

STRENGTHENING CUSTOMER LOYALTY FOUNDATIONS THROUGH EMPLOYEE SERVICE TRAINING: A COMMUNITY SERVICE PROGRAM FOR A CULINARY MSME

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ABSTRACT

Introduction: This community service activity addresses the customer retention challenge faced by Mawars Patisseries, a culinary MSME where customer interactions remained predominantly transactional, resulting in a pattern of one-time purchases rather than repeat visits. The program was designed to introduce employees to relationship-oriented service approaches and to develop practical strategies for improving customer interactions.

Methods: The activity employed a participatory training approach consisting of three interactive sessions: brainstorming and material presentation on customer loyalty and relationship marketing concepts, role-play simulations for practical service skill development, and solution-focused discussion to identify barriers and formulate actionable strategies. The activity was attended by eight participants, consisting of the business owner and seven frontline staff.

Results: The findings indicate that the program produced three concrete outputs: demonstrated employee understanding of relationship-oriented service concepts, a draft service communication guideline, and a proposed low-cost Loyalty Stamp Card program. A one-week follow-up indicated initial adoption of the new greeting practices, though systematic impact measurement on customer behavior requires longer-term evaluation.

Conclusion and suggestion: This suggests that focused employee capacity-building interventions can strengthen the foundation for customer loyalty practices in MSMEs, while future programs would benefit from incorporating pre- and post-intervention assessments and longer follow-up periods to measure behavior change and customer responses.

INTRODUCTION

The culinary industry, particularly the pastry and café sector, operates within an increasingly competitive environment shaped by changing consumer lifestyles and preferences (Vuksanović et al., 2024). Within this landscape, a critical challenge for business owners is not merely to attract new customers but also to retain existing ones. Customer retention is important for sustainable business growth, as returning customers can contribute to repeat purchases and positive word-of-mouth (Yang et al., 2022).

A preliminary observation at Mawars Patisseries, a local pastry and café MSME, revealed a specific customer retention challenge within the business. Although the business offers a range of pastry and café products, customer interactions were predominantly transactional, while repeat-customer engagement had not yet been systematically developed. A discussion with the business owner prior to the activity indicated that the business had not yet implemented a formal customer retention program or standardized customer service guidelines. Frontline staff, who play an important role in shaping customer perceptions, had limited exposure to strategies for building rapport with customers. This situation illustrates the importance of strengthening customer relationship practices alongside day-to-day operational activities in culinary MSMEs.

This community service initiative was designed to address this gap by introducing employees to relationship-oriented service concepts and developing practical strategies suited to the business's operational capacity. The primary objective was to introduce participants to how routine service interactions can contribute to customer retention and to develop actionable tools that could be implemented with minimal financial resources. Through a participatory training approach, the program aimed to strengthen the foundation for customer loyalty practices at Mawars Patisseries.

LITERATURE REVIEW

1. Service Quality and Customer Satisfaction

Service quality is a fundamental concept that relates to a company's ability to meet and exceed customer needs and expectations (Asawawibul et al., 2025). Quality service is determined by various factors, including the awareness and interpersonal skills of service personnel. In service industries, frontline employees serve as the primary point of contact between the business and its customers. Their ability to provide warm, attentive, and personalized service significantly influences customer perceptions of the overall experience. Research has consistently shown that service quality is positively associated with customer satisfaction, which in turn serves as a key antecedent to customer loyalty (Sah et al., 2025; Wattoo & Iqbal, 2022).

2. Customer Loyalty and Relationship Marketing

Customer loyalty is defined as a customer's commitment to repurchase a product or service from a company despite alternatives in the market (Hussain et al., 2024). Loyal customers represent a stable revenue stream as they are less likely to switch to competitors and often engage in positive word-of-mouth communication (Nejad, 2026). Building customer loyalty involves strategies such as providing consistent service quality, building trust, creating switching costs, and offering added value through loyalty programs (Elgarhy, 2023).

Relationship marketing offers a strategic framework for understanding customer loyalty (Hussain et al., 2024). Unlike transactional marketing, which focuses on short-term sales, relationship marketing emphasizes building, maintaining, and strengthening long-term relationships with customers. This approach prioritizes understanding customer needs and creating mutual value through consistent and personalized interactions. For a business such as Mawars Patisseries, which interacts directly with customers through frontline service, a relationship marketing perspective is particularly relevant.

3. Customer Experience and Employee Role

Customer experience refers to the subjective response a customer forms from all interactions with a company, encompassing cognitive, emotional, sensory, and psychological dimensions (Heinonen & Lipkin, 2023; Pires et al., 2024). Positive customer experiences are built through consistent, personalized, and emotionally engaging interactions. Frontline employees play a central role in shaping these experiences, as they directly influence how customers perceive service quality and form emotional connections with the business (Raza et al., 2023).

4. Loyalty Programs in MSME Contexts

Loyalty programs are widely used to encourage repeat purchases and strengthen customer relationships (Belli et al., 2022). These programs typically involve rewarding customers for repeat business through points, discounts, or free products. While large-scale loyalty programs are common in retail chains, MSMEs often face constraints in implementing sophisticated loyalty systems. For resource-constrained MSMEs, simple loyalty mechanisms such as stamp cards may offer a practical way to encourage repeat visits. The effectiveness of such programs depends not only on the reward structure but also on the quality of service interactions that accompany them.

