

THE EFFECT OF PRODUCT INNOVATION AND SERVICESCAPE ON CUSTOMER LOYALTY THROUGH CUSTOMER SATISFACTION AT LAIN HATI COFFEE SHOP IN TERNATE

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| Article Info | Abstract |
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| Article History | This study aims to determine the effect of product innovation |
| Received: 13 April 2022 | and servicescape on customer loyalty through customer satisfaction. This research was a quantitative research. The population in this study was the other coffee consumers in the |
| Accepted: 25 June 2022 | city. The number of research samples was 140 respondents. The data analysis technique in this research used path modeling analysis using Smart Partial Least Square (PLS) version 3 as a statistical test tool. The results of this study indicate that: (1) |
| Published: 29 June 2022 | Product innovation has no significant effect on customer loyalty; (2) Servicescape has a significant effect on customer loyalty; (3) Product innovation has a significant effect on customer satisfaction; (4) Servicescape has a significant effect on customer satisfaction; (5) Customer satisfaction has a significant effect on customer loyalty; (6) Product innovation has a significant effect on customer loyalty through customer satisfaction; (7) Servicescape has no significant effect on customer loyalty through customer satisfaction. |
| | Keywords: Product innovation, services cape, customer |
| | satisfaction, customer loyalty. |

INTRODUCTION

Nowadays, coffee shop business competition is growing rapidly because there are so many coffee shops possessing their own advantages in the products they offer. In addition to having advantages in product innovation, shop design and uniqueness in product presentation, coffee shops also have a large market share. Therefore, it is not surprising that competitors are competing

to give the best to their consumers so that consumers get their own satisfaction when visiting at the coffee shop (Nasihin et al., 2020).

The business field that is currently developing is in the culinary field, one of which is a product in the form of a coffee shop with its own brand (Giovanni & Nadapdap, 2021). One of the coffee shop brands becoming a trend today is Coffee of Lain Hati with the slogan "move to another heart". It is recorded that since the shop was first established in March 2018 until now, Lain Hati coffee has succeeded in presenting hundreds of branches. The reason why this outlet is named Lain Hati Coffee, according to Deo Cardi Nathanael marketing Lain Hati Coffee, this coffee shop emerged because they want to give coffee lovers a new color. So they want friends who like coffee, move to another heart, that is why it is called Lain Hati Coffee. In addition, this shop also has a unique characteristic coonected with the heart. Besides the unique brand name, this shop offers a different menu from other coffee shops, it offers other beverages.

Currently, the coffee shop franchise business in North Maluku is very shocking for the coffee industry, various coffee shops are trying to create and offer new innovations in order to attract the hearts of coffee and non-coffee connoisseurs. One of the coffee shops currently developing in Ternate is Lain Hati Coffeee. This Coffee is one of the newcomer coffee shops in the coffee world, with the presence of Lain Hati Coffee Shop in Ternate, which really steals the attention of the people in Ternate. Lain Hati coffee officially opens an outlet at Jl. Stadium, (Front of PMI Ternate City), Central Ternate City Stadium, North Maluku. Lain Hati coffee offers several types of coffee and non-coffee drinks with various variants.

Consumers generally want innovative products according to their wishes. With the presence of new innovations from a product, it can steal the hearts of consumers because they are not easily bored with the same product. (Nasir, 2019) claims that product innovation is a process in bringing new technology used to develop the product. In addition to product innovation, the service environment also affects customer satisfaction based on the previous studies results indicating that good service will increase customer satisfaction (Indah et al., 2018). Servicescape is the style and form of the physical environment consisting of exterior elements such as information boards, parking lots, natural views, and interior attributes such as design, layout, equipment and decorations found by customers. Servicescape or physical environment is as a created environment in which a service is delivered and where the company interacts with consumers as well as any tangible component that is able to facilitate communication or appearance. (Muliana & Hadian, 2021).

