

**ANALYSIS OF THE INFLUENCE OF SERVICE QUALITY,
SOCIAL EXPERIENCE, AND PRICE FAIRNESS ON CUSTOMER
LOYALTY WITH CUSTOMER SATISFACTION AS A MEDIATING
VARIABLE AT LORONG KOPI JAKARTA**

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***Abstract:** This study aims to analyze the effects of Service Quality, Social Experience, and Price Fairness on Customer Loyalty with Customer Satisfaction as a Mediating Variable at Lorong Kopi Jakarta. The method used is quantitative research with Partial Least Square - Structural Equation Modeling (PLS-SEM) technique. Data were collected from 230 respondents who are participated in this research. All respondents were included in the actual test as they met the criteria, namely being customers from various generations who visited Lorong Kopi more than once a month. Additionally, the respondents had purchased coffee or other food and beverage menu items from Lorong Kopi and had interacted with its staff. The findings indicate that service quality, price fairness, and social experience positively influence customer satisfaction. Furthermore, customer satisfaction significantly impacts customer loyalty, both directly and indirectly through the mediation of price fairness. The study also highlights social experience as a relatively novel variable in the coffee shop context, showing its role in enhancing loyalty via improved satisfaction. These findings contribute to the theoretical understanding of customer loyalty and offer strategic insights for coffee shop businesses aiming to increase customer retention and profitability.*

***Keywords:** Customer Loyalty, Service Quality, Customer Satisfaction, Price Fairness, Social Experience, Coffee Shop.*

Abstrak: Penelitian ini bertujuan untuk menganalisis pengaruh Kualitas Layanan, Pengalaman Sosial, dan Kewajaran Harga terhadap Loyalitas Pelanggan dengan Kepuasan Pelanggan sebagai Variabel Mediasi di Lorong Kopi Jakarta. Metode yang digunakan adalah penelitian kuantitatif dengan teknik Partial Least Square - Structural Equation Modeling (PLS-SEM). Data dikumpulkan dari 230 responden yang berpartisipasi dalam penelitian ini. Semua responden diikutsertakan dalam pengujian aktual karena memenuhi kriteria, yaitu pelanggan dari berbagai generasi yang mengunjungi Lorong Kopi lebih dari sekali dalam sebulan. Selain itu, responden telah membeli kopi atau menu makanan dan minuman lainnya dari Lorong Kopi dan telah berinteraksi dengan stafnya. Temuan penelitian menunjukkan bahwa kualitas layanan, kewajaran harga, dan pengalaman sosial memengaruhi kepuasan pelanggan secara positif. Lebih lanjut, kepuasan pelanggan berdampak signifikan terhadap loyalitas pelanggan, baik secara langsung maupun tidak langsung melalui mediasi kewajaran harga. Penelitian ini juga menyoroti pengalaman sosial sebagai variabel yang relatif baru dalam konteks

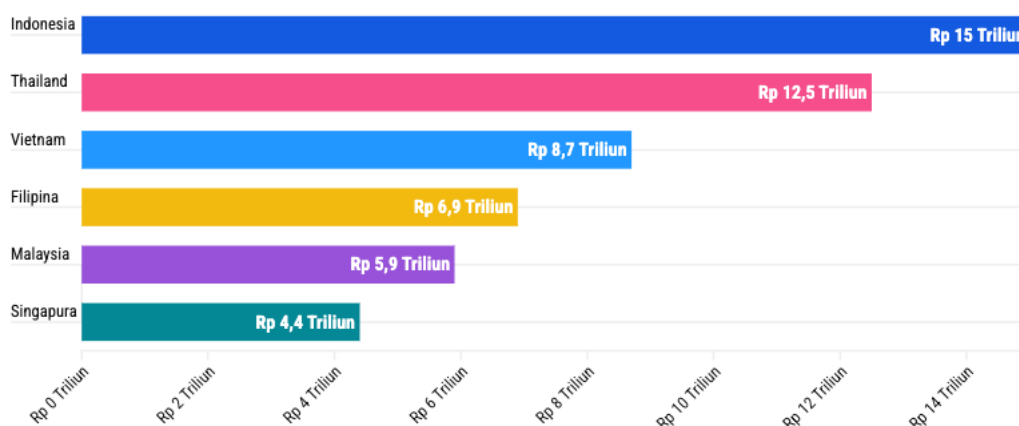
kedai kopi, yang menunjukkan perannya dalam meningkatkan loyalitas melalui peningkatan kepuasan. Temuan ini berkontribusi pada pemahaman teoritis tentang loyalitas pelanggan dan menawarkan wawasan strategis bagi bisnis kedai kopi yang bertujuan untuk meningkatkan retensi dan profitabilitas pelanggan.

