# BUILDING CAFÉ CUSTOMER LOYALTY: SYNERGISTIC ANALYSIS OF SERVICE QUALITY, PRICE FAIRNESS AND WORD OF MOUTH

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#### **ABSTRACT**

The purpose of this study is to examine how word-of-mouth (WOM) in Indonesia's café business is impacted by consumer attitudes, shop environment, pricing fairness, service quality, and product quality. The primary theoretical framework used in the research is the Theory of Planned Behavior (TPB), which focuses on the ways in which these factors impact consumer attitudes and word-of-mouth (WOM). Purposive sampling was used in the survey process, and 260 respondents were chosen depending on whether they had visited or made purchases from Lawson Café, McCafé, or Starbucks in the three months before. An online survey was used to gather data, and AMOS 26 software's Structural Equation Modeling (SEM) was used for analysis. The findings show that although service and product quality have no discernible effects on consumer preferences, pricing fairness and shop environment do. Favorable consumer perceptions of cafés greatly influence favorable word-of-mouth. The research also shows that fair prices and shop ambiance are important factors in influencing consumers' emotional experiences and influencing their propensity to refer friends to cafés. This study offers useful recommendations for café owners looking to improve customer experiences via marketing tactics that emphasize reasonable prices and a welcoming environment.

Keywords: Café Industry; Customer Attitudes; Price Fairness; Store Atmosphere, Word of Mouth

## **ABSTRAK**

Tujuan penelitian ini adalah untuk mengkaji bagaimana word-of-mouth (WOM) dalam bisnis kafe di Indonesia dipengaruhi oleh sikap konsumen, suasana toko, keadilan harga, kualitas layanan, dan kualitas produk. Kerangka teori utama yang digunakan dalam penelitian ini adalah Theory of Planned Behavior (TPB), yang berfokus pada cara faktor-faktor tersebut memengaruhi sikap konsumen dan word-ofmouth (WOM). Penelitian ini menggunakan metode purposive sampling dalam proses survei, dengan memilih 260 responden berdasarkan apakah mereka pernah mengunjungi atau melakukan pembelian di Lawson Café, McCafé, atau Starbucks dalam tiga bulan terakhir. Data dikumpulkan melalui survei online, dan analisis dilakukan menggunakan Structural Equation Modeling (SEM) dengan perangkat lunak AMOS 26. Hasil penelitian menunjukkan bahwa kualitas layanan dan kualitas produk tidak memiliki pengaruh yang signifikan terhadap preferensi konsumen, tetapi keadilan harga dan suasana toko memiliki pengaruh yang signifikan. Persepsi positif konsumen terhadap kafe sangat berkontribusi pada word-of-mouth yang positif. Penelitian ini juga menunjukkan bahwa harga yang adil dan suasana toko yang nyaman merupakan faktor penting dalam memengaruhi pengalaman emosional konsumen dan

kecenderungan mereka untuk merekomendasikan kafe kepada teman-teman mereka. Studi ini memberikan rekomendasi yang berguna bagi pemilik kafe yang ingin meningkatkan pengalaman pelanggan melalui strategi pemasaran yang menekankan harga yang wajar dan lingkungan yang ramah.

Kata kunci : Industri Kafe; Keadilan Harga; Sikap Pelanggan; Suasana Toko; Word of Mouth

#### INTRODUCTION

The growth of the global population, particularly in Indonesia, has driven the rapid development of the entertainment industry. According to data from Worldometers (2023), Indonesia has a population of 282 million people, accounting for 3.51% of the global population, making it the fourth most populous country in the world (worldometer, 2023). With their busy daily routines, Indonesians seek entertainment that provides comfort and enjoyable social experiences. One popular form of entertainment is cafés (Hidayat & Hasbi, 2022; Musfialdy & Lusrivirga, 2021; Widyaningsih et al., 2022). Cafés have evolved into favorite spots for many individuals to relax, work, or study due to their comfortable atmosphere and stable internet access (Gede et al., 2021). This trend is further supported by the vibrant social life among young people, who find it easier to form friendships and build positive social relationships. However, alongside the growth in the number of cafés, competition among them has intensified (Putri et al., 2023). This demands that each café creates a unique experience to attract customers and remain relevant in a competitive market.

