

The Influence of Service Quality, Price, and Trust on Customer Loyalty at Little Caffe Palembang

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DOI: <https://doi.org/10.54099/ijmba.v4i2.1565>

ARTICLE INFO

Research Paper

Article history:

Received: 8 August 2025

Revised: 15 September 2025

Accepted: 13 October 2025

Keywords: Triage, Guidelines and Standard of Triage, E-Triage

ABSTRACT

Objective: This study aims to analyze the influence of service quality, price, perceived value, and trust on customer loyalty at Caffe Little Palembang. **Methodology/approach** – A quantitative approach was employed in this study, utilizing survey and interview methods through the distribution of questionnaires. The sampling technique used was purposive sampling, with a total of 396 respondents. Data were analyzed using multiple linear regression with the help of SPSS version 26. **Findings** – The results indicate that both partially and simultaneously, service quality, price, perceived value, and trust have a positive and significant effect on customer loyalty. The coefficient of determination (R^2) value of 0.853 shows that 85.3% of the variation in customer loyalty can be explained by these four variables, while the remaining 14.7% is influenced by other factors not examined in this study. In conclusion, enhancing customer loyalty can be achieved by maintaining high service quality, implementing appropriate pricing strategies, offering added value, and consistently building trust. **Novelty/value** – This study provides valuable insights into the combined impact of service quality, price, perceived value, and trust on customer loyalty in the context of a local café business in Palembang. Unlike previous studies that often focused on large-scale or international brands, this research highlights the importance of these factors in small and medium-sized enterprises (SMEs), particularly in the food and beverage sector. The findings offer practical implications for business owners seeking to improve customer retention through targeted strategies based on customer perceptions and trust-building efforts. **Keywords:** Customer Loyalty, Service Quality, Price, Perceived Value, Trust.

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INTRODUCTION

The culinary industry continues to experience rapid growth in line with increasing public interest in dining and hangout places that not only offer quality food and beverages but also a pleasant experience. In various major cities, including Palembang, the cafe business has become one of the fastest-growing sectors. The tight competition in this industry requires business actors to continuously improve service quality in order to attract and retain customers (Hanny & Krisyana, 2022).

Customer loyalty is one of the key factors in the sustainability of cafe businesses, including Caffe Little Palembang. This loyalty is marked by the customer's willingness to make repeat purchases and recommend the place to others, which in marketing is known as word-of-mouth promotion. According to Gunananda et al. (2024), customer loyalty can be defined as a long-term commitment of customers to repeatedly buy products or services from a company, regardless of changes in price or quality. Research shows that loyal customers can significantly increase the new customer base, with around 80% of business revenue coming from 20% of loyal customers (Tanusondjaja et al., 2022). This suggests that focusing on existing customers can be more profitable than constantly seeking new ones. In other words, increasing customer loyalty not only strengthens the existing customer base but also has the potential to attract more new customers through recommendations and promotions from loyal customers (Xing et al., 2024). Another study also revealed that retaining existing customers is five times cheaper than attracting new ones (Bilişik & Sarp, 2023). Therefore, building and maintaining customer loyalty has become one of the most valuable assets in the growth strategy of the culinary industry (Sudarnice, 2020).

Caffe Little Palembang is one of the well-known culinary spots in Palembang City. This business was originally established in 2012 under the name Martabak Har, which focused on selling martabak as the main menu. Over time, the concept changed to align with trends and customer needs. In 2020, the name Martabak Har was officially changed to Caffe Little Palembang, accompanied by adjustments to the concept to become a café with a more diverse menu. This change aimed to expand the target market and increase competitiveness in the increasingly competitive culinary industry. One of the advantages of Caffe Little Palembang is its 24-hour operation, providing flexibility for customers to come at any time. Customers come for various needs, such as finding a comfortable place to eat, a place to work or study, or a gathering spot for specific communities. Longer operating hours than other cafés are a main attraction, especially for students and workers who need a conducive atmosphere outside their homes.

The menu offered has also undergone significant changes since the rebranding. Previously only known for selling martabak, the café now offers various main dishes such as special fried rice, spicy fried chicken, and various types of pasta. Light snacks are still available, including sweet and savory martabak, toast, and snack platters. Beverages range from brown sugar milk coffee, matcha latte, various teas, to milkshakes. Menu selections have been adjusted to match customer preferences that increasingly prioritize variety and flavor quality. Prices are still within an affordable range, reaching various customer segments.

In addition to menu variety, the cafe's interior concept is designed to meet customer needs. The place is designed with a comfortable atmosphere, equipped with Wi-Fi and power outlets at almost every table. These facilities are a major factor attracting customers who want to work or study for long periods. The ambiance is supported by sufficient lighting, flexible table arrangements, and aesthetic interior design. This makes Caffe Little Palembang not only a place to eat, but also a location often used for small meetings, group discussions, or simply relaxing. With a more modern concept, extensive menu, and 24-hour operation, Caffe Little Palembang has a unique appeal for customers. The growing competition in the Palembang culinary business demands continuous innovation in services and menu offerings. Adjusting to customer trends and needs is part of the strategy to maintain loyalty. As demand increases for comfortable and flexible dining spots, Caffe Little Palembang continues to strive to provide the best customer experience.

