THE EFFECT OF SERVICE QUALITY, EMPLOYEE TRUST ON CUSTOMER SATISFACTION AND CUSTOMER LOYALTY USING POSITIVE EMOTION AS MODERATING VARIABLE FOR THE CUSTOMER OF COFFE SHOP IN SURABAYA AND GRESIK

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ABSTRACT

This study has purpose to prove and analyze positive emotions as a moderating variable to improve Service Quality and Trust on the Satisfaction and Loyalty of customer of “Simple Group” Cafes in Surabaya and Gresik. Sample in this study was obtained using purposive sampling, they are customers who visit the selected cafes in more than 1 time in a month. The number of samples used were 105 respondents. The data collection techniques were interviews, observation, and questionnaires. Based on the results of the analysis, it can be concluded as follows: a). Customer satisfaction is highly determined by the quality of services provided to employees who deal directly with customers. Thus, in this case, satisfaction is during interaction where customers obtain comfortable and good service from the coffee shop employees of “Simple Group” in Surabaya and Gresik. b). Increasing the employee confidence in the “Simple Group” coffee shop will increase the customer satisfaction, however if the employee confidence increases in bad conditions, satisfaction will also decrease c). Positive emotions can a variable moderation between service quality and customer satisfaction, however, if the positive emotional ties are too high, the quality effect on satisfaction will also experience decrease. Positive emotions able to moderate the employee confidence in customer satisfaction. The higher the level of employee confidence, the higher the level of customer satisfaction even without positive emotions as a moderator. e). The higher the customer satisfaction, the higher the intention of loyalty. Satisfaction obtained by customers will have a good impact on customer attitudes into positive loyalty.

Keywords: Service Quality, Employee Trust, Customer Satisfaction, Positive Emotions, Customer Loyalty

INTRODUCTION

Nowadays, coffee shops are becoming a global phenomenon, coffee shops can be easily found in various countries in the world, including in Indonesia. Coffee shops are used by the community as a space for sharing ideas. Historically, coffee shops have been known as places of intellectual discussion, political debate, and social freedom (Tucker, 2011: 7). Coffee drinking activities in coffee shops have become commonplace and widely practiced by the community. Now, even coffee shops have quite an important position, namely as a gathering place for people where they can for a moment break away from the demands of daily life and are tired from work routines. Coffee shops are also part of public spaces that provide social space or freedom for visitors to chat, hang out, mingle, or look for the sources of information (Santoso, 2017; Sohrabi, 2015; Hayati, 2015). The public space embedded in the coffee shop as proposed by Habermas (1993) is part of the public sphere that allows citizens to come together to articulate their interests to form opinions and wills together.

In the current condition, the presence of small businesses really helps the economy; it is since their existence can: 1. help improve the economy, 2. Reduce unemployment, 3. train and foster entrepreneurial interest. "Simple Group" coffee shop is a traditional coffee shop that not only sells coffee but also sells a variety of sachets, packaged rice and a variety of snacks with cheap price concepts, such as coffee shops in the villages but with the condition of the current facilities that are open at strategic locations with the following characteristics: 1.) Using traditional management. 2) The condition of the concept of a coffee shop with a natural nuance. 3) Accommodating the surrounding community to become employees, especially those who are less capable. coffee shop.5) Reporting stock taking every day so that it is monitored, measured and detected.6) Using integrated service systems include:

The following are coffee shop objects that can be reviewed from the total revenue in the last 3 months (June, July and August) in 2019:

![Total Net Income of Coffee Shop 2019](image)

Graphic 1.1 Sales Revenue in June, July, August 2019
Periodic increase of each coffee shop will not be separated from customer loyalty, therefore, this also reflects the number of visitors at each coffee shop that also experienced an increase, as can be seen in the following graph.

![Graph of Number of Visitor in The Coffee Shop in 2019](image)

**Graph 1.2 The Number of Visitor in June, July, August 2019**

Based on the data that has been included and the results of informal interviews with several customers, information can be obtained that customers are loyal to coffee shops spread in 7 (seven) locations (Table 1.3). This happens since customers feel satisfied with the services received and trust the employees in serving. Positive customer emotions are closely related to the existence of the coffee shop which also gives meaning to the customer loyalty.