Even though cafés are becoming more and more popular, their performance depends on both customer pleasure and loyalty in addition to the volume of patrons they get (Ge et al., 2021; Uslu & Eren, 2020). Many cafés still struggle to fully comprehend the demands of their patrons. Negative opinions about the café's services, goods, or atmosphere may arise from failing to live up to client expectations (Pratiwi et al., 2022; Samsa, 2023). Furthermore, cafés must comprehend how these factors affect consumer sentiments and eventually promote favorable word-of-mouth (WOM) in light of heightened competition (Cantallops et al., 2020).

Ajzen's (2020) Theory of Planned Behavior (TPB) serves as the foundation for this investigation (Cuandra, 2020; Febiunca & Yulianti, 2024). Perceived behavioral control (PBC), subjective norms, and attitude toward the activity are the three primary aspects that impact an individual's behavioral intention, according to TPB. According to

Marcinkowski & Reid (2019), views are influenced by the perception that certain actions will result in favorable consequences. Subjective norms show how social influences, such as encouragement from friends and family, affect a person's conduct (Wu et al., 2021). Conversely, a person's confidence in their capacity to carry out a certain activity is known as perceived behavioral control (Ajzen, 2020). TPB is a useful theoretical framework for comprehending the connections between these factors.

This study is similar to earlier research in that it focuses on how different variables affect word-of-mouth (WOM) and consumer loyalty. Relevant to the café sector, Hossain et al. (2021) emphasized the effects of service fairness and quality on client loyalty and satisfaction. In line with this study's analysis of the connection between customer attitudes and WOM, Lee & Kim (2022) investigated how service quality affects customer relationships and repurchase behavior. This study's emphasis on the impacts of service quality, pricing fairness, shop environment, and customer attitudes on WOM in the café business is closely connected to Han et al.'s (2020) investigation of the function of price perception and service quality in creating WOM. But by taking a more complete approach and thoroughly examining how these characteristics work together in the setting of Indonesian cafés, this study provides fresh perspectives that haven't been thoroughly examined in earlier research.

This study's goal is to examine how word-of-mouth (WOM) in Indonesia's café business is impacted by consumer attitudes, shop environment, pricing fairness, service quality, and product quality. Therefore, it seeks to provide a thorough grasp of the elements influencing café success in a cutthroat industry. This study adds to the body of knowledge on the effects of these elements in the food service sector in addition to providing useful suggestions for café managers looking to improve customer experiences. This research offers methods for enhancing client loyalty and producing favorable word-of-mouth (WOM), which may boost brand recognition and café competitiveness in the marketplace.

# LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT Theory of Planned Behavior

A theoretical framework known as the Theory of Planned Behavior (TPB) describes the variables affecting people's intentions and actions. TPB asserts that three primary factors, attitude toward behavior, subjective standards, and perceived

behavioral control (PBC), have an impact on an individual's behavioral intentions (Kim et al., 2023) (Kim et al., 2023). The conviction that a certain activity will result in favorable consequences shapes one's attitude toward conduct (Ajzen, 2020). Subjective norms originate from normative views about the behavior and expectations of significant social groups, including friends or family (Kim et al., 2023). According to Sharma et al. (2022), control beliefs, which include elements that help or impede the performance of an activity, have an impact on perceived behavioral control. All things considered, TPB claims that people are more likely to adopt a habit if they have a positive outlook, feel in control of the activity, and get social support.

# **Service Quality**

In order to improve competitiveness and cultivate client connections, service quality is essential. Customers' assessments of how well service performance satisfies their expectations are used in this research to determine service quality (Edyansyah et al., 2022; Lovelock et al., 2016). Perceptions among customers might differ in the food service sector. For example, low-quality services are those that don't live up to client expectations, and high-quality services are those that do (Ahmed et al., 2023). To reduce service faults (Ing et al., 2020) and turn service quality into a competitive advantage (Dhisasmito & Kumar, 2020)., businesses must comprehend customer demands.

## **Product Quality**

According to Kotler & Armstrong (2016), product quality is the capacity of a product to perform its intended purpose, including dependability, durability, and usability. Customers consider both extrinsic factors like price and intrinsic factors like color, taste, and size when assessing the quality of a product (Yu et al., 2022). Competitiveness and market attractiveness are increased by high product quality (Goswami et al., 2024). Because they satisfy customer expectations and provide more value, products of higher quality are more likely to be preferred (Lin et al., 2021).

