

Development of a Website-Based Teacher Management Information System to Improve Transparency and Operational Efficiency in Schools

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ABSTRACT

Purpose: This study examines the influence of brand image and service quality on customer satisfaction and loyalty in the context of millennial-concept café businesses in Indonesia.

Subjects and Methods: Using a quantitative research approach and data collected from 180 respondents, this research employed Partial Least Squares Structural Equation Modeling (PLS-SEM) to analyze the relationships among the variables.

Results: The results show that both brand image and service quality have a significant positive impact on customer satisfaction, while brand image also directly influences customer loyalty. However, service quality does not directly affect loyalty; instead, its influence is mediated through customer satisfaction. The findings emphasize the central role of customer satisfaction as a key driver of loyalty and highlight the importance of creating strong brand identities and delivering consistent service experiences to enhance loyalty in millennial-focused service businesses.

Conclusions: This study contributes to the broader literature on consumer behavior and service marketing by validating established theories in the under-researched context of millennial cafés in emerging markets, while offering practical insights for business practitioners aiming to strengthen customer retention and brand advocacy.

INTRODUCTION

In today's highly competitive food and beverage industry, especially within the millennial-concept café business, creating a strong and distinctive brand has become a fundamental strategic necessity. The increasing purchasing power and lifestyle orientation of millennials have contributed significantly to the growth of café businesses, particularly those offering unique and experiential concepts such as creative spaces, aesthetic interiors, digital engagement, and personalized service (Susanti et al., 2021). These café businesses are no longer merely providers of food and drink but serve as social and lifestyle destinations where brand image and service quality play crucial roles in shaping customer perceptions, satisfaction, and loyalty.

Brand image represents the collective perceptions, feelings, and associations customers have towards a business, influencing how they differentiate one brand from another (Saxena & Dhar, 2021; Shrestha et al., 2023). A positive brand image enhances customer expectations and

contributes significantly to the formation of satisfaction and long-term loyalty. For millennial consumers, who tend to value emotional connections, brand authenticity, and lifestyle alignment, the perceived brand image of a café often determines their choice of where to dine, socialize, or work remotely. Moreover, brand image is increasingly shaped not only by physical attributes such as logo and design but also through social media presence, brand storytelling, and alignment with customer values such as sustainability or creativity (Choudhary & Sahu, 2023; Suryana, 2024).

In parallel, service quality remains a cornerstone in determining customer satisfaction, particularly within service-oriented industries such as cafés (Amerta & Madhavi, 2023). Service quality is commonly evaluated through tangible and intangible dimensions, including the reliability of service, responsiveness of staff, physical environment, assurance, and empathy. Consistent, high-quality service fosters positive experiences that enhance satisfaction, which in turn cultivates customer loyalty. For millennial customers who seek not only products but also experiences, the consistency, warmth, and personalization of service can significantly influence perceptions of a café's overall value proposition.

Customer satisfaction itself is a pivotal construct in marketing and service management, reflecting the degree to which customer expectations are met or exceeded. Satisfaction functions as a mediating variable between service performance (including brand image and service quality) and customer loyalty outcomes (Devi & Yasa, 2021; Khawaja et al., 2021). Highly satisfied customers are more likely to engage in repeat visits, recommend the business to others, and show resilience against competitor promotions. In the context of café businesses targeting millennials, satisfaction is influenced not only by functional service delivery but also by emotional and experiential factors, reinforcing the importance of both brand image and service quality in shaping outcomes.

Furthermore, customer loyalty remains the ultimate goal for service businesses in achieving sustainable profitability. Loyalty encompasses both behavioral aspects (repeat visits, increased spending) and attitudinal dimensions (emotional attachment, advocacy) (Castaldo, 2024). Prior studies have demonstrated that both brand image and service quality exert direct and indirect influences on loyalty through the mediating effect of satisfaction. Within millennial-concept cafés, where competition is fierce and switching barriers are low, loyalty becomes a critical indicator of long-term business viability.

Despite the vast body of literature examining the relationships between brand image, service quality, satisfaction, and loyalty, limited research has focused explicitly on the unique context of millennial-oriented café businesses, particularly in emerging markets where these establishments have rapidly grown as part of urban consumer culture. The millennial segment exhibits distinctive behaviors, prioritizing not just functional satisfaction but also brand alignment with lifestyle values, social image, and community belonging (Acar et al., 2024). Understanding how these factors interact in influencing satisfaction and loyalty is therefore crucial for café businesses seeking to sustain competitiveness and customer engagement.