<table>
<thead>
<tr>
<th>No</th>
<th>Name of Coffee Shop</th>
<th>Opening Date</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Simple</td>
<td>3 April 2012</td>
<td>Jl. Raya Deles Surabaya</td>
</tr>
<tr>
<td>2</td>
<td>Cak Ir</td>
<td>6 Mei 2014</td>
<td>Jl. Semolowaru Selatan Surabaya</td>
</tr>
<tr>
<td>3</td>
<td>Oscar</td>
<td>7 Februari 2017</td>
<td>Jl. Mayjend Soengkono Gresik</td>
</tr>
<tr>
<td>4</td>
<td>Faisal</td>
<td>15 Desember 2018</td>
<td>Jl. Semolowaru elok Surabaya</td>
</tr>
<tr>
<td>5</td>
<td>Gavin</td>
<td>6 Juni 2016</td>
<td>Jl. Sutorejo Surabaya</td>
</tr>
<tr>
<td>6</td>
<td>Cak Ri</td>
<td>14 Juni 2013</td>
<td>Jl. Semolowaru Indah Surabaya</td>
</tr>
<tr>
<td>7</td>
<td>Le Lucky</td>
<td>8 Juli 2018</td>
<td>Jl. NgelKebonsari Surabaya</td>
</tr>
</tbody>
</table>

Source: The Management of Simple Group, 2019

The more advanced and the development of the managed coffee shop, the manager will be able to obtain profits, and these profits can be managed by establishing new branches. With the new coffee shop branches, new additional workers are required, and the need for these labor or workers will help the Government in reducing unemployment in Indonesia.

From the results of observations and informal interviews with "Simple Group" coffee shop customers, some information was obtained that they visit the coffee shop more than once in a month since they feel satisfied and their satisfaction is due to good service quality and the trust of employees in serving customers well. The positive emotional ties have strengthened the repurchase of the customers of coffee shop.

**LITERATURE REVIEW**

1. **Service Quality (Servqual)**

The definition of service quality is centered on meeting the needs and desires of consumers. According to Wyckof (2002) cited in Arif (2007: 118) "states that service quality is the expected level of excellence and control over the level of excellence to meet customer desires." Parasuraman (1995) said that there are two main factors that affect the quality of service that is, expected service and perceived service if the service received is as expected, the service quality is perceived as good or satisfying. If the service received exceeds the customer expectations, the quality is perceived to be ideal.

Research by Kumar, et al., (2009) showed that good service quality will increase the customer satisfaction and the customer loyalty.

Service Quality Dimensions (Servqual) According to Parasuraman cited in Fandy Tjiptono (2002: 70) states that of the ten dimensions of service quality that previously could be summarized into five main dimensions, the five main dimensions include: Direct evidence (Tangibles), covering physical facilities, equipment, employees, and the means of communication, Reliability, namely the ability to provide the promised service immediately, accurately, and satisfactorily, Responsiveness, namely the confidence of staff to help customers and provide services with responsiveness, Guarantees (Assurance), including knowledge, abilities, courtesy, and trustworthiness of the staff, free from danger, risk or doubt, Empathy, including the ease of relationships, good communication, personal attention, and understanding the needs of the customers.

Penelitian Prasetyo (2013) juga menunjukkan bahwa kualitas pelayanan berpengaruh secara positif terhadap kesetiaan pelanggan, artinya jika semakin baik kualitas pelayanan yang diberikan maka semakin setia pelanggan dalam mengonsumsi produk perusahaan tersebut. Sejalan dengan hasil penelitian tersebut, penelitian yang dilakukan oleh Akbar M.M dan Parvez N juga membuktikan bahwa kualitas pelayanan berpengaruh secara positif terhadap kesetiaan pelanggan.
2. Trust

Trust is the foundation of business. Building trust in long-term relationships with customers is an important factor for creating customer loyalty. This trust cannot be easily recognized by other parties/business partners, but must be built from scratch and can be proven. The research of Erwan Aristyanto, Andi Farouq Hasan, Aditya Surya Nanda (2019) showed that trust has a significant effect on satisfaction. The results of this study are also in line with the results of research conducted by Diza, Moniharapon, and Ogi (2016) which shows that customer trust has a positive and significant effect on customer satisfaction at PT Fif group Manado Branch. Sahangamau, Mananeke, and Sepang (2015) found that there was a significant and positive influence of trust on customer satisfaction (trust) is the foundation of business.

