

## The Influence of Service Quality, Price Perception and Customer Satisfaction on Customer Loyalty in UD. Mujur 2

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Article Information		Abstract
Submission Date	December 30, 2024	<p><b>Research Objectives:</b> This study aims to determine the influence of service quality, price perception, and customer satisfaction on customer loyalty both individually and simultaneously in UD. Mujur 2 Kediri.</p> <p><b>Design/Methods/Approaches:</b> This study uses a quantitative methodology involving surveys to explore the influence of service quality, price perception, and customer satisfaction on customer commitment at UD. Mujur 2 Kediri. The research sample included 58 participants, selected by purposive sampling, these participants had purchased the product more than twice. Data were collected through direct observation and questionnaires, then analyzed with SPSS 23 using instrumentation, classical theory, multiple linear regression, and hypothesis testing.</p> <p><b>Research Findings:</b> The results of the study show that service quality, price perception, and customer satisfaction have a positive and significant effect on customer commitment both directly and indirectly to UD. Mujur 2 Kediri.</p> <p><b>Theoretical contribution/Originality:</b> This research helps develop customer commitment theory and provides a deeper understanding of the various ways in which different aspects of the building industry affect customer loyalty.</p> <p><b>Implications for Practitioners/Policy:</b> This research has practical applications that can be used by building managers to improve service quality, set appropriate prices, and ensure customer satisfaction. The results of this research can be directly applied to business strategies that increase customer commitment and improve store performance.</p> <p><b>Research limitations:</b> This research was only conducted at UD. Mujur 2 Kediri, so the findings obtained may not fully describe the condition of the shopping industry in general. A wider sample or research in several shops in other areas can provide more representative results.</p> <p><b>Keywords:</b> Service Quality, Price Perception, Customer Satisfaction, Customer Loyalty</p>
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### 1. Introduction

Business competition is currently getting tighter. In order to survive and develop, business people must have an innovative, adaptive, and compliant attitude to market demands. Effective technology implementation, product or service quality improvement, and brand strengthening strategies are crucial factors in winning the competition. In addition, fostering positive relationships with customers and partners is also important in creating business continuity in the face of changing market conditions. There is no exception in the building shop business, such as UD. Mujur 2 Kediri which has been pioneered since 2001. This store has succeeded in building a reputation as one of the trusted building stores in the Kediri area. With more than two decades of experience UD. Mujur 2 Kediri continues to be committed to providing high-quality building materials and satisfactory service for

customers. One of the main difficulties that often arise is how service quality, price perception, and satisfaction affect customer commitment. These three factors play an important role in influencing customers' decisions, whether they will continue to use a product or service or switch to a competitor. Good service quality, reasonable prices, and high levels of satisfaction will form a positive perception of the company which ultimately increases customer loyalty. Customer loyalty plays an important role for a company or organization, because retaining customers can improve financial performance while ensuring business continuity. Therefore, attracting and retaining customers is a top priority for the company. One of the main reasons for the importance of customer loyalty is the high cost of acquiring new customers amid increasingly fierce competition [1]. Research [2] stating that service quality, price perception, and customer satisfaction affect customer loyalty.

Several studies show that maintaining customer commitment has a significant impact on the long-term viability of a company's success. Customer loyalty increases purchase volume as well as improves long-term relationships between customers and companies. Research by [3] stating that customers tend to build certain values, which then influences them to compare the products or services they enjoy with offers from competitors. In addition, the strategy to retain customers aims to create loyalty through customer satisfaction, which will encourage them to purchase additional products or services from the company and reduce the likelihood of moving to competitors [4].

One of the efforts that can be made to prevent customers from moving to other companies is to ensure optimal service quality. In addition to the quality of service, price is also very important for customers when they are in the process of choosing goods or services. Customer satisfaction, which is no less important but still important, has a considerable influence on their desire to do business [2]. To maintain customer commitment and prevent them from moving to competitors, companies must pay attention to all three aspects at the same time, namely service quality, price, and customer satisfaction. Effectively managing such factors will not only improve relationships with customers, but will also enhance the company's competitive advantage in emerging markets.

The main difference between the previous research and this study is the focus of the industrial subject. Previous research has primarily focused on services, such as barbershops, delivery services, and internet-based services, all of which are characterized by direct interaction with customers and a focus on the quality of the service experience as a key driver of customer engagement. This research shows that service quality, price, and customer satisfaction have a significant impact on the creation of commitments in the service sector. However, research examining these factors in the context of building shops is still very limited, although these sectors have different characteristics and dynamics. In the building store industry, while service quality and price remain important, there are other factors that also affect customer loyalty, such as product variety, stock availability, and the technical aspects of the product itself. Customers in this sector tend to focus on the long-term value of the product, not just on service experience or momentary satisfaction.