Over time, Caffe Little Palembang continues to develop in various aspects to maintain customer loyalty and attract more visitors. One recent innovation is the introduction of weekly events such as live music. These events aim to create a more interactive atmosphere and increase customer engagement with the brand. In addition, the café is strengthening its digital marketing strategies by actively using social media like Instagram and TikTok to promote new menus, attractive promos, and customer testimonials. In terms of service, ordering systems have also been simplified with online ordering options via food delivery apps such as GoFood and ShopeeFood, providing more convenience for customers who want to enjoy dishes without having to visit the cafe in person.

Various factors influence customer loyalty, including service quality, price, perceived value, and trust in the brand. Service quality provided by the cafe is a crucial factor in building customer loyalty. According to Kasmir in Wicaksana & Ardani (2022), service quality is the actions or efforts of an organization in providing satisfaction to customers. Cafe service quality plays a significant role in shaping customer loyalty. Based on the same survey, 70% of customers acknowledge that good service is the main reason they return to a dining place. This shows that customers pay close attention to service quality when making their choices. When customers feel appreciated, receive friendly, prompt, and expected service, they tend to be more loyal to a brand or business. Many cafés in Palembang are raising service standards by training baristas and service staff to ensure friendly and professional interactions.

In addition, the application of digital technology in ordering and payment systems is increasingly used to improve service efficiency and reduce customer waiting times. Another study by Suwarsito & Aliya (2020) found that high service quality positively correlates with customer satisfaction, which ultimately contributes to increased loyalty to a brand. Increasing customer expectations regarding service standards means cafés that can deliver good customer experiences have a better chance of surviving and thriving in this competitive industry. In recent years, the café industry in Indonesia has experienced rapid growth, including Caffe Little Palembang, which must compete amid increasing numbers of competitors. According to Ginting et al. (2023), price is the monetary value placed on a good or service in the economy. Price reflects the amount that must be paid by consumers to obtain the benefits of a particular product, and also functions as a mechanism for resource allocation. One of the main challenges faced is determining the right pricing strategy to maintain customer loyalty. According to a report by JakPat (2023), price is the primary factor in food and beverage consumption in Indonesia, where customers tend to prefer affordable menus such as toast and fried bananas, while premium menus attract customers who prioritize quality and tasting experience. This is also the case at Caffe Little Palembang, where price variety and specific promotions such as coffee-and-pastry bundles or happy hour deals influence customer decisions to make repeat purchases.

The number of visitors to Caffe Little Palembang has fluctuated between 2022 and 2024. In 2022, there were 12,592 visitors, increasing slightly to 13,550 in 2023, and declining again to 11,895 in 2024. This fluctuation indicates dynamics in customer loyalty and the growing competition in the cafe industry. The data may suggest that customer perceptions of pricing can shift over time. If pricing does not meet customers' expectations regarding the value they receive, loyalty may decline. This aligns with findings by A. R. Putra et al. (2022), which state that prices that are too high without being matched by equivalent quality can reduce customer interest. Conversely, competitive prices supported by discounts and loyalty programs can encourage repeat purchases. Thus, Caffe Little Palembang must be more careful in setting prices to remain competitive and maintain customer loyalty amid tightening competition.

Perceived value refers to the comparison between the benefits consumers obtain from a product or service and the cost and time they spend (Wiardi et al., 2020). The perceived value of a cafe is not limited to service quality but includes the overall experience during the visit. As many as 78% of customers state that the comfort of the place is the main factor that makes them return to a café, while 64% mention cleanliness as a highly influential factor. These trends indicate that the cafe's environment and atmosphere play crucial roles in building customer loyalty.

Similar phenomena occur at Caffe Little Palembang, where customers not only come for the menu but also seek a comfortable ambiance and facilities that support their activities. Based on observations, many customers spend longer time at the café due to its cozy atmosphere, aesthetic layout, and facilities like free Wi-Fi and power outlets. However, fluctuations in visitor numbers year to year show that perceived value can still be improved to sustain loyalty. Therefore, enhancing cleanliness, interior design, and additional facilities are important strategies to create a more memorable experience,

increase loyalty, and encourage customers to revisit and recommend the café to others (Rasmikayati et al., 2020).

