Research Trend in
**Management and
Technology**

The relationship between consumer loyalty and time of innovation through coffee shop product innovation variables

Wachdijono, Berlyana Febriyanti, Sandi Nasrudin Wibowo, Ika Tri Wahyuni

*Corresponding author:
Wachdijono
Universitas Swadaya Gunung Jati
Email: wadiono1113@gmail.com

Submit your article to Research Trends in Management and Technology

View related article

The relationship between consumer loyalty and time of innovation through coffee shop product innovation variables

Wachdijono[1], Berlyana Febriyanti[1], Sandi Nasrudin Wibowo[2], Ika Tri Wahyuni[3]

[1]Departement of Agribusiness, Universitas Swadaya Gunung Jati
[2]Departement of Management, Universitas Swadaya Gunung Jati
[3]Departement of Accounting, Universitas Negeri Jakarta

Abstract
Innovation product result from various types of processes that combine each other influence, one of which other aims to increase decision consumer purchases. Through product innovation, it is hoped that consumers will continue to buy and be loyal, especially in the era of business competition. Therefore, research on product innovation becomes essential, specifically on efforts that currently stand up in whole corner soil water, that is, effort coffee shop. The study aims to know the variables influencing coffee shop product innovation in Cirebon City, Indonesia. The research method with the survey and the research population is coffee shop consumers. Technique the determination of the sample size based on the loading factor number of 0.65 so that the number of samples set as big as 70 respondents. Technique analysis data use the instrument Structural Equation Model (SEM) with the application AMOS. The results study conclude that variable timing innovation directly affects the innovation product coffee shop, whereas variable competence managerial competence, human resource competence, ownership of R & D facilities, and system networks information do not affect the innovation of coffee shop products in Cirebon City. Research result This is useful for coffee shop business actors to develop product innovations to win competition efforts by healthy.

Keywords: Consumer loyalty, coffee shop product innovation, time of innovation.

1. Introduction

The coffee shop business that still exists in early 2022 and beyond, shows that the coffee shop has loyal consumers. This is because the previous two years, 2020-2022, were difficult for the local, regional, national and global business world due to the COVID-19 pandemic. Therefore, only companies that have loyal customers will be able to survive their business existence and have the opportunity to develop in the future (Alma, 1993). Loyal consumers are consumers who always buy products from a company under any conditions (Kotler, 2009). By having and maintaining loyal customers, the company will be guaranteed certainty in obtaining income so that the existence of its business will be maintained (Supranto, 2006).

Realizing the importance of having loyal customers, every company, including coffee shop businesses, always tries to maintain it. Therefore, every effort is made to keep consumers loyal. One of the efforts is through coffee shop product innovation (Aryoni et al., 2019; Mustamu & Ngatno, 2021). Through this product innovation, consumers feel that there is something new or a novelty in the product so they are not bored to buy (consume) and the impact can increase the soul that is more loyal to the coffee shop. The most important thing to consider in coffee shop product innovation is the timing of innovation (Berliana, 2022). The timing of innovation is the right time for an innovative product to start being marketed to consumers so as not to fail the market. If the innovation is incorrect, it can negatively impact the business, namely, market failure. (Event Organizer, 2021). Companies that fail to market their products to consumers are an early indication that businesses with these products will not exist or disappear in the market, even though the cost of creating innovative products is very high.

Some examples of innovative products that have been created but failed to be marketed (market failure), namely: fruit-flavored mineral water, soda drinks in sachets, instant-fried noodles, and instant-fried rice. Examples of innovative products originating from abroad and experiencing market failures include American peanut butter, Chinese formula milk, Africa, McLobster, McPizza, McDLT, and McLean Deluxe. These innovative products were created by big companies, aiming to maintain or increase customer loyalty, but failed in the market. The cause of the market failure is that there has not been thorough research (research) on the product innovations that have been or will be created (Pratama, 2020). The examples of innovative products that fail to market above provide a lesson about the importance of research on the variables that cause market failure in all culinary businesses, including coffee shop businesses throughout the country.