Kata Kunci: Loyalitas Pelanggan, Kualitas Layanan, Kepuasan Pelanggan, Kewajaran Harga, Pengalaman Sosial, Kedai Kopi.

INTRODUCTION

Indonesia's coffee consumption has reached a peak in recent years, aligning with the rapid development of the modern coffee shop industry across the country. According to the 2023 report by Momentum Works, the Indonesian modern coffee market generated USD 947 million, equivalent to IDR 15 trillion, contributing approximately 27.7% to the total value of the Southeast Asian modern coffee market, which reached USD 3.4 billion. This achievement positions Indonesia as a dominant player in the regional coffee scene, driven by both aggressive market expansion and strategic networking with local coffee businesses.

Proyeksi Nilai Omzet Pasar Kopi Modern Terbesar di Asia Tenggara
Data per 2023



Sumber: Momentum Works (2023)

The growing coffee culture in Indonesia is not only reflected in production statistics but also in consumer behavior. A Snapcart (2023) survey revealed that 79% of Indonesians consume coffee at least once per day, with 63% preferring to enjoy their coffee at cafés or coffee shops rather than preparing it at home or buying it from

convenience stores. This consumer preference has contributed to the proliferation of coffee shops offering diverse concepts, menus, and customer experiences. Indonesia's strong position in global coffee production—ranked third in robusta and eleventh in arabica output—adds further strength to the domestic market. With 1.27 million hectares of coffee plantations, the country has the raw capacity to support a vibrant and competitive café industry.

Amid this growing landscape, coffee shops are challenged to maintain customer loyalty, particularly as the market becomes increasingly saturated. Various previous studies have emphasized the importance of service quality and price fairness in driving customer satisfaction and loyalty. For instance, research by Vepha San et al. (2022) and Dhisasmito & Kumar (2020) found that high-quality service and fair pricing positively influence customer loyalty in the café industry. Furthermore, Minh-Tri HA (2021) highlighted how positive customer experiences can foster satisfaction and long-term loyalty. Despite this, there remains a lack of empirical research on the specific impact of *social experience*—such as customer-to-customer and customer-to-employee interactions—on loyalty in the coffee shop context.

This study addresses this gap by examining the relationships between service quality, price fairness, and social experience on customer loyalty, with customer satisfaction acting as a mediating variable. The research focuses on Lorong Kopi, a minimalist-themed coffee shop in South Jakarta that is popular among younger demographics. Despite its popularity and strategic location near Ragunan Zoo and the TB Simatupang business area, Lorong Kopi experienced a sharp decline in customer visits and revenue in mid-2024. Monthly visits dropped from approximately 500 to 300, and monthly profits fell from IDR 30–40 million to just IDR 8–15 million. This decline was attributed to increasing competition from aesthetically appealing and more expansive coffee shops, as well as internal issues such as staff turnover and outdated menu offerings.