Another factor contributing to increased customer loyalty is trust in Caffè Little Palembang, built through consistency in product presentation and quality service. Trust is the result of knowledge and conclusions customers form regarding a product, brand, or company, including expected benefits and characteristics (Manunggal et al., 2024). High trust in a brand or culinary business can increase customer loyalty and motivate repeat purchases (Siagian et al., 2023). From 2020 to 2024, the cafe industry in Indonesia has grown significantly (Alkawamleh et al., 2025; Aprianti et al., 2024; Felix & Sugiat, 2024; Iskanto, 2021). Along with this growth, customer trust in Indonesia's cafe industry has also increased. Factors such as price transparency, consistent service quality, and positive customer-staff interaction play vital roles in building trust. Many customers rely on online reviews and recommendations from friends or family before deciding to visit a cafe, making business reputation crucial in attracting new customers. This phenomenon is also seen at Caffè Little Palembang, where customer trust is one of the main factors influencing loyalty.

Statistics show an increase in the number of cafés in Palembang, which means competition is becoming fiercer. Data reveals that cafes offering unique and satisfying experiences tend to receive more support from customers (Amrie et al., 2021). These challenges push Caffè Little Palembang to continue innovating in delivering added value to customers through both products and positive experiences. Hidayah and Nugroho (2023) state that pricing has a significant influence on customer loyalty. By continuously improving competitive pricing strategies, Caffè Little Palembang can build stronger loyalty among its customers (Ansori, 2022; Awalludin & Heikal, 2024).

Previous research often lacked in terms of population scope and methodology. Many studies focused on other sectors like retail and financial services, using research designs that were less relevant to culinary sectors like cafes. This study aims to fill that gap using a more suitable method and population relevant to the context of Caffè Little Palembang. A quantitative approach and more robust data analysis were used to obtain more accurate results.

The identification and analysis of the factors influencing customer loyalty are expected to provide insights and strategies that benefit the management of Caffè Little Palembang. The main objective of this study is to determine the relationship between service quality, price, perceived value, and trust on customer loyalty. In addition to contributing to marketing literature, the findings of this research can also be practically used in developing business strategies focused on enhancing customer loyalty (Febria et al., 2024).

A deeper understanding of the relationship between these variables has the potential to guide other cafés and culinary businesses in creating effective strategies to improve customer loyalty. The culinary sector has experienced rapid growth, with recent reports showing that around 60% of consumers consider service quality as the main factor in choosing a dining place (Wijaya & Tjokrosaputro, 2024). The evolving lifestyle and growing need for unique experiences in modern cafés like Caffè Little Palembang further strengthen the urgency to understand the interaction between various factors affecting customer loyalty (Setianti et al., 2024).

Good service quality and innovative products tend to increase customer loyalty and ultimately build their trust. Research in various sectors shows a significant relationship between service quality and customer loyalty (Tanjung & Rahman, 2023). The intense competition in the café industry has led many businesses to offer similar services, so customers have high expectations for their experience, particularly in terms of service (Winasih & Hakim, 2021). One study revealed that price perception also plays an important role in shaping customer satisfaction, which in turn impacts loyalty (Rahman et al., 2022). However, many cafés have yet to integrate these factors effectively, leading to gaps in customer experience.

The café industry has become an essential part of the culinary sector, but most previous research has focused more on marketing, customer loyalty, and pricing strategies without delving deeper into how customer trust is built over time. Most studies have focused on individual factors like service quality and price, without linking them to customer loyalty in the increasingly competitive café business in Indonesia. Moreover, studies on consumer behavior in Indonesia's café industry have mostly been based on pre-COVID-19 data, while significant consumption pattern shifts have occurred since (Setiawan et al., 2022).

This shift in consumption patterns in the café industry over recent years shows that customer preferences are no longer solely influenced by price. Price transparency, customer reviews on digital platforms, and direct interaction experiences with the business are increasingly considered. The sustainability of a café is not only determined by conventional marketing strategies, but also by its ability to build strong relationships with customers through maintained consistency and credibility. A deeper understanding of the role of customer trust in the café industry is increasingly relevant to provide a clearer picture of loyalty patterns in this sector.

Another important aspect that deserves attention is the influence of digital customer engagement on loyalty in the café industry. With the increasing use of social media platforms and food delivery applications, customers are now more exposed to brand content and peer-generated reviews than ever before. Platforms like Instagram, TikTok, Google Reviews, and online food delivery ratings (e.g., GoFood, ShopeeFood) play a vital role in shaping customer perceptions and expectations. Positive digital engagement—through appealing visual content, prompt responses to feedback, and consistent brand storytelling—can significantly enhance perceived brand trust and loyalty. For Caffe Little Palembang, this digital presence not only serves as a promotional tool but also functions as a strategic platform for reinforcing customer relationships and sustaining long-term engagement.

Furthermore, the rise of consumer consciousness around sustainability, health, and ethical consumption also affects loyalty decisions. Today's customers—particularly younger demographics—are more inclined to support businesses that align with their values. This includes transparency in sourcing ingredients, environmentally friendly packaging, waste reduction initiatives, and social responsibility programs. While Caffe Little Palembang already has strong points in terms of comfort, service, and menu variety, integrating socially conscious practices may offer additional value that strengthens loyalty among these increasingly aware customer segments.