Cirebon City is a city on the northern coast of Java Island West Java Province, which can represent the geographical conditions of cities located at 6 0 L South latitude throughout the world (tropical regions). The city of Cirebon has many modern coffee shop businesses standing, where in 2021, there will be 300 coffee shops (Sofyan, 2021), and are crowded buyers (consumers), especially buyers aged 12 – 25 years (Ratnasari, 2021). Nevertheless, entering the beginning of 2022, some coffee shops have stopped operational because of the COVID-19 pandemic; however, some regular coffee shops still exist until the end year 2022. Some examples of coffee shops still exist until the beginning of 2022 and beyond, namely among others: Milarie Coffee, Drolop, Babeh House Blend, Central Room, and Manao Coffee.

Based on a survey prelude to December 2021 obtained fact, The five coffee shops (Milarie Coffee, Drolop, Babeh House Blend, Central Room, and Manao Coffee) have created several

innovative coffee shop products that are local products, including fermented coffee products and mocktails (mixed fermented coffee drink with other drinks) with many the variant. The destination for the creation of product innovation is to maintain loyalty among consumers, not to stop buying even during the covid 19 pandemic. As for the product innovation, the start marketed to consumers at the beginning year 2021, and up to the beginning of 2022, product _ is still liked by consumers, so there is no market failure. If you pay attention, the time to start marketing product innovation is the beginning of 2021, which is a peak difficulty. Where is the economy during the COVID-19 pandemic? Many coffee shop businesses closed. However, the five coffee shops above are precisely used for launching product innovation, and the market (consumer) still accepts it. It means the timing of the innovation is appropriate, so there is no market failure for product innovation. Such conditions _ Become essential for conducting in-depth research about the influence of loyalty on the timing of innovation through innovative coffee shop products.

Several studies previously related or relevant to research this, suitable from country nor outside the country, Among other: 1) Maidina et al. (2021); 2) Sriwijaya, (2021); 3) Wildana & Furqoni (2019); 4) Aryani et al., (2019); 5) Rahman & Siswowiyanto (2018); 6) Son & Ekawati (2017); and 7) Matzler et al., (2013). The difference study with the study previously is on study this aims to find out the influence of consumer loyalty variables on the timing of innovation through product innovation variables with the use of method analysis data Structural Equation Model (SEM), so that could see the loading factor (weight) from every indicator to the variable, whereas on study previously only discuss connection or influence variable innovation product to loyalty consumer by track so I cannot see the loading factor (weight) of each indicator to the variable because it uses data analysis methods linear regression multiple. Because this research has a research gap, namely in the form of a methodological gap. The methodological gap is a gap study that uses methods of different data analysis by methods used by researchers previously, whereas method analysis was previously considered incomplete. Hence, it becomes less appropriate to analyze the data in this study   (Muller-Bloch & Kranz, 2014).

Recent study Furthermore could found that on study previously, there is not yet a study that discusses the influence of loyalty on the timing of innovation through product innovation variables because that study includes a study that can be judged as a novelty that is very useful for filling gaps or developing knowledge, especially about consumer and producer behavior. In addition, it can also contribute in the form of references for coffee shop business managers so as not to experience market failure if they will or have created innovative products that are directed at maintaining consumer loyalty. Thus, this research has a gap and novelty, so it is feasible to carry out.

2. Material and Method

The research location is determined by (purposive), namely, in the city of Cirebon Province Java West, considering that the city of Cirebon is a city that can represent geographical conditions cities located on the 6 0 latitudes South around the world (tropical regions). Also, in Cirebon, many businesses are standing coffee shops; we are in the year 2021, totaling 300 coffee shops (Sofyan, 2021). A study held on month January- April 2022. The

object of the research, namely: the consumer loyalty variable (X), coffee shop product innovation (Y), and innovation timing (Z). Operationalizing variables and indicators can be seen in Table 1.

