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Customer Relationship Management, Satisfaction, and Loyalty in Three Sukabumi Café SMEs

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Abstract
Customer Relationship Management, Satisfaction, and Loyalty in Three Sukabumi Café SMEs. Customer relationship management (CRM) is widely seen as a driver of satisfaction and loyalty, yet evidence from small café enterprises is scarce. This study examines how CRM practices relate to customer satisfaction, loyalty, and organizational performance in three café SMEs in Sukabumi, Indonesia: Kedai Kopi 35, Kopi Tekun Sukabumi, and Yume Coffee. A quantitative multi-case design was used, with an online questionnaire completed by 207 employees and regular customers and analyzed through PLS-SEM. CRM practices were significantly and positively related to satisfaction ($\beta = 0.398$, $p < 0.001$) and loyalty ($\beta = 0.383$, $p < 0.01$), but not directly to performance ($\beta = 0.071$, $p = 0.521$). Satisfaction predicted performance ($\beta = 0.446$, $p < 0.001$), suggesting that CRM influences performance mainly through satisfaction. A strong ceiling effect, weak convergent validity, and instability in a purified model call for cautious interpretation.

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1. INTRODUCTION

Customer relationships have moved from a peripheral sales concern to a central element of business strategy. In saturated and highly competitive markets, the ability to attract, satisfy, and retain customers has become one of the clearest determinants of long-term survival. Customer relationship management (CRM) refers to the strategies, processes, and technologies that organizations use to manage interactions with current and prospective customers across the customer lifecycle [1]. Far from being a purely technical function, CRM is a business philosophy that integrates marketing, sales, and service around the needs of the customer [1, 2].

The benefits of CRM are, however, not automatic. Many organizations treat it as a software installation rather than as an organization-wide change in culture, processes, and employee behavior, whereas a customer-centric culture is widely regarded as a precondition for CRM to work as intended [3]. Empirical work likewise shows that CRM outcomes depend on how well a firm executes key-customer focus, organizational learning, and the integration of CRM into everyday processes, rather than on the mere presence of a CRM system [4]. Two businesses can therefore adopt similar tools and still obtain very different results.

Small and medium-sized enterprises (SMEs) face distinctive conditions. They typically lack dedicated CRM specialists, work with limited staff time and informal record keeping, and rely on personal familiarity with regular customers. This is particularly true of cafés, where relationships are built almost entirely through repeated face-to-face

encounters and where loyalty is often anchored in small rituals, such as a barista remembering a regular's order or a stamp card nearing its final square. Much of the CRM literature, however, was developed for large firms in developed markets, and it remains unclear whether its core propositions hold, and hold consistently, across different SMEs operating in the same local market.

Despite wide recognition of its value, many organizations struggle to turn CRM investment into measurable gains. Reports of CRM under-performance are common, and its relationship with performance is not uniform: some businesses report substantial improvements in retention and profitability, while others with comparable investment see little benefit. This points to moderating factors, such as organizational culture, data quality, cross-departmental coordination, and top-management commitment. Managers also tend to evaluate CRM through narrow, short-term financial metrics, overlooking longer-term indicators such as customer lifetime value, referrals, and advocacy, which can lead to under-investment or premature abandonment.

This study addresses that gap through a comparative study of three café SMEs in Sukabumi, West Java, Indonesia: Kedai Kopi 35, an independent café near a university; Kopi Tekun Sukabumi, a branch of a regional chain with a formal loyalty program (Tekun Point); and Yume Coffee, an independent café and eatery. It asks (1) how CRM practices relate to customer satisfaction, (2) how they relate to customer loyalty and retention, and (3) to what extent they contribute to organizational performance, and whether these relationships are comparable across the three cafés. The study contributes by extending CRM evidence to Indonesian café SMEs, by testing a mediation model rather than only a direct effect, and by reporting measurement problems openly instead of presenting only favorable results.

2. LITERATURE REVIEW AND HYPOTHESES

2.1. Concept and Theoretical Foundations

Early definitions treated CRM narrowly as a technology for storing customer records. Scholars later converged on a broader view in which CRM is a strategic approach that combines the potential of information technology with relationship marketing strategies to build profitable, long-term relationships with key customers [1]. Related work introduced one-to-one marketing, in which each customer is treated as an individual with distinct needs [5], and linked differentiated treatment of customers to profitability [6]. Buttle further distinguishes strategic, operational, and analytical CRM, concerned respectively with the customer-centric orientation of the firm, the automation of sales, marketing, and service processes, and the use of customer data to generate insight [2].