In line with these changes, personalization has emerged as a key differentiator in building customer loyalty. The use of customer data—gathered from digital orders, loyalty apps, or social media engagement—allows cafés to tailor promotions, recommend menu items, and provide targeted incentives. Personalized experiences, such as birthday discounts or customized beverage options, contribute to emotional satisfaction and increase the likelihood of repeat visits. For Caffe Little Palembang, adopting data-driven personalization strategies could help deepen customer relationships, enhance satisfaction, and ultimately improve loyalty retention rates.

Another dimension worth exploring is the impact of employee-customer interaction. Numerous studies in service marketing have emphasized that front-line employees are the “face” of the brand. The consistency, attitude, and professionalism of staff can shape customer impressions and directly influence loyalty decisions. Investing in employee training, motivation, and service excellence not only enhances immediate customer satisfaction but also fosters long-term emotional attachment to the brand. In the context of Caffe Little Palembang, where customers often stay for extended periods to work, study, or socialize, the ability of staff to deliver attentive and personalized service is critical in differentiating the café from its competitors.

Lastly, the importance of adaptability and innovation in the face of market trends cannot be overlooked. The café industry is highly dynamic, influenced by seasonal preferences, dietary trends (e.g., non-dairy, low-sugar), and even viral menu items. Businesses that are agile in updating their offerings and adjusting to new consumer behaviors are more likely to sustain customer interest and build brand loyalty. Caffe Little Palembang, with its willingness to evolve from a martabak brand into a full-service café, has demonstrated its capacity to adapt. Continued innovation, informed by customer feedback and market research, will be key to strengthening loyalty in the long term.

LITERATURE REVIEW

To assess the originality and suitability of this paper for publication, this literature review evaluates the theoretical framework, prior studies, and the contribution of the current research.

Customer Loyalty

Customer loyalty has become one of the most widely studied constructs in marketing and consumer behavior research over the past decades. (Wimana, 2024) as a long-term customer commitment to repurchase a product or service regardless of situational influences or marketing efforts, customer loyalty remains central to business sustainability. Similarly, Jeffryanto & Dini (2022) and Anggraini & Budiarti (2020) emphasize loyalty as both behavioral (repeated purchases) and attitudinal (emotional commitment to a brand).

Service Quality

Service quality has consistently emerged as one of the most influential determinants of customer loyalty. The SERVQUAL model developed by Parasuraman, Zeithaml, and Berry (1988) conceptualizes service quality across five dimensions—reliability, responsiveness, assurance, empathy, and tangibles—which have been applied widely in various service contexts. (Tsalatsa, 2021) support this by arguing that perceived service quality significantly shapes customer satisfaction, which then influences loyalty.

Price

Price is another critical factor. (Sahli, 2023) a perceived price fairness plays a pivotal role in purchase decisions. Customers are more likely to remain loyal to a brand when they perceive that the price they pay is fair in comparison to the value they receive. Price perception is especially relevant in competitive industries like food and beverage, where product differentiation can be minimal, and customers often base their choices on value-for-money judgments.

Perceived value—defined as the customer's overall assessment of the utility of a product based on what is received versus what is given—serves as a mediating factor between price and loyalty. It captures both functional and emotional components of consumption. Studies like those of Wiardi et al. (2020) highlight that when customers believe they receive high value from their purchases, they are more inclined to become loyal patrons.

Trust

Trust, on the other hand, plays a fundamental role in forming and maintaining long-term relationships between customers and service providers. (Tsalatsa, 2021) explain that trust reduces uncertainty, encourages repeated transactions, and builds relational loyalty. Trust is especially important in contexts where the service is intangible and cannot be evaluated before consumption, as is the case with many café services (Alamsyah et al., 2024; Bahtiar & Asih, 2025; Hidayah, 2025).

Research Gaps

Although these variables—service quality, price, perceived value, and trust—have been extensively studied in isolation, most of the literature tends to focus on large corporations or urban enterprises. For instance, Y.P. Sari et al. (2024) investigated loyalty in the telecommunications sector, Nurisa Afani Eka

Putri (2021) in Jakarta-based restaurants, and Sumantari (2023) as well as Berliana (2024) in cafes located outside of South Sumatra. These studies offer valuable insights but are limited in their generalizability to small, local businesses, particularly in emerging or developing regions.

The present study addresses this gap by examining all four constructs simultaneously in a local, small-scale business context—*Caffe Little Palembang*. This café represents a growing trend in Palembang's culinary industry, which combines modern design with traditional menus and targets a diverse demographic from students to professionals. Despite its popularity, fluctuating customer volumes suggest potential issues with customer retention, making it an ideal setting for loyalty research.

