



Menu Variations Influence Generation Z Customer Loyalty in Coffee Shops: Satisfaction Mediation and Social Media Marketing Moderation

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ABSTRACT

This study examines the influence of menu variations on Generation Z customer loyalty in coffee shops in Denpasar City, with customer satisfaction as a mediating variable and social media marketing as a moderating variable. The research adopts a quantitative explanatory approach using questionnaire data collected from 175 respondents and analyzed through Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings indicate that menu variations have a positive and significant effect on both customer loyalty and customer satisfaction. However, customer satisfaction does not significantly influence loyalty and is unable to mediate the relationship between menu variations and loyalty. Furthermore, social media marketing is found to act as a quasi-moderator, strengthening the impact of menu variations on loyalty while also directly affecting loyalty. These results highlight that Generation Z loyalty is more driven by innovative product experiences and digital engagement rather than satisfaction alone. Therefore, coffee shops should prioritize continuous menu innovation supported by effective social media marketing strategies to build and maintain long-term loyalty among Gen Z consumers.

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INTRODUCTION

Coffee has become an integral part of Indonesian culture and economy. As one of the largest coffee producing countries in the world, Indonesia has great potential in the development of the coffee industry, both in terms of upstream (production and export) and downstream (consumption and retail business). Data from Katadata shows that in 2022, coffee production in Indonesia reached 793.19 thousand tons with domestic consumption of 379.66 thousand tons. Indonesia not only exports coffee to various countries, but also experiences a significant increase in domestic consumption (databoks.katadata.co.id, 2024). In recent decades, coffee is not only needed as a functional drink, but has become part of the lifestyle of urban people. This shift opens up great opportunities in the downstream sector, including coffee shop businesses that can process and serve coffee with various innovations. This can be seen from the development of cafes in Indonesia which are growing very fast. Based on KataData (2025), the local coffee shop industry in Indonesia has shown positive growth in recent years. This also happened in Bali, where based on data from the Central Statistics Agency (BPS) it was stated that the number of restaurants and food stalls including coffee shops on the island of Bali

increased from 2,864 in 2019 to 4,429 in 2023 which means that there has been a 55% increase. The coffee business is growing so much that in almost every corner of Bali there is a place to drink coffee (www.bisnisbali.com, 2025). This happens because of a shift in lifestyle and trends in society. Coffee shops are not only used as a place to buy coffee anymore because of the many activities that can be done such as discussing, meeting with clients, gathering with friends, and also as a place to spend free time (Yose et al., 2022). People began to make hanging out at cafes a routine and cafes began to become a very popular place for Indonesians to visit (Putri et al., 2024).

Currently, it is known that the majority of people who visit coffee shops are young people. This illustrates that coffee shops are a favorite place for students who are Gen Z to do various activities, such as studying, working, or even just relaxing. This generation is an age of adolescence where consumptive behavior arises because psychologically adolescents are in the process of finding their identity and are very sensitive to external influences (Yose et al., 2022). Generation Z has a high preference for variety, wants a pleasant experience, is quick to adapt to technology, and is very active in using social media to look for place references, provide reviews, and share their consumption experiences (Wibowo et al., 2024). This is a challenge for marketers to gain Gen Z loyalty. Loyalty is usually formed from the feeling that the brand is always present and provides added value that is relevant to consumer needs (Panjaitan & Simanjuntak, 2024). However, Gen Z's behavior shows a more dynamic, selective, and experience-based pattern compared to traditional loyalty, which is more stable and rational (Wibowo & Ayuningtyas, 2024). According to Dong-Wo (2024); (Setini et al., 2025), consumer loyalty is the attitude of consumers who are satisfied with a service, tend to repeatedly buy certain products or services. According to Tarigan et al. (2020), one of the factors that affect consumer loyalty is menu variation. According to Indiani (2022), product variety is the number of types of products offered, the variety of sizes, the variety of brands, and the availability of products. Every consumer has different tastes and tastes. If restaurants provide a diverse or varied menu, this will make it easier for restaurants to attract consumers (Antika & Indiani, 2023). The more menu variety offered, the more likely it is that customer loyalty will increase (Kim et al., 2021; Clarence & Nainggolan, 2024); (Yuniari et al., 2020). However, some findings obtained different results such as Wantoro et al. (2025) and Yaqin et al. (2025) which showed that product diversity cannot directly increase loyalty

