The Effect of Service Quality and Customer Relationship Management Towards Customer Loyalty
(Case Study on Customer GTT Café Mojokerto)

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Abstract— **This study aims to determine the effect of service quality and customer relationship management on customer loyalty at GTT Café Mojokerto. The population used is all consumers of GTT Café Mojokerto who have visited more than once, while the sample set by the researcher is 124 consumers who have visited at least twice. Data collection techniques in this study were taken by distributing questionnaires to customers who were there and measured based on a Likert scale. The variables used are service quality and customer relationship management as independent variables and customer loyalty as the dependent variable. Furthermore, the researcher processed the data using the SPSS 25 program to obtain significant results in the study. Based on the results of the research analysis, it is obtained the hypothesis that service quality has an effect on customer loyalty and customer relationship management has an effect on customer loyalty and the two variables simultaneously influence customer loyalty so that it can be said that all independent variables influence the dependent variable partially or simultaneously.**

Keywords— *Customer Loyalty, Customer Relationship Management, Service Quality, Café, Consumer.*

1.   Introduction

GTT Café is a café located in Mojokerto. This cafe serves Trawas specialty coffee on the slopes of Mount Penanggungan which serves coffee with natural exoticism, called GTT Café. GTT Café is able to survive in the coffee industry competition, although many other brands have sprung up, GTT Café's customers are still loyal. Some of the efforts to implement customer relationship management at Gartenhutte Café are implementing a culture of greetings, greetings, and smiles that aim to provide comfort to customers. Interaction with customers is also not only face-to-face, but GTT Café also provides information regarding café facilities on their official website. To make it easier for potential consumers to know about the products and facilities at GTT Café. Customers can also provide criticism and suggestions to improve the management of GTT Café. Through a customer relationship management strategy, it is easier for companies to maintain relationships with customers creating loyalty.

2.   Literature Review

2.1.   Previous Research

A study conducted by Adrian (2017) entitled "Pengaruh Customer Relationship Management dan Service Quality sssterhadap Loyalitas Pelanggan Kafe Rumah Lama, Jembatan Lima, Jakarta Barat". Get the results that Customer Relationship Management and Service Quality affect customer loyalty with a correlation interval of 0.909 and a coefficient of determination of 82.6%. The second study by Saputri et al. (2020) with the title "Pengaruh Customer Relationship Management dan Kualitas Layanan Terhadap Kepuasan dan Loyalitas Pelanggan Media Advertising di Samarinda". The result of this research is that the quality of service and facilities has a positive and significant effect on customer satisfaction. And it was found that customer satisfaction also has a positive and significant effect on customer loyalty. The third study by Ledia (2020) entitled "Pengaruh Customer Relationship Management (CRM) pada Kepuasan Dan Loyalitas Pelanggan di Fore Coffee". The results of this paper indicate that (1) customer relationship management (CRM) has a significant effect on customer satisfaction; (2) CRM has a significant effect on customer loyalty; and (3) customer satisfaction has a significant effect on customer loyalty. Wijaya, et al. (2019) with the title "Pengaruh Customer Relationship Management dan Service Quality dalam Upaya Peningkatan Kepuasan dan Loyalitas Nasabah Bank Central Asia Kota Pekanbaru". The results show that: (1) Customer

relationship management has a significant positive effect on BCA customer satisfaction, (2) Service quality has a significant positive effect on BCA customer satisfaction and BCA customer loyalty (Sondakh, 2014).

2.2. Theoretical basis

2.2.1. Service Quality

According to Ardiansyah, Ariyanti, dan Wahyudien (2017, p. 46; 2017; 2015), service quality is a form of consumer assessment of the level of service perceived (perceived service) with the level of service expected (expected value). Service quality is centered on efforts to fulfill needs and desires as well as the accuracy of delivery to balance customer expectations (Tjiptono & Chandra, 2011). Several factors affect the quality of a service, namely expected service, and perceived service. If the service received is by what is expected, then the service is said to be good or positive. If the perceived service exceeds the expected service, then the service quality is perceived as an ideal quality. On the other hand, if the perceived service is worse than the expected service, then the service quality is perceived to be negative or bad.

2.2.2. Customer Relationship Management

Customer relationship management is the process of managing detailed information about each customer and carefully managing all customer touchpoints to maximize customer loyalty (Kotler & Keller, 2012, p. 138; Rachmawati & Suhartuti, 2016). According to Kumar and Reinartz (2018, p. 64), customer relationship management has three main interrelated aspects, namely employees, processes, and technology. In the company's operational activities, customer relationship management can improve the company's internal operational efficiency (Kumar & Reinartz, 2018). Customer relationship management is able to make companies redesign their operational activities to be more efficient such as marketing and customer support, front office efficiency, and sales force productivity which can reduce costs related to customers (Imasari & Nursalin, 2011; Keshavarz et al., 2016; Kumar & Reinartz, 2018, p. 75).