Moreover, customer feedback pointed to dissatisfaction with the unchanged atmosphere and lack of menu innovation. The departure of senior baristas due to management changes also led to inconsistencies in service quality and taste, further

reducing customer satisfaction and retention. These developments underscore the urgent need to identify the factors that significantly affect customer loyalty in an increasingly competitive market. By including social experience as a variable and using Lorong Kopi as a case study, this research seeks to enrich the theoretical understanding of customer loyalty and provide practical insights for coffee shop business strategies in Indonesia's evolving F&B industry.

Based on the background that has been presented, the research conducted was given the title: "Analysis of the Influence of Service Quality, Social Experience, and Price Fairness on Customer Loyalty with Customer Satisfaction as a Mediating Variable at Lorong Kopi Jakarta". This study uses an interval scale and is measured using indicator measurements of the variables in this study using a Likert scale, with five points describing attitudes with five levels. The levels are in order from number one strongly disagree, disagree, neutral, agree and five strongly agree (Sekaran and Bougie, 2016). The population in this study were included in the actual test as they met the criteria, namely being customers from various generations who visited Lorong Kopi more than once a month. Additionally, the respondents had purchased coffee or other food and beverage menu items from Lorong Kopi and had interacted with its staff and the sample used was 230 people.

RESEARCH METHOD

In this study is a type of quantitative research that uses data collection techniques in a certain period of time. Then the data will be processed, analyzed, and used to answer existing scientific questions. The object of research includes variables that are integrated in a conceptual framework for further analysis

This study aims to examine the influence of several independent variables—namely service quality, social experience, and price fairness—on customer loyalty in the context of a local coffee shop business. Furthermore, the study investigates the mediating role of customer satisfaction in the relationship between service quality and customer loyalty, as well as the mediating role of price fairness in the relationship between customer satisfaction and customer loyalty.

The primary dependent variables in this research are customer satisfaction and customer loyalty. As defined by Creswell (2014), a dependent variable is the observed outcome that is influenced or predicted by one or more independent variables. Babbie (2020) further clarifies that an independent variable functions as the cause, while the dependent variable represents the being measured.

Accordingly, the independent variables in this study include service quality, social experience, and price fairness. These variables are hypothesized to exert direct or indirect effects on the dependent variables. Independent variables play a pivotal role in quantitative research, as they are used to manipulate, predict, or explain variations in dependent variables (Sekaran & Bougie, 2016). In experimental or correlational research designs, independent variables must be measurable, potentially controllable, and causally related to the outcomes being studied.

For example, a coffee shop may alter its service delivery (service quality) to assess its impact on customer loyalty. Likewise, customer perceptions of fair pricing (price fairness) may directly influence satisfaction levels, which in turn affect loyalty. Independent variables in this context are expected to exhibit predictive power, causal relationships, measurability, and, when appropriate, manipulability. These criteria allow for robust testing of the hypothesized relationships using statistical techniques such as regression or structural equation modeling.

This conceptual framework is expected to provide theoretical insights and practical implications for understanding and enhancing customer loyalty in the coffee shop industry, particularly through the lens of service quality, emotional and social interactions, and perceived price fairness.

The data collection method used is primary data from Google Form and secondary data obtained from other sources, namely books, literature, previous research results, and other written documents.

This study uses a data analysis technique with a multivariate analysis approach which is then analyzed using the partial least square-structural equation modeling (PLS-SEM) analysis method based on variance. The model analysis in this study uses the second order PLS-SEM analysis method with SmartPLS software version 4.1.1.1.

RESULTS AND DISCUSSION

A. Respondent Profile

In this study, 230 respondents were used for the actual test conducted by the researcher. The data in this study were obtained from an online questionnaire. The respondents were included in the actual testing phase as they met the established criteria at Lorong Kopi Jakarta.

B. Outer Model

The measurement model performs an outer model test to ensure that the model is reliable and trustworthy. In the outer model test there are two, namely the validity and reliability tests. Validity and reliability tests are used to evaluate and test whether the indicators are valid and can be used to measure latent variables properly. In the validity test, we will see the outer loading and average variance extracted (AVE) values. The outer loading value must be >0.7 , while the AVE value must be >0.5 to be considered eligible. The following are the results of measuring the actual model using first order.