This can be a factor for consumer satisfaction, but there are things that can create dissatisfaction from some consumers, if the services provided are not in accordance with what

consumers want, consumers will feel disappointed. It may be inferred that the service quality is less than optimal. This is in accordance with previous research that if the service environment provided is not appropriate, consumers will feel disappointed (Winarno et al., 2018). Therefore, business people must give their best in order to get satisfaction from consumers who have consumed the product. Consumer satisfaction is a feeling of pleasure or disappointment from someone who appears after comparing the expected product results to the results obtained.

Based on previous studies, it reveals that product innovation and servicescape can have a positive effect on consumer loyalty (Aryoni et al., 2019; Juliana & Noval, 2020). To convince consumers to re-consume the products offered by a company is not easy, one way is to take advantage of consumer loyalty behavior in the hope that consumers continue to consume these products continuously and repeatedly. A research results that product innovation and servicescape can have a positive effect on consumer satisfaction (Fadhli et al., 2021; Miati, 2019) However, research results show that servicescape has a negative and insignificant effect on consumer satisfaction (Fahleti, 2018). The description of some of the differences in previous researchs above become a reference for the importance of doing research again. Therefor, it can be depicted a clearer framework of how the influence of product innovation and servicescape on customer loyalty through customer satisfaction.

LITERATURE REVIEW

Customer Loyalty

Consumer loyalty is a customer's commitment to a brand, store or supplier based on a very positive nature in long-term purchases (Kotler & Armstrong, 2012; Kotler & Keller, 2008). Meanwhile, according to Kotler & Keller, (2012) consumer loyalty is an attitude of loving a product which can then create a deep commitment to repurchase consistently despite the influence of situations or potential marketing efforts that can cause disloyal customers. From this explanation, it can be interpreted that, consumer loyalty is someone committed to consuming an item or service continuously and repeatedly (Subandi & Hamid, 2021).

Customer Satisfaction

Consumer satisfaction is an attitude decided based on the experience gained. Consumer satisfaction is their positive feeling related to a product or service while using or after using the product/service (Apriyani, D & Sunarti, 2017). Satisfaction is an assessment of the product/service features, or about the product itself, which provides a level of consumer pleasure related to meeting consumer needs (Kurnia & Suwiknyo, 2018). In the end, customer satisfaction is one of the reasons why consumers decide to shop again. If consumers are satisfied with a product, they tend to

continue to buy and tell others about their experiences with the product (Setiawan et al., 2019; Subandi & Hamid, 2021) From this explanation, it can be interpreted that, consumer satisfaction is someone who feels satisfied and gives a positive assessment after consuming a product or service.

Product Innovation

Product innovation is a process in bringing new technology utilized to develop the product (Nasir, 2019; Sukri et al., 2022). In line with Isnaeni & Sanaji, (2016) and Hasnatika & Nurnida, (2019) reveale that the characteristics of innovation consist of five things, encompassing as follows::

- a) Relative Advantage, the most important question to ask in evaluating the potential success of a new product is, "Would the product in question be perceived as offering a much greater advantage over the product being replaced?"
- b) Conformity, is an important determinant of acceptance of new products. Conformity refers to the degree to which the product is consistent with the existing values and past experiences of the potential adopter.
- c) Complexity, is the degree to which the innovation is found to be difficult to understand and use. The more complex the product, the more difficult it is to gain acceptance.
- d) Tryability, is the degree to which an innovation can be tried first or must be bound to use it. An innovation can be tested in real conditions, innovations are generally more quickly adopted.
- e) Visibility, the degree to which the results of using an innovation can be seen by others. The easier it is for someone to see the innovation results, the more likely the innovation is adopted by a person or group of people.

From the explanation above, it can be interpreted that product innovation is a new product or product development that already exists and can create high selling value.

Servicescape

Servicescape is the style and form of the physical environment consisting of exterior elements such as information boards, parking lots, natural views and interior attributes such as design, layout, equipment and decorations found by customers. There are several dimensions of servicescape, including:

 a) Environmental conditions, are environmental characteristics related to the five senses. Background of the environment such as temperature, lighting, music, color, smell and noise disturbance (Muliana & Hadian, 2021).