In addition, there is the fact that Generation Z likes to try new things because they are easily curious about something new, including trying new menus (Kristyowati, 2021). Therefore, the addition of customer satisfaction mediation variables becomes relevant. According to Tjiptono (2016:96), consumer satisfaction, which is a measurement between customer expectations and the reality that consumers receive or feel, is an important factor that shapes consumer loyalty. This means that the higher the level of consumer satisfaction, the more loyalty will increase (Cankul et al., 2024). Several studies such as Hsu & Lin. (2023), Dong-Woo (2024), Cankul et al. (2024), Naini et al. (2025), and Singh et al. (2025) have found an effect between satisfaction and loyalty associated with menu variation. Research by Tarigan et al. (2020) and Wiratama et al. (2025) in their research also found the role of consumer satisfaction mediation in mediating the influence of product diversity on customer loyalty. In addition, the presence of social media marketing is very relevant as a means to reach and influence the perception of Gen Z. Ghana & Indiani (2023) said that social media marketing is a form of marketing that is used to create awareness, recognition, memories and even actions towards a brand, product, business, individual, or group either directly or indirectly by using tools from the social web such as blogging, microblogging, and social networking. According to Xiaoxin et al. (2025), social media is a driving factor for consumer behavior in consuming a product that has an impact on consumer loyalty. Social media plays a strategic role in shaping consumer loyalty (Panjaitan & Simanjuntak, 2024). Platforms such as Instagram, TikTok, and Facebook not only function as promotional media, but also as a space for interaction between a brand and consumers. Social media allows marketers to build emotional and interactive engagement through visual content, storytelling, testimonials, and digital loyalty programs (Hidayani & Nugroho, 2025). This was developed from the opinion of Ginting & Haloho (2021), Kim et al. (2021), Al-Hawary & Al-Fassed (2022), Ajuhmani (2022), and Pratiwi et al. (2024) that the influence of marketing strategies through social media will be stronger when combined with product excellence, both in the form of quality, variety, and uniqueness. Based on this exposure,

this study is important to empirically examine how menu variations can affect customer loyalty through customer satisfaction mediation, as well as the role of moderation from social media marketing in strengthening this influence.

LITERATURE REVIEW

Planned Behavior Theory (TPB)

The Planned Behavior Theory (TPB) was developed by Ajzen (1991) as an extension of the Theory of Reasoned Action. In the framework of SDGs, individual behavior is influenced by three main components, namely attitudes towards behavior, subjective norms, and perceptions of behavior control. These three factors form intention, which then becomes the main predictor of actual behavior. The attitude dimension describes overall consumer satisfaction, while the behavioral dimension represents the tendency of consumers to repeatedly buy the same brand (Yuniari et al., 2020). In this study, menu variations affect customer attitudes towards brands, which consumers will judge the available menu. Customer satisfaction plays a role as a reflection of the realization of expectations that affect loyalty intentions and behaviors. Meanwhile, social media marketing as a moderation factor can strengthen or weaken this influence through social norms and the influence of digital communities that are active for Gen Z. The selection of Gen Z as a research subject can be based on consumer characteristics that are strongly influenced by social media trends, innovation, and product aesthetics (Pradana & Marsasi, 2024). This study uses TPB where the theory can be interpreted as a theory that is very effective in predicting environmentally conscious behavior or behavioral intentions, one of the determining factors is attitude (Sabina & Marsasi, 2024).

Expectation-Confirmation Theory (ECT)

Expectation-Confirmation Theory (ECT) was first introduced by Oliver (1980) to describe the process of consumer satisfaction based on a comparison between initial expectations and perceptions of the actual performance of a product or service. The perceived performance meets or exceeds expectations, then there is a confirmation that results in satisfaction. On the other hand, if the performance is below expectations, then there is a disconfirmation that can lead to dissatisfaction (Oliver, 1980). The ECT model is used to analyze three phases in which customer expectations are met or not met, the first is the formation of expectations occurs before the customer makes a purchase, the second is the process of assessing expectations that occur after the customer's purchase, where the consumer will conduct an evaluation of the pre-formed expectations against the perception of the experience to ensure the extent to which the initial expectations are validated, the last is Expectations-Confirmation, partially determining customer satisfaction (AlSokkar et al., 2024). This explains that ETC emphasizes the customer satisfaction process created from the confirmation between previous expectations and actual experiences. If the menu variety meets or exceeds expectations, then satisfaction increases and leads to customer loyalty. Customer satisfaction serves as the main mediator between menu variety and loyalty.

Hypothesis Development

H1: Menu variety has a positive and significant effect on customer loyalty

Research by Kim et al. (2021) shows that customers tend to be more loyal when given varied and unique menu choices. Meanwhile, research by Tarigan et al. (2020) on coffee shop customers found that menu variations have a significant effect on customer loyalty. In addition, Putri et al. (2024) in a customer study at a café in Bangkinang, also confirmed that product variety, including menu variation, directly affects customer loyalty. Research by Pratiwi et al. (2024) conducted on breakfast buffet guests at Verandah Restaurant, Eastparc Hotel Yogyakarta, shows that the variety of menus offered contributes significantly to increasing guest loyalty. Similarly, a study by Clarence & Nainggolan (2024) on Gisoe Coffee Surabaya customers confirms that the higher the customer's perception of the variety of menus offered, the higher the tendency of customers to remain loyal. Research by Rumefi et al. (2025)

strengthens this finding through a study on the culinary sector in Indonesia, which concludes that the diversity of menus offered by a restaurant is able to increase customer loyalty.