Variabel	Indikator	Outer Loading Factor ($>0,7$)	Average Variance Extracted (AVE) ($>0,5$)
Service Quality - Reliability	SQREL1	0.721	0.630
	SQREL2	0.902	
	SQREL3	0.840	
	SQREL4	0.905	
	SQREL5	0.890	
Service Quality - Responsiveness	SQRES6	0.718	
	SQRES7	0.907	
	SQRES8	0.786	
	SQRES9	0.850	
	SQRES10	0.883	

Service Quality Assurance	SQASR11	0.754	
	SQASR12	0.771	
	SQASR13	0.870	
	SQASR14	0.892	
	SQASR15	0.851	
Service Quality Empathy	SQEMP16	0.832	
	SQEMP17	0.784	
	SQEMP18	0.760	
	SQEMP19	0.859	
	SQEMP20	0.885	
Service Quality Tangible	SQTNG21	0.880	
	SQTNG22	0.839	
	SQTNG23	0.806	
	SQTNG24	0.757	
	SQTNG25	0.807	
Social Experience	SE1	0.926	0.783
	SE2	0.915	
	SE3	0.871	
	SE4	0.812	
	SE5	0.896	
Price Fairness	PF1	0.931	0.806
	PF2	0.872	
	PF3	0.921	
	PF4	0.866	
	PF5	0.898	

Customer Satisfaction	CS1	0.959	0.862
	CS2	0.942	
	CS3	0.891	
	CS4	0.921	
	CS5	0.928	
Customer Loyalty	CL1	0.910	0.818
	CL2	0.904	
	CL3	0.925	
	CL4	0.865	
	CL5	0.918	

The table above shows the results of convergent validity loading factor through first order and second order on all outer loading of >0.7 and AVE value on variables >0.5 . So it can be concluded that all variables in this study are valid.

Based on the outer loading validity test, it found that all outer loading values are greater than 0.7, which means they meet the validity criteria based on outer loading values. Next, a validity test is conducted based on the average variance extracted (AVE) value at the first-order level.

Tabel Pengujian validitas berdasarkan *Average Variance Extracted (AVE) (First Order)*

Variabel	Average variance extracted (AVE)
Customer Loyalty	0.718
Customer Satisfaction	0.725
Price Fairness	0.809
> SQ_Assurance	0.818
> SQ_Emphaty	0.774

> SQ_Reliability	0.760
> SQ_Responsiveness	0.786
> SQ_Tangible	0.798
Social Experience	0.786

The recommended AVE value is above 0.5. It is found that all AVE values are greater than 0.5, which means they meet the validity criteria based on AVE. This indicates that all variables meet valid criteria and can be further analyzed. Next, discriminant validity is assessed based on the Fornell & Larcker values and the heterotrait-monotrait (HTMT) ratio. The following are the two tables of discriminant validity.

Tabel Pengujian validitas diskriminan (*discriminant validity*): HTMT (*First Order*)

	Customer Loyalty	Customer Satisfaction	Price Fairness	SQ_Assurance	SQ_Empathy	SQ_Reliability	SQ_Responsiveness	SQ_Tangible
Customer Loyalty	0.749							
Customer Satisfaction		0.740						
Price Fairness			0.513					
SQ_Assurance				0.677				
SQ_Empathy					0.681			
SQ_Reliability						0.825		
SQ_Responsiveness							0.786	
SQ_Tangible								0.798

SQ_Reliability	0.668	0.471	0.464	0.822	0.832			
SQ_Responsiveness	0.677	0.417	0.471	0.819	0.824	0.846		
SQ_Tangible	0.663	0.418	0.427	0.820	0.839	0.830	0.850	
Social Experience	0.767	0.511	0.499	0.461	0.481	0.449	0.489	0.492

Based on the results of the discriminant validity test using the HTMT approach, it is found that all values are below 0.9, which means it can be concluded that the discriminant validity requirements have been met according to the HTMT approach.