Based on the above definition, it can be stated that trust is certain party’s trust in others in conducting transactions. Relationship based on a belief that the person they trust will fulfill all their obligations as expected. The Dimension of Trust according to Mayer et al., (1995) there are three factors that shape a person's trust in others, namely, ability, benevolence, and integrity. Research conducted by Bricci, Fraga, and Antunes (2016) examining customers from the cleaning and professional cleaning products sector in Viseu-Portugal proves that trust has a direct positive effect on customer satisfaction in the distribution sector in Portugal.

3. Pleasure (satisfaction)

According to Kotler (2002), customer satisfaction is a feeling of pleasure or disappointment someone who appears after comparing the perception or impression of his performance under expectations, customers are not satisfied. But, if the performance exceeds expectations, the customer is very satisfied and happy. If the perceived performance is below expectations, the customer will feel disappointed, if the performance meets customer expectations, the customer will feel satisfied, whereas if the performance exceeds expectations, the customer will feel very satisfied. This satisfaction will certainly be felt after the customer concerned consumes the product. Research conducted by Beibe et al., (2013) in Sweden showed that product quality is a very important factor to maintain customer satisfaction, and this happens since most consumers choose a cafe by considering the quality of products offered at the cafe as the main product. The second factor that can affect the customer satisfaction is the Service Quality provided by the cafe. Dimensions of Customer Satisfaction (customer satisfaction) According to Irawan (2004: 37), there are five main dimensions of customer satisfaction, namely: Price, Service Quality, Product Quality, Emotional Factor, Efficiency.

4. Customer Loyalty

In the definition of customer loyalty, literally, loyal means faithful, or loyalty can be interpreted as a faithfulness. According to Griffin (2005), customers who make purchases repeatedly and regularly have felt the benefits of products or services that have been received from a company, usually will intend to make a purchase again or repurchase. In other words, the intention to behave can lead to the desire of consumers to become loyal customers. Rahayu & Suryanti's research (2014) proves that customer relationships affect the customer loyalty.

According to Rangkuti, Freddy (2002: 60), “customer loyalty is consumer faithfulness to companies, brands and products. Sutisna (2003: 41) defines loyalty as a liking towards a brand that is presented in a consistent purchase of that brand over time.

According to Durianto (2001: 4), “Loyal consumers in general will buy the brand even though faced with many alternative competing product brands that offer superior product characteristics viewed from various angles. Pratiwi in her research concluded that consumer satisfaction variables had a positive and significant effect on loyalty (Pratiwi, 2010).

5. Positive Emotion

Someone can put certain emotions, such as feelings of joy, anger, joy and sadness. Emotions are classified into orthogonal dimensions that are positive and negative (Wason and Tellegen, 1985 in Park et al., 2006). Peter and Olson (2013: 40) explain that positive emotions are described by pleasure, excitement, love, joy, calm, and satisfaction. According to Hude (2006) positive emotions are emotions that are always enjoyed by everyone, such as happy, happy, satisfied, and the like. In the other side, negative emotions are emotions that are not expected to occur in a person.

Emotions are feelings/affections that can involve physiological dependence, conscious experience and expression of behavior. Emotions take place in a relatively short time, but occur intensely. There are five emotional characteristics according to Hawkins et al. (2007: 382), namely: 1) Emotions are often influenced by environmental conditions. 2) Emotions are usually accompanied by conditions of physiological changes, for example, pupillary enlargement, increased sweating or faster breathing. 3) Emotions are usually followed by cognitive thinking. 4) Emotions are like behavior, for example when sadness triggers someone to cry, fear triggers someone to run away. 5) Emotions involve feelings towards the subject. Emotions include influences and moods which are important in decision making. Emotions are classified into orthogonal dimensions namely positive and negative (Wason and Tellegen, 1985 in Parquet et al., 2006).