H2: Menu variations have a positive and significant effect on customer satisfaction

Research by Cristina et al. (2024) confirms that varied menus have a significant influence on customer satisfaction, especially in the restaurant industry. Similar results were also found by Baiomy et al. (2019) in their study on the tourism and hospitality sector in Egypt proving that the diversity of menus, both in terms of food types and presentations, significantly increases customer satisfaction. Furthermore, Dwiantari et al. (2025) in a study on Café Niwa Canting also found that menu variations have a significant influence on customer satisfaction. Research by Kim et al. (2021) who also examined customer behavior in search of promotional menus and found that the diversity of menus can meet the needs of customers who have a tendency to variety-seeking behavior, which in turn increases the level of customer satisfaction. Meanwhile, a study by Sa'adah & Wibawa (2025) conducted on customers of a local café shows that menu variety is one of the main determinants of customer satisfaction, in addition to product quality and price

H3: Customer satisfaction has a positive and significant effect on customer loyalty

Dewi et al.'s (2025) research tested loyalty in the money changer industry to obtain satisfaction results that had a positive and significant effect on loyalty. Hsu & Lin's (2023) research on chatbot service users also found that high levels of satisfaction with digital services have a direct impact on increasing user loyalty. In line with this, Dong-Woo (2024) in his research on dessert café franchise customers shows that customer satisfaction is a very strong mediating factor in building loyalty. Naini et al. (2022); (Wiratama et al., 2025) also concluded that good product and service quality will create satisfaction, and that satisfaction has a direct impact on customer loyalty. Furthermore, Singh et al. (2023) in a comprehensive literature review concluded that the relationship between customer satisfaction and loyalty is very strong and consistent across various industries. Recent research by Cankül et al. (2024) in the context of the gastronomic industry also confirms that customer satisfaction is a key factor in building loyalty.

H4: Customer satisfaction is able to mediate the influence of menu variations on loyalty Research by Baiomy et al. (2019) in the Egyptian tourism sector shows that menu design, menu item descriptions, and diversity of choices significantly increase customer satisfaction, which ultimately strengthens customer loyalty to restaurants. Furthermore, Kim et al. (2021) emphasized that customers with variety-seeking tendencies tend to feel more satisfied when presented with a variety of relevant and interesting menu choices, and this satisfaction is the basis for forming loyal behavior. Hsu & Lin (2023) also found that customer satisfaction in general has an important role in driving loyalty, both in digital and traditional services. Meanwhile, research by Tarigan et al. (2020) who researched coffee shop customers showed that menu variations have a positive effect on customer loyalty through customer satisfaction as a mediating variable. Pratiwi et al.'s (2024) research conducted on hotel guests at Verandah Restaurant also corroborates these findings. In addition, a study by Wiratama et al. (2025) at PT. Tirta Sakti Mandiri and Dwiantari et al. (2025) in a café also stated that menu variations not only have a direct effect on satisfaction, but also indirectly on loyalty through satisfaction as a mediator.

H5: Social media marketing is able to strengthen the influence of menu variations on loyalty.

Ginting & Haloho (2021) highlight that customer engagement through social media contributes to increased loyalty, Kim et al. (2021) assert that customers who have variety-seeking tendencies will be more responsive to new menu information communicated in an engaging manner through social media. Pratiwi et al. (2024) also indicate that the diversity of menus has a significant influence on customer loyalty in the restaurant industry, but its effectiveness can increase if supported by the right communication strategies, such as interactive promotions through social media. Other studies also indirectly support this hypothesis. As studies by Aljuhmani et al. (2022) and Al-Hawary & Al-Fassed (2022) show that intense and interactive social media marketing activities are able to build customers' emotional attachment to brands, which then reinforces the effect of elements of the marketing mix on loyalty.

