



Exploring the Effect of Product Quality, Service Quality, and Social Media Advertisement on Customer Loyalty in Choosing Alligator Roastery

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ABSTRACT

This study investigates the interplay of product quality, service quality, and social media advertising within the context of Alligator Roastery, aiming to discern their collective impact on customer loyalty. Employing a comprehensive research approach, including surveys, interviews, and data analysis, the findings indicate a significant positive association between product quality and customer loyalty, alongside the pivotal role of attentive service quality. Moreover, effective social media advertising emerges as a potent tool for attracting and retaining customers, underscoring the interconnectedness of these factors in shaping customer loyalty, thereby providing valuable insights for Alligator Roastery and similar businesses in enhancing their competitive positioning and fostering lasting customer relationships.

INTRODUCTION

Background

Coffee shop businesses are growing rapidly in Medan. Customers didn't come just to enjoy a cup of coffee, coffee shops are now transformed into places to socialize and gather together with friends and relatives. This trend makes existing coffee shops compete with one another by providing differentiation in product, price, place, promotion, service, atmosphere, and presentation process. For coffee shops like Alligator Roastery, understanding the factors that influence customer loyalty is essential. The quality of products, the level of service provided, and the effectiveness of marketing strategies all play significant roles in shaping customer loyalty.

According to a study conducted by Ariyanto and Indrajaya (2019), customer loyalty is closely related to factors such as product quality, service quality, and advertising. Alligator Roastery, as a prominent player in the coffee market, needs to explore these factors to effectively build and maintain customer loyalty.

Product quality refers to the characteristics and attributes of a product that determine its ability to meet customer needs and expectations. It encompasses various aspects such as durability, reliability, performance, design, and features. High product quality is crucial for businesses as it can enhance customer satisfaction, loyalty, and ultimately drive business success. According to Kotler et al., (2020) product quality is defined as "the totality of features and characteristics of a product or service that bears on its ability to satisfy stated or implied needs" This definition emphasizes that product quality goes beyond just meeting basic requirements and includes fulfilling both stated and implied customer needs.

Service quality refers to the extent to which a service meets or exceeds customer expectations. It encompasses various dimensions such as reliability, responsiveness, assurance, empathy, and tangibles. Excellent service quality is crucial for businesses as it can lead to customer satisfaction, loyalty, and positive word-of-mouth. (Parasuraman et al., 1988) define service quality as "the extent to which a service meets customers' needs or expectations". This definition emphasizes that service quality is subjective and is determined by the customers' perception of how well the service meets their specific needs and expectations.

Social media advertisements refer to promotional content and messages delivered through various social media platforms, including but not limited to Facebook, Instagram, Twitter, LinkedIn, and YouTube. These advertisements leverage the extensive reach, targeting capabilities, and interactive nature of social media to engage with the target audience and promote products or services. According to Kaplan and Haenlein, social media is defined as "a group of internet-based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of user-generated content" (Kaplan & Haenlein, 2010). Social media advertisements utilize the features and functionalities of social media platforms to deliver targeted messages, capture user attention, and encourage user engagement.

Table 1. Number of Visitors at Alligator Roastery 2020

| Month | Number of Visitors |
|-----------|--------------------|
| January | 4467 |
| February | 4640 |
| March | 1380 |
| April | 1476 |
| May | 1360 |
| June | 1280 |
| July | 1256 |
| August | 1230 |
| September | 1240 |
| October | 1165 |
| November | 1570 |
| December | 4785 |

Alligator Roastery has already succeeded in building a loyal customer base by providing one of the best coffees in town, distinct atmosphere, roasting courses, and so on. However, in a business landscape that is constantly changing with evolving consumer preferences and the widespread influence of social media, it is crucial for the company to adapt its strategies to retain and attract customers. Through this research, which aims to examine the impact of product quality, service quality, and social media advertising on customer loyalty, valuable insights will be gained to assist Alligator Roastery in making marketing and operational decisions.

Aim and Objectives

The aim of this research is to examine the impact of product quality, service quality, and social media advertisement on customer loyalty in choosing Alligator Roastery. The specific objectives of this study are as follows:

1. To assess the relationship between product quality and customer loyalty in choosing Alligator Roastery.
2. To evaluate the influence of service quality on customer loyalty in choosing Alligator Roastery.
3. To examine the impact of social media advertisement on customer loyalty in choosing Alligator Roastery.

Research Questions

1. What is the relationship between product quality and customer loyalty in choosing Alligator Roastery?
2. How does service quality influence customer loyalty in choosing Alligator Roastery?
3. What is the impact of social media advertisement on customer loyalty in choosing Alligator Roastery?

Problem Limitations

There will be one dependent variable and three independent variables in this study:

X1 Product Quality X2 Service Quality

X3 Social Media Advertisements Y Customer Loyalty

LITERATURE REVIEW

Chapter 2 of this research thesis focuses on conducting a comprehensive literature review to explore the effect of product quality, service quality, and social media advertisement on customer loyalty in choosing Alligator Roastery.

Product Quality

According to Kotler (2005:49), "Product quality is the total characteristics and capabilities of a product or service to satisfy stated or implied needs." Product quality is defined as the overall evaluation by consumers of the goodness of performance of a good or service (Mowen and Minor, 2002:90).

According to Laksana (2008:89), it is stated that quality consists of a number of product attributes that fulfill consumers' desires, thus providing satisfaction in the use of the product.