Positive emotions are defined as moods that influence and determine the intensity of consumer decision making. Positive emotions felt by consumers will encourage consumers to acquire a product immediately without any prior planning and vice versa negative emotions can encourage consumers not to make impulsive purchases. The hedonistic consideration of consumers with positive moods when making purchases can increase the chances of impulsive buying decisions. Thus the value of hedonic shopping affects impulse buying through positive emotions. To measure emotions associated with consumption or other dominance, one of them is through the ability to categorize or classify emotions and distinguish them from other parts (Richin, 1997). Thus, the greater the positive emotions of customers, the greater the desire to make impulsive purchases (Verhagen and Dolen, 2011).

Consumers with positive emotions show a greater urge to buy because they have feelings that are not limited by the circumstances of the surrounding environment, have a desire to respect themselves, and higher energy levels (Rook & Gardner, 1993). The high impulse is most likely to occur impulsively buying. Impulsive buying is defined as a purchase when consumers feel a sudden urge, sometimes very strong and hard to buy something quickly (Rook, 1987: 190). In addition, Beatty and Ferrell (1998: 170) define impulsive purchases as fast and sudden purchases in the absence of previous intentions to buy certain product
categories or to fulfill the task of buying certain products. Impulse buying can also be described as a purchase that is different, fun and uses more emotion than logic, and is characterized by making decisions that tend to be fast, subjective and spontaneously.

Hypothesis

Based on the study of theoretical review and theoretical framework, a hypothesis can be drawn, they are as follow:

H1: Service Quality (servqual) has an effect on Customer Satisfaction of coffee shops in Surabaya and Gresik.

H2: Employee trust has an effect on the customer satisfaction of coffee shops in Surabaya and Gresik.

H3: Positive emotions moderate the effect of Service Quality (servqual) on Customer Satisfaction of coffee shops in Surabaya and Gresik.

H4: Positive emotions moderate the effect of Employee Trust on customer satisfaction of coffee shops in Surabaya and Gresik.

H5: Customer satisfaction has an effect on customer loyalty of coffee shops in Surabaya and Gresik.

METHOD OF THE STUDY

This study applied an explanatory research with quantitative approach and the method used was survey method. The locations used were in coffee shops in Surabaya and Gresik. The variables studied were the variables of Service Quality (servqual), Employee Trust (customer trust), Customer Satisfaction, and Customer Loyalty. The sample used was 96 respondents who are coffee shop customers in Surabaya and Gresik obtained by using Purposive Sampling. The data collection method used in this study was a questionnaire. The data analysis used was descriptive analysis and quantitative analysis by using statistical analysis of structural equation models or SEM PLS (Structural Equation Model Partial Least Square).

RESULTS AND DISCUSSION

Results of The Study

This questionnaire was distributed to respondents who were assigned as many as 105 respondents from the coffee shop of Simple, Cak Ir, Oscar, Faisal, Gavin, CakRi, Le Lucky but the questionnaires that could be considered feasible to process were 100 questionnaires. This number was considered to be able to represent the population since for a survey research, the minimum respondents were 100 people, Hair (1995: 444). In this study, there were 62 male respondents or 62%, while the rest were female respondents. Therefore, it was concluded that male respondents preferred visiting coffee shops than female respondents. It is understandable that, as in Indonesian culture, coffee is more identical with men than women.

The Results of Path Analysis

Path coefficient indicates the level of significance and the relationship between research variables by giving the following results:

H1: Service quality (Servqual) has an effect on customer satisfaction of coffee shops in Surabaya and Gresik.

The effect of service quality on customer satisfaction is 0.912253 with a T-statistics value of 18.510423, where the value of T-statistics is greater than 1.96.