Research model

The conceptual framework of this study is based on several previous studies conducted by researchers and theories of the relationship between variables. This study is focused on the analysis of the structural relationship between four variables, namely menu variation (X), social media marketing (M), customer satisfaction (Z), and customer loyalty (Y) as shown in the following conceptual framework:

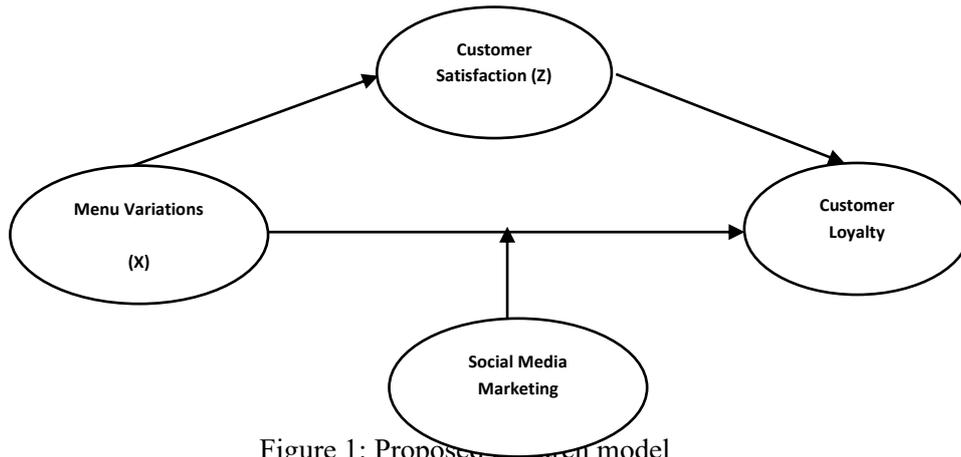


Figure 1: Proposed research model

METHOD

This study uses a quantitative approach that is explanatory research carried out by testing hypotheses about the influence between variables by giving questionnaires to respondents according to the measurement of each variable which will then be processed through statistical methods with PLS (Statistic Partial Least Square). In this study, the analysis design focused on consumer behavior by examining the influence of exogenous constructs on endogenous through the role of mediation and the role of moderation. The exogenous construct in this study is a variation of the menu (X) with the endogenous construct of customer loyalty (Y). The mediation variable used was satisfaction (Z), and with the moderation variable of social media marketing (M). The data collection method used a questionnaire with research instruments using a likert scale to measure respondents' perception of each variable. The determination of the number of samples was carried out using the provisions of Hair et al. (2021), which is 7 times the number of indicators, so that the minimum sample used in the study is 175 respondents. The table of operational definitions is as follows:

Table 1: Design questionnaire

Symbols	Indicator	Source
X1	The menu available at the <i>coffee shop</i> I visited was varied	Baiomy et al. (2019) and Clarence & Nainggolan (2024)
X2	The menu available at the <i>coffee shop</i> I visited has various forms of presentation	
X3	The menu available at the <i>coffee shop</i> I visited has a variety of flavor options	
X4	The menu available at the <i>coffee shop</i> I visited had a choice of hot or cold	
X5	The menu available at the <i>coffee shop</i> I visited can be <i>requested</i> according to taste	
X6	The menu available at the <i>coffee shop</i> I visit is always available	

Symbols	Indicator	Source
X7	The menu available at the <i>coffee shop</i> I visited was in accordance with what I paid	
X8	The menu available at the <i>coffee shop</i> I visited had a clear display	
Z1	I am satisfied with the quality of the products from the <i>coffee shops</i> I visited	Naini et al. (2022), Wiratama et al. (2025), and Clarence & Nainggolan (2024)
Z2	I am satisfied with the prices offered from the <i>coffee shop</i> I visited	
Z3	I am satisfied with the service of the staff of the <i>coffee shop</i> visited	
Z4	I am satisfied because the <i>coffee shop</i> , I visited can meet the expectations of consumers	
Z5	I am satisfied that it is easy to get the product because of the speed of service	
M1	<i>The coffee shop</i> I once visited was trending on its social media	Tobing & Santoso (2024), Xiaoxin et al. (2025) and Koay et al. (2021)
M2	The content of <i>the coffee shop</i> is in accordance with existing trends	
M3	<i>The coffee shop</i> has many followers on social media	
M4	The coffee shop's <i>social media</i> allows customers to interact directly with their official accounts	
M5	The coffee shop's <i>social media</i> provides complete and clear product information	
M6	The promotions or offers I see on coffee shop social media <i>feel</i> relevant to consumers	
M7	I was interested in visiting <i>this coffee shop</i> after seeing reviews or testimonials from other users on social media	
Y1	I have plans to repeat purchases in the future	Clarence & Nainggolan (2024), Singh (2023), and Gong & Chartrungruang (2025)
Y2	I am willing to try other products on the menu	
Y3	I feel comfortable in <i>the</i> coffee shop	
Y4	I prefer coffee <i>shops</i> that I have visited before rather than trying new ones	
Y5	I am willing to recommend to colleagues	

RESULT AND DISCUSSION

Model Measurement

In this section, the characteristics of the respondents from the 175 participating respondents will be explained to support the interpretation of the research results and clarify the context of Gen Z consumer behavior in Denpasar City coffee shops.