Indicators of Product Quality

- Taste: The flavor, aroma, and overall sensory experience of the roasted products offered by Alligator Roastery.
- Freshness: The degree to which the products are freshly roasted and maintain their quality over time.
- Consistency: The uniformity and reliability of the product's quality across different batches and servings.
- Uniqueness: The distinctiveness and differentiation of Alligator Roastery's products compared to competitors in terms of taste, ingredients, or preparation methods.

Service Quality

According to Tjiptono (2008:59), service quality is the expected level of excellence and the control over that level of excellence to fulfill customer desires. Meanwhile, according to Wijaya (2011:152), service quality is measured by how well the level of service provided aligns with customer expectations. Service quality is a necessity that companies must prioritize in order to survive and maintain customer trust.

Indicators of Service Quality

- Responsiveness: The promptness and willingness of Alligator Roastery's staff to provide assistance and address customer inquiries or concerns.
- Assurance: The competence, knowledge, and professionalism of Alligator Roastery's staff in delivering high-quality service and building customer trust.
- Reliability: The consistency and dependability of the service provided by Alligator Roastery, ensuring that customers can rely on the company to meet their needs.
- Tangibles: The physical evidence and appearance of Alligator Roastery's outlets, equipment, and materials, which contribute to the overall perception of service quality.

Social Media Advertisement

According to Goya (2013), social media is the most effective platform for promotion and advertising. When users consider buying something, they first turn to the internet (social media), search for the product, compare prices with other brands, and make decisions, including purchasing. Peter (2013) states that social media advertising is an advertisement in which companies invest money and time with the expectation of efficiently reaching the target audience. Social media advertising also involves engaging the audience and obtaining feedback on the viewed ads, thus gathering authentic data.

Indicators of Social Media Advertisement

- **Engagement strategies:** The implementation of interactive and interactive tactics by Alligator Roastery to encourage audience engagement, such as contests, giveaways, polls, and interactive posts, fostering a sense of community and customer involvement.
- **Online Reviews:** The presence of positive customer reviews and testimonials on social media platforms, indicating a favorable perception of Alligator Roastery's products and services.
- **Effective use of social media advertisements:** The ability of Alligator Roastery to create compelling and engaging advertisements that capture the attention of the target audience on social media platforms.
- **Data gathering:** The ability of Alligator Roastery to collect and analyze data from social media advertising campaigns, including metrics such as reach, engagement, click-through rates, and conversions, to measure the effectiveness of their advertisements and make data-driven decisions.

Customer Loyalty

According to Griffin (2003), customer loyalty is more closely associated with behavior rather than attitude. If someone is a loyal customer, they will exhibit purchasing behavior characterized by non-random, repeated purchases over time. Two important conditions related to loyalty are:

1. **Customer retention:** It describes the length of the customer's relationship with the company. The customer retention rate is the percentage of customers who have made a certain number of repeat purchases within a limited time period.
2. **Total share of customer:** It represents the percentage of the customer's budget spent on the company's products or services.

Indicators of Customer Loyalty

- **Repeat Purchases:** This indicator measures the frequency with which customers make repeat purchases from a particular brand or company. It reflects the degree of loyalty and satisfaction with the product or service.
- **Customer Engagement:** Customer engagement measures the level of interaction and involvement customers have with the brand. It can be assessed through metrics such as social media engagement, website interactions, or participation in loyalty programs.
- **Word-of-Mouth Recommendations:** Positive word-of-mouth recommendations from customers indicate a high level of loyalty. You can assess this indicator by measuring the number of referrals or recommendations made by customers to others about Alligator Roastery.

- **Customer Retention Rate:** This indicator measures the ability of Alligator Roastery to retain its existing customers over time. A higher customer retention rate indicates a higher level of loyalty and satisfaction.

Hypothesis Development

There are 4 hypothesis that can be developed:

H1 There is a significant effect of product quality on customer loyalty in choosing Alligator Roastery.

H2 There is a significant effect of service quality on customer loyalty in choosing Alligator Roastery.

H3 There is a significant effect of social media advertisement on customer loyalty in choosing Alligator Roastery.

H4 There is a significant effect of product quality, service quality, and social media advertisement on customer loyalty in choosing Alligator Roastery

