

TABLE OF CONTENTS

| | |
|--|-------------|
| COVER PAGE | |
| TITLE PAGE | |
| DECLARATION OF AUTHENTICITY OF FINAL PAPER AND UPLOAD AGREEMENT | ii |
| APPROVAL PAGE BY FINAL PAPER ADVISOR..... | iv |
| APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE | v |
| ABSTRACT | vi |
| ABSTRAK | vii |
| PREFACE | viii |
| TABLE OF CONTENTS..... | x |
| LIST OF FIGURES | xv |
| LIST OF TABLES | xvi |
| LIST OF APPENDICES..... | xix |
| CHAPTER I | 1 |
| INTRODUCTION..... | 1 |
| 1.1 Background of the Study | 1 |
| 1.2 Problem Limitation | 8 |
| 1.3 Problem Formulation..... | 8 |
| 1.4 Objective of Research..... | 8 |
| 1.5 Benefits of the Research | 9 |
| 1.5.1 Theoretical Benefit | 9 |
| 1.5.2 Practical Benefit | 9 |
| CHAPTER II..... | 10 |

| | |
|---|-----------|
| LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT..... | 10 |
| 2.1 Theoretical Background | 10 |
| 2.1.1 Hospitality on Tourism Industry | 10 |
| 2.1.1.1 Definition of Hospitality | 11 |
| 2.1.1.2 Characteristics of Hospitality Industry | 12 |
| 2.1.1.3 Role of Hospitality Industry | 15 |
| 2.1.1.4 Scope of Business in Hospitality Industry | 17 |
| 2.1.2 Food Quality..... | 18 |
| 2.1.2.1 Definition of Food Quality | 19 |
| 2.1.2.2 Determining Factors (Indicators) of Food Quality | 21 |
| 2.1.3 Price | 23 |
| 2.1.3.1 Definition of Price | 24 |
| 2.1.3.2 The Role of Price | 25 |
| 2.1.3.3 Objective of Pricing Strategy | 27 |
| 2.1.3.4 Methods of Pricing..... | 29 |
| 2.1.3.5 Determining Factors (Indicators) of Price..... | 32 |
| 2.1.4 Service Quality | 34 |
| 2.1.4.1 Definition of Service Quality | 35 |
| 2.1.4.2 Determining Factors (Indicators) of Service Quality | 36 |
| 2.1.5 Customer Loyalty | 38 |

| | |
|--|-----------|
| 2.1.5.1 Definition of Customer Loyalty | 39 |
| 2.1.5.2 Stages of Customer Loyalty | 40 |
| 2.1.5.3 Benefit of Customer Loyalty | 42 |
| 2.1.5.4 Steps of Developing Customer Loyalty | 44 |
| 2.1.5.5 Stage of Customer Loyalty Acquisition..... | 46 |
| 2.1.5.6 Determining Factors (Indicators) of Customer Loyalty..... | 48 |
| 2.1.6 The Influence of Independent Variables toward Dependent Variable | 50 |
| 2.1.6.1 The influence of Food Quality towards Customer Loyalty | 50 |
| 2.1.6.2 The influence of Price towards Customer Loyalty | 51 |
| 2.1.6.3 The influence of Service Quality towards Customer Loyalty | 52 |
| 2.1.6.4 The Influence of Food Quality, Price, and Service Quality towards Customer Loyalty | 53 |
| 2.2 Previous Research | 55 |
| 2.3 Hypothesis Development..... | 56 |
| 2.4 Research Model | 57 |
| 2.5 Framework of Thinking..... | 59 |
| CHAPTER III | 60 |
| RESEARCH METHODOLOGY | 60 |
| 3.1 Research Design..... | 60 |
| 3.2 Population and Sample..... | 61 |
| 3.3 Data Collection Method | 64 |

| | |
|--|-------------------------------------|
| 3.4 Operational Variable Definition and Variable Measurement | 65 |
| 3.5 Data Analysis Method..... | Error! Bookmark not defined. |
| 3.5.1 Research Instrument Test..... | 67 |
| 3.5.2 Descriptive Statistical Analysis | 70 |
| 3.5.3 Classical Assumption Test | 73 |
| 3.5.4 Multiple Linear Regression Analysis | 75 |
| 3.5.5 Coefficient of Determination Test (R^2)..... | 76 |
| 3.5.6 Hypothesis Test | 77 |
| CHAPTER IV | 79 |
| RESEARCH RESULT AND DISCUSSION | 79 |
| 4.1 General View of “Research Object” | 79 |
| 4.1.1 History of Luigi Gelato Medan | 79 |
| 4.1.2 Organizational Structure | 84 |
| 4.1.3 Job Description..... | 84 |
| 4.2 Research Result and Discussion | 86 |
| 4.2.1 Research Instrument Test..... | 86 |
| 4.2.1.1 Result of Validity Test | 86 |
| 4.2.1.2 Result of Reliability Test | 88 |
| 4.2.2 Descriptive Statistics Analysis | 89 |
| 4.2.2.1 Respondents Characteristics..... | 89 |
| 4.2.2.2 Explanation of Respondents on Research Variables | 90 |