Based on the description above, the author seeks to analyze more deeply the factors that cause customer loyalty, as well as identify the main components that contribute to the formation of loyalty. This article is intended to provide practical advice for store managers regarding designing more effective strategies to increase customer satisfaction and loyalty, as a way to strengthen the store's position in an increasingly competitive market. The structure of this article consists of several sections. The first part is an introduction that explains the background, needs, and objectives of the research. The second section describes

the methodology used in the research, including the research design, population and sample, as well as the techniques used to analyze the data. The third part of the report contains the results and discussion, which interprets the data obtained and discusses the research findings. The final section is the conclusion, which incorporates the findings of the research and offers practical advice for store managers. The description of the problem and the intended purpose of the problem are:

### 1.1 Problem Statement

This study aims to determine the influence of service quality, price perception, and customer satisfaction on customer loyalty, both individually and simultaneously at UD. Mujur 2 Kediri.

### 1.2 Research Objectives

This study aims to determine the influence of service quality, price perception, and customer satisfaction on customer loyalty, both individually and simultaneously in UD. Mujur 2 Kediri.

### 1.3 Hypothesis

A statement of the research problem has been given in the form of a question, and the hypothesis is a temporary solution to the problem (Scott, 2023). Based on the relationship between these variables, the hypothesis is as follows:

- a. H1: It is suspected that the quality of service has a significant effect on customer loyalty
- b. H2: It is suspected that price perception has a significant effect on customer loyalty.
- c. H3: It is suspected that customer satisfaction has a significant effect on customer loyalty
- d. H4: It is suspected that service quality, price perception, and customer satisfaction simultaneously have a significant effect on customer loyalty

## 2. Method

This study uses a quantitative methodology involving a survey to explore the influence of service quality, price perception, and customer satisfaction on customer commitment at UD. Mujur 2 Kediri. The research sample included 58 participants, selected by purposive sampling, these participants had purchased the product more than twice. Data were collected through direct observation and questionnaires, then analyzed with SPSS 23 using instrumentation, classical theory, multiple linear regression, and hypothesis testing.

### Test Data Instruments

#### a. Validity Test

The process of implementing this test is facilitated by the SPSS 23 program. After that, the analysis is carried out by comparing the value of the calculation results with the value of the table. The results of this study are as follows [5] :

**Table 1. Validity Test**

Variable	Item No.	r <sub>calculate</sub>	r <sub>table</sub>	Information
Quality of Service (X1)	1.	0.345**	0.259	Valid.
	2.	0.677**	0.259	Valid.
	3.	0.540**	0.259	Valid.
	4.	0.593**	0.259	Valid.
	5.	0.492**	0.259	Valid.
	6.	0.713**	0.259	Valid.
	7.	0.410**	0.259	Valid.
	8.	0.541**	0.259	Valid.
	9.	0.521**	0.259	Valid.
	10.	0.557**	0.259	Valid.
Price Perception (x2)	1.	0.754**	0.259	Valid.
	2.	0.578**	0.259	Valid.
	3.	0.719**	0.259	Valid.
	4.	0.485**	0.259	Valid.
	5.	0.754**	0.259	Valid.
	6.	0.578**	0.259	Valid.
Customer Satisfaction (x3)	1.	0.590**	0.259	Valid.
	2.	0.690**	0.259	Valid.
	3.	0.675**	0.259	Valid.
	4.	0.796**	0.259	Valid.
	5.	0.504**	0.259	Valid.
	6.	0.796**	0.259	Valid.
Customer Loyalty (Y)	1.	0.498**	0.259	Valid.
	2.	0.461**	0.259	Valid.
	3.	0.494**	0.259	Valid.
	4.	0.678**	0.259	Valid.
	5.	0.516**	0.259	Valid.
	6.	0.678**	0.259	Valid.
	7.	0.411**	0.259	Valid.
	8.	0.645**	0.259	Valid.
	9.	0.494**	0.259	Valid.
	10.	0.710**	0.259	Valid.

Source SPSS Program Results Data Oct 23, 2024

Based on the table, it can be concluded that all statements in the validity test are considered valid because the value of  $r$  is greater than the  $r$  of the table. Thus, the instrument used in this study has been considered legitimate.

## b. Reliability Test

In a reliability test, the level of reliability of a construct or variable is determined by Cronbach's alpha value. Cronbach's alpha value is considered valid if its value is greater than 0.70 [5] .