Table 2: Descriptive analysis summary

Respondent Characteristics		Percentage(%)
Frequency of Visits to Coffee Shops		
1	Every day	9.1
2	3-5 times per week	18.9
3	1-2 times per week	33.7
4	Erratic	38.3
Frequency of Visits to the same Coffee shop		
1	1 time	14.9
2	2-3 times	44.6
3	3-5 times	17.7
4	>5 times	22.9
Quantity		100
Gender		
1	Male	59.7
2	Women	40.3

Respondent Characteristics		Percentage(%)
Quantity		100
Age		
1	< 20 years old	12.0
2	20 – 24 years old	64.6
3	> 25 years old	23.4
Last Education Level		
1	Junior High School/Equivalent	3.1
2	High School/Vocational School/Equivalent	21.7
3	Diploma	13.2
4	Bachelor	62.0
Jobs		
1	Not working yet	27.9
2	Private employees	31.0
3	Civil Servant / ASN	13.2
4	BUMD/BUMN	9.3
5	Entrepreneur/Business Owner	11.6
6	Influencer/Affiliate/others	1.6
7	Others	5.4

Outer model evaluation

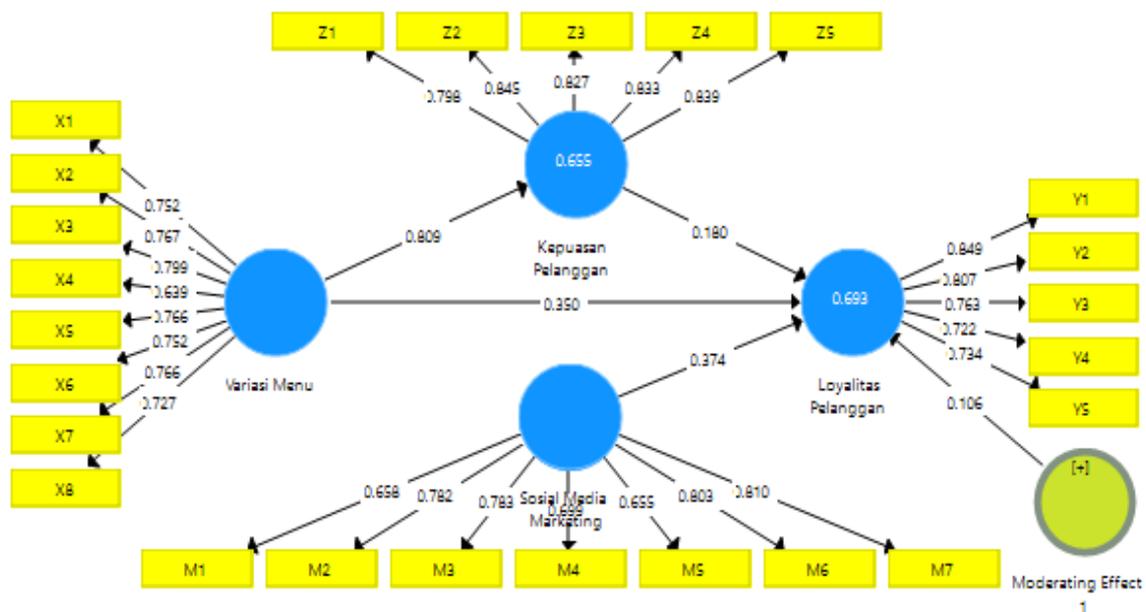


Figure 2: Outer Loading Test Results

Convergent validity is carried out through an examination of the outer loading coefficient of each indicator against its latent variable. The results of the analysis show that all indicators have a value greater than 0.6 so it can be concluded that they are valid.

Table 3: Composite Reliability and Cronbach Alpha

	<i>Cronbach's Alpha</i>	<i>rho_A</i>	<i>Composite Reliability</i>	<i>Average Variance Extracted (AVE)</i>
Customer Satisfaction	0.886	0.886	0.916	0.687
Customer Loyalty	0.835	0.846	0.883	0.603
Moderating Effect 1	1.000	1.000	1.000	1.000
Social Media Marketing	0.865	0.881	0.896	0.554

Composite reliability and cronbach alpha is a measurement of reliability between indicator blocks in the research model. The results of the analysis show that the composite reliability and cronbach alpha values obtained are greater than 0.70 so that it can be concluded that they have met the reliability requirements.

