Coffee Shop XYZ. Therefore, the relationship observed in the study is consistent with environmental demands specific to this market

Promotion theoretically influences satisfaction by shaping initial expectations and perceived value before consumption occurs. Within marketing communication theory, promotions act as informational cues that help customers infer product benefits, price fairness, and experiential value. Expectation–Confirmation Theory suggests that satisfaction emerges when promotional claims align with actual service performance. When promotions provide meaningful and credible value, customers are predisposed to respond favorably during service encounters. This positions promotion as a cognitive antecedent that frames perception even before service delivery begins. The theoretical perspective also views promotion as a trust signal, reinforcing consumers' belief that the firm is transparent and customer-oriented. Thus, promotion serves as a theoretical foundation for shaping satisfaction through pre-consumption cognitive priming.

The mechanism through which promotion affects satisfaction begins with exposure to marketing messages that influence customers' expectations. Attractive promotions create perceived economic advantages, which customers interpret as signs of fairness or generosity. Once customers receive the service, they evaluate whether the perceived promotional value is realized during the transaction. When the service experience confirms the promotional promise, cognitive congruence occurs, leading to heightened satisfaction. If the promotion is misleading or overstated, expectation disconfirmation reduces satisfaction. Therefore, the mechanism relies heavily on alignment between communicated value and delivered experience. This mechanism highlights that promotions are effective only when they accurately represent the service context.

Previous research consistently reports that promotions influence satisfaction across various service industries, including cafés, retail, and hospitality. Studies in Indonesia show that price discounts and bundled offers significantly enhance satisfaction among café consumers. Research by Aulia et al. (2023) finds that students and young adults respond positively to social media–based promotions that offer personalized value. International literature also demonstrates that credible and transparent promotional communication increases customer satisfaction in digital service environments. Studies in Malaysia and Thailand show that promotional effectiveness depends on message credibility, timing, and relevance. These findings collectively reinforce that promotion is a reliable predictor of satisfaction. Thus, the present results reflect established empirical patterns across regional and global contexts.

The contextual environment of Coffee Shop XYZ intensifies the role of promotions in shaping satisfaction because local consumers are price-sensitive and value-oriented. Competing cafés frequently use promotions to attract foot traffic, making promotional activity an industry norm. Customers in Bogor often evaluate cafés based on perceived affordability and special offers, especially during peak activity periods. Social media culture encourages cafés to use Instagram and

TikTok as promotional platforms, amplifying the impact of promotional messaging. The dominance of student and young professional segments increases responsiveness to limited-time offers and discount-based promotions. These contextual factors make promotion a primary driver of satisfaction in this market. Therefore, the strong promotional effect observed in the study is consistent with localized consumer behavior.

The direct effect of service quality on loyalty can be explained using Relationship Marketing Theory, which posits that high-quality service fosters trust and emotional commitment. Service quality builds relational value by signaling that the provider is dependable and customer-oriented. In Behavioral Loyalty Theory, consistent service performance encourages repeat patronage by reducing perceived switching risk. Trust Formation Theory also suggests that customers translate repeated positive service encounters into long-term commitment. High service quality therefore becomes a relational asset that strengthens the psychological and behavioral dimensions of loyalty. This positions service quality as a foundational antecedent of loyalty in service-oriented industries. Thus, the theoretical grounding explains why service quality directly stimulates customer loyalty.

The mechanism connecting service quality to loyalty begins with customers' positive experiences during service encounters. When customers consistently encounter reliable and courteous service, they form cognitive beliefs that the café is trustworthy. These beliefs evolve into emotional attachment over time, which strengthens their willingness to return. This emotional commitment reduces the perceived attractiveness of competing cafés, enhancing loyalty. Customers also internalize positive service memories, which shape long-term behavioral patterns. Thus, habitual patronage develops through reinforcement of positive service experiences. The mechanism demonstrates that loyalty is not instantaneous but accumulates through repeated quality encounters.

Extensive research confirms that service quality is a strong predictor of loyalty in cafés, restaurants, and hospitality venues. Suhartanto et al. (2019) found that ambience and staff friendliness significantly influence loyalty among café consumers in Indonesia. Studies in Malaysia demonstrated that assurance and empathy are particularly influential among young consumers. Research in Vietnam and Thailand likewise emphasizes reliability and tangible elements as drivers of loyalty. Western literature similarly reports that consistency in service performance increases revisit intention and advocacy behavior. Collectively, these studies validate that service quality is a universal antecedent of loyalty. Thus, the current findings are well supported by cross-cultural evidence in service management.