- b) Layout, is a floor plan of the room, the size and shape of the potential furniture, tables, machines and equipment and the way they are arranged as well as the ability of these objects to facilitate service transaction activities. Layout refers to how the room is used and where furniture and equipment are placed in the room. The scale and size of hospitality properties affect the layout (Aryoni et al., 2019; Juliana & Noval, 2020; Muliana & Hadian, 2021)
- c) A sign is a symbol or decoration of a building form that is able to communicate its appearance to customers. Everything that exists in the service environment acting as a signal directly or indirectly to communicate the company's image, help customers find direction, and to convey the service process. From the explanation above, it can be interpreted that servicescape is the surrounding conditions provided by producers and obtained or felt by consumers in that place (Muliana & Hadian, 2021).

Developmement of Hyphotesis

The Correlation of Product Innovation Affects Customer Loyalty.

Product innovation is the result of the new products development by a company or industry, whether existing or not. From prior products that have reached the level of saturation in the market, an innovation is needed that can attract consumers (Fillayata & Mukaram, 2020). Based on the result of previous studies, it shows that there is a significant relationship to consumer loyalty. It means that product innovation affects consumer purchases, and then it can create consumer loyalty (Aryoni et al., 2019; Juliana & Noval, 2020; Muliana & Hadian, 2021).

H1: Product innovation affects customer loyalty.

The Correlation of Servicescape Affects Customer Loyalty.

Servicescape is the service occuring and influencing customer responses to the service environment such as perceived quality, and internal levels such as satisfaction, and external responses such as behavior towards purchasing. Based on the results of previous research, it suggests that the servicescape has positive and significant results on consumer loyalty (Aryoni et al., 2019; Juliana & Noval, 2020). Similar to the statement of (Fadhli et al., 2021; Miati, 2019) that servicescape has a significant influence on customer loyalty.

H2: Servicescape affects customer loyalty.

The Correlation of Product Innovation Affects Customer Satisfaction.

Product innovation is any object, service, or idea thought to be something new and has never existed before. Innovations made on products are not just new products but create business opportunities so that they can create high value in the eyes of consumers (Kotler & Armstrong, 2012). Based on the results of previous studies, it indicates that product innovation has a positive effect on consumer satisfaction (Fillayata & Mukaram, 2020). This is in line with Fadhli et al., (2021) and Miati (2019) revealed that product innovation has an effect on consumer satisfaction. H3: Product innovation affects customer satisfaction.

The Correlation of Servicescape Affects on Customer Satisfaction.

Servicescape is the delivery of services experienced by customers in shaping the service experience and strengthening or reducing customer satisfaction. Based on the results of previous studies, it explains that servicescape has a positive and significant effect on customer satisfaction (Indah et al., 2018; Ridlolloh, 2014). However, there are also research results which reveal that servicescape has a negative and insignificant effect on consumer satisfaction (Fahleti, 2018). H4: Servicescape affects customer satisfaction.

The Correlation of Customer Satisfaction Affects Customer Loyalty.

Consumer satisfaction is one of the reasons why consumers decide to shop again. If consumers are satisfied with a product, they tend to continue to buy and tell others about their experiences with the product (Sambodo Rio Sasongko, 2021). Previous researchs explain that consumer satisfaction has a positive and significant effect on consumer loyalty (Molle et al., 2019). H5: Customer satisfaction affects customer loyalty.

The Correlation of Product Innovation Affects Customer Loyalty through Customer Satisfaction.

Product innovation is a process of human activity or thought in finding something new related to input, process and output, it can provide benefits for human life. The results of previous research demonstrate that there is a significant influence between product innovation on consumer loyalty by mediating consumer satisfaction (Antanegoro et al., 2017; Aryoni et al., 2019; Joel Mustamu & Ngatno, 2021).