Table 1. Operational research variables and their measurements

Variable	Indicator	Measurement Scale	No. Statement items
Consumer Loyalty (X)	1. Repurchase 2. The habit of consuming the brand 3. I have always liked the brand 4. Keep choosing the brand 5. Convinced that the brand is the Best 6. Recommending the Brand to Others	Ordinal (Likert)	43.44 45.46 47,48 49.50 33.34 51.52
Product Innovation (Y)	7. Durability 8. Reliability 9. Accuracy 10. Price 11. Appearance 12. Size 11. Latest models 12. Design variations	Ordinal (Likert)	35,36,37 38,39,40 41.42
Innovation Timing (Z)	13. Accuracy 14. Speed 15. Success 16. Incompatibility	Ordinal (Likert)	29.30 31.32

The population study is a consumer coffee shop in the city of Cirebon, and the amount is unknown. Therefore determination amount of the sample based on the loading factor is 0.5 (Hair et al., 2010), so that amount of 120 respondents. As for the technique of taking a sample by accidental sampling (coincidentally). Data analysis techniques using instrument Structural Equation Modeling (SEM) with help counting application AMOS (Analysis Moment of Structural). The advantage of using the SEM method is that it can see the relationship between (musyaffi et al., 2022).

3. Result and Discussion

Based on the result data, the following survey _ was analyzed using SEM- AMOS. Results were obtained in the form of analysis factor and track, as could be seen in Picture 1 and Table 2.
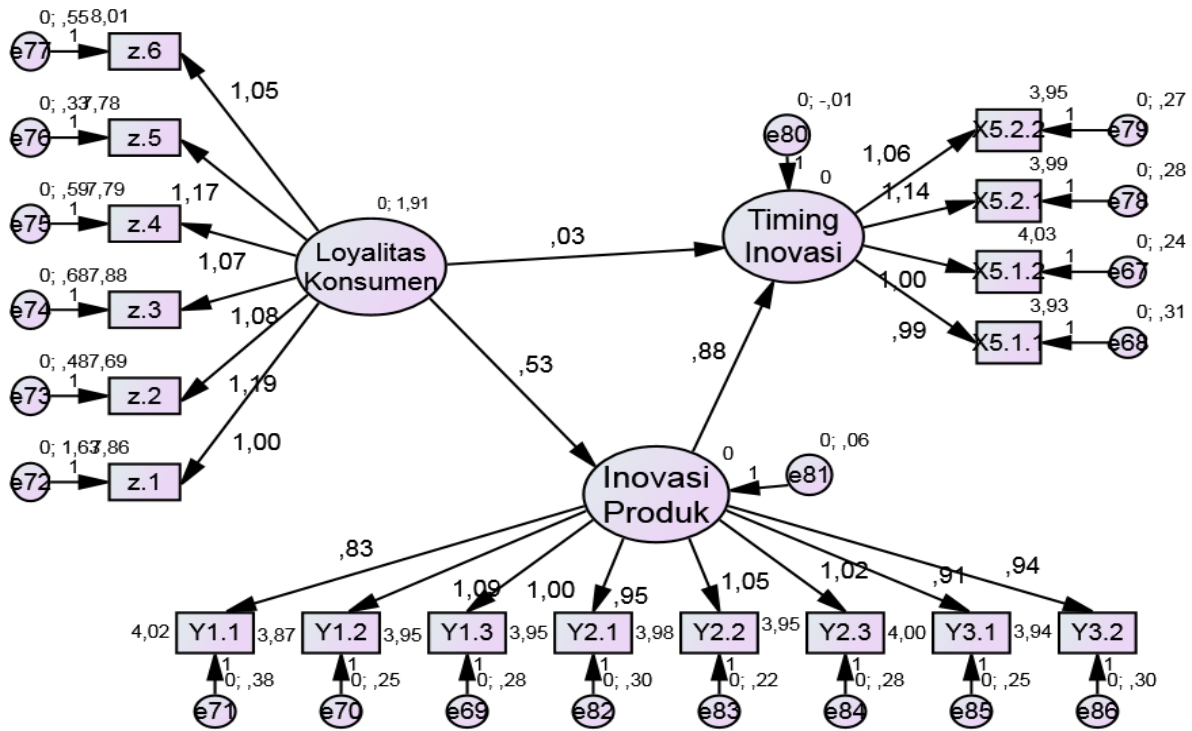
Figure 1. The influence of loyalty variable consumers on the timing of innovation through innovation product

