

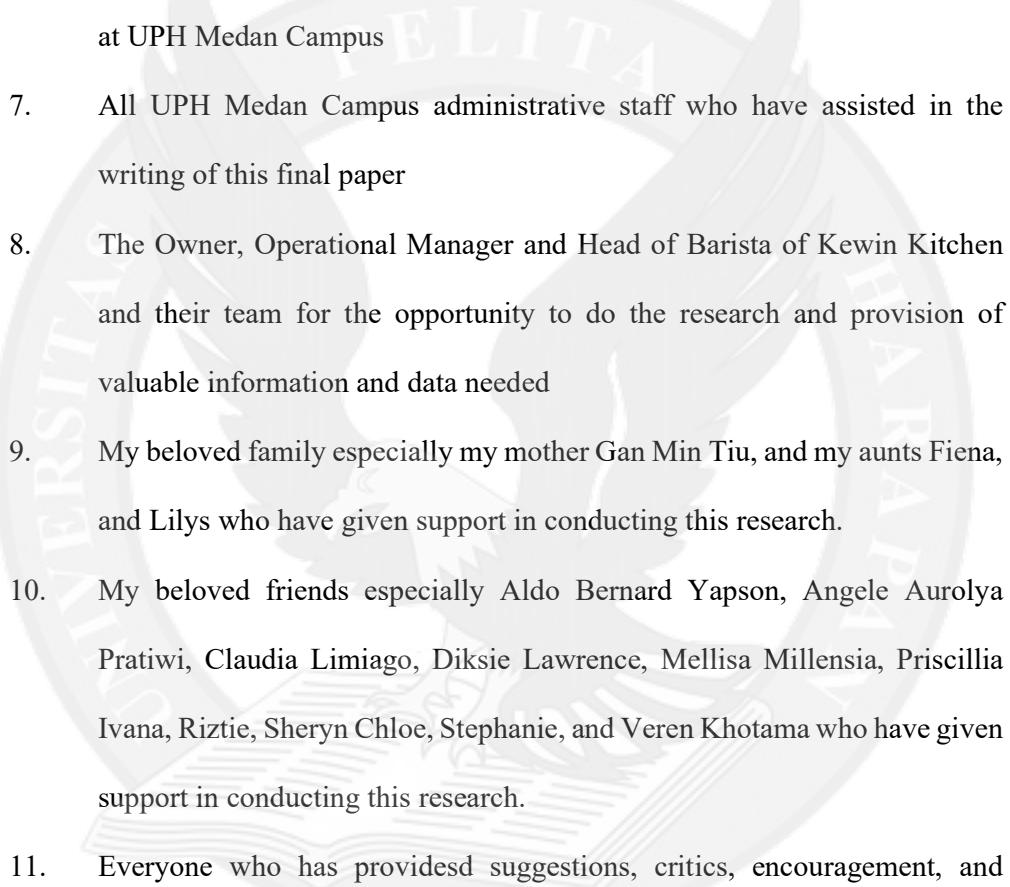
## PREFACE

By the grace and blessing of the Almighty God, the writer has completed the final paper entitled: **“The Influence of Service Quality towards Customer Loyalty at Kewin Kitchen Medan”.**

This final paper is written as a partial fulfillment of the academic requirements to obtain the degree of *Sarjana Manajemen* at Management Study Program, Faculty of Economics and Business, Universitas Pelita Harapan Medan Campus.

The writer would like to express his/her sincere gratitude to the following people for their valuable contributions in assisting and supporting the writer from the beginning until the completion of this final paper:

1. Dr. (Hon). Jonathan L. Parapak, M. Eng. Sc., as the Rector of Universitas Pelita Harapan
2. Mr. Arifin, SE, MM, MBA, CBV, CMA, CSMA as the Associate Dean of Faculty of Economics and Business of UPH Medan Campus
3. Mr. Dr. Alfonsius, S.E, M.Si., as the Department Chair of Management Study Program UPH Medan Campus
4. Mr. Edward Panggabean, S.Pd., M.Pd., as the Final Paper Advisor who has guided and given valuable instructions and guidance for the completion of this final paper