| | |
|--|------------|
| 4.2.2.3 Descriptive Statistical Analysis of Research Variables | 104 |
| 4.2.3 Result of Data Quality Testing | 110 |
| 4.2.3.1 Result of Classical Assumption Test | 110 |
| 4.2.3.2 Regression Equation | 117 |
| 4.2.4 Result of Hypothesis Testing | 119 |
| 4.2.4.1 Coefficient of Determination (R^2) | 119 |
| 4.2.4.2 Hypothesis Test | 120 |
| 4.3 Discussion | 123 |
| CHAPTER V..... | 128 |
| CONCLUSION | 128 |
| 5.1 Conclusion | 128 |
| 5.2 Recommendation | 130 |
| REFERENCES | 133 |

LIST OF FIGURES

| | |
|--|-----|
| Figure 1.1 The Most Affected Business Sector During the Corona Pandemic | 2 |
| Figure 1.2 Growth Data for the Food and Beverage Providers, Restaurants and Similar Industry 2011 – 2022 | 3 |
| Figure 2.1 Research Model | 58 |
| Figure 2.2 Framework of Thinking..... | 59 |
| Figure 4.1 Logo of Luigi Gelato..... | 79 |
| Figure 4.2 Luigi Gelato at Letjend S Parman Street, Blok E MBC Complex No. 3 | 80 |
| Figure 4.3 Takeaway and Size Options from Luigi Gelato..... | 81 |
| Figure 4.4 Flavor Choices of Luigi Gelato | 82 |
| Figure 4.5 Luigi Gelato GoFood Rating | 83 |
| Figure 4.6 Luigi Gelato GrabFood Rating | 83 |
| Figure 4.7 Organizational Structure of Luigi Gelato Medan | 84 |
| Figure 4.8 Histogram of Normality Test..... | 111 |
| Figure 4.9 P-Plot of Normality Test | 112 |
| Figure 4.10 Scatterplot of Heterosedascity Test..... | 116 |

LIST OF TABLES

| | |
|--|----|
| Table 1.1 Reviews of Luigi Gelato Medan | 7 |
| Table 2.1 Previous Research | 55 |
| Table 3.1 Definition of Operational Variables | 66 |
| Table 3.2 Likert Scale | 67 |
| Table 4.1 Luigi Gelato Menu & Price..... | 81 |
| Table 4.2 Validity Test Result of Variable X1 (Food Quality) | 87 |
| Table 4.3 Validity Test Result of Variable X2 (Price) | 87 |
| Table 4.4 Validity Test Result of Variable X3 (FD Service Quality) | 87 |
| Table 4.5 Validity Test Result of Variable Y (Customer Loyalty) | 87 |
| Table 4.6 Reliability Test Result of Variable X1 (Food Quality) | 88 |
| Table 4.7 Reliability Test Result of Variable X2 (Price) | 88 |
| Table 4.8 Reliability Test Result of Variable X3 (Service Quality)..... | 88 |
| Table 4.9 Reliability Test Result of Variable X1 (Food Quality) | 88 |
| Table 4.10 Likert Scale | 89 |
| Table 4.11 Respondents' Identity Based on Gender | 89 |
| Table 4.12 Respondents' Identity Based on Age | 90 |
| Table 4.13 Q1 of Variable X1 (Food Quality) | 91 |
| Table 4.14 Q2 of Variable X1 (Food Quality) | 91 |
| Table 4.15 Q3 of Variable X1 (Food Quality) | 91 |
| Table 4.16 Q4 of Variable X1 (Food Quality) | 92 |
| Table 4.17 Q5 of Variable X1 (Food Quality) | 92 |
| Table 4.18 Q6 of Variable X1 (Food Quality) | 92 |
| Table 4.19 Q7 of Variable X1 (Food Quality) | 93 |
| Table 4.20 Q8 of Variable X1 (Food Quality) | 93 |
| Table 4.21 Q9 of Variable X1 (Food Quality) | 93 |
| Table 4.22 Q10 of Variable X1 (Food Quality) | 94 |
| Table 4.23 Q11 of Variable X1 (Food Quality) | 94 |
| Table 4.24 Q12 of Variable X1 (Food Quality) | 95 |
| Table 4.25 Q1 of Variable X2 (Price)..... | 95 |