Figure 1 shows that the consumer loyalty variable directly affects the innovation variables product with a scoring coefficient regression standard of 0.53, and the innovation variable product directly affects the variable timing of innovation with a scoring coefficient regression standard of 0.88. In contrast, the loyalty variable consumer directly affects the variable timing of innovation with a coefficient regression standard of 0.03. As for the significance (sig), the influence between the variable and influence indicator to the variable could look in the printout from the analysis SEM-AMOS, which can be seen in Tables 2 and 3.

Table 2. Significance of variables and indicators

	Connection		Estimate	SE	CR	P	Label
Y	<---	X	,533	0.059	8,972	***	par_6
Z	<---	X	,026	0.090	,286	,775	par_7
Z	<---	Y	,883	,176	5,009	***	par_11
X5.1.2	<---	Z	1,000				
X5.1.1	<---	Z	,992	,096	10,330	***	par_1
Y1.3	<---	Y	1,000				
sum_z3	<---	X	1.081	,108	9,976	***	par_2
sum_z4	<---	X	1.070	,106	10,133	***	par_3

	Connection		Estimate	SE	CR	P	Label
X5.2.1	<---	Z	1,135	,100	11,336	***	par_4
X5.2.2	<---	Z	1.058	,096	11.033	***	par_5
Y2.1	<---	Y	,948	,089	10,604	***	par_8
Y2.2	<---	Y	1.050	,087	12,073	***	par_9
Y2.3	<---	Y	1.024	,091	11.275	***	par_10
Y1.1	<---	Y	,833	,091	9,167	***	par_12
Y1.2	<---	Y	1.088	,091	11,895	***	par_13
Y3.2	<---	Y	,940	,089	10,554	***	par_14
Y3.1	<---	Y	,910	,083	10,931	***	par_15
number_Z6	<---	X	1.046	,103	10,166	***	par_16
sum_z5	<---	X	1.174	,108	10,851	***	par_17
number_Z1	<---	X	1,000				
sum_z2	<---	X	1,188	,112	10,573	***	par_18

Table 3. Standardized Regression Weights: (Group number 1 - Default model)

Correlation			Estimate
Y	<---	X	,949
Z	<---	X	0.049
Z	<---	Y	,958
X5.1.2	<---	Z	,823
X5.1.1	<---	Z	,788
Y1.3	<---	Y	,828
sum_z3	<---	X	,875
sum_z4	<---	X	,887
X5.2.1	<---	Z	,838
X5.2.2	<---	Z	,823
Y2.1	<---	Y	,800
Y2.2	<---	Y	,868
Y2.3	<---	Y	,832

Correlation			Estimate
Y1.1	<---	Y	,724
Y1.2	<---	Y	,860
Y3.2	<---	Y	,798
Y3.1	<---	Y	,816
number_Z6	<---	X	,890
sum_z5	<---	X	,943
number_Z1	<---	X	,735
sum_z2	<---	X	,921

Table 2 shows that the influence of loyal consumers on innovative products is marked with the sign star 3 (***) in column P (Probability) or on column estimate written number 0.949, which means his influence is very significant (natural). Innovation timing is timing suitable for new products (products) innovation) to enter the market (Kotler & Keller, 2016). This has implications that if a new product or product innovation no appropriate time for marketed so will result in fatal or market failure. Because that election time which appropriates Becomes variable which very important (take effect) related with innovation product. Darwin please, Self 06 (2001) in PK (2011) add that something the thing that very important related to timing innovation is sensitivity perpetrator effort in reading the business situation currently run so that no lost momentum or do not too fast enter to market if condition market not yet worthy entered on at the moment.