Next is the reliability test. In this analysis, the results of the reliability test are seen from the cronbach's alpha and composite reliability values. The results of the reliability test are said to be reliable if the value is > 0.7 . The following is a table of the results of the first order and second order reliability tests.

Tabel Pengujian reliabilitas berdasarkan *Composite Reliability (CR)* dan *Cronbach's Alpha (CA)* (First Order)

Variabel	Cronbach's Alpha (CA)	Composite Reliability (CR)
Customer Loyalty	0.902	0.927
Customer Satisfaction	0.905	0.929
Price Fairness	0.941	0.955
> SQ_Assurance	0.944	0.958

> SQ_Emphaty	0.927	0.945
> SQ_Reliability	0.921	0.941
> SQ_Responsiveness	0.932	0.948
> SQ_Tangible	0.937	0.952
Social Experience	0.932	0.948

Tabel Pengujian reliabilitas berdasarkan *Composite Reliability (CR)* dan *Cronbach's Alpha (CA)* (Second Order)

Variabel	Dimensi	Cronbach's Alpha (CA)	Composite Reliability (CR)
Service Quality	Assurance	0.977	0.978
	Empathy		
	Reliability		
	Responsiveness		
	Tangible		

In the table above, it can be seen that the composite reliability value is greater than the Cronbach's alpha value, which is in accordance with the results of the study by Ghozali & Latan (2015). The table also presents the results of Cronbach's alpha and composite reliability which have values above 0.7 both in the first order and second order. Thus, all variables in this study are reliable. Thus, it can be concluded that all variables in this study pass the reliability test.

C. Inner Model

To predict the relationships between latent variables and to determine the direction of these relationships, it is necessary to test the structural model, also known as the inner model. Hypothesis testing was performed using the bootstrapping procedure in SmartPLS software. Bootstrapping is a resampling technique used to assess the significance and stability of the path coefficients within a structural model (Hair et al., 2019).

Coefficient of Determination (R-Square)

The coefficient of determination (R^2) is essential for evaluating the extent to which independent (exogenous) variables explain the variance in dependent (endogenous) variables. R^2 values range from 0 to 1, with values closer to 1 indicating a stronger explanatory power of the independent variables. Conversely, values closer to 0 suggest a weaker influence. According to Hair et al. (2021) and Sarstedt et al. (2017), the practical interpretation of R^2 values is as follows:

- $R^2 > 0.75$ indicates a **strong** level of explanatory power,
- $R^2 > 0.50$ indicates a **moderate** level, and
- $R^2 > 0.25$ indicates a **weak** level of explanatory power.

Tabel Nilai R-square (R^2)

Variabel	R-Square
Customer Satisfaction	0.285
Price Fairness	0.229
Customer Loyalty	0.723

Based on the results shown in the table above, the R^2 value for the **Customer Satisfaction** variable is **0.285**, indicating that **Service Quality** and **Social Experience** explain **28.5%** of the variance in Customer Satisfaction. This level of explanatory power is considered **weak**, and the remaining **71.5%** of the variance can be attributed to other variables not included in this study.

The R^2 value for the **Price Fairness** variable is **0.229**, meaning that **Customer Satisfaction** accounts for **22.9%** of the variance in Price Fairness. This also reflects a **weak explanatory power**, with **77.1%** of the variation being influenced by factors outside the scope of the current model.

Meanwhile, the R^2 value for the **Customer Loyalty** variable is **0.723**, which indicates that **Service Quality**, **Customer Satisfaction**, and **Price Fairness** together explain **72.3%** of the variance in Customer Loyalty. This represents a **moderate to strong** level of explanatory power, suggesting that the independent variables in the model play a significant role in shaping customer loyalty.