Evaluation of Structural Models (Inner Model)

Internal model evaluation is a measurement to evaluate the level of accuracy (suitability) of the model in the overall study, which is formed through several variables along with their indicators. The results of bootstrap are as follows:

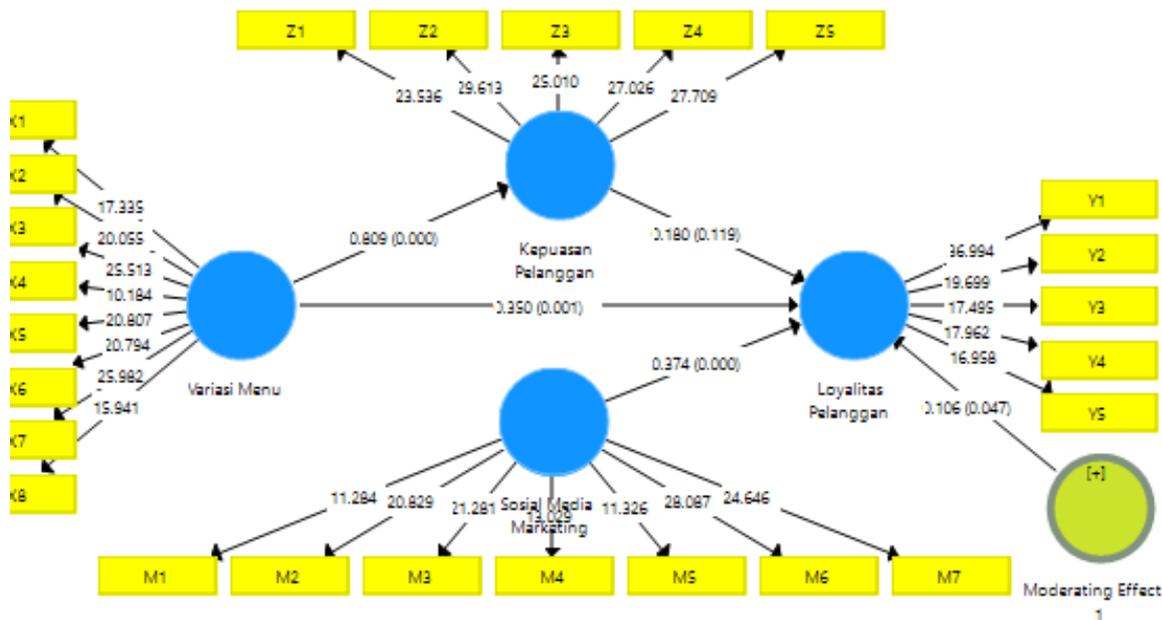


Figure 3: Bootstrapping Test Results

The structure of the path chart is used to describe the relationship between the latent variables, both exogenous latent variables and endogenous latent variables, including the indicators that make up the latent variables in the form of a relationship diagram shown in the following table:

Table 4: Hypothesis Test Results

	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistics (O/STDEV)</i>	<i>P Values</i>
Customer Satisfaction - > Customer Loyalty	0.180	0.171	0.115	1.561	0.119
Menu Variations - Customer Satisfaction >	0.809	0.811	0.036	22.586	0.000
Menu Variations -> Customer Loyalty	0.350	0.354	0.106	3.312	0.001
Menu Variety -> Customer Satisfaction -> Customer Loyalty	0.145	0.138	0.093	1.560	0.119
R-Square Value					
Customer Satisfaction	0.655				
Customer Loyalty	0.693				

Based on the results presented in Table 3, several things can be explained as follows:

- Customer satisfaction with customer loyalty has a p value of $0.119 > 0.05$ and a statistical t of $1.561 < 1.967$. This shows that customer satisfaction does not have a significant effect on customer loyalty.
- The variation in the menu to satisfaction has a p value of $0.000 < 0.05$ and a statistical t of $22.586 > 1.967$. This shows that the quality of the menu has a positive and significant effect on customer satisfaction.
- The menu variation on customer loyalty has a p value of $0.001 < 0.05$ and a statistical t of $3.312 > 1.967$. This shows that menu variations have a positive and significant effect on customer loyalty.
- The effect of menu variation and customer loyalty through customer satisfaction has a P value of $0.119 > 0.05$ and T Statistic $1,560 < 1,967$ which means that it is insignificant, while the effect of menu variation on customer loyalty directly has a P value of $0.001 < 0.05$ and T Statistic $3,312 > 1,967$ which means significant. This means that customer satisfaction is not able to mediate the influence of menu variations on consumer loyalty
- The results of R Square's calculation show that the customer loyalty value of 0.693 means that the menu variation can explain the variation in customer loyalty of 69.3 percent while the rest is explained by variations of other variables outside the research model. In R-Square's customer satisfaction, which is obtained at 0.655, this means that the menu variation can explain the variation in customer satisfaction by 65.5 percent, while the rest is influenced by other constructs that are not analyzed in the estimation model.

DISCUSSION

The Effect of Menu Variations on Gen Z Customer Loyalty in Denpasar City Coffee Shops

Based on the results of the first hypothesis analysis, menu variations have a positive and significant effect on Gen Z customer loyalty at Denpasar City Coffee shops. These findings show that the more

diverse and innovative the menu offered, the higher the level of customer loyalty to the coffee shop. This indicates that the diversity of the menu is able to create an interesting consumption experience and prevent customer saturation, especially among Gen Z who tend to have dynamic consumption behaviors and like product variations. Thus, the first hypothesis in this study is declared accepted.