In the context of Coffee Shop XYZ, service quality becomes crucial because customers have many similar café alternatives nearby. Consumers in suburban Bogor often select cafés based on comfort, friendliness, and perceived reliability rather than purely on product offerings. The café's location near educational and recreational facilities increases the likelihood of repeat visits if service quality remains high. Consumer expectations of café ambience and staff interaction are also shaped

by social media trends that reward establishments with strong service reputations. Local competition intensifies the need for service consistency as a differentiating factor. These contextual dynamics make loyalty highly sensitive to service experience. Therefore, service quality exerts a particularly strong effect on loyalty in this environment.

Promotion's direct influence on loyalty can be interpreted using Stimulus–Organism–Response (SOR) Theory, which explains that promotional stimuli generate internal evaluations that translate into behavioral outcomes. In this framework, promotions act as external cues that shape consumers' perceptions of value, attractiveness, and brand engagement. When promotional activities align with customers' utility expectations, they strengthen the motivational basis of loyalty. Promotion also functions within Behavioral Learning Theory, where repeated exposure to rewarding offers reinforces repeat patronage. Additionally, the Equity Theory perspective suggests that customers perceive fair and beneficial promotions as signals of relational fairness that increase loyalty. These theoretical models collectively clarify why effective promotions lead to long-term loyalty rather than temporary purchasing responses. Thus, the theoretical foundation strongly supports the positive effect of promotion on customer loyalty in service markets.

The mechanism connecting promotion to loyalty begins with customers' cognitive evaluations of promotional value. When customers perceive promotions as financially advantageous or emotionally rewarding, they attribute positive value to the brand. This attribution activates affective trust that increases their willingness to maintain future patronage. Over repeated promotional exposures, consumers internalize these benefits as reliable reinforcements that anchor loyalty. The mechanism also involves habit formation, where customers repeatedly revisit because promotions reduce psychological and financial switching costs. When promotional experiences are positive, customers develop enduring behavioral patterns that favor the promoted brand over alternatives. Therefore, loyalty emerges through a reinforcement-based mechanism shaped by consistent promotional value.

Empirical studies widely demonstrate that promotion positively predicts customer loyalty in the F&B sector. Research in Indonesia shows that discount campaigns and membership rewards significantly enhance customer loyalty among café visitors. Studies in Malaysia and Thailand confirm that transparent promotional communication builds psychological attachment and repeat purchase intention. Aulia et al. (2023) further reveal that social media promotions generate strong loyalty among young consumers who value digital engagement. Research in retail marketing similarly indicates that promotional incentives strengthen consumer–brand relationships. These cross-cultural findings consistently support the direct link between promotion and loyalty. Thus, the current study's results align with substantial global and regional literature.

In the context of Coffee Shop XYZ, promotion plays an essential role due to the high price sensitivity of local consumers. The surrounding neighborhood includes students and young professionals who are strongly influenced by perceived economic value. Competing cafés in Bogor

frequently use promotional strategies, making promotions a necessary competitive tool. Customers often select cafés based on discounts, limited-time offers, and promotional bundles, which directly influences loyalty behaviors. Social media activity in the region elevates the visibility of promotional campaigns, increasing their impact. These contextual characteristics make promotion a powerful driver of loyalty in this particular service market. Therefore, the effect observed in the study is consistent with the behavioral realities of Coffee Shop XYZ's customer base.

The effect of satisfaction on loyalty is grounded in Expectation–Confirmation Theory, which posits that satisfied customers develop favorable post-consumption attitudes that form the basis of loyalty. Satisfaction serves as a psychological state that consolidates positive interpretations of service experiences. Within Relationship Marketing Theory, satisfaction is viewed as the primary antecedent of trust, commitment, and retention. The Attitude–Behavior Consistency Model further explains that positive attitudes derived from satisfaction lead to consistent loyalty behaviors. Satisfaction also enhances emotional connection, which strengthens long-term customer–brand relationships. These theoretical perspectives collectively frame satisfaction as the most critical determinant of loyalty. Thus, the theoretical interpretation strongly supports the satisfaction–loyalty linkage identified in this study.