These results are interpreted based on the classification by Hair et al. (2021) and Sarstedt et al. (2017), which categorize R^2 values above 0.75 as strong, above 0.50 as moderate, and above 0.25 as weak.

Coefficient of Relevance (Q-Square)

The Q-square (Q^2) value is used to assess the predictive relevance of a model, specifically evaluating how well the independent (exogenous) variables predict the dependent (endogenous) variables. The Q^2 value is interpreted using the following thresholds:

- A Q^2 value between **0 and 0.25** indicates **weak predictive relevance**,
- A Q^2 value between **0.25 and 0.50** suggests **moderate predictive relevance**, and
- A Q^2 value **greater than 0.50** denotes **strong predictive relevance**.

Moreover, the closer the Q^2 value is to 1, the higher the model's accuracy in predicting relevance (Hair et al., 2021). Thus, a higher Q^2 indicates that the model has substantial predictive validity with respect to the endogenous constructs.

Tabel Nilai Q-square (Q^2)

Variabel	Q-Square
Customer Satisfaction	0.200

Price Fairness	0.183
Customer Loyalty	0.509

In the calculation of the Q-Square (Q^2) value, the result for customer satisfaction is 0.200, which means that service quality and social experience have the ability to predict the relevance of customer satisfaction. Then, the Q-Square (Q^2) value for price fairness is 0.183, indicating that customer satisfaction has predictive relevance for price fairness. Meanwhile, the Q-Square (Q^2) value for customer satisfaction of 0.509 means that service quality, customer satisfaction, and price fairness have the ability to predict the relevance of customer satisfaction.

D. Hypothesis Testing

The next step in the data analysis process, following the assessment of the outer and inner models, is to examine the relationships and significant effects among the variables. The significance testing between variables utilizes the bootstrapping method processed through SmartPLS. The results of this calculation indicate whether the hypotheses are accepted or rejected. Since the hypothesized effects are directional (positive or negative), a one-tailed statistical test is employed in this study. According to Hair et al. (2022), a one-tailed test is appropriate when the research hypothesis is directional, meaning the researcher predicts a relationship between two constructs, thereby allowing for greater statistical power. A hypothesis is accepted if the T-statistic exceeds the critical T-value (T-table). In this study, the significance level is set at 5%, corresponding to a T-table value of 1.647. If the T-statistic is less than the T-table value, the hypothesis is rejected, indicating no significant effect. The following section presents the results of the path coefficient analysis and the significance of the relationships tested.

Tabel Uji Path Coefficient dan Signifikan Pengaruh

Hipotesis	Path	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T- Statistics	P- Values
H1	Service Quality → Customer Satisfaction	0.281	0.272	0.128	2.196	0.014
H2	Service Quality → Customer Loyalty	0.365	0.359	0.102	3.562	0.000
H3	Customer Satisfaction → Price Fairness	0.479	0.479	0.089	5.401	0.000
H4	Customer Satisfaction → Customer Loyalty	0.352	0.350	0.094	3.727	0.000
H5	Price Fairness → Customer Loyalty	0.342	0.342	0.095	3.611	0.000
H6	Social Experience	0.337	0.340	0.120	2.819	0.003

	→ Customer Satisfaction					
H7	Service Quality → Customer Satisfaction → Customer Loyalty	0.099	0.097	0.056	1.777	0.038
H8	Customer Satisfaction → Price Fairness → Customer Loyalty	0.164	0.165	0.060	2.737	0.003

In the table above, it can be seen that the first hypothesis examines the effect of service quality on customer satisfaction, yielding a T-statistic of 2.196, which exceeds the critical T-value of 1.647 ($2.196 > 1.647$), with a standard deviation coefficient of 0.128. Additionally, the P-value is 0.014, which is less than the 0.05 significance threshold. Thus, it can be concluded that service quality has a positive and significant effect on customer satisfaction.