This study is relatively new and timely. It incorporates recent sources published between 2020 and 2024, ensuring that the discussion remains aligned with contemporary market trends and post-pandemic shifts in consumer behavior. Furthermore, it contextualizes established theoretical models within the Indonesian café sector, providing both academic relevance and practical utility.

The contribution of this research is twofold. First, it offers empirical evidence of how service quality, price, perceived value, and trust interact to shape customer loyalty in a café setting—an area underrepresented in existing literature. Second, it provides actionable insights for small business operators in Indonesia by demonstrating how these constructs can be strategically managed to enhance customer loyalty.

The paper adheres to academic standards in terms of structure, literature grounding, variable definition, and methodology. It uses validated constructs, employs rigorous statistical analysis, and follows a clear conceptual framework. The operationalization of variables is based on indicators proven in prior research, ensuring the robustness and reliability of the findings.

In terms of scope and relevance, the study fits within the domains of marketing, business management, consumer behavior, and SME development. It provides meaningful insights into how small and medium-sized enterprises can leverage customer perceptions to foster loyalty and sustain growth. This makes it suitable for publication in journals focusing on applied business strategies, especially those that emphasize practical contributions to local business innovation and development.

In conclusion, the integration of service quality, price, perceived value, and trust in a single study within a specific local café context not only fills a theoretical gap but also extends the applicability of loyalty frameworks in Indonesia's growing SME sector.

Furthermore, the research stands out by demonstrating how customer loyalty, a typically abstract and multifaceted concept, can be quantitatively measured and strategically influenced even within small and localized businesses. By employing a validated instrument and robust statistical analysis, the study presents an evidence-based approach that can be replicated by other small and medium-sized enterprises (SMEs) aiming to evaluate and enhance their customer loyalty strategies. This methodological clarity not only reinforces the study's credibility but also ensures that its outcomes are both actionable and adaptable.

Another valuable contribution of this paper lies in its relevance to current global and national challenges faced by SMEs, particularly in the food and beverage industry. Post-pandemic, many small business owners in Indonesia continue to struggle with customer retention due to shifts in consumer expectations, rising operational costs, and intensifying market competition. Within this context, the study provides empirical support for the notion that investing in service excellence, maintaining fair pricing structures, enhancing value delivery, and cultivating trust can collectively safeguard long-term customer relationships.

The research also implicitly underscores the psychological and emotional drivers behind loyalty. While traditional models often focus on economic or transactional factors, recent developments in behavioral

marketing highlight the role of customer perception, brand attachment, and experiential satisfaction in loyalty formation. This study aligns with such developments by incorporating variables like perceived value and trust—constructs that encapsulate the emotional and cognitive assessments customers make during their engagement with a brand. Thus, the study bridges classical loyalty theories with contemporary consumer psychology.

It is also important to note that this paper aligns with sustainable business practices and customer-centric marketing philosophies. By focusing on customer loyalty, the study promotes the idea of long-term relationship-building over short-term profit maximization. For businesses in developing economies like Indonesia, this orientation is crucial in fostering resilience and continuity in times of economic uncertainty. SMEs that build and maintain trust, continuously improve service standards, and deliver consistent value are more likely to survive and thrive in volatile markets.

From a scholarly perspective, the study contributes to the evolution of loyalty models by examining the combined and simultaneous effects of four independent variables, rather than analyzing them in isolation. This integrative approach enhances the explanatory power of the loyalty framework and encourages future researchers to explore multivariable relationships within specific business sectors. It also allows for hypothesis testing across different demographic groups or geographic regions, supporting the pursuit of more nuanced and inclusive marketing theories. In terms of theoretical grounding, the study is anchored in established marketing and consumer behavior literature, drawing upon well-known models such as SERVQUAL (Parasuraman et al., 1988), the value-for-money framework and the commitment-trust theory (Ekonomi et al., 2022). The use of these foundational theories ensures that the research maintains conceptual consistency, while its application to a real-world Indonesian context adds layers of depth and specificity that are often missing in Western-centric literature.

This balance between theory and practice is further enhanced by the study's engagement with local realities, particularly those affecting Palembang's café industry. Unlike more homogenized studies conducted in metropolitan areas, this research recognizes the uniqueness of local customer expectations, community dynamics, and cultural preferences. This contextually grounded approach increases the ecological validity of the findings and allows for more meaningful interpretations and recommendations. The study's methodological design also meets rigorous academic standards. It uses purposive sampling to ensure that the data collected is relevant and representative of the target population. The statistical tests employed—such as validity testing, reliability testing, multiple regression analysis, and classical assumption testing—demonstrate a high level of methodological integrity. This solid foundation enhances the credibility of the results and makes the study a potential reference for similar future works.