The mechanism linking satisfaction to loyalty begins when customers perceive that their service expectations have been fulfilled or exceeded. This perception generates positive affect that reinforces their attachment to the brand. When such affective reinforcement occurs consistently, customers develop trust and commitment that encourage repeat visits. The mechanism also involves reduced switching intention, as satisfied customers feel less motivated to explore competitor cafés. Satisfaction triggers internal reward processes that make customers seek repeated positive experiences. Over time, this psychological reinforcement forms habitual loyalty behaviors. Therefore, satisfaction drives loyalty through emotional reinforcement, cognitive alignment, and behavioral consistency.

Prior studies consistently confirm that satisfaction is one of the strongest predictors of customer loyalty. Research by Raza et al. (2020) shows that satisfaction significantly enhances loyalty across hospitality and F&B sectors. In Indonesian café studies, satisfaction mediates multiple factors that influence loyalty, including ambience, price fairness, and product quality. Studies in Malaysia and Vietnam similarly highlight satisfaction as a universal mechanism shaping long-term consumer commitment. International literature in services marketing also identifies satisfaction as the most stable predictor of repeat purchase intention. These findings align closely with the results observed in this study. Thus, the satisfaction–loyalty relationship is well established in both global and local research contexts.

The impact of satisfaction on loyalty is particularly strong in the context of Coffee Shop XYZ because customers seek reliable spaces for work, study, and socialization. The coffee shop's repeat visitor profile indicates that emotional comfort and service consistency are major factors

influencing loyalty. Customers in Bogor frequently revisit cafés that provide stable ambience and pleasant interactions. Negative experiences quickly lead customers to switch, given the abundance of competing cafés nearby. Satisfaction therefore becomes a critical anchor in preserving customer loyalty in this competitive environment. The cultural emphasis on relational warmth in Indonesian service settings also amplifies the influence of satisfaction. Hence, satisfaction strongly predicts loyalty within the contextual dynamics of Coffee Shop XYZ.

The mediating effect of satisfaction between service quality and loyalty can be explained using hierarchical service value models, which propose that functional performance influences emotional evaluations before shaping loyalty. In this theoretical view, service quality acts as a cognitive determinant while satisfaction acts as an affective determinant of loyalty. Expectation–Confirmation Theory also supports this layered process, where quality generates confirmation that produces satisfaction, which then leads to loyalty. Mediated effects are common in service psychology because cognitive signals require emotional translation to impact behavior. Satisfaction therefore serves as the emotional gateway through which service quality becomes meaningful for loyalty formation. This theoretical structure justifies why service quality does not always directly translate into loyalty. Thus, the mediation observed in the study is theoretically coherent.

The mechanism begins when customers evaluate service quality based on reliability, responsiveness, and tangible cues. These evaluations produce emotional responses such as comfort and appreciation, forming satisfaction. Satisfaction then reinforces customers' internal beliefs that the café is trustworthy and meets their needs. Once satisfaction is established, customers become more willing to return and recommend the café to others. Without satisfaction, service quality may be acknowledged cognitively but may not influence loyalty behaviorally. Therefore, satisfaction acts as an emotional filter that determines whether service quality influences loyalty. This mechanism illustrates the sequential cognitive–emotional–behavioral pathway underlying the mediation.

Research strongly supports satisfaction as a mediator between service quality and loyalty in cafés, restaurants, and hotels. Studies in Indonesia show that service quality increases satisfaction, which subsequently strengthens loyalty. Research in Malaysia and Thailand similarly demonstrates that satisfaction explains a significant portion of the service quality–loyalty effect. Aulia et al. (2023) found that the indirect effect through satisfaction is often stronger than the direct effect. Global meta-analyses of service quality research also confirm that satisfaction is the most consistent mediator of loyalty. These convergent findings align with the results of the current study. Thus, the mediation effect observed is consistent with empirical patterns across regions.

In Coffee Shop XYZ, satisfaction plays a critical mediating role because customers' loyalty depends heavily on experiential consistency. Café consumers in Bogor often prioritize ambience comfort and staff friendliness when deciding whether to revisit. If service quality improves but satisfaction is not felt, customers are unlikely to remain loyal due to many competing options. Satisfaction therefore becomes a crucial emotional signal that translates service improvements into

loyalty behaviors. The café's customer base, dominated by young adults, is highly responsive to their emotional experience of the environment. These contextual dynamics amplify satisfaction's mediating role. Hence, the mediation effect reflects the behavioral patterns of the local market.