- 
5. Mr. Rifin Khong, B.Bus(BIS), M.Mm , FCH , AWP, as Mentor who has guided and give valuable instructions and guidance and support from the throughout the entire study period at UPH Medan Campus
  6. All UPH Medan Campus lecturers, especially who have transferred knowledge from the first till the last semester during the entire study period at UPH Medan Campus
  7. All UPH Medan Campus administrative staff who have assisted in the writing of this final paper
  8. The Owner, Operational Manager and Head of Barista of Kewin Kitchen and their team for the opportunity to do the research and provision of valuable information and data needed
  9. My beloved family especially my mother Gan Min Tiu, and my aunts Fiena, and Lilys who have given support in conducting this research.
  10. My beloved friends especially Aldo Bernard Yapson, Angele Aurolya Pratiwi, Claudia Limiago, Diksie Lawrence, Mellisa Millensia, Priscillia Ivana, Riztie, Sheryn Chloe, Stephanie, and Veren Khotama who have given support in conducting this research.
  11. Everyone who has provided suggestions, critics, encouragement, and motivation in order to finish this final paper

Finally, the writer acknowledges that there may still be inaccuracies and errors in this final paper. Therefore, constructive comments as well as inputs from the readers aimed at the improvement of this final paper content are welcomed and highly appreciated.

Medan, May 10, 2021

The Writer,



Velia

03013170046



## TABLE OF CONTENTS

	page
<b>COVER PAGE</b>	
<b>TITLE PAGE</b>	
<b>DECLARATION OF AUTHENTICITY OF FINAL PAPER AND UPLOAD AGREEMENT.....</b>	<b>ii</b>
<b>APPROVAL PAGE BY FINAL PAPER ADVISOR .....</b>	<b>iii</b>
<b>APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE .....</b>	<b>iv</b>
<b>ABSTRACT .....</b>	<b>v</b>
<b>ABSTRAK .....</b>	<b>vi</b>
<b>PREFACE.....</b>	<b>vii</b>
<b>TABLE OF CONTENTS.....</b>	<b>x</b>
<b>LIST OF FIGURES .....</b>	<b>xiii</b>
<b>LIST OF TABLES .....</b>	<b>xiv</b>
<b>LIST OF APPENDICES .....</b>	<b>xv</b>
<b>CHAPTER I INTRODUCTION</b>	
1.1 Background of the Study .....	1
1.2 Problem Limitation.....	4
1.3 Problem Formulation.....	5
1.4 Objective of The Research.....	5
1.5 Benefit of The Research .....	5
1.5.1 Theoretical Benefit .....	5
1.5.2 Practical Benefit.....	6
<b>CHAPTER II LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT</b>	
2.1 Theoretical Background.....	7
2.1.1 Hospitality Industry .....	7
2.1.2 Service Quality .....	7

2.1.2.1	Service Quality Definition .....	8
2.1.2.2	Characteristics of Service .....	10
2.1.2.3	Service Quality Indicators .....	11
2.1.2.4	Factor Affecting Service Quality .....	12
2.1.3	Customer Loyalty .....	13
2.1.3.1	Customer Loyalty Definition .....	13
2.1.3.2	Customer Loyalty Indicators .....	15
2.1.3.3	Factors Affecting Customer Loyalty .....	16
2.1.4	Correlation between service quality and customer loyalty .....	17
2.2	Previous Research.....	18
2.3	Hypothesis Development.....	21
2.4	Research Model .....	23
2.5	Framework of Thinking.....	24

### **CHAPTER III RESEARCH METHODOLOGY**

3.1	Research Design .....	25
3.2	Population and Sample .....	27
3.3	Data Collection Method.....	29
3.4	Operational Variable Definition and Variable Measurement.....	31
3.4.1	Operational Variable Definition .....	31
3.4.2	Variable Measurement.....	32
3.5	Data Analysis Method .....	33
3.5.1	Descriptive Statistic .....	33
3.5.2	Validity Test .....	35
3.5.3	Reliability Test.....	35
3.5.4	Classic Assumption Test.....	36
3.5.5	Linear Regression Test .....	37
3.5.6	Hypothesis Test.....	38