The literature suggests a practical linkage between employee capacity building and customer loyalty. Training can strengthen employees' service awareness and interpersonal skills, enabling more personalized and consistent customer interactions. Such interactions may contribute to positive customer experiences and relationship development, which provide a foundation for repeat purchases and customer loyalty. Accordingly, this program focused on the initial stage of this pathway: strengthening employee awareness and practical service skills.

RESEARCH METHODS

This community service activity was conducted on November 1, 2025, at Cafe Pasang Dalam Kopitiam, the designated training venue for the business partner, Mawars Patisseries. The activity was attended by eight participants: the business owner and seven frontline staff members. All participants were directly involved in customer service operations and had daily interactions with customers.

The program employed a participatory training approach designed to be interactive and practical.

Table 1. The Session Structure

Session	Activity	Main Output
1	Brainstorming and material presentation	Understanding of relationship-oriented service
2	Role-play simulation	Draft communication practices
3	Solution-focused discussion	Loyalty Stamp Card concept and service guideline

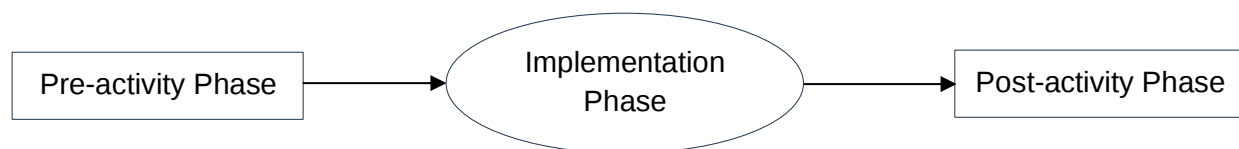


Figure 1. Stages of Activity Implementation

In the first session, participants were invited to reflect on their own experiences as customers at other establishments. This reflective exercise was designed to build empathy and increase awareness of service quality differences across various business settings. Following this initial discussion, the facilitators presented core concepts of relationship-oriented service. The material covered four key areas: the distinction between transactional service and relationship-oriented service, the importance of customer recognition and personalization in building rapport, the role of staff in establishing customer trust and comfort, and simple strategies for remembering customer preferences, such as noting regular orders or personal details shared during interactions. This session provided participants with a foundational understanding of how service approaches can influence customer perceptions and retention.

The second session was designed to translate conceptual understanding into practical familiarity through role-play simulations. Participants engaged in simulated service scenarios that mirrored real-world customer interactions they typically encounter at Mawars Patisseries. These scenarios included greeting returning customers in a way that made them feel recognized and valued, offering personalized product recommendations without appearing forceful or sales-oriented, handling customer concerns and complaints with professionalism and empathy, and closing interactions in a manner that encouraged future visits. Each participant practiced these scenarios and received constructive feedback from both facilitators and peers. This interactive

approach allowed participants to experiment with different communication techniques in a low-risk environment, building their confidence and competence in applying relationship-oriented service principles to their daily work.

The third session allowed participants to identify practical barriers to delivering high-quality service. Together with facilitators, they brainstormed creative, low-cost solutions that could be immediately implemented without requiring significant financial investment. This session produced the loyalty stamp card concept and a draft service communication guideline.

Participant understanding and engagement were assessed through facilitator observation, role-play performance, reflective discussion, and follow-up communication. Facilitators observed participant contributions during the brainstorming and discussion sessions. Role-play performance was reviewed with immediate feedback to participants. A post-session group discussion captured participants' understanding of key concepts. A one-week follow-up communication with the business owner assessed initial adoption of the new practices.

The evaluation focused on participants' demonstrated understanding and willingness to apply the new approaches, rather than measuring changes through quantitative pre- and post-testing, consistent with the program's capacity-building focus.

RESULT

All eight participants completed the role-play activities and contributed to the brainstorming and discussion sessions.



Figure 2. Documentation Of The Training Session

During the post-session discussion, participants demonstrated an understanding of the differences between transactional service and relationship-oriented service. They articulated that personal touches, such as remembering customer names or preferences could help build customer comfort and encourage repeat visits. The discussion focused on how routine service interactions could influence customer retention.

Through the role-play session, participants practiced and developed greeting phrases and recommendation approaches that felt more natural and personalized, including greeting returning customers by name, offering recommendations based on observed preferences, and using friendly, conversational language rather than scripted responses. A draft service communication guideline was produced as a reference for future service interactions.

The solution-focused discussion generated a proposed Loyalty Stamp Card program. The concept involved providing customers with a stamp for each purchase (e.g., a cup of coffee or a box of pastries). Upon collecting ten stamps, customers could redeem them for one free product. This low-cost mechanism was designed to incentivize repeat visits and reward regular customers without requiring digital infrastructure.