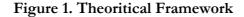
H6: Product innovation affects customer loyalty through customer satisfaction

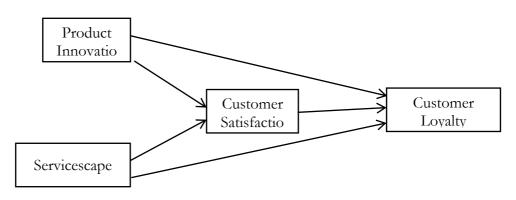
The Correlation of Servicescape Affects Customer Loyalty through Customer Satisfaction.

Servicescape is the physical environment of the company which services are created and service providers for consumers interact, plus any tangible elements are used to communicate or support the role of the service. Based on the results of previous studies, it explains that servicescape has a positive and significant effect on consumer loyalty through customer satisfaction (Putu Meydi Darma Putri & Herny Susanti, 2021).

H7: Servicescape affects customer loyalty through customer satisfaction

Based on the explanation above, the description of the theorical framework in this study is as follows:





RESEARCH METHODOLOGY

Research Place and Time

This research was carried out at the Lain Hati Coffee Shop at Ternate City, Jl. Stadium, (front of PMI Ternate City) Stadion Regency, Central Ternate, North Maluku. The research began in December 2021-April 2022.

Population and Sample

Population

Population is a generalization area consisting of objects or subjects that have certain quantities and characteristics (Sugiono, 2017). The population in this study were consumers at the Lain Hati Coffee Shop in Ternate.

Sample

The sample is part of the number and characteristics possessed by the population. The sampling technique used non-probability sampling with a purposive sampling approach with criteria of consumers that have ever visited at Lain Hati Coffee Shop. The determination of the number of representative samples depends on the number of statement items multiplied by 5 to 10. The number of samples in this study is the number of indicators/statement items. So, the total indicator/item statement = 28 times 5, which is 140 respondents at the Lain Hati Coffee Shop in Ternate.

Data and Source of Data

The types and sources of data in this study are primary data and secondary data. Primary data were obtained from questionnaires, and secondary data were from journals related to indicators in research that matched the variables, books related to writing techniques and obtaining the number of populations and samples, data from the Lain Hati Coffee Shop are related to menu variants and articles related to research.

Technique of Collecting Data

JMIF: Journal of Management and Islamic Finance Volume 2, Number 1, June 2022, pp. 89-104 The data collection technique in this research was by distributing questionnaires to the consumers of the Lain Hati Coffee Shop in Ternate.

Technique of Data Analysis

To test the effect of independent, intervening and dependent variables; Product Innovation and Servicescape on Customer Loyalty through Customer Satisfaction at Lain Hati Coffee Shop, the model used path modeling analysis applying Smart Partial Least Square (PLS) as a statistical test tool.

RESULTS & DISCUSSIONS Test of Reliability

Reliability test is an indicator measuring the construct. The following are the results of testing composite reliability and cronbach's alpha from Smart PLS.

| Variable | Cronbach's Alpha | Composite reliability |
|-----------------------|------------------|-----------------------|
| Customer Loyalty | 0.888 | 0.923 |
| Customer Satisfaction | 0.859 | 0.899 |
| Product Innovation | 0.804 | 0.871 |
| Servicescape | 0.877 | 0.907 |

Table 1 Testing on Composite Reliability and Cronbach's Alpha

Source: Output SmartPLS 3.0, 2022.

A construct is declared reliable if it has a composite reliability value above 0.6 and Cronbach's alpha above 0.6. From the results of the SmartPLS output above, all constructs have a composite reliability value above 0.6 and Cronbach's alpha above 0.6 (Ghozali & Hengky Latan, 2014). So it can be concluded that the construct has good reliability, as stated by (Hair et al., 2010) that, "rule of thumbs of alpha value or composite reliability must be greater than 0.7 even though the value of 0.6 is still acceptable".