## **Price Fairness**

Consumer judgments of how reasonable a product or service's pricing is are referred to as price fairness. Hasan (2022) asserts that determining whether a price is reasonable is a necessary component of pricing fairness. Unfair prices tend to elicit unpleasant reactions from customers, which might affect their choice to buy (Silva et al.,

2021). Sabilla & Kurniawati (2023) state that fair pricing takes into account product value and comparisons with competitors. Additionally, price adjustments perceived as unfair, such as increases for profit maximization, can lead to customer dissatisfaction (Konuk, 2022).

# **Store Atmosphere**

Store atmosphere encompasses physical elements such as lighting, layout, aroma, and decoration designed to create a positive experience for customers (Kotler & Armstrong, 2016). A well-maintained physical environment enhances customer satisfaction and encourages them to spend more time in the store (Koay & Cheah, 2023). Store atmosphere also adds value and creates a lasting impression in customers' minds (Dhisasmito & Kumar, 2020). Elements such as music, cleanliness, and comfort are important indicators for evaluating store ambiance (Sabilla & Kurniawati, 2023).

## Attitudes

Consumer attitudes reflect positive or negative feelings toward a product or service. Attitudes are shaped by an individual's beliefs about a product, which influence their emotions and behavior (Zahira & Kurniawati, 2022). Sayuti & Amin, (2020) noted that the stronger the positive attitude toward a behavior, the greater the likelihood of adopting it. Attitude is a crucial element in human behavior as it forms the basis for intention and purchasing decisions (Garg & Joshi, 2018).

## Word of Mouth

According to Suárez & Veloso (2020), word-of-mouth (WOM) is a casual communication method that has a lot of credibility when it comes to influencing judgments about what to buy. Positive word-of-mouth from devoted clients generates a "ripple effect," drawing in new clients and enhancing the company's worth (Mazzarol et al., 2019). WOM significantly influences how satisfied people are with certain goods or services (Rahman et al., 2022). WOM is a powerful persuasive strategy for enhancing consumer connections with companies or goods since it is a non-commercial communication method.

# **Hypothesis Development**

## **Service Quality**

Providing customers with positive experiences requires high-quality service. Customer satisfaction and a favorable opinion of the business are more likely to occur

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when they believe the service they get meets or surpasses their expectations. Customers

may get unhappy and adopt unfavorable views if the service does not live up to their

expectations. According to Lovelock et al. (2016), perceived customer value and

satisfaction are increased by great service quality. The following theory is put out in

light of this.

H1: Service quality has a significant positive effect on attitudes.

**Product Quality** 

A crucial sign of satisfying consumer demands and expectations is the

production of high-quality goods. Products that suit the tastes of the customer not only

boost satisfaction but also improve brand perceptions. Product quality has a direct

influence on consumer happiness, especially when it comes to fast food, according to

research by Zhong & Moon (2020). When customers get high-quality items, they are

more likely to think favorably of the firm. This leads to the following theory being put

forth:

H2: Product quality has a significant positive effect on attitudes.

**Price Fairness** 

Price fairness is the term used to describe how customers feel about the

rationality of a company's charges. Customers are more satisfied and trusting when

prices are seen as reasonable, open, and in line with the value of the goods. However,

discontent may result from perceptions of unjust price. Positive customer perceptions of

goods and services are reinforced by straightforward and unambiguous pricing,

according to Ahmed et al. (2023). This leads to the following theory being put forth:

H3: Price fairness has a significant positive effect on attitudes.

**Store Atmosphere** 

The physical surroundings of a store, such as its layout, interior design, lighting,

scent, and cleanliness, affect how customers feel while they are buying. Positive

opinions of the shop are more likely to be held by patrons who are at ease and like the

atmosphere. Luxurious retail surroundings have a direct influence on the feelings and

preferences of customers, according to research by Koay & Cheah (2023). The

following theory is put out in light of this:

H4: Store atmosphere has a significant positive effect on attitudes.

**Attitudes and Word of Mouth (WOM)** 

Word-of-mouth (WOM) is often generated by satisfied customers who have positive opinions about a product or service. Unofficial communication, or WOM, has a big impact on how other customers see a product. According to Dinh & Mai (2015) research, WOM activities may be improved by good customer sentiments. Customers that have a favorable attitude are thus more inclined to tell others about a product or service. This leads to the following theory being put forth:

H5: Attitudes have a significant positive effect on Word of Mouth.