**Table 2. Reality Test Results**

Variable	Cronbach's Alpha	Information
Quality of Service	0.731	Reliable
Price Perception	0.759	Reliable
Customer Satisfaction	0.767	Reliable
Customer Loyalty	0.737	Reliable

Source SPSS Program Results Data Oct 23, 2024

The test results showed that each variable had a Cronbach's Alpha value greater than 0.70 which means that it can be concluded that all research instruments have a high level of consistency and are suitable for use.

### 3. Results and Discussion

#### Classic Assumption Test

##### a. Normality Test

- b. In this statistical evaluation, the Kolmogorov-Smirnov test with a p value of 0.05 was used as a significance threshold. [5] . The following results were obtained:

**Table 3. Normality Test Results**

Variable	N	Asymp. Sig. (2-tailed)
Research Data	58	.193

Source SPSS Program Results Data Oct 23, 2024

The results of the analysis show that the value of Asymp can be determined. The standard deviation of the distribution is 0.193 which is greater than 0.05, so it can be said that the data in this study is normally distributed.

##### c. Multicollinearity Test

The multicollinearity test aims to find out the extent to which the free variables in the regression model are interrelated. A model is said to be free of multicollinearity if the Tolerance value is 0.10 and the VIF value is 10. [5] that is:

**Table 4. Normality Test Results**

Variable	Tolerance	VIF
X1	.494	2.024
X2	.528	1.893
X3	.528	1.892

Source SPSS Program Results Data Oct 23, 2024

The table shows that all variables have a Tolerance value of more than 0.10 and a VIF of less than 10. Thus, it can be concluded that there is no heteroscedasticity in the regression model.

### c. Heteroscedasticity Test

A good heteroscedasticity test is a test in which homogeneity or no heteroscedasticity exists. The regression model is stated to have no heteroscedasticity if the significance is above the confidence level of 0.05 or 5% [5].

**Table 5. Heteroscedasticity Test Results**

Variable	Sig.
X1	.320
X2	.189
X3	.453

Source SPSS Program Results Data Oct 23, 2024

The table shows that all variables have a Tolerance of more than 0.10, as well as a VIF of less than 10. Thus, it can be concluded that the regression model is not heteroscedastic.

### Multiple Linear Regression Analysis

In this exploration, the degree of influence of each independent variable on the dependent variable is assessed. [5]. The results of the data are as follows:

**Table 6. Multiple Linear Regression Analysis Test Results**

Variable	Coefficient (B)	t-stats	Sig.
constant	3.059	1.357	.180
X1	.409	4.074	.000
X2	.305	2.240	.029
X3	.513	3.622	.001

Source SPSS Program Results Data Oct 23, 2024

$$Y = 3.059 + 0.409X_1 + 0.305X_2 + 0.513X_3 + e$$

The description of the regression model is as follows:

1. A consistent value of 3.059 indicates that, if all the independent variables in this investigation were zero, then customer commitment (Y) would remain at 3.059.

2. The regression coefficient of X1 is 0.409, which indicates that any improvement in service quality will lead to an increase in customer commitment by 0.409. In the end, the higher the quality of the service provided, the higher the level of customer commitment.
3. The slope of the regression line for X2 is 0.305, which indicates that if the other variables remain constant, any increase in price perception will lead to an increase in customer commitment of 0.305. This means that the more positive a customer's perception of the price, the more likely they are to remain loyal.
4. The regression coefficient of X3 is 0.513, which means that if the other variables are not changed, the increase in customer satisfaction will lead to an increase in customer loyalty by 0.513. This means that increased customer satisfaction increases the likelihood that they will become loyal followers of the store's brand.

### Coefficient of Determination Test (R<sup>2</sup>)

**Table 7. Coefficient of Determination Test (R<sup>2</sup>)**

R <sup>2</sup>	R Square
.854a	.730

Source : SPSS Output 23, 2024

From the results of the presentation of the table above the R Square value of 0.730, it shows that the independent variable in this study has a contribution of 73% to the dependent variable. However, the remaining 27% have additional factors that can be traced to understand the causes of customer loyalty.

### Hypothesis Test

#### a. T test

In statistical tests, the analysis is aimed at finding out the extent to which each individual variable affects the dependent variable individually. The results of this partial experiment are categorized as follows. [5] :

**Table 8. T test**

Variable	t-stats	Sig.
constant	1.357	.180
X1	4.074	.000
X2	2.240	.029
X3	3.622	.001

Source SPSS Program Results Data Oct 23, 2024

The results of data analysis are presented in a table and the value of the t-test coefficient is obtained in the following way:

1. The quality of service has a numerical value of 4.074 which is greater than the t-table value of 1.67356 with a significance level of 0.000 which is smaller than 0.05. This shows that the quality of service has a significant influence on Customer Loyalty.