| | |
|---|-----|
| Table 4.26 Q2 of Variable X2 (Price)..... | 96 |
| Table 4.27 Q3 of Variable X2 (Price)..... | 96 |
| Table 4.28 Q4 of Variable X2 (Price)..... | 96 |
| Table 4.29 Q5 of Variable X2 (Price)..... | 97 |
| Table 4.30 Q6 of Variable X2 (Price)..... | 97 |
| Table 4.31 Q7 of Variable X2 (Price)..... | 97 |
| Table 4.32 Q8 of Variable X2 (Price)..... | 98 |
| Table 4.33 Q1 of Variable X3 (Service Quality)..... | 98 |
| Table 4.34 Q2 of Variable X3 (Service Quality)..... | 99 |
| Table 4.35 Q3 of Variable X3 (Service Quality)..... | 99 |
| Table 4.36 Q4 of Variable X3 (Service Quality)..... | 99 |
| Table 4.37 Q5 of Variable X3 (Service Quality)..... | 100 |
| Table 4.38 Q6 of Variable X3 (Service Quality)..... | 100 |
| Table 4.39 Q7 of Variable X3 (Service Quality)..... | 100 |
| Table 4.40 Q8 of Variable X3 (Service Quality)..... | 101 |
| Table 4.41 Q9 of Variable X3 (Service Quality)..... | 101 |
| Table 4.42 Q10 of Variable X3 (Service Quality)..... | 101 |
| Table 4.43 Q1 of Variable Y (Customer Loyalty)..... | 102 |
| Table 4.44 Q2 of Variable Y (Customer Loyalty)..... | 102 |
| Table 4.45 Q3 of Variable Y (Customer Loyalty)..... | 103 |
| Table 4.46 Q4 of Variable Y (Customer Loyalty)..... | 103 |
| Table 4.47 Q5 of Variable Y (Customer Loyalty)..... | 103 |
| Table 4.48 Q6 of Variable Y (Customer Loyalty)..... | 104 |
| Table 4.49 Descriptive Statistic Result for Food Quality | 104 |
| Table 4.50 Descriptive Statistic Result for Price..... | 105 |
| Table 4.51 Descriptive Statistic Result for Service Quality..... | 106 |
| Table 4.52 Descriptive Statistic Result for Customer Loyalty..... | 107 |
| Table 4.53 Interval Class for Food Quality (X1)..... | 108 |
| Table 4.54 Interval Class for Price (X2) | 108 |
| Table 4.55 Interval Class for Service Quality (X3)..... | 108 |
| Table 4.56 Interval Class for Customer Loyalty (Y) | 109 |

| | |
|--|-----|
| Table 4.57 Mean, Median, Mode, Standard Deviation, and Variance Calculations | 109 |
| Table 4.58 Normality Test..... | 112 |
| Table 4.59 Linearity Test of Food Quality (X1) | 113 |
| Table 4.60 Linearity Test of Price (X2) | 113 |
| Table 4.61 Linearity Test of Service Quality (X3)..... | 114 |
| Table 4.62 Multicollinearity Test | 115 |
| Table 4.63 Heterosedascity Test..... | 116 |
| Table 4.64 Multiple Regression Analysis Test..... | 118 |
| Table 4.65 Coefficient of Determination Test..... | 120 |
| Table 4.66 Partial Test (t-test) | 121 |
| Table 4.67 Simultaneous Test (f-test)..... | 123 |

LIST OF APPENDICES

| | |
|--|-----|
| APPENDIX A: RESEARCH QUESTIONNAIRE (INDONESIAN) | A-1 |
| APPENDIX B: RESEARCH QUESTIONNAIRE (ENGLISH)..... | B-1 |
| APPENDIX C: DATA DISTRIBUTION THROUGH GOOGLE FORM | C-1 |
| APPENDIX D: DATA TABULATION (RESEARCH INSTRUMENT TEST) D-1 | |
| APPENDIX E: RESEARCH INSTRUMENT TEST RESULT ON SPSS | E-1 |
| APPENDIX F: DATA OF RESPONDENTS' ANSWERS FOR FOOD QUALITY (X1) | F-1 |
| APPENDIX G: DATA OF RESPONDENTS' ANSWERS FOR PRICE (X2).. | G-1 |
| APPENDIX H: DATA OF RESPONDENTS' ANSWERS FOR SERVICE QUALITY (X3)..... | H-1 |
| APPENDIX I: DATA OF RESPONDENTS' ANSWERS FOR CUSTOMER LOYALTY (Y)..... | I-1 |
| APPENDIX J: R-Table | J-1 |
| APPENDIX K: T-Table | K-1 |
| APPENDIX LAPPENDIX K: F-Table | L-1 |
| APPENDIX M: RESEARCH STATEMENT LETTER FROM UNIVERSITAS PELITA HARAPAN MEDAN | M-1 |
| APPENDIX N: RESEARCH STATEMENT LETTER FROM LUIGI GELATO MEDAN | N-1 |
| APPENDIX O: SPSS OUTPUT OF REGRESSION RESULT | O-1 |