2.2.3. Customer loyalty

According to Tamadesha and Istiharini (2018), customer loyalty has loyal customers is the ultimate goal of all companies. Indicators or measures of customer loyalty according to Kotler and Keller (2012, p. 57), are repeat purchases, retention (resistance to negative influences on the company), referrals (referencing the total existence of the company).

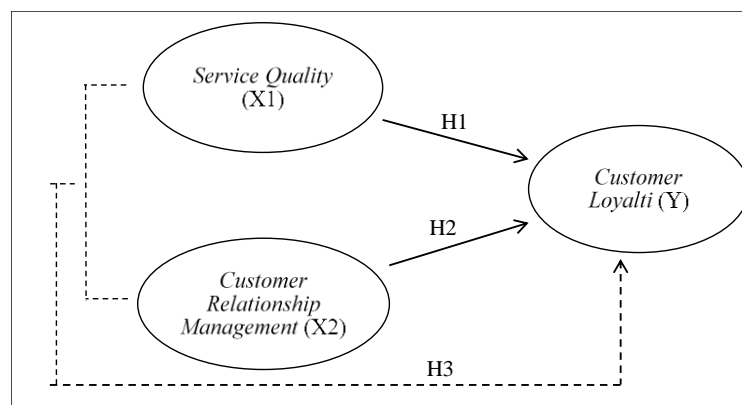## 3. Research Methods
3.1. Analysis Model

Figure 3.1. Conceptual Framework

3.2. Writing Design

The approach used is a quantitative method. The type of writing used is explanatory research. Explanatory writing is writing that is used to explain the position of the variables studied, intending to explain the influence between one variable and another (Sugiyono, 2018, p. 92). The data analysis technique used multiple linear regression, classical assumption test, and hypothesis testing with the help of the SPSS 25 program (Ghozali, 2016). The data collection method in this paper uses a direct survey method, namely distributing questionnaires directly or face to face with respondents who meet the requirements and are easy to find. The population used in this paper is consumers who come to Gartenhutte Café. The population in this paper is 180 visitors. To determine the sample size

using the Slovin formula. Determined with an error rate of 5% or 0.05 and calculated using the Slovin formula, the number of samples studied amounted to 124 respondents.

4. Result and Discussion

4.1. Technical Analysis of Respondent Characteristics Data

Based on the results of data collection, it can be seen that the male respondents are 41 (33.1%), and female respondents are 83 people (66.9%). Respondents aged less than 30 years had a high percentage of 74 (59.7%), and respondents aged 30 years had a low percentage of 50 people (40.3%).

4.2. Validity and Reliability Test Results

4.2.1. Validity test

Table 4.1. Validity Test Results

No item	Variable	Correlation (r)	Significant	Description
1	Service Quality (X_1)	0,783	0,000	Valid
2		0,766	0,000	Valid
3		0,775	0,000	Valid
4		0,846	0,000	Valid
5		0,806	0,000	Valid
1	Customer Relationship Management (X_2)	0,719	0,000	Valid
2		0,817	0,000	Valid
3		0,896	0,000	Valid
4		0,828	0,000	Valid
1	Customer Loyalty (Y)	0,878	0,000	Valid
2		0,910	0,000	Valid
3		0,483	0,007	Valid
4		0,825	0,000	Valid

Source: **Processed Data (2020)**

Table 4.1 shows that the correlation between each statement item on the total score of each variable shows significant results, and shows that r with a significance value of 0.05. So it can be concluded that all question items are declared valid.

4.2.1. Validity test

Table 4.2. Reliability Test Results

Variable	Indicator	Cronbach Alpha if item deleted	Cronbach's Alpha	Description
Service Quality (X_1)	X1.1	0,830	0,854	Reliable
	X1.2	0,837		
	X1.3	0,828		
	X1.4	0,805		
	X1.5	0,818		
CRM (X_2)	X2.1	0,817	0,830	Reliable
	X2.2	0,778		
	X2.3	0,722		
	X2.4	0,772		
Customer Loyalty (Y)	Y1	0,675	0,800	Reliable
	Y2	0,658		
	Y3	0,757		
	Y4	0,732		

Source: **Processed Data (2020)**

The results of the reliability test indicate that all variables have a large enough alpha coefficient, which is above 0.6 so that it can be said that all measuring concepts of each variable from the questionnaire are reliable so that furthermore the items in each concept of the variable are suitable to be used as measuring tools.

4.3. Classic Assumption Test Results

4.3.1 Normality Test

Table 4.3. Normality Test Results

		Unstandardized Residual
N		124
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.06882728
Most Extreme Differences	Absolute	0,068
	Positive	0,034
	Negative	-0,068
Test Statistic		0,068
Asymp. Sig. (2-tailed)		0,200[c]

Source: **SPSS Annex 22 (2021)**

Based on the Kolmogorov-Smirnov test in Table 4.3, the Asymp-Sig value is obtained. (2-tailed) of 0.200 This value is greater than = 0.05 because the significant value is greater than = 0.05, it can be concluded that the assumption of residual normality is met.