Three theoretical traditions underpin this view. Relationship marketing frames marketing as the process of establishing, maintaining, and, when necessary, ending relationships so that the objectives of all parties are met [7]. Service-dominant logic holds that value is co-created through interaction between firm and customer rather than delivered by the firm alone [8]. The resource-based view treats CRM capability, the ability to gather, interpret, and act on customer information better than competitors, as a valuable and hard-to-imitate resource; software is only a tool that such a capability can use. Digital channels have since pushed CRM toward omnichannel management [9], yet in a café the relationship still rests mainly on face-to-face service.

2.2. Culture, Data, and Employees

Technology alone rarely explains why some organizations succeed with CRM and others do not. Culture is frequently identified as the missing variable: a customer-centric culture, in which employees across departments internalize the importance of the customer relationship, is a precondition for CRM to function as intended [3]. Data quality is equally

critical, since incomplete, duplicated, or outdated records undermine personalization and can erode the very trust that CRM is meant to build. Employees are the point at which CRM strategy is either lived or lost: staff who feel supported by organizational systems tend to deliver more attentive service [10], and involving frontline staff in the design and rollout of CRM is widely recommended because systems that add burdensome steps tend to be adopted only superficially.

2.3. CRM in SMEs and Cafés

Foundational CRM research was developed mainly for large corporations. SMEs typically lack dedicated specialists and manage customer information informally, which can make structured CRM feel like an unnecessary formalization of something that already works on a personal level. Yet even simple tools, such as a shared contact database or a stamp card, can yield quick benefits because the starting point is so unstructured, and low-cost cloud platforms have lowered the entry cost. The café sector has received little dedicated CRM research. Relationships there are built through repeated service encounters, loyalty is often anchored in small tangible rituals, and customers tend to rank staff friendliness and attentiveness highly when explaining why they return. For small cafés, meaningful CRM may therefore be achieved through low-cost mechanisms, such as a loyalty stamp card, a staff culture of remembering regulars, and a habit of asking about a customer's day, which reflect the same underlying logic: recognizing and responding to individual customers, consistently and over time, drives satisfaction, loyalty, and performance.

2.4. CRM, Customer Satisfaction, and Loyalty

Satisfaction is among the most immediate outcomes of good relationship management. Customers judge service along dimensions such as reliability, responsiveness, and empathy [11], which CRM can support by ensuring that promises made to customers are tracked and honored. The effect is conditional on execution, however [4]: satisfaction responds to what a business does with its knowledge of customers. This leads to H1. Loyalty and retention matter because even small improvements in retention can produce disproportionately large profit gains, as loyal customers buy more, refer others, and cost less to serve [12]. Personalization and recognition deepen attachment, and the literature distinguishes behavioral loyalty (repeat purchase) from the more durable attitudinal loyalty (genuine preference). This leads to H2.

2.5. CRM and Organizational Performance

CRM is expected to affect performance through several pathways: more consistent service raises satisfaction, personalization and recognition sustain loyalty, and both support repeat business and competitiveness. Evaluating CRM is, however, difficult. Financial measures lag behind the effects of CRM and are influenced by unrelated factors, so multidimensional views that combine financial, customer, and process indicators have been proposed [13]; this study therefore measures perceived competitiveness, growth, and success. Typical barriers to CRM success include weak executive sponsorship, unrealistic expectations of rapid results, fragmented customer data, and a mismatch between system design and everyday workflow. Because frontline employees are where CRM becomes lived experience for the customer [10], staff behavior is central in cafés. These arguments support H3 and the indirect paths from satisfaction and loyalty to performance shown in Figure 1. The hypotheses are:

H1: CRM practices have a significant positive relationship with customer satisfaction.

H2: CRM practices have a significant positive relationship with customer loyalty and retention.

H3: CRM practices have a significant positive relationship with organizational performance.