Research Model

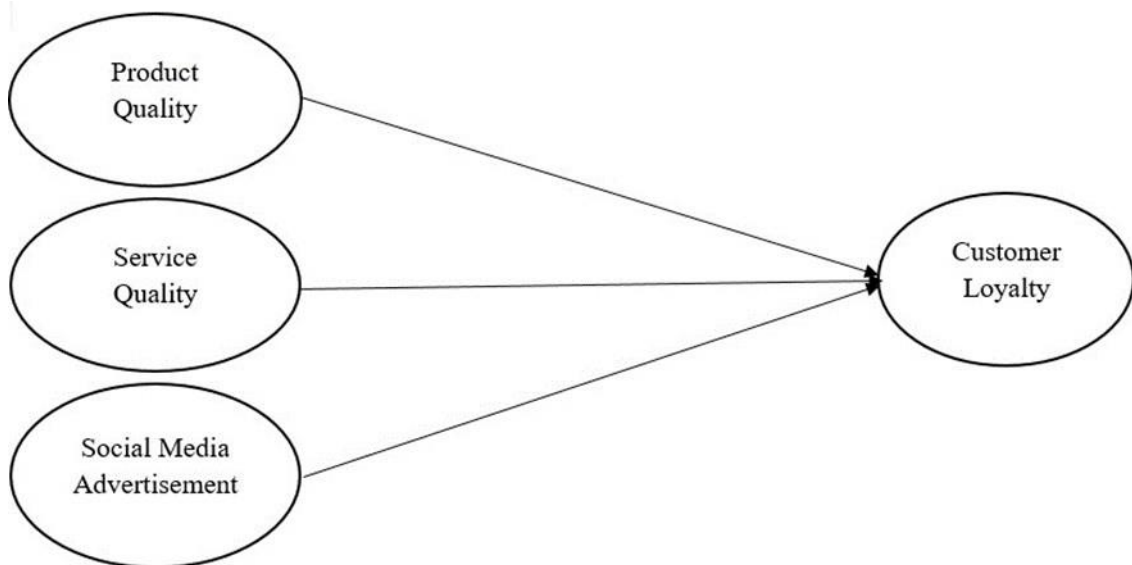


Figure 1. Research Model

METHODOLOGY

This research study will employ a quantitative research approach to gather and analyze data. The research will utilize a survey questionnaire as the primary data collection instrument. The questionnaire will be distributed to a sample of customers of Alligator Roastery in Medan, Indonesia.

The sample size will be determined using a suitable sampling technique to ensure representativeness and statistical reliability. The survey questionnaire will consist of items that measure the variables of interest, including product quality, service quality, social media advertisement, and customer loyalty.

Ethical considerations will be taken into account throughout the research process. Participants' confidentiality and anonymity will be ensured, and informed consent will be obtained before collecting data.

The limitations of the research include potential response biases and the reliance on self-reported data. However, efforts will be made to minimize these limitations through clear instructions, random sampling, and data validation techniques.

RESULT AND DISCUSSION

General View

The Alligator Roastery, owned by Julio Sandika Radin, is a bespoke (tailor- made) coffee crafting company and academy catering to coffee enthusiasts and entrepreneurs. They strongly believe that every individual, including entrepreneurs and coffee shop owners, deserves to have a distinct and unique aroma and flavor in their cups of coffee. Alligator Roastery, as a company, continuously sources the best coffee beans from their respective origins and employs the finest methods in roasting and crafting the perfect blend. They are committed to delivering exceptional coffee experiences.

Job Description

a. Owner

An owner is the one who owns and leads the company. Besides owning and leading the company, an owner must establish a budget for the company and be in charge of monitoring the company's income and expenses, imply rules and policies at the company, implement business strategy for the company able to develop in a better way, according to their vision and mission.

b. Cooker

A cooker is in charge of cooking all the food at the restaurant according to its SOP, is responsible for all of the food ingredients for them to cook and served to the customer, and must maintain the cleanliness and hygiene of the kitchen.

c. Roaster

A roaster is in charge of making beverages for customers according to customers' orders, for sure the beverages they made are based on the restaurant's SOP. Besides that, a roaster is also responsible for the cleanliness and hygiene in the working station area and manages the bar's materials and equipment supply.

Research Result

Test of Research Instrument

In the ongoing research, a preliminary assessment was conducted by administering an online survey to 30 customers of Alligator Roastery between July 4 and July 14, 2020 The purpose of this endeavor is to determine the viability of utilizing questionnaires as a research tool for future investigations

Validity Test

A validity test is the first step to determine the validity of the instrument that will measure the problems accurately.

Table 2. Validity Test of Product Quality

| Question | R count | R table | Validity |
|----------|---------|---------|----------|
| 1 | 0.462 | 0.361 | Valid |
| 2 | 0.443 | | Valid |
| 3 | 0.54 | | Valid |
| 4 | 0.533 | | Valid |

Source: Prepared by the Writer (SPSS 25, 2020)

Based on the table above, shows that each question of the Product Quality indicator has a higher r count compared to the r table, which can be concluded that all of the instruments of the question used in this study are valid.

Table 3. Validity Test of Service Quality

| Question | R count | R table | Validity |
|----------|---------|---------|----------|
| 1 | 0.459 | 0.361 | Valid |
| 2 | 0.416 | | Valid |
| 3 | 0.403 | | Valid |
| 4 | 0.463 | | Valid |

Source: Prepared by the Writer (SPSS 25, 2020)

Based on the table above, shows that each question of Service Quality's indicator has a higher r count compared to the r table, which can be concluded that all of the instruments of the question used in this study are valid.

Table 4. Validity Test of Social Media Advertisements

| Question | R count | R table | Validity |
|----------|---------|---------|----------|
| 1 | 0.535 | 0.361 | Valid |
| 2 | 0.691 | | Valid |
| 3 | 0.605 | | Valid |

Source: Prepared by the Writer (SPSS 25, 2020)

Based on the table above, shows that each question of the Social Media Advertisements indicator has a higher r count compared to the r table, which can be concluded that all of the instruments of the question used in this study are valid

Table 5. Validity Test of Customer Loyalty

| Question | R count | R table | Validity |
|----------|---------|---------|----------|
| 1 | 0.605 | 0.361 | Valid |

Source: Prepared by the Writer (SPSS 25, 2020)

Based on the table above, shows that each question of the Customer Loyalty indicator has a higher r count compared to the r table, which can be concluded that all of the instruments of the question used in this study are valid.