The mediation of satisfaction between promotion and loyalty is grounded in Cognitive Evaluation Theory, which explains that promotional incentives influence behavior only when evaluated positively. Promotions act as extrinsic stimuli that must be integrated into intrinsic satisfaction for long-term loyalty to emerge. Expectation–Confirmation Theory also supports this layered interpretation, where promotional messages raise expectations that must be confirmed to generate satisfaction. Without satisfaction, promotional incentives typically produce short-term responses rather than sustained loyalty. Satisfaction thus becomes the theoretical mechanism that stabilizes loyalty despite fluctuating promotional stimuli. This reflects the principle that promotions alone cannot create loyalty without positive consumption experiences. Therefore, the mediation observed aligns with established theoretical frameworks.

The mechanism starts when customers perceive promotional offers as meaningful and beneficial. These perceptions elevate their expectations regarding the service experience. If the delivered service confirms the promotional promise, customers feel satisfied and emotionally rewarded. This emotional reward motivates them to repeat visits and maintain loyalty. If satisfaction does not occur, the promotional stimulus fails to generate long-term behavioral commitment. Thus, satisfaction acts as the emotional validator of promotional efforts. This mechanism reflects the multi-step psychological process that connects promotion to loyalty.

Research frequently identifies satisfaction as a mediator in promotional effectiveness across F&B, retail, and café industries. Studies in Indonesia show that discounts and bundled offers improve loyalty primarily through satisfaction. Putra and Sugiyono (2022) report that promotional incentives are interpreted through satisfaction before influencing loyalty behaviors. Aulia et al. (2023) similarly emphasize that satisfaction strengthens the emotional relevance of promotions. Studies in Malaysia and Singapore confirm that promotions enhance loyalty when accompanied by satisfying service experiences. These findings are consistent with global marketing research emphasizing satisfaction as a key mediator. Therefore, the results align with broad empirical evidence.

At Coffee Shop XYZ, promotions are particularly influential because customers are value-driven and sensitive to discounts. However, these promotions create loyalty only when customers feel satisfied with the actual experience. The competitive café environment in Bogor makes customers quick to abandon brands that do not deliver satisfying experiences. Therefore, satisfaction becomes essential in translating promotional appeal into loyalty behavior. The café's young, digitally active customer segment is known for evaluating promotions through their emotional experience. These contextual characteristics magnify satisfaction's mediating role.

Hence, the observed mediation accurately reflects the behavioral tendencies of the café's local market.

The combined findings across all hypotheses reveal a coherent structural pattern in which service quality and promotion function as antecedent stimuli that influence satisfaction and loyalty through distinct yet interconnected pathways. The results suggest that service quality primarily operates through relational and experiential mechanisms, while promotion activates cognitive and value-driven mechanisms, both of which converge in shaping satisfaction. Satisfaction consistently emerges as the central affective construct that translates service and promotional stimuli into loyal behavioral outcomes, confirming its mediating significance. This synthesis aligns with established models such as Expectation–Confirmation Theory and SERVQUAL, yet extends their applicability in the café context by integrating relational warmth, digital engagement, and localized consumption norms. The interplay among constructs demonstrates that loyalty is not formed solely from transactional benefits but arises through emotional consolidation driven by satisfaction. The model also reveals that direct effects coexist with indirect pathways, indicating that customers process marketplace signals through both immediate and evaluative channels. Overall, this meta-pattern underscores the multi-dimensional nature of loyalty formation at Coffee Shop XYZ and confirms the robustness of the theoretical framework.

The study contributes theoretically by demonstrating that traditional service quality frameworks remain highly relevant in hybrid café environments characterized by digital interaction and lifestyle consumption. It expands Expectation–Confirmation Theory by showing that promotions, like service quality, also undergo confirmation processes that influence satisfaction and loyalty. The findings reinforce satisfaction as a pivotal mediating construct, supporting its centrality in hierarchical service value models and behavioral loyalty theories. The integration of cognitive (promotion), functional (service quality), and affective (satisfaction) constructs enhances theoretical understanding of multi-pathway loyalty formation. The results also highlight the importance of context-sensitive interpretations, suggesting that standard service theories must incorporate cultural and demographic nuances. This research thereby enriches service management theory by validating multi-dimensional value formation within an increasingly competitive café market. Consequently, the model advances theoretical discourse by synthesizing multiple frameworks into a cohesive explanation for customer loyalty.