The hypotheses above outline the relationships between service quality, product quality, price fairness, and store atmosphere on customer attitudes, as well as the impact of attitudes on Word of Mouth (WOM). These relationships highlight the importance of creating positive customer experiences through exceptional service, high-quality products, fair pricing, and appealing store environments to influence favorable attitudes, which subsequently drive WOM. The conceptual framework illustrating these hypotheses can be seen in Figure 1.

#### RESEARCH METHOD

This research used a survey approach, gathering primary data using an online survey disseminated over social media sites including Twitter, Instagram, and WhatsApp. Purposive sampling was used as the sample strategy, and respondents were chosen according to predetermined criteria pertinent to the study's goals. Respondents who had visited, made purchases, and visited Café Lawson, McCafe, or Starbucks at least twice in the previous three months were eligible. After collecting 260 surveys that satisfied the requirements, AMOS 26 software was used to analyze the data using Structural Equation Modeling (SEM) methods. The questionnaire was used to gather cross-sectional data for this research at a specific moment in time.

Validity and reliability testing were the first steps in the data analysis process. With a minimum threshold of 0.35 for a sample size of 260 questionnaires, the validity test was carried out using the factor loading values. If an indicator's factor loading value was more than 0.35, it was deemed legitimate. In the meanwhile, Cronbach's alpha values were examined as part of the reliability test; variables were deemed trustworthy if their Cronbach's alpha value was more than 0.6. Testing of hypotheses was done when the validity and reliability of the data were established.

The research hypotheses aimed to explain the relationships among the variables: service quality, product quality, price fairness, store atmosphere, attitudes, and word of mouth. Hypothesis testing was performed by examining the t-statistics, with relationships among variables considered significant if the t-statistics value exceeded 1.96 (t-table value). If the original sample value was positive, the relationship between variables was positive, and vice versa if negative. This study tested five hypotheses with six variables, each of which had predefined indicators.

The service quality and product quality variables each had three indicators (Koay & Cheah, 2023). The price fairness variable had four indicators (Koay & Cheah, 2023), while the store atmosphere variable also had four indicators (Koay & Cheah, 2023). The attitudes variable had seven indicators (Koay & Cheah, 2023), and the word of mouth variable had five indicators (Park et al., 2022). Using a five-point Likert scale (from strongly disagree to strongly agree), all indicators were taken from earlier research. The indicators' specifics are provided in Appendix 1.

The primary focus was on the word of mouth variable, influenced by attitudes and other variables such as service quality, product quality, store atmosphere, and price fairness through attitudes. The relationships among the variables were analyzed using a conceptual framework shown in Figure 1, where the correlations between variables were tested to uncover both direct and indirect effects. With this approach, the study not only provided theoretical contributions related to the factors influencing word of mouth but also offered practical implications for strategies to improve service quality, product quality, and store atmosphere in the café sector. By integrating existing concepts, this research generated new and more comprehensive insights into consumer behavior in the café industry.

## **RESULT AND DISCUSSION**

The data analysis of the questionnaire showed that 51.2% of those who responded were men. The age range of 25 to 32 years old accounted for 57.7% of the total responses. Furthermore, 78.1%, or more than half, of the respondents had a D4 or bachelor's degree. At Rp 1,000,000 to Rp 6,000,000, the bulk of respondents (55%) made between these amounts. Table 1 displays the demographic information of the respondents. Then factor loading used as the statistical instrument for validity assessment in this investigation. The sample size served as the criteria for judging the

validity of each variable's indicators. With a sample size of 260 respondents, the factor loading threshold for validity was set at 0.35. For reliability testing, the analytical tool used was Cronbach's Alpha coefficient. The decision on whether a variable was reliable or not was based on its Cronbach's Alpha coefficient. A variable was considered reliable if it had a Cronbach's Alpha coefficient > 0.60, indicating that all statements in the questionnaire were proven reliable. Conversely, a variable was considered unreliable if its Cronbach's Alpha coefficient < 0.60. The results of the validity and reliability tests are presented in Table 2.

Validity testing for the Service Quality variable, which consists of 3 measurement indicators, showed that all indicators were valid, as they produced factor loading values > 0.35. Meanwhile, the reliability test yielded a Cronbach's alpha of 0.914 > 0.6, indicating that the 3 measurement indicators for the Service Quality variable were consistent or reliable. Thus, it can be concluded that all measurement indicators for the Service Quality variable are proven to be valid and reliable. Validity testing for the Product Quality variable, which consists of 3 measurement indicators, showed that all indicators were valid, as they produced factor loading values > 0.35. Meanwhile, the reliability test yielded a Cronbach's alpha of 0.911 > 0.6, indicating that the 3 measurement indicators for the Product Quality variable were consistent or reliable. Thus, it can be concluded that all measurement indicators for the Product Quality variable are proven to be valid and reliable.