Reliability Test

A reliability test is a second step to determine the consistency of the question and respondents' answers. The test result will show that the questionnaires are reliable and it can proceed to distribution.

Table 6. Reliability Test of Product Quality (X1)

| Cronbach's Alpha | N of items |
|------------------|------------|
| 0.746 | 4 |

Source: Prepared by the Writer (SPSS 25, 2020)

Table 7. Reliability Test of Service Quality (X2)

| Cronbach's Alpha | N of items |
|------------------|------------|
| 0.760 | 4 |

Source: Prepared by the Writer (SPSS 25, 2020)

Table 8. Reliability Test of Social Media Advertisements (X3)

| Cronbach's Alpha | N of items |
|------------------|------------|
| 0.659 | 3 |

Source: Prepared by the Writer (SPSS 25, 2020)

Table 9. Reliability Test of Customer Loyalty (Y)

| Cronbach's Alpha | N of items |
|------------------|------------|
| 0.604 | 1 |

Source: Prepared by the Writer (SPSS 25, 2020)

Based on all of the tables above, the Cronbach's Alpha of product quality (X1) is 0.746, service quality (X2) is 0.760, social media advertisements (X3) is 0.659, and customer loyalty (Y) is 0.604, which all of the results are higher than 0.6, where it can be concluded that all of the questions for each variable are reliable.

Descriptive Statistics Characteristics of Respondents

There are some characteristics of respondents that are included in the research, namely based on gender, age, and based on whether or not they have visited and made a purchase at Alligator Roastery. The following contents are the table of general descriptions of the respondents in this research.

Table 10. Characteristics of Respondents Based on Gender

| Gender | Total | Percentage |
|--------|-------|------------|
| Female | 72 | 46.8% |
| Male | 82 | 53.2% |
| Total | 154 | 100% |

Source: Prepared by the Writer (Questionnaires, 2020)

According to the table above, males made up most respondents 82 or 53.2%. The total number of Female respondents is 72, or 46.8%.

Table 11. Characteristics of Respondents Based on Age

| Age | Total | Percentage |
|---------|-------|------------|
| < 15 | 2 | 1.3% |
| 15 - 19 | 17 | 11% |
| 20 - 24 | 88 | 57,1% |
| 25 - 29 | 36 | 23,4% |
| > 30 | 11 | 7.1% |
| Total | 153 | 100% |

Source: Prepared by the Writer (Questionnaires, 2020)

According to the table above, most of the respondent age is 20 – 24 with the total 88 or 57,1%. After that the total of respondents from age 25 – 29 is 36 or 23.5%. The total of respondent from age above 30 is 11 or 7.1%. For age 15 – 19 is 17 or 11%, And the total number of respondents from age under 15 is 4 or 2.6%.

Explanation of Respondents on Research Variables

a. Descriptive Analysis of Variable Product Quality (X1)

Question 1: The products offered by Alligator Roastery exceed your expectations.

Table 12. Variable X1:Q1

| Answer | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly Disagree | 0 | 0% |
| Disagree | 0 | 0% |
| Neutral | 7 | 4.6% |
| Agree | 97 | 63.8% |
| Strongly Agree | 48 | 31.6% |
| Total | 152 | 100% |

Source: Prepared by the Writer (2020)

Based on the table above, it can be concluded that 7 respondents answered neutral (4.6%), 97 respondents answered agree (63.8%), and 48 respondents answered strongly agree (31.6%)

Question 2: You are satisfied with the freshness of the products offered by Alligator Roastery.

Table 13. Variable X1:Q2

| Answer | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly Disagree | 0 | 0% |
| Disagree | 0 | 0% |
| Neutral | 6 | 3.9% |
| Agree | 103 | 67.8% |
| Strongly Agree | 43 | 28.3% |
| Total | 152 | 100% |

Source: Prepared by the Writer (2020)

Based on the table above, it can be concluded that 6 respondents answered neutral (3.9%), 103 respondents answered agree (67.8%), and 43 respondents answered strongly agree (28.3%)

Question 3: You feel that there is a unique taste or profile in the products you have tried at Alligator Roastery.

Table 14. Variable X1:Q3

| Answer | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly Disagree | 0 | 0% |
| Disagree | 0 | 0% |
| Neutral | 5 | 3.3% |
| Agree | 100 | 65.8% |
| Strongly Agree | 46 | 30.3% |
| Total | 152 | 100% |

Source: Prepared by the Writer (2020)

Based on the table above, it can be concluded that 5 respondents answered neutral (3.3%), 100 respondents answered agree (65.8%), and 46 respondents answered strongly agree (30.3%)

Question 4: Alligator Roastery always offers fresh products when you purchase them.

Table 15. Variable X1:Q4

| Answer | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly Disagree | 0 | 0% |
| Disagree | 0 | 0% |
| Neutral | 7 | 4.6% |
| Agree | 96 | 63.2% |
| Strongly Agree | 49 | 32.2% |
| Total | 152 | 100% |

Source: Prepared by the Writer (2020)

Based on the table above, it can be concluded that 7 respondents answered neutral (4.6%), 96 respondents answered agree (63.2%), and 49 respondents answered strongly agree (32.2%)

b. Descriptive Analysis of Variable Service Quality (X2)

Question 1: The service provided by Alligator Roastery exceeds your expectations.