4.3.2 Multicollinearity Test

Table 4.4. Multicollinearity Test Results

No	Independent variable	Mark Tolerance	VIF Value
1	Service Quality (X_1)	0.394	2.538
2	Customer Relationship Management (X_2)	0.394	2.538

Source: **Processed Data (2021)**

Based on Table 4.4 shows that the VIF value of all independent variables in this paper is less than 10 while the tolerance value of all independent variables is more than 10% which means there is no correlation between independent variables, thus it can be concluded that there are no symptoms of multicollinearity between independent variables in the model. regression.

4.3.3 Heteroscedasticity Test

Table 4.5. Heteroscedasticity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0,854	0,451		1,896	0,060
Service Quality	0,037	0,037	0,138	0,977	0,331
Customer Relationship Management	-0,040	0,046	-0,124	-0,876	0,383

Source: **SPSS Output Appendix (2021)**

Based on Table 4.5 shows that the significant value of 0.05 shows clearly that there is no heteroscedasticity so that the regression model is feasible to use.

4.3.4 Linearity Test

Table 4.6. Linearity Test Results

Variable	F	Sig
Service Quality * Service Quality	2.975	0,003
Service Quality * Customer Relationship Management	4.549	0,000

Source: **Processed Data (2021)**

Based on Table 4.6, it can be seen that all have a significance value of <0.05, which means that all variables do not have a linear relationship with the dependent variable.

4.4 Hypothesis Testing

4.4.1. Multiple Linear Regression Analysis Results

Table 4.7. Multiple Linear Regression Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2,996	0,748		4,006	0,000

X1	0,427	0,062	0,548	6,864	0,000
X2	0,311	0,076	0,328	4,111	0,000

Source: **Processed Data (2021)**

Based on the results of the regression analysis presented in Table 4.7, the following equation is obtained:

$$\hat{Y} = 2.996 + 0,427X_1 + 0,311X_2 + €$$

The interpretation of the equation obtained through this paper is the regression equation showing that service quality and CRM have a positive relationship, meaning that when service quality and CRM increase, customer loyalty also increases, and vice versa.

4.4.2. Hypothesis Testing with t-Test

Table 4.8. Hypothesis Testing Results with t-Test

Variable	t Value	Significant
Service Quality (X_1)	6.864	0.000
Customer Relationship Management (X_2)	4,111	0.001

Source: **Processed Data (2021)**

Based on Table 4.5, the following can be explained:

a. First Hypothesis Testing (H1)

Variable quality of service (X_1) has the value t_{hit} 6.864 and significance of 0.000 <0.05, thus it can be stated that the quality of services and significant positive effect on customer loyalty. The better the quality of service, the stronger the customer loyalty.

b. Second Hypothesis Testing (H2)

The customer relationship management variable (X_2) has at $_{hit}$ value of 4.111 and a significance of 0.000 < 0.05. Thus, it can be stated that customer relationship management has a positive and significant effect on customer loyalty. The better customer relationship management, the more customer loyalty will be.

4.4.3. F Test (Simultaneous Test)

Table 4.9. F. Test Results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	369,476	2	184,738	131,185	0,000[b]
	Residual	170,395	121	1,408		
	Total	539,871	123			

Source: **Processed Data (2021)**

Based on Table 4.9, it can be seen that all independent variables have a significance value of <0.05, which means that all independent variables, namely service quality, and customer relationship management simultaneously or together have a significant influence on the dependent variable, namely customer loyalty.

4.4.4. Coefficient of Determination (R^2)

Table 4.10. Coefficient of Determination (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0,827[a]	0,684	0,679	1,187	2,104

Source: **Processed Data (2021)**

Terminated coefficient (R^2) in this paper amounted to 0.679 means customer loyalty through writing is influenced by the variable quality of service and customer relationship management amounted to 67.9%, and the rest influenced by other factors not examined in this study, ie 100% - 67.9% = 32.1%.

5. Conclusions and Practical Implication
5.1. Conclusions

Based on the results of the analysis and discussion of the data, the authors obtained the following conclusions:

1. Service quality has a positive and significant effect on customer loyalty.
2. Customer relationship management has a positive and significant effect on customer loyalty.
3. Service quality and customer relationship management affect customer loyalty at GTT Café Mojokerto.

5.2. Practical Implication

Tabel 5.1. Implications of Writing Results

Writing Variables	Before Writing	After Writing
Service quality	The quality of service at GTT Café is good, this proves the results of customer loyalty who are willing to go far to come back.	The quality of service at GTT Café is better, this is because all waiters pay more attention to the quality of serving customers.
Customer Relationship Management	Customer relationship management at GTT Café is a bit bad because it can be seen from the annual turnover that it always decreases.	The customer relationship management at GTT Café has improved slightly because the management of GTT Café has improved in terms of employees and has provided several promos for old customers.

Source: **Processed Data (2021)**

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