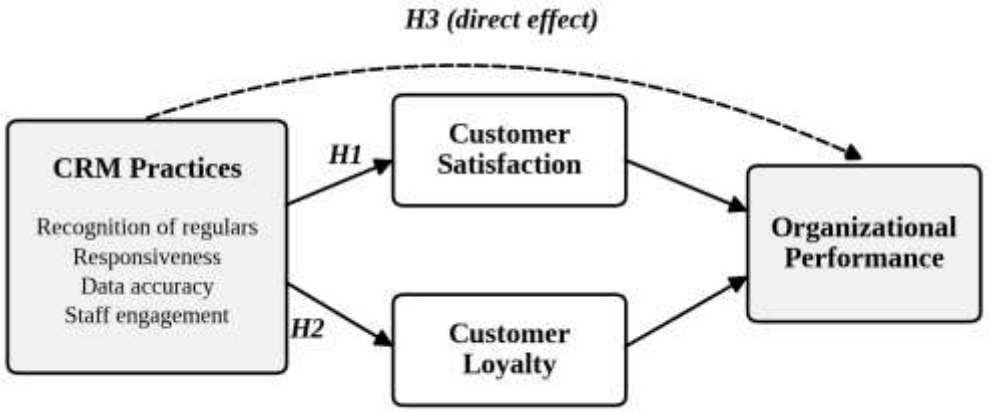


Figure 1. Conceptual model and hypotheses

3. RESEARCH METHODS

3.1. Research Design and Objects of Study

This quantitative, descriptive–correlational study follows a deductive approach and a multi-case comparative design, which examines bounded real-world organizations while testing whether a relationship replicates across settings [14]. Three SMEs in the same café market were selected purposively (Table 1). Two are independent single-outlet cafés and one is a branch of a growing regional chain with a formal loyalty program. Profile information for Kopi Tekun Sukabumi and Yume Coffee comes from public sources (location listings, delivery-platform pages, and social media), whereas the Kedai Kopi 35 profile draws on the researcher's first-hand familiarity.

All three cafés compete in the same moderately competitive market in Sukabumi, a mid-sized city with several universities and a growing base of young professionals. Because customers have abundant substitutes, including the other two cafés, repeat patronage is unlikely to be explained by necessity alone and is more plausibly related to product quality, price, atmosphere, and the quality of the customer relationship.

Table 1. Profiles of the three case-study cafés

Attribute	Kedai Kopi 35	Kopi Tekun Sukabumi	Yume Coffee
Type	Café; independent single outlet	Café; branch of a multi-city chain (PT Tekun Karya Indonesia)	Café and eatery; independent single outlet
Location	Near Nusa Putra University, Sukabumi	Jl. Ir. H. Juanda, Sukabumi	Jl. Surya Kencana No. 31, Cikole, Sukabumi
CRM tools	Simple POS system, printed stamp card, staff familiarity	Formal "Tekun Point" loyalty program, delivery-app ordering	Staff familiarity, ambience-driven relationship building

3.2. Population, Sampling, and Instrument

The population comprises each café's employees and its regular customers. Purposive sampling was used with a single online questionnaire (Google Forms) distributed mainly through direct messages in two phases in 2026: Phase 1 covered Kedai Kopi 35 (June–July) and Phase 2 covered Kopi Tekun Sukabumi and Yume Coffee. After removing one incomplete Phase 1 response, 207 valid responses were retained (Table 2). Because none

of the cafés keeps a verifiable count of regular customers, the minimum sample size was set with Cochran's formula for unknown populations, $n = Z^2pq/e^2$ [15]. With 95% confidence, $p = q = 0.5$, and a 10% margin of error, $n \approx 96.04$, rounded up to 97. Only Kedai Kopi 35 meets this minimum individually; results for the other two cafés are therefore exploratory, and the pooled sample ($N = 207$) is the primary basis for hypothesis testing.