### **CHAPTER IV RESEARCH RESULT AND DISCUSSION**

4.1	General View of Kewin Kitchen .....	41
-----	-------------------------------------	----

4.2	Research Result .....	42
4.2.1	Descriptive Statistic .....	42
4.2.1.1	Respondent Characteristics .....	42
4.2.1.2	Gender of Respondents .....	43
4.2.1.3	Age of Respondents .....	44
4.2.1.4	Respondents Responses .....	45
4.2.2	Variable Descriptive Analysis .....	49
4.2.2.1	Explanation on Respondent Toward Variable X, Service Quality .....	49
4.2.2.2	Explanation on Respondent Toward Variable Y, Customer Loyalty .....	52
4.2.3	Validity Test .....	53
4.2.4	Reliability Test.....	55
4.2.5	Classical Assumption Testing Results.....	56
4.2.5.1	Normality Test .....	56
4.2.5.2	Heteroscedasticity Test .....	58
4.2.5.3	Linearity Test .....	59
4.2.6	Linear Regression Analysis .....	60
4.2.7	Result of Hypothesis Testing.....	61
4.2.7.1	Coefficient of Determination .....	61
4.2.7.2	Hypothesis Test.....	62
4.3	Discussion.....	63
<b>CHAPTER V CONCLUSION</b>		
5.1	Conclusion.....	66
5.2	Implication.....	68
5.3	Recommendation .....	70
<b>REFERENCES.....</b>		74

## LIST OF FIGURES

	page
Figure 2.1 Research Model .....	23
Figure 4.1 Kewin Kitchen Organizational Structure.....	42
Figure 4.2 Respondent Gender Chart .....	44
Figure 4.3 Respondent Age Chart .....	45
Figure 4.4 Histogram Normality Test .....	57
Figure 4.5 P-P Plot Normality Test.....	57
Figure 4.6 Scatterplot of Heteroscedasticity Test .....	59

## LIST OF TABLES

	page	
Table 1.1	Competition among Italian Restaurants in Medan on 2021 .....	3
Table 3.1	Definition of Operational Variables .....	32
Table 3.2	5-point Traditional Likert Scale.....	33
Table 3.3	Validity Test Scale.....	35
Table 3.4	Reliability Test Interpretations .....	36
Table 3.5	Parameter of Heteroscedasticity .....	37
Table 4.1	Gender of Respondents .....	43
Table 4.2	Age of Respondents .....	44
Table 4.3	Value Degree of Variable .....	46
Table 4.4	Respondent's Response Towards Service Quality (X).....	46
Table 4.5	Respondent's Response Towards Customer Loyalty (Y).....	48
Table 4.6	Response Towards Service Quality Variable - X .....	49
Table 4.7	Response Towards Customer Loyalty Variable - Y .....	52
Table 4.8	Validity Test of Service Quality (X).....	54
Table 4.9	Validity Test of Customer Loyalty (Y).....	54
Table 4.10	Reliability Test for Service Quality Variable .....	55
Table 4.11	Reliability Test for Customer Loyalty Variable .....	55
Table 4.12	Normality Test .....	56
Table 4.13	Heteroscedasticity Test, Glejser Test.....	58
Table 4.14	Linearity Test .....	60
Table 4.15	Linear Regression Test .....	60
Table 4.16	Coefficient of Determination .....	61
Table 4.17	Hypothesis t-test .....	62
Table 5.1	Managerial Implication .....	69

## **LIST OF APPENDICES**

APPENDIX A: QUESTIONNAIRE.....	A-1
APPENDIX B: QUESTIONNAIRE DATA TABULATION .....	B-1
APPENDIX C: SPSS DATA OUTPUT RESULT .....	C-1
APPENDIX D: RESULT OF VALIDITY AND RELIABILITY TESTS .....	D-1
APPENDIX E: RESEARCH MODEL TESTING.....	E-1
APPENDIX F: HYPOTHESIS ANALYSIS .....	F-1
APPENDIX G: T-TEST.....	G-1
APPENDIX H: INTERVIEW QUESTIONS.....	H-1
APPENDIX I: GOOGLE REVIEW .....	I-1
APPENDIX J: COMPANY'S LETTER.....	J-1
APPENDIX K: PHOTOS/DOCUMENTATION .....	K-1