In practice, one aspect that influences the success of a new product (results innovation) is related to one variable (Sukirno, 2014). No formula or unique models can be used as strategies for the success of the new product in the market. However, several indicators indicate the success or failure new product (innovation). According to Kotler and Keller (2016), there are four indicators related to timing innovation, that is: i) accuracy, ii) Speed, iii) success and iv) discrepancy. To know the weight or loading factor from every indicator.

Table 3 shows that on the measurement model (model measurement indicator with X5), obtained weight (loading factor) the largest is 0.89 at line X 5, X 5.2.2 means indicator which very important for noticed on variable timing innovation is "inconsistency." This is because the risk is considerable if an "incompatibility" occurs. During the time to enter, product innovation (new) to the market with the condition company is currently carried out simultaneously. For example: if an innovative product is launched to the market, however the condition company is still stagnant in turnover the sale, so from aspect-time not appropriate, so that very potential to bear the risk of failing the market or not. The example refers to a fact showing that 80% - 90% of new businesses or products could reach growth that wanted or failed market (PK, 2011).

Related to the thing in on, so The Event Organizer (2021) explains that the time appropriate for launching product innovation for success is at the time of turnover sale company currently experience enhancement (increases), with reason so that consumers get choice on the first product that was judged to be flourishing market. Furthermore, it is also recommended not to launch product innovation at the moment turnover company sales are in condition constant (stagnant) because consumers do not have enough respect, so that very potential for a failed market.

Launching innovative products to the market is part of the stages of development of products new to the Public large by open. Therefore, precision and reliability in timing innovation are required to create "fitness" that can eliminate fail market. For that, Kotler (2000) considers the company that notices: product launch time (whether logged in the beginning, entered in the middle/concurrent, or entered late), strategy geographical, and strategy market introduction.

Remember, the risk which significant if occur fail the market from something product innovation, so Handi (2001) added that launching product innovation could succeed in the market through the formulation seven instruments, that is:

1. Marketing Information Systems. This is the initial orientation when product innovation is still an illusion. However, success depends on the capacity of something company to manage components system information marketing. Information is beneficial in creating innovative product concepts that are original and prospective for the future.

2. Capitalizing Opportunity. There are two elements on an instrument: time and speed. Product innovation succeeds if launched on time, which is appropriate and fast. Whoever first entered the market will generally have the advantage compete (competitive advantages).

3. Segmentation and Targeting. Segmentation and target market the right can make a company will able to move the source more effective

4. Positioning. Marketing is an event battle in perception, so how product innovation could be perceived in the minds of consumers if compared with competitors becomes significantly noticed. If success in positioning product innovation on the consumer's mind in a healthy manner, then it can be expected to succeed.

5. Delivery. The biggest problem with every company is maintaining loyal consumers: the consequence of alternative access and fast delivery creative. Therefore, a product innovation that succeeds is generally influenced by the capacity to implement strategy distribution.

6. Products/ Service Differentiation. Need is known that a consumer buys a product because of the value it gets as for the source score that is an appropriate feature (the following need) or new benefits. Some products fail the market because no brave comes at a different stage.

7. Promotion Creativity. Cost marketing which tall for the promotion of product innovation (new), is the cost of advertising or promotion. For that, successful or failed product innovation significantly influenced creativity in advertising.