Finally, in terms of journal suitability, this paper fits well within the aims and scope of journals that focus on consumer behavior, marketing strategy, entrepreneurship, and SME development. It contributes not only to academic debates but also to managerial practices, offering strategic insights for policymakers, business consultants, and entrepreneurs. It also encourages cross-sectoral learning by illustrating how insights from marketing theory can inform practical decision-making in hospitality and service-based businesses. In conclusion, the integration of service quality, price, perceived value, and trust in one empirical study, conducted in a real-world SME setting in Indonesia, makes this paper original, timely, and highly relevant. It closes a notable gap in the literature, advances theoretical frameworks on customer loyalty, and provides practical guidance for small business owners navigating competitive environments. Its emphasis on customer-centric values and localized solutions aligns with both scholarly expectations and societal needs—making it a strong candidate for academic publication.

Moreover, this study addresses an often-overlooked dimension in loyalty research: the interplay between consumer lifestyle changes and business responsiveness in the café sector. As younger generations increasingly seek social and experiential value in their consumption—particularly in urban and semi-urban areas like Palembang—cafés are no longer evaluated solely based on products but on

atmosphere, service personalization, and brand identity. By integrating perceived value and trust into the framework, the study responds to this trend and adds a socio-psychological layer to existing loyalty models.

From a regional development perspective, the findings also hold policy relevance. Local governments and SME-supporting institutions can benefit from understanding which dimensions (e.g., pricing strategy or trust-building initiatives) most significantly influence consumer behavior in grassroots markets. This opens opportunities for evidence-based entrepreneurship programs, capacity-building workshops, or digital literacy training tailored to small café owners in Indonesia. Furthermore, this study offers a pathway for adaptive replication in other sectors. While rooted in the café business, the measurement instruments and regression model employed in this research are adaptable to other hospitality or service-based industries such as barbershops, coworking spaces, and local tourism services. This flexibility enhances the utility of the study beyond its immediate focus.

The paper also implicitly supports the movement toward data-driven decision-making in small enterprises. Many SMEs in Indonesia still rely on intuition or informal feedback mechanisms when evaluating customer satisfaction. By demonstrating the value of quantitative tools (like regression analysis) and structured customer feedback, the study encourages small business actors to adopt more systematic and measurable performance tracking practices. Additionally, this research indirectly contributes to digital marketing discourse, particularly as consumer trust and perceived value are increasingly shaped by online presence. While not the main focus of the study, the context of Caffe Little Palembang—where platforms such as Instagram and food delivery apps play a role—points to a future research opportunity examining the digital trust dimension and its influence on loyalty within local markets.

Finally, the study contributes to academic literature by promoting a balanced, multidimensional perspective on loyalty that includes both transactional and relational aspects. The dynamic between objective factors (e.g., service speed or pricing) and subjective ones (e.g., emotional security or perceived honesty) reflects a more holistic understanding of customer behavior in today's fragmented marketplace. Such a perspective aligns with calls from scholars like Oliver (Hartono & Purba, 2022) and Chaudhuri & Holbrook (2001), who advocate for integrated models of brand loyalty that bridge functional value with emotional and social drivers.

Research Framework

A conceptual framework represents the foundation of research by integrating theoretical perspectives, empirical observations, factual evidence, and insights from the literature review. It serves as a guide for structuring scientific inquiry. The illustration below presents the conceptual framework of this study:

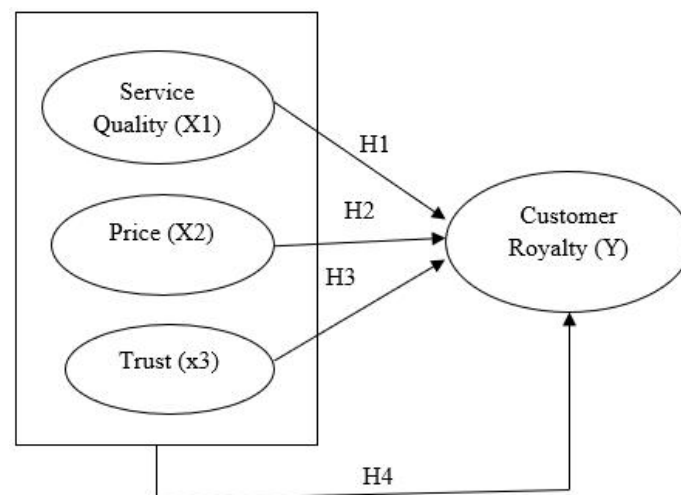


Figure 1. Conceptual Framework

H1 : Service Quality Influence Customer Royalty

H2 : Price Influence Customer Royalty

H3 : Trust Influence Customer Royalty

H4 : Service Quality, Price, and Trust Influence Customer Royalty

METHOD

This study adopts a quantitative causal-associative approach, aiming to analyze the influence of service quality, price, perceived value, and trust on customer loyalty. The object of the study is *Caffe Little Palembang*, focusing on the variables of service quality, price, perceived value, and trust. The subjects are customers who have visited the café at least three times. The population includes all customers of Caffe Little Palembang, totaling 38,037 in December. Using the Slovin formula and purposive sampling, a total of 396 respondents were selected as the sample. Primary data were collected via structured questionnaires distributed to customers at the café. Secondary data were obtained from literature sources such as books and journals relevant to the study variables. The questionnaire used a Likert scale (1–5) to measure responses.