Table 2. Respondent profile and sample size criterion by café

Category	Kedai Kopi 35	Kopi Tekun Sukabumi	Yume Coffee	Pooled
n (valid responses)	110	55	42	207
Employees	9 (8.2%)	4 (7.3%)	2 (4.8%)	15 (7.2%)
Customers	101 (91.8%)	51 (92.7%)	40 (95.2%)	192 (92.8%)
Male	82 (74.5%)	48 (87.3%)	35 (83.3%)	165 (79.7%)
Female	28 (25.5%)	7 (12.7%)	7 (16.7%)	42 (20.3%)
Mean age (SD)	22.8 (1.54)	23.4 (1.94)	23.1 (1.98)	23.0 (1.76)
Meets Cochran minimum (97)?	Yes	No	No	Yes

The instrument contains 17 items in five sections: respondent profile, CRM practices (4 items), customer satisfaction (3), customer loyalty (3), and organizational performance (3). All construct items use a five-point Likert scale (1 = strongly disagree, 5 = strongly agree) (Table 3). Each item is a positively worded evaluative statement; no reverse-scored items were included, to reduce respondent confusion in a short online survey. The instrument was shortened from two longer, group-specific questionnaires (31 items each) to this single common version after review by the research supervisor, to improve completion rates and clarity. Items were first worded for Kedai Kopi 35 and then generalized to café-neutral wording, with an added item identifying the café, for Phase 2. CRM practices are operationalized as the degree to which the café recognizes, personalizes, and responds to customer needs; satisfaction as the overall evaluation of the service experience; loyalty as the intention and behavior of returning to and preferring the café; and performance as perceived outcomes attributable to customer relationship practices.

Table 3. Questionnaire items by construct (café-neutral wording used in Phase 2)

Code	Item
CRM1	Staff at this café recognize regular customers and their preferences.
CRM2	Staff respond quickly and effectively to customer needs and complaints.
CRM3	This café keeps accurate track of customer preferences.
CRM4	Staff are genuinely engaged in building good relationships with customers.
SAT1	I am satisfied with the overall service at this café.
SAT2	My experience at this café is consistently positive.
SAT3	I feel valued as a customer / part of this café.
LOY1	I regularly return to this café rather than other cafés.
LOY2	I recommend this café to others.
LOY3	I consider myself a loyal customer of this café.
PERF1	This café is competitive compared to other nearby cafés.
PERF2	This café appears to be growing and attracting more customers.
PERF3	Overall, this café is a successful business.

Note: CRM = CRM practices (4 items); SAT = customer satisfaction; LOY = customer loyalty; PERF = organizational performance (3 items each). Five-point Likert scale.

Data were screened before analysis. One of the 111 Phase 1 responses was removed because a required CRM item was unanswered. One implausible age value ("4") was recoded as missing rather than excluding the respondent, and two further age fields were blank; no Likert item had missing values. Responses were coded 1–5. Among the 107 Phase 1 respondents with a usable age, the mean age was 22.8 years (range 20–28), and 80.4% were aged 21–24. For PLS-SEM, the 10-times rule implies a minimum of about 30 observations for the model in Figure 1, and power-based guidance suggests roughly 59–76 observations to detect a medium effect ($f^2 = 0.15$) at $\alpha = 0.05$ and power of 0.80 [16]. The pooled sample and the Kedai Kopi 35 sample exceed both benchmarks, whereas the two smaller café samples ($n = 55$ and 42) fall below the power-based range, which is a further reason to treat café-level estimates as exploratory.

Ethical safeguards were built into data collection. A consent statement at the top of the form explained the purpose of the study, stated that participation was voluntary and could be ended at any time, and promised that responses would be used only for academic purposes. No names, phone numbers, or e-mail addresses were collected. Employees were assured that individual responses would not be shared with their café's management, and the response file was stored on a password-protected device.

3.3. Data Analysis

Data were analyzed with partial least squares structural equation modeling (PLS-SEM) in SmartPLS, which suits modest samples and models that combine several reflective constructs with direct and mediated paths [16]. All four constructs were specified as reflective, and the analysis followed the usual two stages: assessment of the measurement (outer) model and then of the structural (inner) model, using the criteria in Table 4 [16, 17]. The path weighting scheme, Mode A outer weighting, 300 iterations, and a stop criterion of 10^{-7} were used, and significance was tested by bootstrapping with 5,000 resamples. Q^2 was estimated by ten-fold cross-validation analogous to blindfolding. Cronbach's alpha was computed as a preliminary check, and construct composite scores (item means) were used for descriptive statistics, correlations, and the café-level comparison.