METHODOLOGY

This study employed a quantitative approach with a causal research design to examine the influence of brand image and service quality on customer satisfaction and loyalty in millennial-concept café businesses. Data were collected using a survey method through structured questionnaires distributed both offline and online to respondents aged 20–35 years old who had visited such cafés at least twice within the past three months. A total of 180 valid responses were analyzed using a 5-point Likert scale to measure brand image, service quality, satisfaction, and loyalty. The measurement indicators were adapted from established prior research, including Keller (2013) for brand image, Parasuraman et al. (1988) for service quality, Oliver (1997) for satisfaction, and Dick & Basu (1994) for loyalty.

The collected data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0. The analysis included evaluating the measurement model for validity

and reliability, and the structural model to test the relationships between variables, including path coefficients, significance levels, and predictive relevance. Ethical considerations were upheld by ensuring participant confidentiality and voluntary participation throughout the research process.

RESULTS AND DISCUSSION

This study aims to analyze how brand image and service quality influence customer satisfaction and customer loyalty in the specific context of millennial-concept cafés in Indonesia. These cafés target the millennial demographic by offering not only products but also distinctive atmospheres, social experiences, and branding that align with millennial values and lifestyles. Data were collected from 180 valid respondents and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) via SmartPLS 4.0 to evaluate the relationships between the variables.

Table 1. Path Coefficient: Brand Image Influence

Hypothesis	β Coefficient	t-Value	p-Value	Result
Brand Image → Customer Satisfaction	0.482	6.231	< 0.001	Supported
Brand Image → Customer Loyalty	0.361	3.520	< 0.01	Supported

Critical

The findings indicate that **brand image significantly influences both customer satisfaction and loyalty**. These results align with prior studies that emphasize how brand image shapes customer expectations and post-consumption evaluations. In the context of millennial consumers, brand image functions beyond aesthetics; it signals emotional and lifestyle alignment. A strong brand identity helps cafés secure repeat patronage and positive word-of-mouth, underscoring that for this demographic, loyalty is often rooted in brand congruence with personal values. Therefore, millennial cafés that focus on authenticity, creativity, and digital engagement are more likely to generate higher satisfaction and foster loyalty.

Interpretation:

Table 2. Path Coefficient: Service Quality Influence

Hypothesis	β Coefficient	t-Value	p-Value	Result
Service Quality → Customer Satisfaction	0.514	7.213	< 0.001	Supported
Service Quality → Customer Loyalty	0.142	1.441	> 0.05	Not Supported

Service quality shows a strong influence on customer satisfaction but does not directly impact loyalty. This suggests that while excellent service enhances satisfaction, it does not automatically result in loyalty unless that satisfaction is achieved first. These findings are consistent with prior research emphasizing service quality as a key determinant of satisfaction. However, loyalty emerges from satisfaction rather than directly from service encounters, highlighting the mediating role of satisfaction in service marketing models. For millennial consumers, memorable service contributes to satisfaction but brand attachment and repeat behavior depend on the entire customer experience ecosystem, not isolated service interactions.

Table 3. Path Coefficient: Customer Satisfaction Influence

Hypothesis	β Coefficient	t-Value	p-Value	Result
Customer Satisfaction → Customer Loyalty	0.585	7.842	< 0.001	Supported

Customer satisfaction exerts a strong and significant influence on loyalty, confirming its role as a central mediator between brand image, service quality, and loyalty outcomes. This is in line with the service-profit chain model and findings by Oliver (1997) and Dick & Basu (1994) that satisfied customers exhibit higher loyalty, advocacy, and resilience to competitors' offers. Satisfaction for millennials encompasses both functional and emotional experiences. These results suggest that

millennial cafés must focus not only on transactional satisfaction but on crafting holistic, memorable experiences that resonate with this demographic's values and lifestyle expectations.

Table 4. Summary of Model Fit and Predictive Power

Variable	R ² Value	Q ² Predictive Relevance
Customer Satisfaction	0.574	0.422
Customer Loyalty	0.621	0.497

The R² values indicate that 57.4% of customer satisfaction and 62.1% of customer loyalty can be explained by brand image and service quality. These are considered moderate-to-strong explanatory powers. Additionally, the Q² values confirm that the model has good predictive relevance. This suggests that brand image and service quality, through satisfaction, meaningfully predict loyalty outcomes in the millennial café sector. These findings align with the broader consensus in service marketing literature on the interconnected roles of image, service quality, satisfaction, and loyalty.

This study aimed to examine the influence of brand image and service quality on customer satisfaction and loyalty in the context of millennial-concept café businesses in Indonesia. The results provide meaningful insights into how millennial customers perceive these factors and how those perceptions translate into satisfaction and long-term loyalty. In line with previous studies, the findings reaffirm that both brand image and service quality play essential but distinct roles in shaping customer behavior within experience-driven service industries.