Validity testing for the Price Fairness variable, which consists of 4 measurement indicators, showed that all indicators were valid, as they produced factor loading values > 0.35. Meanwhile, the reliability test yielded a Cronbach's alpha of 0.898 > 0.6, indicating that the 4 measurement indicators for the Price Fairness variable were consistent or reliable. Thus, it can be concluded that all measurement indicators for the Price Fairness variable are proven to be valid and reliable. Validity testing for the Store Atmosphere variable, which consists of 4 measurement indicators, showed that all indicators were valid, as they produced factor loading values > 0.35. Meanwhile, the reliability test yielded a Cronbach's alpha of 0.899 > 0.6, indicating that the 4 measurement indicators for the Store Atmosphere variable were consistent or reliable. Thus, it can be concluded that all measurement indicators for the Store Atmosphere variable are proven to be valid and reliable. Validity testing for the Attitude variable,

which consists of 7 measurement indicators, showed that all indicators were valid, as they produced factor loading values > 0.35. Meanwhile, the reliability test yielded a Cronbach's alpha of 0.956 > 0.6, indicating that the 7 measurement indicators for the Attitude variable were consistent or reliable. Thus, it can be concluded that all measurement indicators for the Attitude variable are proven to be valid and reliable.

Validity testing for the Word of Mouth variable, which consists of 5 measurement indicators, showed that all indicators were valid, as they produced factor loading values > 0.35. Meanwhile, the reliability test yielded a Cronbach's alpha of 0.892 > 0.6, indicating that the 5 measurement indicators for the Word of Mouth variable were consistent or reliable. Thus, it can be concluded that all measurement indicators for the Word of Mouth variable are proven to be valid and reliable. After the validity and reliability tests were confirmed and accepted, the next step was to conduct a goodness of fit test for the model (Hair et al., 2010). The goodness of fit test was conducted as a prerequisite before testing the research hypotheses using the SEM model, as illustrated in Figure 2.

The information in Table 3 indicates that out of 8 model fit criteria, 4 criteria concluded that the model is fit, namely RMSEA, IFI, TLI, and CFI. Additionally, 2 criteria indicated a marginal fit, specifically GFI and NFI, while 1 criterion, the p-value of chi-square, indicated a poor fit. Based on these results, it can be concluded that the majority of the goodness-of-fit test criteria confirm that the model is adequately fit. Therefore, the next step is to proceed with hypothesis testing.

The results of the hypothesis testing reveal variations in the influence of the examined factors on attitude and word of mouth (WOM). The first hypothesis, which tested the negative effect of service quality on attitude, showed an estimate value of -0.031, a C.R of -0.379, and a p-value of 0.705 (> 0.05), indicating that this hypothesis was not supported. This finding aligns with the theory proposed by Koay & Cheah (2023), which explains that the minimal interaction between customers and café staff may cause service quality to have little influence on attitudes, as customers tend not to rely heavily on staff while enjoying food and beverages in a café. Next, the second hypothesis tested the positive effect of product quality on attitude. The analysis revealed an estimate value of 0.132, a C.R of 1.555, and a p-value of 0.120 (> 0.05), indicating that this hypothesis was also not supported. This aligns with Koay & Cheah's (2023)

perspective, which suggests that product quality does not always serve as the primary factor influencing consumer attitudes in certain contexts.

In contrast, the third hypothesis, which tested the positive effect of price fairness on attitude, showed significant results with an estimate value of 0.392, a C.R of 6.282, and a p-value of 0.000 (< 0.05). This finding supports the hypothesis and confirms that price fairness is an important factor influencing consumer attitudes, as theorized by Koay & Cheah (2023). Consumers tend to have more positive attitudes when they perceive the prices offered as fair in relation to the quality and service received. Similarly, the fourth hypothesis, which tested the positive effect of store atmosphere on attitude, yielded significant results with an estimate value of 0.426, a C.R of 6.040, and a p-value of 0.000 (< 0.05). This hypothesis was supported, indicating that a comfortable and appealing store atmosphere significantly enhances consumer attitudes, consistent with the theory proposed by Koay & Cheah (2023).