Table 4. Assessment criteria applied to the PLS-SEM models

Stage	Criterion	Threshold
Measurement model	Indicator loadings	≥ 0.70 preferred; 0.40–0.70 retained only if removal does not improve CR or AVE; < 0.40 removed
	Composite reliability (CR)	> 0.70 (0.60–0.70 acceptable in exploratory research)
	Average variance extracted (AVE)	> 0.50
	Discriminant validity (HTMT)	< 0.85 (0.90 in more lenient applications)
Structural model	Collinearity (VIF)	< 3.0 (conservative); < 5.0 (lenient)
	R^2	0.19 weak; 0.33 moderate; 0.67 substantial
	Effect size f^2	0.02 small; 0.15 medium; 0.35 large
	Predictive relevance Q^2	> 0
	Significance	Bootstrapping, 5,000 resamples; $p < 0.05$ (two-tailed)

4. RESULTS AND DISCUSSION

Results are reported for the pooled sample and for each café. Where café-level estimates are statistically weaker than the pooled ones, this is stated explicitly.

4.1. Research Results

4.1.1. *Descriptive Statistics*

The pooled sample is composed mainly of customers (92.8%) and men (79.7%) and is concentrated in the early twenties (mean age 23.0), a profile that is similar across the three cafés (Table 2). The gender skew likely reflects the researcher's distribution network rather than the cafés' actual clientele. All constructs scored far above the scale midpoint at every café (Table 5). Kopi Tekun Sukabumi recorded the highest CRM mean (4.514) and the smallest dispersion, while Yume Coffee recorded the lowest satisfaction mean (4.286).

Table 5. Construct means and standard deviations by café

Construct	Kedai Kopi 35	Kopi Tekun Sukabumi	Yume Coffee	Pooled
CRM practices	4.400 (0.354)	4.514 (0.075)	4.482 (0.160)	4.447 (0.275)
Customer satisfaction	4.376 (0.248)	4.376 (0.158)	4.286 (0.300)	4.357 (0.241)
Customer loyalty	4.585 (0.338)	4.685 (0.076)	4.651 (0.164)	4.625 (0.264)
Organizational performance	4.445 (0.248)	4.370 (0.166)	4.373 (0.132)	4.411 (0.211)

Note: Mean (SD) on a five-point Likert scale.

Responses were heavily concentrated in "agree" and "strongly agree". More than 95% of Kedai Kopi 35 respondents chose one of these options on every item, and at Kopi Tekun Sukabumi all 55 respondents did so. This ceiling effect, together with the absence of reverse-scored items, limits the variance available for analysis and may reflect both genuine satisfaction and a general positivity (halo) tendency.

4.1.2. *Reliability and Validity*

Cronbach's alpha fell below 0.70 for nearly every construct at every café and was negative in several cases (Table 6). Because alpha is computed from inter-item covariance,

it is sensitive to the restricted variance produced by a ceiling effect. The PLS-SEM measurement model, however, showed that the problem is not only statistical: outer loadings had mixed signs within every construct (for example, CRM1 and CRM3 positive but CRM2 and CRM4 negative), CR ranged from 0.088 to 0.431, and AVE was below 0.50 for three of the four constructs (Table 7). The constructs are therefore not unidimensional in this dataset, and the full item sets do not meet convergent validity criteria.

Table 6. Cronbach's alpha by construct and café

Construct	Kedai Kopi 35	Kopi Tekun Sukabumi	Yume Coffee	Pooled
CRM practices	0.563	−1.033	0.174	0.503
Customer satisfaction	−0.154	0.689	0.795	0.225
Customer loyalty	0.260	−0.981	0.036	0.203
Organizational performance	−0.132	0.450	−0.446	−0.072

Note: Conventional threshold = 0.70.

Following common practice [17], items were purified by keeping, for each construct, the two items with the largest sign-consistent loadings (CRM2 and CRM4, SAT1 and SAT3, LOY1 and LOY3, PERF1 and PERF3). This raised CR to 0.633–0.806 and AVE to 0.464–0.675, but only organizational performance met both thresholds, and satisfaction remained the weakest construct. HTMT was below 0.85 for five of the six construct pairs (0.080–0.640) but reached 0.975 for satisfaction and performance, meaning that respondents did not clearly separate the two, probably because of a halo effect.