Observing seven instrument formulations in succeed product innovation in on, so for knowing that timing innovation on launching product innovation (new product) it does not fail the market could be seen through several indications, namely: 1) In a normative count, Then the product innovation in the period three years can achieve break-even point (BEP), and

annually can provide a signal of an increase in performance, between other: turnover sale increase, market domination expand, brand awareness (awareness brand) increase and profit increase.

5. Conclusion, Implication, and Recommendation

Based on the results study and discussion so could conclude that the loyalty variable consumer takes effect no direct against variable innovation timing through innovation variables coffee products shop in City Cirebon. So recommended that in skeleton create success launching product innovation in the market (innovation timing), so that coffee shops are City Cirebon must always pay attention to the innovation variable product with indicator or element " reliability " especially Among time launching innovative products with conditions turnover company sales.

6. References

Afriyanti, S., & Rasmikayati, E. (2018). Studies Strategy Marketing Best Based on Behavior Consumer In Facing the Competition Between Shop Coffee In Jatinangor. Journal Scientific Student AGROINFO GALUH, 3 (1), 856–872.

Afriyani, R., Halisa, S., & Rolina, H. (2016). Faktor-faktor yang berhubungan dengan pemberian MP-ASI pada bayi usia 0-6 bulan di BPM Nurtila Palembang. Jurnal Kesehatan, 7(2), 260-265.

Aryoni, A., Eldine, A., & Muniroh, L. (2019). Influence Innovation Product To Loyalty Consumer. Managers: Journal Knowledge management. 2 (2), 1. https://doi.org/10.32832/manager.v2i2. 2557

Alzoubi, H., Alshurideh, M., Kurdi, B., Akour, I., & Aziz, R. (2022). Does BLE technology contribute towards improving marketing strategies, customers' satisfaction and loyalty? The role of open innovation. International Journal of Data and Network Science, 6(2), 449-460.

Buchori Alma. (1993). Business introduction . Alphabet.

Channa, N. A., Bhutto, M. H., Bhutto, M., Bhutto, N. A., & Tariq, B. (2020). Capturing customer's store loyalty through relationship benefits: moderating effect of retail innovation. European Business Review.

Event Organizer. (2021). When is the right time to launch your second product? Hanindo Communications . https://bit.ly/3z3guPO

Jhanuar Primary. (2020). Examples of Failed Food Products. Wisklik.Com . https://www.wisklik.com/2020/04/sample-product-food-fail.html

Deliana, Y., Hapsari, H., Andriani, R., & Trimo, L. (2018). Factors that affect consumers ' decision in purchasing coffee. Research Journal of recent Science , 7 (1), 1–6.

Elijah Joel Mustamu & Ngatno. (2021). Influence innovation product to loyalty consumer with satisfaction consumers as an intervening variable on kfc srondol. Journal Administration business , X (I), 689–696.

Events organizer. (2021). When Time Which Appropriate For To do Launching Your Second Product? Hanindo Communications . https://bit.ly/3z3guPO

Handi. (2001, April). Seven Business Blunders New. Swa .

Joseph F. Hair Jr.; William C. Black; Barry J. Babin; Rolph E. Anderson. (2010). Multivariate Data Analysis (7th ed.). Prentice Hall International.

Khairunnisa, H., Pratama, A., Musyaffi, A. M., Wolor, C. W., Respati, D. K., Fadillah, N., & Zahra, S. F. (2022). Konsep dan tips dalam menulis karya ilmiah. Pascal Books.

Kotler, Philip and Kevin Lane Keller. (2016). Marketing Management (15th ed.). Pearson Education, Inc.

Kotler, P. (2000). Principle – principle marketing management . Prenhalindo.

Matzler, K., Bailom, F., von den Eichen, S. F., & Kohler, T. (2013). Business model innovations: Coffee triumphs for Nespresso. Journal ofBusiness Strategy , 34 (2), 30–37. https://doi.org/10.1108/027566613113 10431

Maidina, M., Ferianto, F., & Hendrix, T. (2021). Innovations in Coffee: Patents Reveal in Indonesia. Journal Organization And Management , 17 (2), 137–150. https://doi.org/10.33830/jom.v17i2.14 63.2021

Musyaffi, A. M., Khairunnisa, H., & Respati, D. K. (2022). Konsep dasar structural equation model-partial least square (SEM-PLS) menggunakan smartpls. Pascal Books.