Test of Structural Model (Inner Model)

The structural model in PLS is evaluated by using R2 for the dependent variable and the path coefficient value for the independent variable which is then assessed for significance based on the t-statistic value of each path. The structural model of the PLS Alogartihm and PLS Bootstrapping research can be seen in the following figure:

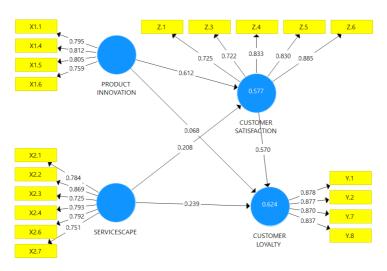


Figure 2. The Result of PLS Algoritma (Path Coefficient)

Source: Output SmartPLS 3.0, 2022

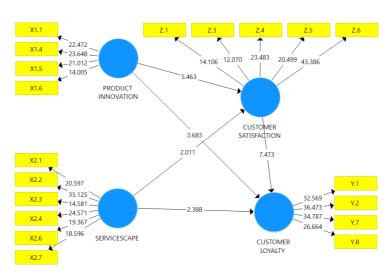


Figure 3. The Result of PLS Bootstrapping (T Statistic)

Source: Output SmartPLS 3.0, 2022.

Based on Figure 3 Results of PLS Algorithm and Figure 4.2 Results of PLS Bootstrapping above, after testing the validity and reliability, it can be concluded that the value of the loading path coefficient factor of each indicator of all variables is greater than 0.7 and the value of the loading factor T statistic of each servicescape, customer satisfaction, and customer loyalty variable are greater than 1.96, while the product innovation variable has a T statistic value smaller than 1.96.

Test of Hypothesis

To assess the significance of the predictive model in testing the structural model, it can be seen from the t-statistic value between the independent variable to the dependent variable, and the path coefficient table variable in the following SmartPLS output:

| | Real Sample (O) | Average of Sampel (M) | Standart of Deviation (STDEV) | T Statistic (O/STDEV) | P Values |
|----------|-----------------------|--------------------------|-------------------------------------|------------------------------|----------|
| CS -> CL | 0.570 | 0.576 | 0.076 | 7.473 | 0.000 |
| PI -> CL | 0.068 | 0.083 | 0.100 | 0.683 | 0.495 |
| PI -> CS | 0.612 | 0.598 | 0.112 | 5.463 | 0.000 |
| SC -> CL | 0.239 | 0.222 | 0.100 | 2.388 | 0.017 |
| SC -> CS | 0.208 | 0.223 | 0.103 | 2.011 | 0.045 |

Table 2. Path Coefficients (Mean, STDEV, t-value)

Source: Output SmartPLS 3.0, 2022.

The path coefficient value or inner model shows a significant level in hypothesis testing, here is an explanation of the path coefficients results:

- a) The effect of product innovation on customer loyalty is not significant with a T-statistic of 0.683 < 1.96. Because tcount > Ttable, and the P Value (0.495) > 0.05, H0 is accepted and Ha is rejected. This means that product innovation has no significant effect on customer loyalty at the Lain Hati Coffee Shop in Ternate.
- b) The effect of servicescape on customer loyalty is significant with a T-statistic of 2,388 > 1.96. Because tcount > ttable, and the P Value (0.017) < 0.05, H0 is rejected and Ha is accepted. This means that servicescape has a positive and significant effect on customer loyalty at the Lain Hati Coffee Shop in Ternate.</p>
- c) The effect of product innovation on customer satisfaction is significant with a T-statistic of 5.463 > 1.96. Because tcount > ttable, and the P Value (0.000) < 0.05, H0 is rejected and Ha is accepted. This means that product innovation has a positive and significant effect on customer satisfaction at the Lain Hati Coffee Shop in Ternate.
- d) The effect of servicescape on customer satisfaction is significant with a T-statistic of 2011 > 1.96. Because tcount > ttable, and the P Value (0.045) < 0.05, H0 is rejected and Ha is accepted. This means that the servicescape has a positive and significant effect on customer satisfaction at the Lain Hati Coffee Shop in Ternate
- e) The effect of customer satisfaction on customer loyalty is significant with a T-statistic of 7,473 > 1.96. Because tcount > ttable, and the P Value (0.000) <0.05, H0 is rejected and Ha is accepted. This means that customer satisfaction affects customer loyalty at the Lain Hati Coffee Shop in Ternate.