Based on the Theory of Planned Behavior (TPB), menu variations affect the attitudes and intentions of Gen Z customers. Menu variety also caters to the control needs and social trends of Gen Z who like to try new things, thus encouraging actual loyalty behavior. Meanwhile, according to Expectation-Confirmation Theory (ECT), loyalty is formed when customer expectations for menu variations are met or exceeded, resulting in long-term satisfaction and commitment. Thus, the higher the compatibility between expectations and experiences for menu variations, the higher the level of customer loyalty in the coffee shop.

This is in line with research by Kim et al. (2021) which examined variety-seeking behavior in choosing promotional menus in restaurants. The results of the study show that customers tend to be more loyal when given varied and unique menu choices. In addition, it also supports the findings of Tarigan et al. (2020), Putri et al. (2024), Pratiwi et al. (2024), Clarence & Nainggolan (2024), and Rumefi et al. (2025) who conclude that the diversity of menus offered is able to increase customer loyalty.

The Effect of Menu Variations on Gen Z Customer Satisfaction at Denpasar City Coffee Shops

Based on the results of the second hypothesis analysis, menu variations have a positive and significant effect on the satisfaction of Gen Z customers at Denpasar City coffee shops. These findings show that the more diverse and attractive the variety of menus offered, the higher the level of satisfaction felt by customers. This indicates that the diversity of the menu is able to cater to the different preferences and tastes of Gen Z customers, who tend to seek a unique and non-boring consumption experience. Continuous menu innovation also helps create added value and increase positive perceptions of coffee shops. Thus, the second hypothesis in this study is declared accepted.

Based on Expectation-Confirmation Theory (ECT), customer satisfaction is formed when the initial expectations for a product or service match the actual experience received. Based on the results of the study, menu variety plays an important role in meeting and even exceeding the expectations of Gen Z customers. In addition, through the Theory of Planned Behavior (TPB), it can be explained that attractive menu variations are able to form a positive attitude and increase customer intention to return to visit. Thus, the higher the suitability between the variety of menus offered and customer expectations, the higher the level of satisfaction of Gen Z customers at Denpasar City coffee shops.

Research by Cristina et al. (2024) confirms that varied menus have a significant influence on customer satisfaction, especially in the restaurant industry. These results are also in line with the findings of Baiomy et al. (2019), Dwiantari et al. (2025), Kim et al. (2021), and Sa'adah & Wibawa (2025) conducted on customers of a café showing that menu variety is one of the main determinants of customer satisfaction.

The Influence of Customer Satisfaction on Gen Z Customer Loyalty in Denpasar City Coffee Shops

Based on the results of the third hypothesis analysis, customer satisfaction has a positive but not significant effect on Gen Z customer loyalty in Denpasar City coffee shops. These findings show that even if customers feel satisfied with the products and services provided, it is not enough to form strong loyalty, especially in Gen Z. This condition indicates that Gen Z customer loyalty is not solely determined by satisfaction levels, but is also influenced by other factors and the desire to constantly seek new experiences. Thus, the third hypothesis in this study is not accepted.

Based on the characteristics of Generation Z respondents, they are known to have dynamic consumption behavior, enjoy trying new things, and quickly get bored of routines. Even if you are satisfied with the experience at a coffee shop, this satisfaction does not guarantee that you will return consistently. This

can be explained through variety-seeking behavior, which is the desire to keep trying new things in order to get a more interesting experience. As such, the perceived satisfaction is temporary and not strong enough to create long-term loyalty.

Generation Z tends to have a desire to try new places or menus solely because of curiosity and social impulses. As a result, satisfaction is not strong enough to bind loyalty. Based on Expectation-Confirmation Theory (ECT), satisfaction is formed from the compatibility between expectations and actual experiences. However, in Generation Z, this satisfaction is often temporary and does not continue to be a commitment. Gen Z customers can be satisfied with the quality of coffee today, but still try another coffee shop tomorrow because they want to have a different experience. Often Gen Z Loyalty is heavily influenced by social trends and recommendations. Her decision to return to the coffee shop is often driven by viral content, friend reviews, or social media trends rather than previous gratification. This shows that social and digital factors are more dominant than rational satisfaction factors.

The number of alternative coffee shops that offer similar experiences is also the cause of the high level of switching intention or the tendency to change places, so that satisfaction is not strong enough to give rise to consistent loyalty. These results are not in line with the opinions of Dewi et al. (2025), Hsu & Lin (2023), and Dong-Woo (2024) who show that customer satisfaction can build loyalty.