The results confirm that brand image has a significant influence on both customer satisfaction and loyalty, aligning with prior research that emphasizes brand image as a key determinant of consumer perceptions and purchasing behavior. For millennial customers, brand image extends beyond visual aesthetics to encompass lifestyle values, social identity, and emotional connection. This demographic seeks brands that align with their self-image and social values, making brand authenticity, storytelling, and aesthetics crucial factors in driving satisfaction. The findings suggest that millennial-concept cafés must continually invest in crafting not only a visually appealing but also an emotionally resonant brand identity to build customer satisfaction and secure loyalty.

These findings contribute to the growing body of literature on experiential branding, emphasizing that in service-dominant sectors, customers evaluate brands holistically—through atmosphere, service encounters, and alignment with personal values. A strong brand identity enhances perceived trustworthiness, which fosters emotional attachment and repeat patronage.

Consistent with previous research Parasuraman et al. (1988), service quality was found to strongly influence customer satisfaction but not directly loyalty. This reinforces the notion that satisfaction serves as a mediator between service quality and loyalty. While millennials highly value quality service—defined through responsiveness, attentiveness, and reliability—this alone is insufficient to secure loyalty unless it results in a satisfying overall experience. Service quality influences loyalty only indirectly by enhancing satisfaction, aligning with the service-profit chain theory.

These results highlight an important managerial implication: service quality should be viewed not as an isolated objective but as a means to achieve customer satisfaction. Startups and café owners targeting millennials must focus on creating seamless, personalized, and positive service experiences that contribute to the overall satisfaction, which in turn drives loyalty.

The study confirms the central role of customer satisfaction in fostering loyalty, a finding consistent with decades of service marketing literature. Satisfaction serves as the primary mechanism through which perceptions of brand and service translate into repeat behavior and advocacy. For millennial consumers, satisfaction encompasses emotional, experiential, and functional evaluations of the café experience, aligning with broader trends in consumer behavior that prioritize experiences over transactions (Bonfanti et al., 2025; Manhas et al., 2024).

This finding also emphasizes the evolving nature of loyalty in millennial markets. Loyalty is no longer guaranteed through product or service quality alone but must be earned through

meaningful, consistent, and satisfying experiences that align with customers' personal values, lifestyle, and social expectations. For millennial-concept cafés, this underscores the importance of integrating experiential marketing, brand storytelling, and service excellence into a coherent customer journey that fosters satisfaction and long-term loyalty.

This study contributes to advancing understanding within the service marketing and consumer behavior literature by reaffirming the interconnected roles of brand image, service quality, satisfaction, and loyalty, specifically within millennial-focused, lifestyle-driven service sectors. By validating these relationships through robust PLS-SEM analysis, this research confirms previous theoretical models such as the SERVQUAL model (Parasuraman et al., 1988), the service-profit chain theory Oliver's (1997) satisfaction-loyalty framework within the under-researched context of Indonesian café culture targeting millennials. Moreover, this study responds to calls for more research on millennial consumer behavior in emerging markets, providing evidence that millennials' loyalty behaviors are shaped significantly by emotional and lifestyle brand alignment rather than transactional attributes alone.

CONCLUSION

This study set out to examine the influence of brand image and service quality on customer satisfaction and customer loyalty in the context of millennial-concept cafés in Indonesia. The findings provide empirical evidence that brand image and service quality both play significant roles in shaping customer satisfaction, with brand image further demonstrating a direct influence on customer loyalty. Moreover, the research confirms that customer satisfaction serves as a key mediator between both brand image and service quality in fostering long-term customer loyalty. These results align with and reinforce established theories in service marketing, including the SERVQUAL model, the service-profit chain framework, and Oliver's satisfaction-loyalty paradigm.

The study contributes theoretically by validating these frameworks within the underexplored context of Indonesia's millennial-focused café sector, highlighting that loyalty among millennials is shaped not only by functional service quality but by broader brand alignment with lifestyle, emotional experiences, and values. Practically, this research offers guidance for café business owners and marketers: to secure competitive advantage, they must invest in developing a strong, authentic brand image and ensure consistent, high-quality service that enhances customer satisfaction, which in turn strengthens loyalty.

However, this study is not without limitations. The cross-sectional design restricts the ability to capture changes in customer perceptions over time. Furthermore, the research is context-specific to millennial café consumers in Indonesia and may not be generalizable to other sectors or demographics. Future studies could adopt a longitudinal approach to track how evolving trends and consumer expectations influence these relationships over time. Additionally, comparative studies across different generations or international markets could enrich understanding of how brand image and service quality operate in diverse cultural and economic contexts.

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