Test of Mediation Effect

Testing the mediation effect, the output of significant test parameters is seen based on the total effect table not the coefficient table, because the mediation effect is not only testing the direct effect of the independent variable on the dependent variable, but also testing the indirect effect between independent variable and the dependent variable through the mediating variable. Therefore, the total effect is used to see the total predictive effect (direct and indirect effects). The indirect effect in this study can be seen in the following table of total effects:

| | Real Sample (O) | Average Sampel (M) | Standart of Deviation (STDEV) | T Statistic (O/STDEV) | P Values |
|----------|-----------------------|-----------------------|-------------------------------------|------------------------------|-------------|
| CS -> CL | 0.570 | 0.576 | 0.076 | 7.473 | 0.000 |
| PI -> CL | 0.068 | 0.083 | 0.100 | 0.683 | 0.495 |
| PI -> CS | 0.612 | 0.598 | 0.112 | 5.463 | 0.000 |
| SC -> CL | 0.239 | 0.222 | 0.100 | 2.388 | 0.017 |
| SC -> CS | 0.208 | 0.223 | 0.103 | 2.011 | 0.045 |

Table 3. Total Effect Affects Independent Variable on Dependent Variabel

Source: Output SmartPLS 3.0, 2022.

In addition to the table above, indirect effects accompanied by mediating variables can be seen in the table below:

Table 4. Indirect Effect between Independent and Dependent Variable through Mediation

| | Real Sample (O) | Average Sampel (M) | Standart of Deviation (STDEV) | T Statistic (O/STDEV) | P Values |
|----------------|-----------------------|-----------------------|-------------------------------------|------------------------------|-------------|
| SC -> CS -> CL | 0.118 | 0.130 | 0.065 | 1.810 | 0.071 |
| PI -> CS -> CL | 0.349 | 0.342 | 0.070 | 5.018 | 0.000 |
| | | | 0.070 | 5.010 | 0.000 |

Variabel

Source: Output SmartPLS 3.0, 2022.

Based on the two tables above (Table 3 and Table 4), it shows that: (1) The direct effect of product innovation (X1) on customer loyalty (Y) has a T-statistical value (5.018) > 1.96 which means that customer satisfaction (Z) can mediate between product innovation and customer loyalty (Y). Thus, the mediating effect hypothesis (H6) is accepted; and (2) the effect of servicescape (X2) on customer loyalty (Y) has a T-statistic value of (1.810) > 1.96 which means that customer satisfaction (Z) can mediate between servicescape and customer loyalty (Y). Thus, the mediating effect hypothesis envicescape and customer loyalty (Y). Thus, the mediating effect hypothesis (H7) is accepted.

DISCUSSIONS

The Effect of Product Innovation on Customer Loyalty at Lain Hati Coffee Shop in Ternate

The results of testing the first hypothesis indicate that product innovation has no positive and significant effect on customer loyalty at the Lain Hati Coffee Shop in Ternate. These results indicate that product innovation has not been able to create customer loyalty at the Lain Hati Coffee Shop in Ternate City. The results of this test are based on the tcount X1 value of 0.683 which is smaller than the ttable value of 1.96.

The Effect of Servicescape on Customer Loyalty at Lain Hati Coffee Shop in Ternate

The results of the second hypothesis testing show that servicescape has a positive and significant effect on customer loyalty at the Lain Hati Coffee Shop in Ternate. These results indicate that servicescape is able to create customer loyalty at the Lain Hati Coffee Shop in Ternate. The results of this test are based on the tcount X2 value of 2,388 which is greater than the ttable value of 1.96.

The Effect of Product Innovation on Customer Satisfaction at Lain Hati Coffee Shop in Ternate

The results of the third hypothesis testing indicate that product innovation has a positive and significant effect on customer satisfaction at the Lain Hati Coffee Shop in Ternate. These results indicate that product innovation is able to create customer loyalty at the Lain Hati Coffee Shop in Ternate. The results of this test are based on the tcount X1 value of 5,463 which is greater than the ttable value of 1.96.