The fifth hypothesis, which tested the positive effect of attitude on word of mouth (WOM), also showed significant results with an estimate value of 0.671, a C.R of 10.085, and a p-value of 0.000 (< 0.05). This finding supports the hypothesis, emphasizing that positive consumer attitudes toward a café encourage them to share positive experiences verbally, in line with the theory proposed by Park et al. (2022). Overall, these results indicate that not all factors significantly influence attitude. However, factors such as price fairness and store atmosphere were found to have a significant positive contribution, while attitude consistently influenced word of mouth. The results of each hypothesis test are summarized in greater detail in Table 4, providing a comprehensive overview of the relationships among the variables in this study.

Overall, the findings of this study indicate that in Indonesia's café industry, not all factors have a significant influence on attitude and word of mouth (WOM). Service quality and product quality did not show a significant impact on customer attitudes, which may be attributed to minimal consumer interaction with café staff or other dominant factors shaping attitudes in this specific context. Conversely, price fairness and store atmosphere were proven to have a significant positive impact on customer attitudes. Customers who perceive the prices offered as fair in relation to the quality and services tend to have more positive attitudes. Similarly, a comfortable and appealing

store atmosphere enhances the customer experience. Furthermore, positive customer attitudes toward cafés were shown to significantly encourage them to share positive experiences through WOM. These findings underscore the importance of focusing on aspects such as price fairness and store atmosphere in marketing strategies, as positive customer attitudes not only reflect satisfaction but also drive café promotion through WOM, which plays a crucial role in building a reputation in the café industry.

This study offers advantages compared to previous research by specifically focusing on the café industry in Indonesia, which provides a unique context compared to the banking sector (Hossain et al., 2021), the coffee shop industry in Korea (Lee & Kim, 2022), and the aviation industry (Han et al., 2020). The study found that price fairness and store atmosphere significantly influence customer attitudes and WOM, highlighting the importance of emotional factors and perceived value in the café industry. These results support previous studies, particularly Han et al. (2020), which demonstrated that emotional factors, such as emotional attachment, play a critical role in influencing WOM. Moreover, although this study does not explicitly discuss relationship quality as in Lee & Kim (2022), it emphasizes the importance of relationship quality through comfortable and satisfying customer experiences. However, unlike Hossain et al. (2021), this study did not find a significant influence of service quality, suggesting contextual differences in shaping customer attitudes. This highlights how this study expands the scope of previous research by offering a new perspective in the café sector, particularly regarding price fairness and store atmosphere as key drivers of WOM.

The implications of this study indicate that in Indonesia's café industry, price fairness and store atmosphere are the main factors influencing customer attitudes and WOM. This underscores the importance for café managers to focus on marketing strategies that create perceived value through fair pricing and cultivate a comfortable, appealing ambiance that enhances the customer experience. Additionally, these findings emphasize that emotional factors and customer experiences play a key role in driving WOM, which is essential for building a café's reputation in a competitive market. Thus, this study contributes to a deeper understanding of how emotional elements and perceived value can be integrated into marketing strategies to improve customer loyalty and expand the impact of WOM in the café industry.

## **CONCLUSION**

This study demonstrates that price fairness and store atmosphere have a significant impact on customer attitudes, which subsequently drive positive word of mouth (WOM), while service quality and product quality do not show a significant influence. This indicates the importance of marketing strategies focused on creating perceived value through fair pricing and a comfortable store atmosphere to enhance customer satisfaction and build a café's reputation. The limitations of this study include its focus on only three major brands and the use of cross-sectional data, which does not capture the dynamics of customers at local cafés or changes in attitudes over time. Future research is recommended to expand the scope to include local cafés, adopt a longitudinal approach, and explore the role of social media and digitalization in influencing WOM. These efforts would provide more comprehensive insights for marketing strategies in the café industry.

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# FIGURES, GRAPHICS AND TABLES