Based on these results, it can be interpreted that the influence of service quality (Servqual) on customer satisfaction is significant and supported by the direction of a positive influence of 0.912253, meaning the better the quality of service provided, the more the customer feels satisfied.

H2: Employee trust has an effect on customer satisfaction of coffee shops in Surabaya and Gresik.

The effect of employee trust towards customer satisfaction is -0.287646 with a T-statistics value of 3.053951, where the value of T-statistics is greater than 1.96.
Based on these results, it can be interpreted that the effect of employee trust on customer satisfaction is significant with the direction of negative influence of -0.287646 meaning the higher the trust of employees (employee trust) in providing services, the more the customer satisfaction decrease.

H3: Positive emotions moderate the effect of service quality (servqual) on the customer satisfaction of coffee shop in Surabaya and Gresik

The amount of positive emotions in moderating the effect of service quality (servqual) on customer satisfaction is -0.867266 with a T-statistics value of 6.521396, where the value of T-statistics is greater than 1.96.

Based on these results, it can be interpreted that positive emotions moderate the effect of service quality (servqual) on customer satisfaction. Positive emotions strengthen the effect of service quality (servqual) on customer satisfaction.

H4: Positive emotions moderate the effect of employee trust on customer satisfaction of coffee shops in Surabaya and Gresik

The amount of positive emotions in moderating the effect of employee trust on customer satisfaction is 0.348808 with a T-statistics value of 2.047521, where the T-statistics value is greater than 1.96.

Based on these results, it can be interpreted that positive emotions moderate the effect of employee trust towards customer satisfaction is significant with the direction of positive influence of 0.348808, meaning positive emotions strengthen the effect of employee trust on customer satisfaction.

H5: There is an effect of customer satisfaction on customer loyalty of coffee shops in Surabaya and Gresik

The effect of employee trust on customer satisfaction is 0.444358 with a T-statistics value of 25.690752, where the value of T-statistics is greater than 1.96.

Based on these results, it can be interpreted that the effect of customer satisfaction on customer loyalty is significant with the direction of a positive influence of 0.444358, meaning the more customers are satisfied with the services provided, the more loyal the customers of coffee shops in Surabaya and Gresik.

CONCLUSION

Based on the results of the discussion in the previous chapter, some conclusions can be drawn as follows:

a. The quality of service at the "Simple Group" coffee shop in Surabaya and Gresik has an effect on customer satisfaction and customer loyalty.

b. The trust given to employees (employee trust) in providing the best service actually reduces customer satisfaction, since the majority of customers are in early adulthood who prefer services that are not too intense, customers feel they have been able to be independent and not too dependent on others.

c. Positive emotions can moderate the effect of service quality (servqual) on customer satisfaction. However, the existence of positive emotions weakens the effect of service quality (servqual) on customer satisfaction of "Simple group" coffee shops in Surabaya and Gresik.

d. Positive emotions can moderate the effect of employee trust on customer satisfaction. Positive emotions strengthen the influence of employee trust on customer satisfaction.

e. Customer satisfaction has an effect on customer loyalty.

SUGGESTION

Based on the results of research and conclusions that have been put forward, then some things that are of concern and can be suggested are as follows:

a. For the managers of "Simple Group" coffee shops in Surabaya and Gresik in order to continue to improve service quality (servqual) and employee trust in order that to make customers satisfied and feel comfortable, when visiting and making purchases at the venue. Maintaining a sustainable good relationship between coffee shops and customers. Improve the quality of service by providing training to employees so that employees are motivated to work.

b. For coffee shop managers "Simple Group" seeks to understand the positive emotions of customers so that the services provided are in accordance to the desire of the customer. Positive emotions are psychological factors that are unique and interesting to study because they are experienced by all people and all ages, therefore, it is necessary to develop research on these effects on different ages, so that their effects can be analyzed deeply, particularly, for the development of marketing science.

c. For further researchers, it is necessary to conduct an in-depth study or develop a research model by examining the effect of employee confidence in customer satisfaction which in this study has a negative direction.

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