Furthermore, the second hypothesis tests the influence of service quality on customer loyalty, with a T-statistic of $3.562 > 1.647$ and a standard deviation coefficient of 0.102. The P-value of $0.000 < 0.05$ further supports this finding, indicating a positive and significant effect of service quality on customer loyalty.

For the third hypothesis, the relationship between customer satisfaction and price fairness was examined. The results show a T-statistic of $5.401 > 1.647$, a standard deviation coefficient of 0.089, and a P-value of $0.000 < 0.05$, confirming that customer satisfaction positively and significantly influences price fairness.

The fourth hypothesis assesses the impact of customer satisfaction on customer loyalty, revealing a T-statistic of $3.727 > 1.647$, a standard deviation coefficient of 0.094, and a P-value of $0.000 < 0.05$. Therefore, customer satisfaction is positively and significantly related to customer loyalty.

The fifth hypothesis explores the effect of price fairness on customer loyalty. The analysis yields a T-statistic of $3.611 > 1.647$, a standard deviation coefficient of 0.095, and a P-value of $0.000 < 0.05$, indicating a significant positive effect of price fairness on customer loyalty.

The sixth hypothesis evaluates the influence of social experience on customer satisfaction, with a T-statistic of $2.819 > 1.647$, a standard deviation coefficient of 0.120, and a P-value of $0.003 < 0.05$. This confirms that social experience positively and significantly affects customer satisfaction.

The seventh hypothesis examines the mediating role of customer satisfaction between service quality and customer loyalty. The T-statistic of $1.777 > 1.647$, standard deviation coefficient of 0.056, and P-value of $0.038 < 0.05$ suggest that customer satisfaction significantly mediates the relationship between service quality and customer loyalty.

Then the eighth hypothesis assesses price fairness as a mediator between customer satisfaction and customer loyalty. The T-statistic of $1.777 > 1.647$, standard deviation coefficient of 0.056, and P-value of $0.038 < 0.05$ indicate that price fairness significantly mediates the relationship between customer satisfaction and customer loyalty

CONCLUSION AND SUGGESTIONS

This study investigates the influence of service quality, customer satisfaction, price fairness, and social experience on customer loyalty. It also examines the mediating roles of customer satisfaction (between service quality and customer loyalty) and price fairness (between customer satisfaction and customer loyalty) at Lorong Kopi Café. The discussion below interprets the empirical findings in the context of the proposed hypotheses and prior literature.

The Influence of Service Quality on Customer Satisfaction

Based on the results of the analysis of the first hypothesis, it can be concluded that service quality has a positive and significant effect on customer satisfaction. This supports the hypothesis, indicating that better-structured service delivery processes contribute significantly to enhancing customer satisfaction. This is consistent with prior studies that link high service quality to improved satisfaction in service-based settings (Parasuraman, Zeithaml, & Berry, 1988).

The Influence of Service Quality on Customer Loyalty

Based on the results of the analysis of the second hypothesis, it can be concluded that service quality positively and significantly impacts customer loyalty. Enhancements in service dimensions such as reliability, assurance, tangibles, empathy, and responsiveness increase the likelihood of customer retention. Zeithaml et al. (1996) argue that perceived high service quality strengthens customer loyalty through positive word-of-mouth, repeat purchases, and willingness to pay premium prices.

The Influence of Customer Satisfaction on Price Fairness

Based on the results of the analysis of the third hypothesis, it can be concluded that customer satisfaction positively affects price fairness perception. Customers who are satisfied are more likely to accept prices as fair. This aligns with Martin et al. (2009), who found that satisfaction enhances perceived price fairness, which in turn reinforces loyalty. Homburg et al. (2005) also observed that satisfied customers show higher price tolerance and more favorable fairness perceptions.