Table 16. X2:Q1

| Answer | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly Disagree | 0 | 0% |
| Disagree | 0 | 0% |
| Neutral | 4 | 2.6% |
| Agree | 91 | 59.9% |
| Strongly Agree | 57 | 37.5% |
| Total | 152 | 100% |

Source: Prepared by the Writer (2020)

Based on the table above, it can be concluded that 4 respondents answered neutral (2.6%), 91 respondents answered agree (59.9%), and 57 respondents answered strongly agree (37.5%)

Question 2: You are satisfied with the service provided by the staff at Alligator Roastery in terms of their knowledge and expertise.

Table 17. Variable X2:Q2

| Answer | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly Disagree | 0 | 0% |
| Disagree | 0 | 0% |
| Neutral | 6 | 3.9% |
| Agree | 91 | 59.9% |
| Strongly Agree | 54 | 35.5% |
| Total | 152 | 100% |

Source: Prepared by the Writer (2020)

Based on the table above, it can be concluded that 6 respondents answered neutral (3.9%), 91 respondents answered agree (59.9%), and 54 respondents answered strongly agree (35.5%)

Question 3: You have experienced incidents such as long waiting times when visiting Alligator Roastery.

Table 18. Variable X2:Q3

| Answer | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly Disagree | 68 | 44.7% |
| Disagree | 17 | 11.2% |
| Neutral | 6 | 3.9% |
| Agree | 44 | 28.9% |
| Strongly Agree | 17 | 11.2% |
| Total | 152 | 100% |

Source: Prepared by the Writer (2020)

Based on the table above, it can be concluded that 68 respondents answered strongly disagree (44.7%), 17 respondents answered disagree (11.2%), 6 respondents answered neutral (3.9%), 44 respondents answered agree (28.9%), and 17 respondents answered strongly agree (11.2%)

Question 4: Overall, you rate the quality of service at Alligator Roastery as very high.

Table 19. Variable X2:Q4

| Answer | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly Disagree | 0 | 0% |
| Disagree | 1 | 0.7% |
| Neutral | 7 | 4.6% |
| Agree | 85 | 55.9% |
| Strongly Agree | 59 | 38.8% |
| Total | 152 | 100% |

Source: Prepared by the Writer (2020)

Based on the table above, it can be concluded that 1 respondent answered disagree (0.7%), 7 respondents answered neutral (4.6%), 85 respondents answered agree (55.9%), and 59 respondents answered strongly agree (38.8%)

c. Descriptive Analysis of Variable Social Media Advertisements (X3)

Question 1: The social media advertisements created by Alligator Roastery effectively capture your attention and interest.

Table 20. Variable X3:Q1

| Answer | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly Disagree | 1 | 0.7% |
| Disagree | 4 | 2.6% |
| Neutral | 22 | 14.5% |
| Agree | 80 | 52.6% |
| Strongly Agree | 45 | 29.6% |
| Total | 152 | 100% |

Source: Prepared by the Writer (2020)

Based on the table above, it can be concluded that 1 respondents answered strongly disagree (0.7%), 4 respondents answered disagree (2.6%), 22 respondents answered neutral (14.5%), 80 respondents answered agree (52.6%), and 45 respondents answered strongly agree (29.6%)

Question 2: The social media advertisements created by Alligator Roastery have influenced your decision to try their products or services.

Table 21. X3:Q2

| Answer | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly Disagree | 0 | 0% |
| Disagree | 2 | 1.3% |
| Neutral | 26 | 17.1% |
| Agree | 91 | 59.9% |
| Strongly Agree | 33 | 21.7% |
| Total | 152 | 100% |

Source: Prepared by the Writer (2020)

Based on the table above, it can be concluded that 2 respondents answered disagree (1.3%), 26 respondents answered neutral (17.1%), 91 respondents answered agree (59.9%), and 33 respondents answered strongly agree (21.7%)
 Question 3: Positive online reviews have influenced your decision to visit Alligator Roastery.

Table 22. Variable X3:Q3

| Answer | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly Disagree | 1 | 0.7% |
| Disagree | 6 | 3.9% |
| Neutral | 36 | 23.7% |
| Agree | 75 | 49.3% |
| Strongly Agree | 34 | 22.4% |
| Total | 152 | 100% |

Source: Prepared by the Writer (2020)

Based on the table above, it can be concluded that 1 respondent answered strongly disagree (0.7%), 6 respondents answered disagree (3.9%), 36 respondents answered neutral (23.7%), 75 respondents answered agree (49.3%), and 34 respondents answered strongly agree (22.4%)

d. Descriptive Analysis of Variable Customer Loyalty (Y) Question 1: You frequently visit Alligator Roastery.

Table 23. Variable Y:Q1

| Answer | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly Disagree | 11 | 7.2% |
| Disagree | 35 | 23% |
| Neutral | 47 | 30.9% |
| Agree | 40 | 26.3% |
| Strongly Agree | 19 | 12.5% |
| Total | 152 | 100% |

Source: Prepared by the Writer (2020)

Based on the table above, it can be concluded that 11 respondents answered strongly disagree (7.2%), 35 respondents answered disagree (23%), 47 respondents answered neutral (30.9%), 40 respondents answered agree (26.3%), and 19 respondents answered strongly agree (12.5%)