Table 7. Convergent validity: full item set versus purified two-item model (pooled sample)

Construct	Full set: CR	Full set: AVE	Purified: CR	Purified: AVE	Purified assessment
CRM practices	0.088	0.387	0.697	0.535	Marginal
Customer satisfaction	0.251	0.430	0.633	0.464	Below threshold
Customer loyalty	0.287	0.487	0.683	0.519	Marginal
Organizational performance	0.431	0.619	0.806	0.675	Acceptable

Note: Thresholds: CR > 0.70; AVE > 0.50. Purified items: CRM2, CRM4; SAT1, SAT3; LOY1, LOY3; PERF1, PERF3.

4.1.3. ***Structural Model and Hypothesis Tests***

Table 8 shows that CRM practices correlate moderately with satisfaction ($r = 0.398$) and loyalty ($r = 0.383$) but only weakly with performance ($r = 0.071$), whereas satisfaction correlates more strongly with performance ($r = 0.429$). This is an early indication that the influence of CRM on performance is indirect.

Table 8. Pearson correlations among constructs, pooled sample ($N = 207$)

Construct	CRM	Satisfaction	Loyalty	Performance
CRM practices	1.000	0.398	0.383	0.071
Customer satisfaction		1.000	0.364	0.429
Customer loyalty			1.000	0.223
Organizational performance				1.000

Before the structural model was interpreted, inner-model collinearity was checked (Table 9). VIF values were below 3.0 in the pooled model (1.25–1.29) and for Kedai Kopi 35 (1.15–1.26). They were moderately elevated for satisfaction at Kopi Tekun Sukabumi (4.49) and severe for satisfaction and loyalty at Yume Coffee (23.65 and 22.68), where the two constructs correlate at 0.978. Collinearity became more pronounced as sample size shrank and item variance narrowed, so the pooled model ($N = 207$) was used for the formal tests (Table 10, Figure 2).

Table 9. Inner-model VIF for the predictors of organizational performance

Predictor	Kedai Kopi 35	Kopi Tekun Sukabumi	Yume Coffee	Pooled
CRM practices	1.26	2.26	1.97	1.29
Customer satisfaction	1.21	4.49	23.65	1.27
Customer loyalty	1.15	2.75	22.68	1.25

Note: Conservative threshold = 3.0.

CRM practices had a significant positive relationship with satisfaction (β = 0.398, $p < 0.001$, $f^2 = 0.188$) and with loyalty (β = 0.383, $p < 0.01$, $f^2 = 0.172$), supporting H1 and H2. The total effect of CRM on performance was not significant (β = 0.071, $p = 0.521$), so H3 was not supported as a direct relationship, and the direct effect remained non-significant when satisfaction and loyalty were controlled (β = −0.152, $p = 0.259$). Satisfaction significantly predicted performance (β = 0.446, $p < 0.001$, $f^2 = 0.198$), whereas loyalty did not (β = 0.119, $p = 0.448$). The model explained 15.8% of the variance in satisfaction, 14.6% in loyalty, and 20.7% in performance. Predictive relevance was weak: Q^2 was −0.003 for satisfaction, −0.110 for loyalty, and 0.016 for performance, so only performance showed marginal predictive relevance. In-sample significance and out-of-sample prediction are different questions; the relationships are detectable in this sample, but the model does not predict held-out responses well, probably because the ceiling effect leaves little variance to predict.

Table 10. Structural model results, pooled sample ($N = 207$; 5,000 bootstrap resamples)

Path	β	SE	*t*	*p*	f^2	Decision	Purified model β (*p*)
H1: CRM → Satisfaction	0.398	0.116	3.443	0.0006	0.188	Supported	−0.050 (0.749)
H2: CRM → Loyalty	0.383	0.138	2.782	0.0054	0.172	Supported	0.450 (<0.001)
H3: CRM → Performance (total)	0.071	0.111	0.642	0.5206	—	Not supported	−0.439 (<0.001)
CRM → Performance (direct)	−0.152	0.135	−1.128	0.2593	0.023	Not significant	—
Satisfaction → Performance	0.446	0.123	3.626	0.0003	0.198	Significant	0.520 (<0.001)
Loyalty → Performance	0.119	0.157	0.759	0.4478	0.014	Not significant	−0.174 (0.286)

Note: $R^2 = 0.158$ (satisfaction), 0.146 (loyalty), 0.207 (performance). $Q^2 = -0.003$, −0.110, 0.016.