The Influence of Customer Satisfaction on Customer Loyalty

Based on the results of the analysis of the fourth hypothesis, it can be concluded that a positive and significant relationship between customer satisfaction and customer loyalty. When satisfaction is achieved, it fosters a deeper emotional connection and loyalty to the brand. Tuan (2016) emphasizes that satisfaction acts as a critical mediator between internal service mechanisms and loyalty outcomes, further validating the importance of customer satisfaction as a strategic focus.

The Influence of Price Fairness on Customer Loyalty

Based on the results of the analysis of the fifth hypothesis, it can be concluded that price fairness significantly contributes to customer loyalty. Customers who perceive pricing as fair are more likely to continue their patronage. Nathalia and Diayudha (2024), in a study on Starbucks consumers, demonstrated that perceived price fairness affects loyalty both directly and indirectly through customer satisfaction. Githiri (2018) also found that fair pricing is a strong predictor of loyalty behavior, such as repurchasing.

The Influence of Social Experience on Customer Satisfaction

Based on the results of the analysis of the sixth hypothesis, it can be concluded that social experience encompassing social interaction, social environment, and social atmosphere positively influences customer satisfaction. This is consistent with the findings of Yu Li and Yuan Lee (2016), who showed that experiential consumption enhances satisfaction in hospitality settings. Ogunnaike et al. (2022) further noted that customer satisfaction mediates the relationship between social experience and loyalty, with a notable 61% effect.

The Mediating Role of Customer Satisfaction Between Service Quality and Customer Loyalty

Based on the results of the analysis of the seventh hypothesis, it can be concluded that customer satisfaction mediates the relationship between service quality and customer loyalty. Improved service quality alone does not guarantee loyalty; rather, its effect is transmitted through customer satisfaction. Solimun and Fernandes (2018) found a similar mediating role of satisfaction among Telkomsel customers in Indonesia, concluding that service quality enhances satisfaction, which then drives loyalty.

The Mediating Role of Price Fairness Between Customer Satisfaction and Customer Loyalty

Based on the results of the analysis of the eighth hypothesis, it can be concluded that customer satisfaction mediates the influence of price fairness on customer loyalty. When customers are satisfied, their perception of price fairness enhances loyalty. This is echoed by Nathalia and Diayudha (2024), who emphasized the importance of fair pricing

as a strategic tool for fostering both satisfaction and loyalty, particularly in premium café settings like Starbucks.

Conclusion and Suggestion Conclusion

This study examined the influence of Service Quality, Price Fairness, and Social Experience on Customer Loyalty, with Customer Satisfaction as a mediating variable, using data from Lorong Kopi customers in South Jakarta. The results from PLS-SEM analysis confirmed that all variables have a positive and significant impact on customer loyalty, either directly or through mediation. Specifically, service quality and social experience enhance satisfaction, while satisfaction positively influences perceptions of price fairness and loyalty. Both mediation paths through satisfaction and price fairness were also statistically supported.

These findings highlight the importance of integrating emotional and experiential value in customer relationship strategies, beyond just functional service improvements. While service quality and fair pricing remain essential, the social experience emerged as a key driver of satisfaction and loyalty in the coffee shop context. Businesses in the food and beverage sector are advised to prioritize these dimensions to build long-term customer engagement and competitive advantage.

Suggestion

Based on the research that has been conducted, it is recommended that coffee shop businesses optimize strategies that enhance service quality, ensure price fairness, and foster a positive social experience. These factors have been shown to significantly influence customer satisfaction and customer loyalty. Management should invest in structured service training, transparent pricing policies, and design store environments that encourage social interaction, thereby reinforcing customer satisfaction and encouraging repeat visits.

For future researchers, it is advisable to expand the study across different regions, customer demographics, or other types of food and beverage establishments to improve generalizability. In addition, incorporating moderating variables such as brand image, emotional connection, or digital engagement may provide deeper insights into the

dynamics between service-related factors and customer loyalty. Longitudinal studies could also help evaluate how these relationships evolve over time.

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