Operational Definitions

- Customer Loyalty: Repeat purchases, recommendations, and commitment to the brand
- Service Quality: Measured by reliability, responsiveness, assurance, empathy, and tangibles
- Price: Affordability, fairness, competitiveness
- Perceived Value: Utility vs. cost assessment
- Trust: Benevolence, ability, integrity, and willingness to rely on the brand

Data were analyzed using multiple linear regression with SPSS version 26, preceded by classical assumption tests (normality, heteroscedasticity, and multicollinearity). Hypothesis testing used t-tests, F-tests, and the coefficient of determination (R^2). To ensure the reliability and validity of the research instrument, the questionnaire underwent a preliminary validity and reliability test using a sample of 30 respondents prior to its full deployment. Each item was evaluated using Pearson's correlation to assess item-total correlation for validity, while Cronbach's Alpha was employed to determine internal consistency reliability. All variables showed Cronbach's Alpha values exceeding 0.70, indicating that the instruments used were reliable. (Sugiyono, 2024).

The sampling technique, purposive sampling, was chosen based on the criteria that participants had prior experience with the service—specifically, they must have visited Caffe Little Palembang at least

three times. This criterion helps to ensure that the respondents have sufficient interaction and familiarity with the café to form accurate assessments regarding loyalty, value, trust, service quality, and price. Additionally, to reduce common method bias, the questionnaire was carefully structured to avoid leading questions, and a clear explanation of the study's purpose was provided to respondents to promote honest responses. Data collection was carried out over a period of two weeks in April 2025 to ensure adequate coverage of different customer segments, including students, workers, and casual diners. The data analysis process began with the coding and cleaning of questionnaire responses to eliminate incomplete or inconsistent entries. Descriptive statistics were used to profile respondents based on gender, age, frequency of visits, and expenditure per visit. This helped provide contextual insight into the demographic makeup of loyal customers at Caffè Little Palembang.

Following classical assumption testing (normality, heteroscedasticity, and multicollinearity), the multiple linear regression analysis was conducted to evaluate the relationship between the independent variables and customer loyalty. The t-test was used to determine the individual significance of each independent variable, while the F-test assessed the overall significance of the regression model. The coefficient of determination (R^2) was then used to measure the model's explanatory power in predicting customer loyalty. To strengthen the interpretation of the results, the standardized beta coefficients were analyzed to compare the relative influence of each independent variable on customer loyalty. Effect size and significance level ($p < 0.05$) were also taken into account in evaluating the hypotheses. (Bahri, 2019). This rigorous methodological design ensures that the findings are both statistically robust and practically meaningful, providing actionable insights for small businesses in the café industry.

RESULT AND DISCUSSION

This study aims to analyze the influence of independent variables on the dependent variable in a linear equation. Multiple linear regression analysis is used to measure the impact of customer loyalty.

Table 1 shows the results of the Multiple Linear Regression Test, which can be seen in the table below:

Table 1. multiple linear regression test

Coefficients ^a			
		Unstandardized Coefficients	
Model		B	Std. Error
1	(Constant)	2.337	.570
	Service Quality	.243	.036
	Price	.191	.045
	Trust	.409	.044

a. Dependent Variable: Customer Loyalty

Source: processed from research data, 2025

From Table 1 above, the following equation is obtained: **Customer Loyalty = 2.337 + 0.243 Service Quality + 0.191 Price + 0.409 Trust** The constant value obtained is 2.337, indicating that if the Service Quality variable remains constant or zero, then the service quality variable has a value of 0.243. This means that every 1-point increase in service quality will result in an increase of 0.243, or 24.3%. Meanwhile, the coefficient value for price is 0.191, indicating that a 1-point increase in this variable will result in a 0.191, or 19.1%, increase in price. Similarly, Trust increases by 1 point, amounting to 0.409, or 40.9%. Table 2. T-test results

The t-statistic test measures the effect of service quality, price, trust in explaining customer quality. The criteria are as follows:

- a. If the significance value is <0.05 , there is a significant effect between the independent variable and the dependent variable.
- b. If the calculated t-value is $> t$ -table, there is a significant effect between the independent variable and the dependent variable.