Mean, Median, Mode, Variance, and Standard Deviation

Interval scale of Product Quality:

$$i = \frac{4(5-1)}{5}$$

$$i = 3.2$$

Table 24. Interval Variable for X1

| Interval | Interpretation |
|--------------|-------------------|
| 4 - 7.2 | Strongly Disagree |
| 7.21 - 10.4 | Disagree |
| 10.41 - 13.6 | Neutral |
| 13.61 - 16.8 | Agree |
| 16.81 - 20 | Strongly Agree |

Source: Prepared by the Writer (2020)

Interval scale of Service Quality:

$$i = \frac{4(5-1)}{5}$$

$$i = 3.2$$

Table 25. Interval Variable for X2

| Interval | Interpretation |
|--------------|-------------------|
| 4 – 7.2 | Strongly Disagree |
| 7.21 – 10.4 | Disagree |
| 10.41 – 13.6 | Neutral |
| 13.61 – 16.8 | Agree |
| 16.81 - 20 | Strongly Agree |

Source: Prepared by the Writer (2020)

Interval scale of Social Media Advertisements:

$$i = \frac{3(5-1)}{5}$$

$$i = 2.4$$

Table 26. Interval Variable for X3

| Interval | Interpretation |
|------------|-------------------|
| 1 – 1.8 | Strongly Disagree |
| 1.81 – 2.6 | Disagree |
| 2.61 – 3.4 | Neutral |
| 3.41 – 4.2 | Agree |
| 4.21 - 5 | Strongly Agree |

Source: Prepared by the Writer (2020)

Interval scale of Customer Loyalty:

$$i = \frac{1(5-1)}{5}$$

$$i = 0.8$$

Table 27. Interval Variable for Y

| Interval | Interpretation |
|------------|-------------------|
| 1 – 1.8 | Strongly Disagree |
| 1.81 – 2.6 | Disagree |
| 2.61 – 3.4 | Neutral |
| 3.41 – 4.2 | Agree |
| 4.21 - 5 | Strongly Agree |

Source: Prepared by the Writer (2020)

a. Variable X1

The following are the outcomes of descriptive statistics collected from respondent answers for X1 (Product Quality):

Table 28. Descriptive Statistic of Variable X1

| Descriptive Statistics | | | | | | |
|-------------------------------|-----|---------|---------|--------|----------------|----------|
| | N | Minimum | Maximum | Mean | Std. Deviation | Variance |
| X1 | 152 | 3,00 | 5,00 | 4,2697 | ,53944 | ,291 |
| X2 | 152 | 3,00 | 5,00 | 4,2434 | ,51464 | ,265 |
| X3 | 152 | 1,00 | 5,00 | 4,2500 | ,57831 | ,334 |
| X4 | 152 | 3,00 | 5,00 | 4,2763 | ,54222 | ,294 |
| Valid N (listwise) | 152 | | | | | |

b. Variable X2

Table 29. Descriptive Statistic of Variable X2

| Descriptive Statistics | | | | | | |
|-------------------------------|-----|---------|---------|--------|----------------|----------|
| | N | Minimum | Maximum | Mean | Std. Deviation | Variance |
| X5 | 152 | 3,00 | 5,00 | 4,3487 | ,53065 | ,282 |
| X6 | 152 | 1,00 | 5,00 | 4,2961 | ,60723 | ,369 |
| X7 | 152 | 1,00 | 5,00 | 2,5066 | 1,55260 | 2,411 |
| X8 | 152 | 2,00 | 5,00 | 4,3289 | ,59553 | ,355 |
| Valid N (listwise) | 152 | | | | | |

c. Variable X3

Table 30. Descriptive Statistic of Variable X3

| Descriptive Statistics | | | | | | |
|-------------------------------|-----|---------|---------|--------|----------------|----------|
| | N | Minimum | Maximum | Mean | Std. Deviation | Variance |
| X9 | 152 | 1,00 | 5,00 | 4,0789 | ,77653 | ,603 |
| X10 | 152 | 2,00 | 5,00 | 4,0197 | ,66582 | ,443 |
| X11 | 152 | 1,00 | 5,00 | 3,8882 | ,81825 | ,670 |
| Valid N (listwise) | 152 | | | | | |

d. Variable Y

Table 31. Descriptive Statistic of Variable Y

| Descriptive Statistics | | | | | | |
|-------------------------------|-----|---------|---------|--------|----------------|----------|
| | N | Minimum | Maximum | Mean | Std. Deviation | Variance |
| X12 | 152 | 1,00 | 5,00 | 3,1382 | 1,12791 | 1,272 |
| Valid N (listwise) | 152 | | | | | |

Result of Data Quality Testing Classical Assumption Test Result

a. Normality Test

The normality test is aimed to determine whether the data studied is normally distributed or not. In this research, the writer will be using SPSS 25 to calculate the normality of the data, followed by the graphic analysis and statistical analysis using the Kolmogorov-Smirnov test, as follows:

