

ABSTRACT

Indonesia is among the four countries with the largest populations in the world, having Generation Z as the dominant population group reaching 66.99 million people in 2023, making this generation a potential market for the food and beverage (F&B) business. This generation is known to be consumptive, with 69% of spending allocated to food and beverage needs. Kopi Kenangan, as the brand with the second largest number of outlets in Indonesia, has managed to attract the attention of Generation Z and become the main choice of coffee cafes that are most often consumed.

However, in the midst of its success, Kopi Kenangan faced challenges in the form of sales fluctuations and a decline in the brand performance index. This condition highlights the importance of understanding the various factors that play a role in shaping customer loyalty, especially Generation Z. With this background, this study aims to examine the influence of corporate social responsibility, product quality, service quality, and the perception of price fairness on customer loyalty, with customer satisfaction acting as a mediating variable.

This study adopts a quantitative approach that involves descriptive and causal analysis. Data was obtained through the distribution of questionnaires to 550 selected respondents using purposive sampling techniques. Data analysis was carried out using the Structural Equation Modelling (SEM) method based on Partial Least Squares (PLS), using SmartPLS software version 4.0.

From the results of the analysis, it was found that 9 hypotheses were accepted and 4 were rejected, with price reasonableness having the greatest influence on customer loyalty through satisfaction, followed by the quality of service and product. Corporate social responsibility has a positive but insignificant effect on loyalty, either directly or through customer satisfaction. The findings also show that customer satisfaction plays an important and significant role in driving loyalty in Generation Z consumers, confirming the important role of satisfaction as a mediator in strengthening brand loyalty.

Based on the findings, Kopi Kenangan is recommended to ensure price and product quality compatibility to increase customer satisfaction and strengthen loyalty, through improved raw materials, flavor consistency, and attractive offers such as bundling and loyalty discounts. In addition, outlet comfort audits and mini surveys to evaluate outlet comfort can improve service quality. Maintaining product consistency through operational standards and barista training will increase satisfaction and loyalty. Further research is suggested to include other age groups, different coffee brands, or variables such as brand image and customer engagement.

Keywords: *Corporate Social Responsibility, Customer Loyalty, Customer Satisfaction, Price Fairness, Product Quality, Service Quality.*