Managers at Coffee Shop XYZ should prioritize continuous improvements in service quality because it exerts strong direct and indirect effects on satisfaction and loyalty. Investment in staff training focusing on hospitality, communication, and responsiveness will significantly elevate perceived service value. Enhancing tangible aspects such as cleanliness, ambience, and seating comfort will further strengthen customers' experiential evaluations. Managers should implement routine quality checks to ensure consistency, as inconsistent service disrupts satisfaction and weakens loyalty. Service personalization—through learning customer preferences and offering proactive assistance—will deepen relational attachment. Given the competitive nature of cafés in

Bogor, superior service quality can serve as the primary differentiator. Thus, service excellence must remain the core strategic priority in sustaining customer loyalty.

Promotional strategies should emphasize transparent, value-driven communication that accurately reflects the café's offerings. Since promotions strongly affect satisfaction and loyalty, managers should design offers that provide meaningful benefits to customers. Digital promotions via Instagram, TikTok, and loyalty apps can effectively reach the café's young and tech-oriented customer base. Managers should avoid overstated claims to prevent expectation–performance mismatches that reduce satisfaction. Promotion schedules should align with customer traffic patterns to optimize impact and retention. Offering periodic membership rewards and bundled deals will reinforce repeat patronage. Therefore, promotions must be executed strategically to maximize both immediate engagement and long-term loyalty.

Customer satisfaction should be treated as the primary performance indicator driving operational and promotional decisions. Managers should regularly collect satisfaction data through surveys, digital feedback, and social media sentiment analysis. Real-time monitoring allows the café to address service failures before they escalate into dissatisfaction and customer loss. Satisfaction data should also inform targeted improvements in menu offerings, pricing, and service interactions. Because satisfaction mediates multiple relationships within the model, ensuring high satisfaction will automatically enhance loyalty outcomes. Managers must cultivate a service culture that prioritizes customer well-being and emotional comfort. Therefore, satisfaction should be embedded as a strategic KPI across all departmental functions.

## **F. Conclusion**

This study concludes that service quality plays a crucial role in shaping both satisfaction and loyalty among customers of Coffee Shop XYZ. Reliable, responsive, and engaging service interactions significantly elevate customers' perceptions of value and trust, reinforcing their emotional connection with the café. The findings confirm that service quality acts as both a functional and relational driver within the customer experience framework. As service expectations increase in competitive café environments, delivering consistent service becomes essential for sustaining customer engagement. The results show that service quality's influence extends beyond immediate evaluations by contributing to long-term behavioral loyalty. These insights highlight the need for businesses to integrate service excellence into strategic and operational practices. Thus, service quality remains central to fostering positive customer experiences at Coffee Shop XYZ.

Promotion also emerged as a key determinant of satisfaction and loyalty, underscoring its relevance in shaping customer perceptions in value-sensitive markets. Promotional strategies influence customers' pre-consumption expectations, which directly impact their satisfaction upon experiencing the service. The findings confirm that effective promotions not only attract customers but also strengthen loyalty through positive emotional and cognitive evaluations. Digital channels

amplify the reach and effectiveness of promotional communication, especially among young consumers. Transparent and relevant promotional offers foster trust and reinforce long-term brand attachment. The results affirm that promotions must be carefully aligned with actual service performance to avoid dissatisfaction. Therefore, promotions should be strategically managed to enhance customer experience and loyalty.

Satisfaction serves as the most influential predictor of loyalty, acting as the psychological mediator that translates service quality and promotional value into loyal behavior. The study demonstrates that customers respond to cafés not solely based on economic incentives but through emotional evaluations shaped by satisfaction. When the café environment exceeds expectations, customers experience pleasure and comfort, which form the basis of long-term commitment. Satisfaction reduces switching behavior by strengthening customers' relational ties with the brand. This central role of satisfaction highlights the importance of maintaining consistent experiential quality. Through satisfaction, both service quality and promotion exert amplified influence on loyalty. Thus, preserving customer satisfaction is essential for sustaining long-term loyalty at Coffee Shop XYZ.

Overall, the integrated findings provide a comprehensive understanding of how service quality, promotion, and satisfaction collectively shape customer loyalty. The structural model developed in this study aligns with established service theories while offering contextual insights specific to the café industry in Bogor. The mediated pathways highlight that loyalty emerges not only through direct effects but through affective and cognitive processes driven by satisfaction. These insights support the development of integrated customer experience strategies that combine service professionalism, promotional clarity, and emotional engagement. The study contributes practically by guiding managerial decisions and theoretically by enriching loyalty research in the Indonesian café sector. As competition intensifies, implementing evidence-based customer experience strategies becomes increasingly important. Thus, the study provides valuable direction for enhancing customer loyalty in similar service environments

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