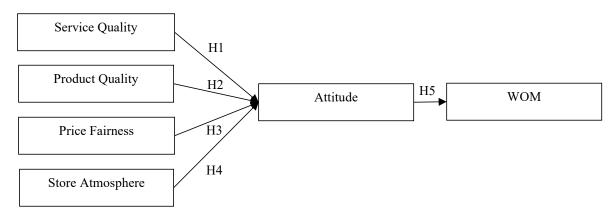


Figure 1. Conceptual Framework

Table 1. Respondents' Demographic Data

Respondent Information (n = 260)		Frequency	Valid Percent (%)	Cumulative Percent
Gender	Male	133	51.2	51.2
	Female	127	48.8	100.0
Age	17 - 24 years	75	28.8	28.8
	25 - 32 years	150	57.7	86.5
	33 - 40 years	25	9.6	96.2
	> 40 years	10	3.8	100.0
Education	High School/Equivalent	16	6.2	6.2
	Diploma (D1/D2/D3)	27	10.4	16.5
	Bachelor's Degree (D4/S1)	203	78.1	94.6
	Master's/Doctoral Degree (S2/S3)	14	5.4	100.0
Income	Rp 1.000.000 - Rp 6.000.000	143	55.0	55.0
	Rp 6.001.000 - Rp 11.000.000	74	28.5	83.5
	Rp 11.001.000 - Rp 16.000.000	16	6.2	89.6
	> Rp 16.000.000	27	10.4	100.0

Data source: Processed questionnaire data, 2023

Table 2. Validity and Reliability Tests

Variable	Item	Validity Test		Reliability Test		
		Factor loading	Conclusion	Cronbach Alpha	Conclusion	
Service Quality	SQ1	0.844		0.914		
	SQ2	0.885				
	SQ3	0.920				
Price Quality	PQ1	0.878		0.911		
	PQ2	0.869				
	PQ3	0.890				
Price Fairness	PF1	0.841		0.898		
	PF2	0.891				
	PF3	0.861				
	PF4	0.736				
Store Atmosphere	SA1	0.842	Valid	0.899	Reliable	
•	SA2	0.803				
	SA3	0.861				
	SA4	0.832				
Attitude	ATT1	0.813		0.956		
	ATT2	0.798				
	ATT3	0.908				

Variable	Item	Validity Test		Reliability Test		
		Factor loading	Conclusion	Cronbach Alpha	Conclusion	
	ATT4	0.921				
	ATT5	0.908				
	ATT6	0.897				
	ATT7	0.853				
Word of Mouth	WOM1	0.719		0.892		
	WOM2	0.830				
	WOM3	0.847				
	WOM4	0.805				
	WOM5	0.755				

Source: Processed Questionnaire Data, 2023

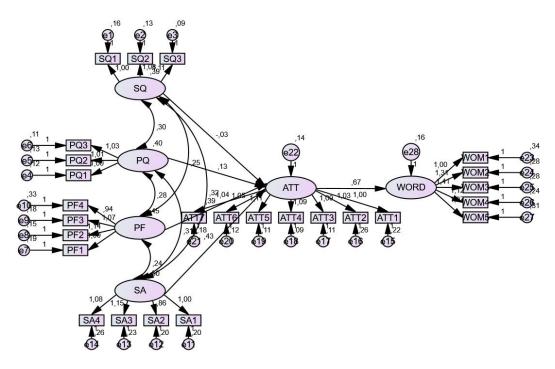


Figure 2. Research SEM Model

Table 3. Goodness of Fit Model Test

Measurement Type	Measurement	Model Fit Decision	Processed	Decision
			Results	
Absolute fit measures	Chi-square	Low Chi Square	689.585	
-	p-value Chi-Square	≥ 0,05	0.000	Poor fit
	GFI	$\geq 0.90$	0.812	Marginal fit
	RMSEA	$\leq$ 0,10	0.073	Model fit
	NFI	$\geq$ 0,90	0.894	Marginal fit
	IFI	$\geq 0.90$	0.935	Model fit
	TLI	$\geq 0.90$	0.927	Model fit
	CFI	$\geq 0.90$	0.935	Model fit
Parsimonius fit	CMIN/DF	Between 1 and 5	2.394	Model fit
meassure				

Source : Hair et al. (2010)

Table 4. Hypothesis Testing Results

Hypotesis	Relationship Between	Estimate	S.E.	C.R.	P	Conclusion
	Variables					
H1	SQ> ATT	-0.031	0.083	-0.379	0.705	Not supported
H2	PQ> ATT	0.132	0.085	1.555	0.120	Not supported
H3	PF> ATT	0.392	0.062	6.282	***	Supported
H4	SA> ATT	0.426	0.070	6.040	***	Supported
H5	WORD> ATT	0.671	0.066	10.085	***	Supported

Notes: Service Quality (SQ), Price Quality (PQ), Price Fairness (PF), Store Atmosphere (SA), Attitude

(ATT), Word of Mouth (WORD)

Source: Questionnaire data analysis, 2023