Musyaffi, A. M., Johari, R. J., Rosnidah, I., Agustin, D., Sari, P., Amal, M. I., Tasyrifania, I., Pertiwia, S. A., & Sutanti, F. D. (2021). Digital payment during pandemic: An extension of the unified model of QR code. Academic Journal of Interdisciplinary Studies, 10(6), 213. https://doi.org/10.36941/ajis-2021-0166

Musyaffi, A. M., Johari, R. J., Rosnidah, I., Respati, D. K., Wolor, C. W., & Yusuf, M. (2022). Understanding Digital Banking Adoption During Post-Coronavirus Pandemic: An Integration of Technology Readiness and Technology Acceptance Model. TEM Journal, 11(2), 683–694. https://doi.org/10.18421/TEM112-23

PK, DS (2011). Business Launch Strategy New and Product New. Journal Economics Wijayakusuma University Purwokerto , 14 (4), 155–159.

Putra, M., & Ekawati, N. (2017). Influence Innovation Product, Price, Image Brand And Quality Service To Loyalty Customer Bicycle Motorcycle Vespa. E-Journal Management University Udayana , 6 (3), 255365.

Rahman, H., & Siswowiyanto, HP (2018). k nowledge Inertia in the Innovation of Coffee Production. The South East Asian Journal of management , 12 (2). https://doi.org/10.21002/seam.v12i2.9 721

Respati, D. K., Musyaffi, A. M., Zahra, S. F., & Hindaryatiningsih, N. (2022). Exploring Working Capital Management and Performance of Manufacturing Firms in Indonesia. Quality-Access to Success, 23(188).

Ruiz-Molina, M. E., Gil-Saura, I., & Servera-Frances, D. (2017). Innovation as a key to strengthen the effect of relationship benefits on loyalty in retailing. Journal of Services Marketing.

Sadono Sukirno. (2014). Microeconomics theory introduction (3rd ed.). King Grafindo Homeland.

Silvi, I. (2022). The Effect of Augmented Reality on Students' Motivation and Spatial Ability: A Literature Review from 2016-2020. International Journal of Educational Technology and Instruction (IJETI), 1(1), 25-35.

Supranto., J. (2006). Measurement of customer satisfaction level to increase market share (3rd ed.). Renika Cipta.

Tri Sulistiowati. (2019, April 27). Competition is getting fiercer, this is a strategy so that effort shop coffee permanent legit. KONTAN.CO.ID .

Triwijaya, D. (2021). the Influence of innovations, Promotion and Service Quality on Product Purchase Decisions in Truly cafe and restaurant Bengkulu. (JEMS) Journal Entrepreneur And Management science, 2 (1), 59–68. http://jurnal.umb.ac.id/index.php/jems/ article/view/172

Wandi Sofyan. (2021). Unexpectedly, the city cirebon have more from 300 shop coffee. Radar Cirebon .Com . https://bit.ly/3EHYDz0

Wildana, D. T., & furqoni, L. (2019). Coffee Processed Product Innovation in Village lamp Bondowoso. News Devotion , 13 (2), 49–56. https://doi.org/10.19184/wrtp.v13i2.92 87

Wolor, C. W., Musyaffi, A. M., Nurkhin, A., & Tarhan, H. (2022). Employee Perceptions of TQM-Oriented HRM Practices for Perceived Performance Improvement in the Case of Companies in Indonesia. Asian Journal for Public Opinion Research, 10(2), 123-146.

Wu, C. W. (2014). The study of service innovation for digiservice on loyalty. Journal of Business Research, 67(5), 819-824.