The Effect of Servicescape on Customer Satisfaction pada at Lain Hati Coffee Shop in Ternate

The results of the fourth hypothesis testing indicate that the servicescape has a positive and significant effect on customer satisfaction at the Lain Hati Coffee Shop in Ternate. These results indicate that the servicescape is able to create customer satisfaction at the Lain Hati Coffee Shop in Ternate. The results of this test are based on the tcount X2 value of 2.011 which is greater than the ttable value of 1.96.

The Effect of Customer Satisfaction on Customer Loyalty at Lain Hati Coffee Shop in Ternate

The results of the fifth hypothesis testing show that customer satisfaction has a positive and significant effect on customer loyalty at the Lain Hati Coffee Shop in Ternate. These results indicate that customer loyalty is able to create customer satisfaction at the Lain Hati Coffee Shop in Ternate. The results of this study are based on the tcount Z value of 7.473 which is greater than the ttable value of 1.96.

The Effect of *Product Innovation* on *Customer Loyalty* through *Customer Satisfaction* at Lain Hati Coffee Shop in Ternate

The results of the sixth hypothesis testing indicate that product innovation has a positive and significant effect on customer loyalty through customer satisfaction at the Lain Hati Coffee Shop in Ternate. These results indicate that product innovation is able to create customer loyalty through customer satisfaction at the Lain Hati Coffee Shop in Ternate City. The results of this study are based on the tcount value of 5.018 which is greater than the ttable value of 1.96.

The Effect of Servicescape on Customer Loyalty through Customer Satisfaction at Lain Hati Coffee Shop in Ternate

The results of the seventh hypothesis test show that servicescape has a negative and insignificant effect on customer loyalty through customer satisfaction at the Lain Hati Coffee Shop in Ternate. These results indicate that servicescape is not able to create customer loyalty through customer satisfaction at the Lain Hati Coffee Shop in Ternate. The results of this study are based on the tcount value of 1.810 which is smaller than the ttable value of 1.96.

CONCLUSION

Based on the results and discussion above, the conclusions in this study are: Product innovation has no significant effect on customer loyalty at the Lain Hati Coffee Shop in Ternate. This means that product innovation is still not strong enough to influence customer loyalty. So that product innovation has not been able to be a predictor of customer loyalty at the Lain Hati Coffee Shop in Ternate. Servicescape has a positive and significant effect on customer loyalty at the Lain Hati Coffee Shop in Ternate. This means that the better the servicescape provided by the Lain Hati Coffee Shop in Ternate City, the more customer loyalty will be created. Product innovation has a positive and significant effect on customer satisfaction at the Lain Hati Coffee Shop in Ternate. This means that the more product innovations that Lain Hati Coffee Shop offers, the more customer satisfaction will be created. Servicescape has a positive and significant effect on customer satisfaction at the Lain Hati Coffee Shop in Ternate. This means that the better the servicescape provided by the Lain Hati Coffee Shop in Ternate City, the more customer satisfaction will be created. Customer satisfaction has a positive and significant effect on customer loyalty at the Lain Hati Coffee Shop in Ternate. This means that if there is customer satisfaction, it will create customer loyalty. Product innovation has a positive and significant effect on customer loyalty through customer satisfaction at Lain Hati Coffee Shop in Ternate. This means that the more product innovations offered by other coffee shops, the more customer satisfaction and customer loyalty will be created. So that customer satisfaction can mediate the relationship between

product innovation and customer loyalty at Lain Hati coffee shops in Ternate. Servicescape has no significant effect on customer loyalty through customer satisfaction at the Lain Hati Coffee Shop in Ternate. This means that the servicescape at the Lain Hati Coffee Shop in Ternate has no effect on customer loyalty through customer satisfaction. So that customer satisfaction cannot be an intervening variable between servicescape and customer loyalty at the Lain Hati Coffee Shop in Ternate.

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