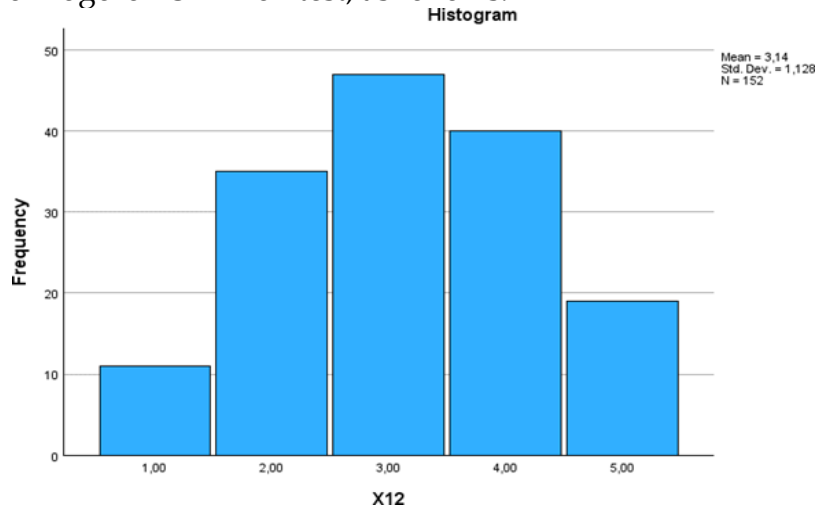


Figure 2. Histogram of Normality Test
Source: Prepared by the Writer (SPSS 25, 2020)

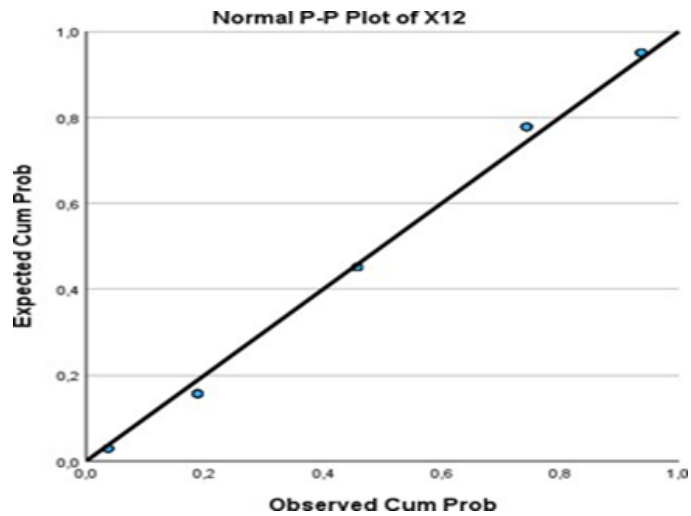


Figure 3. P-P Plot of Normality Test
Source: Prepared by the Writer (SPSS 25, 2020)

Table 32. Normality Test
 One-Sample Kolmogorov-Smirnov Test

| | | X1 | X2 | X3 | X4 | X5 | X6 | X7 | X8 | X9 | X10 | X11 | X12 |
|--|-------------------------|-------------|--------|--------|--------|--------|--------|---------|--------|--------|--------|--------|---------|
| N | | 152 | 152 | 152 | 152 | 152 | 152 | 152 | 152 | 152 | 152 | 152 | 152 |
| Normal Parameters ^{a,b} | Mean | 4,2697 | 4,2434 | 4,2500 | 4,2763 | 4,3487 | 4,2961 | 2,5066 | 4,3289 | 4,0789 | 4,0197 | 3,8882 | 3,1382 |
| | Std. Deviation | ,53944 | ,51464 | ,57831 | ,54222 | ,53065 | ,60723 | 1,55260 | ,59553 | ,77653 | ,66582 | ,81825 | 1,12791 |
| Most Extreme Differences | Absolute | ,376 | ,399 | ,365 | ,372 | ,369 | ,332 | ,281 | ,321 | ,282 | ,304 | ,271 | ,166 |
| | Positive | ,376 | ,399 | ,365 | ,372 | ,369 | ,332 | ,281 | ,321 | ,244 | ,295 | ,222 | ,161 |
| | Negative | -,262 | -,279 | -,293 | -,259 | -,265 | -,267 | -,233 | -,258 | -,282 | -,304 | -,271 | -,166 |
| Test Statistic | | ,376 | ,399 | ,365 | ,372 | ,369 | ,332 | ,281 | ,321 | ,282 | ,304 | ,271 | ,166 |
| Asymp. Sig. (2-tailed) ^c | Sig. | <,001 | <,001 | <,001 | <,001 | <,001 | <,001 | <,001 | <,001 | <,001 | <,001 | <,001 | <,001 |
| Monte Carlo Sig. (2-tailed) ^d | Sig. | <,001 | <,001 | <,001 | <,001 | <,001 | <,001 | <,001 | <,001 | <,001 | <,001 | <,001 | <,001 |
| | 99% Confidence Interval | Lower Bound | ,000 | ,000 | ,000 | ,000 | ,000 | ,000 | ,000 | ,000 | ,000 | ,000 | ,000 |
| | | Upper Bound | ,000 | ,000 | ,000 | ,000 | ,000 | ,000 | ,000 | ,000 | ,000 | ,000 | ,000 |

a. Test distribution is Normal.
 b. Calculated from data.
 c. Lilliefors Significance Correction.
 d. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.