A follow-up communication with the business owner one week after the activity indicated that staff had begun implementing the new greeting practices, and the Loyalty Stamp Card was being prepared for implementation. However, no formal data had yet been collected on repeat purchase behavior or customer responses. The follow-up confirmed initial adoption of some practices but highlighted that systematic measurement of customer loyalty outcomes would require longer-term observation and data collection.

DISCUSSION

This community service activity provided an initial intervention to strengthen the service foundations at Mawars Patisseries. The program produced three concrete outputs: demonstrated employee understanding of relationship-oriented service concepts, a draft service communication guideline, and a proposed loyalty mechanism. This section discusses the significance of these outputs, their implications for MSME practice, and the limitations of the program.

1. Employee Capacity Building as a Foundation for Service Improvement

The participants' demonstrated understanding of relationship-oriented service concepts aligns with the principles of relationship marketing, which emphasize building long-term customer relationships through consistent and personalized interactions. Prior to the program, the business had not implemented formal customer retention strategies or standardized service guidelines. The training sessions provided staff with an initial framework for understanding how routine service interactions can influence customer retention.

The role-play sessions were particularly valuable in this regard. They provided an opportunity for participants to translate conceptual knowledge into practical service behaviors in a low-risk environment. This finding is consistent with the broader literature on experiential learning, which suggests that active participation and practice can enhance skill development more effectively than passive instruction alone. The discussion sessions enabled participants to identify barriers they faced in their daily work and to co-create solutions that were relevant to their specific context. This participatory approach likely contributed to the initial adoption of new practices observed during the one-week follow-up.

2. Integrating Service Quality and Loyalty Mechanisms

The proposed Loyalty Stamp Card represents a practical, low-cost mechanism for encouraging repeat visits. While stamp cards are a relatively simple loyalty mechanism, their value for MSMEs lies in their affordability and ease of implementation. For a business with limited

resources, such a program offers a tangible way to reward regular customers without requiring digital infrastructure or significant financial investment.

Haverila et al. (2022), loyalty programs that focus solely on tangible rewards may encourage rational shopping behavior, where customers return primarily for the reward rather than genuine emotional loyalty. This suggests that the effectiveness of the stamp card program at Mawars Patisseries will depend on whether it is supported by warm, personalized service interactions that build customer comfort and trust. The service communication guideline developed during the program is intended to complement the stamp card by ensuring that service interactions remain personal and engaging. The integration of these two components, a tangible reward mechanism and consistent, personalized service represents a more holistic approach to strengthening customer retention.

3. Practical Implications for MSMEs

This activity offers several practical implications for MSMEs seeking to strengthen customer retention. First, low-cost employee training can introduce staff to the strategic importance of customer interactions, even in businesses with limited resources. Second, simple, practical tools such as role-play and group discussion can build service skills effectively without requiring expensive external training programs. Third, loyalty mechanisms need not be complex or technologically sophisticated to be useful; a stamp card combined with consistent, personalized service can provide a foundation for repeat business. Fourth, even in businesses with limited resources, structured service guidelines can support more consistent and predictable customer interactions.

For Mawars Patisseries specifically, the program provided an opportunity to formalize service practices that had previously been left to individual staff discretion. The draft service communication guideline offers a reference point for maintaining consistency across different staff members and shifts, which is particularly important in small businesses where staff turnover can disrupt service quality.

4. Limitations and Considerations for Future Programs

This program has several limitations that should be acknowledged. First, the program did not measure customer behavior outcomes such as repeat purchase rates, customer satisfaction, or customer loyalty. Second, the one-week follow-up was insufficient to assess whether new practices would be sustained over time or whether they would influence customer behavior. Longer-term follow-up would be needed to determine whether the new practices become embedded in daily operations and whether they contribute to measurable improvements in customer retention.

Future community service programs could benefit from incorporating simple pre- and post-training assessments to measure changes in participant knowledge and confidence. Additionally, designing longer follow-up periods and including customer behavior metrics, such as repeat visit rates or loyalty program redemption rates could provide more robust evidence of

program impact. Such improvements would strengthen the evidence base for employee training as a strategy for MSME customer retention.

This activity provided an initial intervention that introduced relationship-oriented service concepts and practical tools to a culinary MSME. While the program succeeded in producing tangible outputs and initial adoption of new practices, the translation of these practices into measurable customer outcomes remains an ongoing process. The program's limitations highlight the need for more structured evaluation in future interventions, while its outputs offer practical foundations for the business to build upon.

CONCLUSION

The community service activity conducted at Mawars Patisseries provided an initial intervention to strengthen the business's capacity for relationship-oriented service. Through a participatory training approach, the program introduced employees to relationship-oriented service concepts and enabled them to develop practical strategies suited to the business's operational context. The activity produced three concrete outputs: demonstrated staff understanding of customer retention principles, a draft service communication guideline, and a proposed low-cost Loyalty Stamp Card program. A one-week follow-up indicated initial adoption of new greeting practices, though systematic measurement of customer loyalty outcomes would require longer-term evaluation.

For the business, this program suggests that investing in employee service skills can be a practical and low-cost approach to strengthening the foundation for customer retention. For future community service programs, incorporating pre- and post-intervention assessments, designing longer follow-up periods, and measuring customer behavior outcomes could provide more robust evidence of program impact.

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