

ABSTRACT

The increasing competitiveness of the coffee shop industry in Indonesia has made service quality an important factor in understanding customers' evaluations and satisfaction. This study aims to examine the relationships between the five SERVQUAL dimensions, namely Tangibility, Reliability, Responsiveness, Assurance, and Empathy, and Perceived Value and Customer Satisfaction among Fore Coffee customers in Yogyakarta. The study also examines the relationship between Perceived Value and Customer Satisfaction and the mediating role of Perceived Value in the relationships between the five service quality dimensions and Customer Satisfaction. This research employs a quantitative approach with an explanatory research design. Primary data were collected through a structured questionnaire using a non-probability purposive sampling technique. A total of 230 valid observations were analyzed using Structural Equation Modeling (SEM) with Analysis of Moment Structures (AMOS). The results indicate that Tangibility, Reliability, Responsiveness, Assurance, and Empathy have positive and statistically significant relationships with both Perceived Value and Customer Satisfaction. Perceived Value also has a positive and statistically significant relationship with Customer Satisfaction. Furthermore, Perceived Value significantly mediates the relationships between each of the five service quality dimensions and Customer Satisfaction, with all five mediation relationships demonstrating partial mediation. The model explains 69.6% of the variance in Perceived Value and 95.0% of the variance in Customer Satisfaction. Overall, the findings indicate that service quality and customers' perceived value are important factors for understanding Customer Satisfaction in the context of Fore Coffee in Yogyakarta.

Keywords: Customer Satisfaction; Fore Coffee; Perceived Value; Service Quality; SERVQUAL