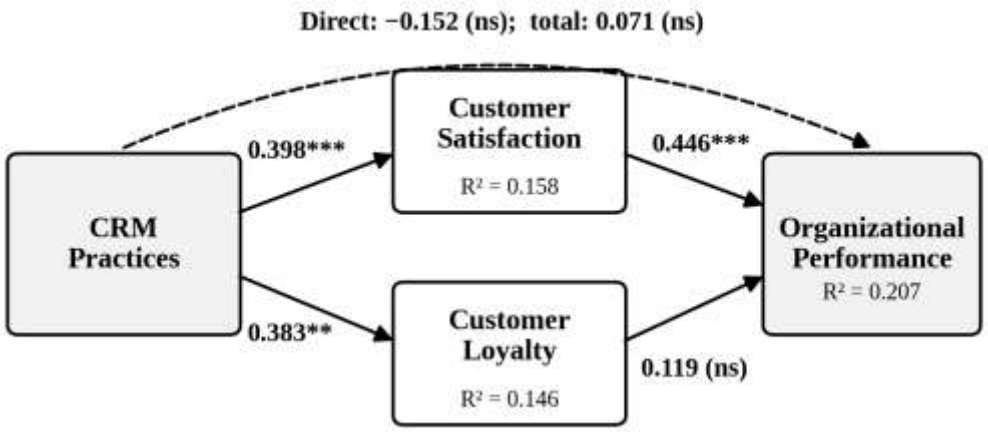


Figure 2. Structural model results, pooled sample (*** $p < 0.001$; ** $p < 0.01$; ns = not significant)

Re-estimating the model with the purified items (last column of Table 10) reproduced H2 and the satisfaction–performance path but not H1 (β = −0.050, $p = 0.749$). The total CRM–performance relationship even turned significantly negative (β = −0.439, $p < 0.001$), a result with no theoretical basis that is most plausibly an artifact of two-item constructs and restricted variance. The full-item model is therefore retained as the primary basis for conclusions, but H1 and H3 should be regarded as provisional.

4.1.4. ***Comparison Across the Three Cafés***

Table 11 reports the same paths estimated within each café. The CRM–satisfaction and CRM–loyalty paths are positive in all three cafés and larger at Kopi Tekun Sukabumi and Yume Coffee than at Kedai Kopi 35. Because these two sub-samples are small, show elevated correlations among all constructs, and have high collinearity (highest inner VIF 4.49 and 23.65), these estimates are exploratory and should not be read as evidence of genuinely stronger effects. The extreme R^2 of 0.916 at Kopi Tekun Sukabumi and the implausible satisfaction and loyalty coefficients at Yume Coffee (−3.557 and 3.960, with a satisfaction–loyalty correlation of 0.978) are symptoms of this instability. Kedai Kopi 35, which supplies more than half of the pooled sample, gives the most stable café-level estimates, and these are close to the pooled results.

Table 11. Structural path estimates by café (exploratory comparison; standardized β)

Path	Kedai Kopi 35	Kopi Tekun Sukabumi	Yume Coffee	Pooled
CRM → Satisfaction	0.389	0.734	0.703	0.398
CRM → Loyalty	0.333	0.496	0.687	0.383
CRM → Performance (direct)	−0.124	−0.041	−0.476*	−0.152
Satisfaction → Performance	0.478	0.452	−3.557*	0.446
Loyalty → Performance	0.148	0.586	3.960*	0.119
R^2 (Performance)	0.244	0.916	0.807*	0.207
Highest inner VIF	1.26	4.49	23.65	1.29

* Unstable because of severe multicollinearity (VIF > 20); reported for transparency, not for interpretation.

4.2. **Discussion**

The support for H1 and H2 is consistent with the view that satisfaction responds to consistent, responsive service [4, 11] and that recognizing and engaging customers builds loyalty [12]. The medium effect sizes indicate a practically meaningful association, and the positive direction was replicated across an independent café near a university, a chain branch, and a café-eatery. Notably, Kopi Tekun Sukabumi, the only café with a formal loyalty program, did not show a markedly stronger CRM–loyalty path ($\beta = 0.496$) than the two independent cafés ($\beta = 0.333$ and 0.687). Although tentative, this suggests that a loyalty program does not substitute for the recognition, responsiveness, and engagement that the CRM construct captures.