The Role of Customer Satisfaction in Mediating the Influence of Menu Variations on Gen Z Customer Loyalty in Denpasar City Coffee Shops

Based on the results of the mediation hypothesis analysis, customer satisfaction is not able to mediate the influence of menu variations on Gen Z customer loyalty in Denpasar City coffee shops. These results show that although the variety of menus offered is able to increase customer satisfaction, it does not significantly encourage the formation of loyalty. This means that the diversity of the menu contributes to momentary satisfaction, but is not strong enough to foster a long-term commitment to the coffee shop. These findings indicate that customer satisfaction is not the main pathway linking menu variation to Gen Z customer loyalty.

Based on the perspective of Expectation-Confirmation Theory (ECT), this condition can be explained because Gen Z customer satisfaction is often temporary and volatile, especially when consumers are exposed to new product choices and experiences from other coffee shops. While menu variations can meet certain expectations, they don't always build loyalty because Gen Z's consumption behavior tends to be exploratory and variety-seeking behavior.

In addition, within the framework of the Theory of Planned Behavior (TPB), these results reinforce the view that satisfaction is not always the main determinant in shaping loyal intentions and behaviors. For Gen Z, external factors such as social media trends, brand image, and digital interaction have a greater influence on the decision to stay loyal to a coffee shop (Giantari et al., 2022). Therefore, while menu variations can increase satisfaction, they don't significantly lead to loyalty without the support of strong social and emotional factors.

This finding concludes that the diversity of menus available does not always cause deep satisfaction because it is considered a natural thing for coffee shops to have today. This is not in line with the research of Baiomy et al. (2019), Kim et al. (2021), and Hsu & Lin (2023) also found that customer satisfaction in general has an important role in driving loyalty.

The Role of Social Media Marketing in Moderating the Influence of Menu Variations on Gen Z Customer Loyalty in Denpasar City Coffee Shops

Based on the results of the moderation hypothesis analysis, it was found that social media marketing plays a quasi-moderator role in the relationship between menu variety and Gen Z customer loyalty in

Denpasar City coffee shops. This means that social media marketing not only interacts with menu variations in influencing customer loyalty, but also has a direct influence on loyalty itself. This shows that marketing strategies through social media play a dual role as an independent variable that directly affects loyalty, as well as a factor that strengthens the relationship between menu variety and customer loyalty. Thus, the fifth hypothesis in this study is accepted as quasi-moderation.

These findings indicate that the diversity of menus communicated in an attractive way through social media is able to increase the positive perception and attachment of Gen Z customers to coffee shops. Social media communication is an activity or activity of communicating and providing product information using social media such as Instagram (Wati & Indiani, 2022). Generation Z is very active on digital platforms such as Instagram and TikTok, so promotional content that features new menu variations, engaging visuals, and responsive interactions can strengthen emotional connections and create memorable brand experiences. Based on the results of this research, social media marketing functions as a reinforcement that transforms the influence of menu variations from just a consumption experience to a deeper form of engagement and loyalty.

Theoretically, these results are in line with the Theory of Planned Behavior (TPB), where the influence of social (subjective norms) and perceived behavioral control through social media can strengthen the relationship between positive attitudes towards menu variations and behavioral intentions to remain loyal. Marketing through social media is believed to strengthen the influence of menu variations on customer loyalty. This is in line with research by Ginting & Haloho (2021) highlighting that customer engagement through social media contributes to increased loyalty, especially when the content presented is relevant and supports the product experience offered, such as menu promotions or new menu launches. These results also support the opinion of Kim et al. (2021), Pratiwi et al. (2024), Aljuhmani et al. (2022), Al-Hawary & Al-Fassed (2022) show that intense and interactive social media marketing activities are able to build customers' emotional attachment to brands, which then reinforces the effects of elements of the marketing mix on loyalty.

CONCLUSIONS

This study concludes that menu variations have a very important role in shaping the loyalty and satisfaction of Generation Z customers in coffee shops in Denpasar City. Menu variety has been proven to have a positive and significant effect on customer loyalty, which shows that diversity, creativity, and product innovation are able to create added value that encourages customers to keep choosing the same coffee shop. In addition, menu variety also has a positive and significant effect on customer satisfaction, which indicates that the more attractive and diverse the menu offered, the higher the level of satisfaction felt by Gen Z consumers. Furthermore, the results of the study show that customer satisfaction is not able to mediate the influence of menu variations on customer loyalty, confirming that the relationship between menu variety and loyalty is direct. These findings indicate that Gen Z customer loyalty is more influenced by emotional experiences, perceptions of innovation, and product appeal than functional satisfaction alone. In addition, social media marketing has been shown to act as a quasi-moderator in the relationship between menu variety and customer loyalty, which means that marketing through social media not only has a direct influence on loyalty, but also strengthens the influence of menu variations on customer loyalty. Thus, the combination of menu innovation and effective social media marketing strategies is an important key in building and maintaining Gen Z customer loyalty in the coffee shop industry.

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