Table 2 shows the results of the independent t-test, which can be seen in the table below:

Tabel 2. T-test results

Coefficients ^a					
Unstandardized Coefficients					
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	2.337	.570		4.099	.000
Service Quality	.243	.036	.315	6.662	.000
Price	.191	.045	.203	4.234	.000
Trust	.409	.044	.440	9.266	.000

a. Dependent Variable: Customer Quality

Source: processed from research data, 2025

Based on Table 2, the t-test results are as follows:

- a. Service quality has a significance value of $0.000 < 0.05$ and shows a calculated t-value of $6.662 > t$ -table value of 1.966, indicating that the hypothesis is accepted. Therefore, it is concluded that service quality has a significant positive effect on customer loyalty partially.
- b. Price has a significance value of $0.000 < 0.05$ and shows a calculated t-value of $4.234 > t$ -table value of 1.966, indicating that the hypothesis is accepted. Therefore, it is concluded that price has a significant positive effect on customer loyalty partially.
- c. Trust has a significance value of $0.000 < 0.05$ and shows a calculated t-value of $9.266 > t$ -table value of 1.966, indicating that the hypothesis is accepted. Therefore, it is concluded that trust has a significant positive effect on customer loyalty partially.

Table 3. F-test results

The F-statistic test is used to determine whether there is an overall or simultaneous influence between the dependent and independent variables. The criterion is that if the calculated F is greater than the F-table, a significant influence of the dependent variable on the independent variables is indicated.

Table 3 shows the results of the F-test (bound), as shown below:

Table 3. F-test results

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	13267.607	3	4422.536	743.633	.000 ^b
Residual	2331.302	392	5.947		
Total	15598.909	395			

a. Dependent Variable: Customer Quality

b. Predictors: (Constant), Trust, Service Quality, Price

Source: processed from research data, 2025

Based on the table 3, the results of the F test above, it can be seen that with $df(n1) = 1$ and $df(n2) = 395$, the f table is 3.843. From the results of the f test, the calculated f value is $743.633 >$ from the f table 3.843 and the significance value is $0.000 < 0.05$, which means the hypothesis is accepted. It is concluded that there is a simultaneous (bound) influence between the variables of service quality, price, and trust on customer loyalty.

The Effect of Service Quality on Customer Loyalty Partially

This study has a calculated t value of 6.662 greater than the t table value of 1.966 and a significance value of 0.000 smaller than 0.05, meaning that there is a positive and significant influence between the service quality variable on customer loyalty at Caffè Little Palembang. The study entitled "The Effect of Service Quality and Customer Perceived Value, Product Quality, and Customer Satisfaction on Customer Loyalty (Study at Malabar Cafe, East Jakarta) explains that service quality has a positive and significant influence on customer loyalty. (Ryna Parlyna & Terrylina Arvinta Monoarfa, S.E., M.M, 2021)

The Effect of Price on Customer Loyalty Partially

This study shows that the calculated t value is 4.324, which is greater than the t table value of 1.966, and the significant value of 0.000 is smaller than 0.05, meaning that there is a positive and significant influence between the price variable on customer loyalty at Caffè Little Palembang. The study entitled "The Effect of Service Quality and Price on Customer Loyalty at Cafe Angkringan Ropita" explains that price has a positive and significant influence on customer loyalty. (Dyta, Z. Zidand, 2024)

The Effect of Trust on Customer Loyalty Partially

This study has a calculated t value of 9.266 greater than the t table value of 1.966 and a significant value of 0.000 smaller than 0.05 which means there is a positive and significant influence on the trust variable on customer loyalty at the little caffè Palembang. The study entitled "The Effect of Service Quality, Product Quality, Brand Image and Trust, on Customer Loyalty at the Luthier Coffee Cafe Palembang" explains that the trust variable has a positive and significant influence on customer loyalty. (Novitasari, 2023)

The Effect of Service Quality, Price, and Service Quality on Customer Loyalty Simultaneously

The F test results show that the significance value is 0.000, which is <0.05 , meaning that there is a significant positive influence simultaneously on service quality, price, and trust on customer loyalty at Caffè Little Palembang. Adjusted R Square with a value of 0.849 or 84.9% states that the variables of service quality, price, and trust influence satisfaction by 84.9%, the remaining 16.1% is influenced by other factors outside the study.

CONCLUSION

The results of this study indicate that service quality, price, and trust have a significant positive influence on customer loyalty at Caffè Little Palembang. The better the service quality, the higher the level of customer loyalty to the company or brand. This finding aligns with previous theories stating that service quality is a key factor in forming and maintaining customer loyalty. This finding supports the view that price is a benchmark for satisfaction and transaction fairness. When customers perceive the price as commensurate with the quality and experience they receive, they are more likely to be loyal, either through repeat visits or recommendations. Therefore, maintaining a balance between price and service quality is a crucial strategy for maintaining customer loyalty.

The higher the level of customer trust in a product or service, whether in terms of credibility, integrity, or consistency of service, the greater their likelihood of remaining loyal. This is a crucial factor in building and maintaining customer loyalty. When customers feel confident in the promises and quality offered by a company, long-term, mutually beneficial relationships are more easily established. Therefore, companies need to maintain customer trust through honest communication, consistent service, and a commitment to quality.

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