The absence of a direct CRM–performance effect should not be read as irrelevance. The direct path became slightly negative once satisfaction and loyalty entered the model, while CRM predicted satisfaction and satisfaction predicted performance. This pattern is consistent with full mediation through satisfaction and with the resource-based argument that the value of CRM lies in how well customer knowledge is converted into service rather than in the tool itself. Testing H3 only as a bivariate path would have misleadingly suggested that CRM is unrelated to performance. Two cautions apply. The product of the two paths is about 0.18 (0.398×0.446), but the indirect effect was not tested separately by bootstrapping, so the mediation interpretation needs confirmation. In addition, the very high HTMT between satisfaction and performance (0.975) means that the satisfaction–performance link may be inflated by a halo effect, although the path did replicate in the purified model.

At Kopi Tekun Sukabumi, the unanimous agreement may indicate an exceptional branch, a homogeneous respondent pool, or social desirability bias, and the data cannot distinguish among these explanations. At Yume Coffee, where satisfaction was lowest, factors outside the CRM construct, such as ambience, food quality, and live music, probably carry more weight. Overall, the pattern agrees with research that stresses execution-dependent CRM benefits [4], and the three-case design adds evidence that the relationships replicate, at least in direction, across different café business models in the same city. It also gives a qualified answer to the question whether interpersonal CRM is worth the effort for a small owner-operator: the direct link to performance is weak, but the indirect route through satisfaction is directionally consistent across the cafés. This remains far from statistical generalization.

Four practical implications follow. First, continued investment in attentive, responsive service is likely to pay off at all three cafés, whether independent or chain-based. Second, Kedai Kopi 35 and Yume Coffee could formalize the recognition they already provide through a lightweight digital preference record or punch card, using Tekun Point as a model, while Kopi Tekun Sukabumi should not let its loyalty program displace interpersonal service and should collect open-ended feedback to hear from the few less satisfied customers. Third, Yume Coffee should examine satisfaction drivers specific to its café-eatery concept. Fourth, because predictive relevance is weak, CRM should be seen as raising the general likelihood of positive relationships across the customer base rather than as a precise lever for individual customers, and its payoff may appear only gradually through satisfaction.

Several limitations apply. Cafés and respondents were selected purposively, and customers were recruited through the researcher's network, so the sample is not representative; it is also dominated by customers (only 15 employees) and men. Self-reported, cross-sectional data are open to common-method and social desirability bias, and the two data collection phases were not simultaneous. The ceiling effect restricts variance and probably understates the associations. The measurement model did not meet

convergent validity criteria, the purified model gave divergent results, and café-level estimates for two cafés are affected by collinearity. Finally, out-of-sample predictive relevance is weak, and the profiles of two cafés rely on public information.

5. CONCLUSIONS

This study examined the relationship between CRM practices, customer satisfaction, customer loyalty, and organizational performance in three café SMEs in Sukabumi, using 207 valid responses analyzed with PLS-SEM. CRM practices, understood as everyday behavior such as recognizing regulars, responding promptly, keeping track of preferences, and engaging genuinely, were significantly and positively related to customer satisfaction (H1) and customer loyalty (H2), with medium effect sizes and a consistent direction across the three cafés. CRM was not directly related to organizational performance (H3), but satisfaction was, which indicates that CRM matters for performance mainly through the satisfaction it creates.

These findings extend CRM research to Indonesian café SMEs, show that a direct-effect test alone can mislead, and offer preliminary evidence that the relationships do not depend on a single organizational form. For owners, they suggest that training staff in attentiveness and adopting simple, low-cost recognition mechanisms are reasonable investments, even though the payoff is indirect and gradual. The conclusions must be read with the limitations above: a strong ceiling effect, convergent validity below conventional thresholds, instability of H1 and H3 under a purified model, and weak predictive relevance. Future research should (1) develop larger item pools with stable, sign-consistent loadings and include reverse-scored items; (2) use larger and more diverse samples, including other cities; (3) apply longitudinal or mixed-methods designs to clarify causal direction and the reasons behind the ceiling effect; (4) add constructs such as product quality, price perception, and ambience; and (5) test the indirect effect formally by bootstrapping.

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