Source: Prepared by the Writer (SPSS 25, 2020)

The statistical analysis are using the Kolmogorov-Smirnov test in order to know whether the data is normally distributed or not. If the significant value is higher than 0.05, then the data is normally distributed.

b. Heteroscedasticity Test

The heteroscedasticity test is aimed to determine whether the data studied have any similarities or not from the observation. In this research, the writer will be using SPSS 25 to calculate the heteroscedasticity of the data. Where a good regression model does not contain any heteroscedasticity, as follows:

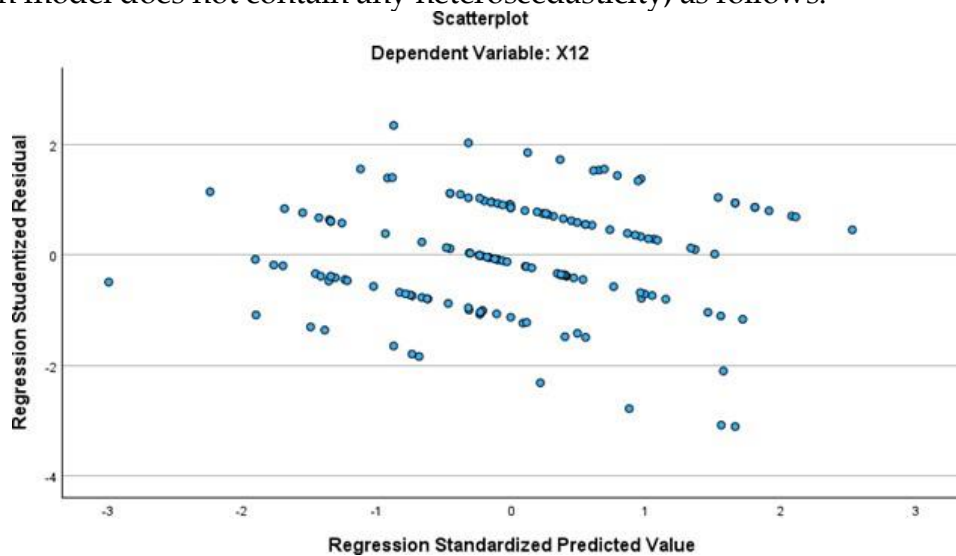


Figure 4. Scatterplot of Heteroscedasticity Test

Source: Prepared by the Writer (SPSS 25, 2020)

Based on Figure 4.3, shows that the scatterplot graph has no clear pattern and it is spread above and below zero, which means that there is no heteroscedasticity in this regression model.

c. Multicollinearity Test

The multicollinearity test is aimed to determine whether the data studied correlates with the independent variables in the regression model. In this research, the writer will be using SPSS 25 to calculate the multicollinearity of the data. Where a good regression model should not correlate with the independent variable, as follows:

Table 33. Multicollinearity Test

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -1,535 | 1,054 | | -1,457 | ,147 |
| | X1 | -,252 | ,176 | -,121 | -1,431 | ,155 |
| | X2 | ,170 | ,208 | ,078 | ,816 | ,416 |
| | X3 | ,328 | ,191 | ,168 | 1,718 | ,088 |
| | X4 | ,046 | ,222 | ,022 | ,209 | ,835 |
| | X5 | ,114 | ,193 | ,054 | ,591 | ,556 |
| | X6 | ,289 | ,172 | ,155 | 1,680 | ,095 |
| | X7 | ,059 | ,062 | ,081 | ,947 | ,345 |
| | X8 | -,242 | ,173 | -,128 | -1,399 | ,164 |
| | X9 | ,084 | ,121 | ,058 | ,690 | ,491 |
| | X10 | ,261 | ,172 | ,154 | 1,520 | ,131 |
| | X11 | ,311 | ,128 | ,225 | 2,436 | ,016 |

a. Dependent Variable: X12

CONCLUSION AND RECOMMENDATION**Conclusion**

This research has shed light on the intricate dynamics between product quality, service quality, social media advertisement, and customer loyalty in the context of Alligator Roastery. The findings provide valuable insights into the factors that influence customer loyalty and the interdependence of these variables. It is evident that both product quality and service quality play pivotal roles in fostering customer loyalty. Customers who perceive higher product quality and experience exceptional service are more likely to develop a sense of loyalty to Alligator Roastery. Moreover, social media advertisement has emerged as a critical tool in attracting and retaining customers in the digital age. Effective and engaging social media campaigns positively impact customer loyalty.

Recommendations

Continuous Improvement in Product Quality: Alligator Roastery should maintain its focus on consistently delivering high-quality products. Regularly assess and enhance the quality of coffee and associated products to meet or exceed customer expectations.

- **Service Excellence:** Investing in training and development programs for staff to ensure exceptional service quality is essential. Encourage employees to be courteous, attentive, and responsive to customer needs.
- **Strategic Social Media Engagement:** Alligator Roastery should continue to leverage social media platforms strategically. This includes creating engaging content, responding promptly to customer inquiries, and building an active online community. Regularly analyze the performance of social media campaigns to refine strategies for maximum impact.
- **Customer Feedback and Adaptation:** Actively seek customer feedback to identify areas for improvement in both product and service quality. Use this feedback to make informed adjustments to meet evolving customer preferences and needs.

- Loyalty Programs: Implement customer loyalty programs to reward repeat customers and encourage their continued patronage. These programs can include discounts, exclusive offers, or membership benefits.
- Competitive Analysis: Continuously monitor the strategies and practices of competitors in the coffee industry, especially those with successful customer loyalty programs. Learn from their successes and adapt where necessary.
- Long-Term Relationship Building: Understand that building customer loyalty is a long-term endeavor. Nurture relationships with customers through personalized interactions and by creating a sense of community around the brand.

FURTHER STUDY

This research still has limitations, so it is necessary to conduct research related to the topic of The Influence of Brand Image, Social Media Advertisement, and Word of Mouth Toward Customer Attraction in order to perfect this research and add insight for readers.

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