2. Price Perception is 2.240, which is larger than the t table of 1.67356, and has a significant component of  $0.029 < 0.05$ . Thus, it can be concluded that price perception has a significant impact on Customer Loyalty.
3. Customer Satisfaction was 3.622, greater than the average of 1.67356, with a significance level of  $0.001 < 0.05$ . These findings show that customer satisfaction has a significant influence on Customer Loyalty.

#### b. F test

In statistical testing, f is used to assess the extent to which independent variables affect dependent variables. If the test results show a significant difference, then it can be said that the entire regression model is worth investigating. [5] that is:

**Table 9. F test**

Source	f-stats	Sig.
Type	48.666	.000b

Source SPSS Program Results Data 23, 2024

The results of the F Test show that the probability of the hypothesis is zero is less than 0.05, which is based on an F value of 48.666. This value is greater than the F value of 2.78, which is the F value of the table. These findings show that  $H_0$  is rejected and  $H_4$  is accepted, which means that service quality, price perception, and customer satisfaction have a significant influence on Customer Loyalty.

#### Discussion

The results of the study show that each variable has a direct influence on the other variables.

##### a. The Effect of Service Quality on Customer Loyalty at UD. Profit 2 Kediri

The results of this study show that the quality of service has a significant and positive effect on customer commitment to the UD. Mujur 2 Kediri. Data analysis resulted in a t-value of 4.074 greater than the table's t-value of 1.67356 and a significance level of 0.000 ( $< 0.05$ ). This means that the quality of service at UD.Mujur 2 Kediri has a significant effect on customer loyalty. In addition, the results of the study show that price perception has a significant effect on customer commitment to the company. UD.Mujur 2 Kediri implements friendly, responsive, and accurate service in providing product information so that a satisfying shopping experience is created. Satisfied customers will be more likely to come back and recommend this store, thus strengthening the long-term relationship. The trust formed through consistent service makes customers more loyal and choose UD. Mujur 2 Kediri even though there are other options. Therefore, good service quality is the main strategy to maintain customer loyalty and win the competition. These findings are in line with research [1] which states that partially the quality of service has a positive and significant effect on customer loyalty at PT Nicky Tri Cahaya Medan. In addition, this result is also in line with research conducted by [3] which shows that the quality of service affects customer loyalty.



**b. The Effect of Price Perception on Customer Loyalty in UD. Profit 2 Kediri**

The results of the data analysis showed that the calculated t-value of 2.240 was greater than the t-value of 1.67356, and had a degree of significance of  $0.029 < 0.05$ . These findings show that customers tend to become regular customers if the price offered is commensurate with the quality of the product or service received. At Toko Mujur 2, a competitive, transparent, and value-based pricing strategy will create a positive impression in the eyes of customers. If customers feel that the price given is reasonable and commensurate with the benefits obtained, then they are more likely to return to shop and recommend the store to others. In addition, a good price perception also helps reduce customers' doubts in choosing Toko Mujur 2 over competitors. This is an important factor in maintaining customer loyalty, especially in a competitive market such as the retail industry. Thus, effective management of price perception is one of Toko Mujur 2's main strategies in building long-term relationships with customers and increasing competitiveness in the market. These findings are in line with research [1] which shows that partially price perception has a positive and significant effect on customer loyalty at PT Nicky Tri Cahaya Medan. In addition, the results of this study are also in accordance with the research [6]. which states that price perception has a positive and significant effect on Indihome customer loyalty in Sagulung Sumber Jaya I Housing (RT 004) Batam.

**c. The Effect of Customer Satisfaction on Customer Loyalty in UD. Mujur 2 Kediri**

The results of the study show that customer satisfaction has a positive and significant influence on customer commitment to UD. Mujur 2 Kediri. The results of the data analysis showed that the calculated t-value of 3.622 was greater than the table t-value of 1.67356, with a significance level of  $0.001 < 0.05$ . These results show that the higher customer satisfaction, the more likely they are to continue using UD. Mujur 2 Kediri. This shows that customer satisfaction is formed from a shopping experience that meets or even exceeds their expectations, such as the availability of quality products, competitive prices, and friendly and responsive service. When customers feel satisfied, they tend to return to shop, recommend the store to others, and make Toko Mujur 2 the main choice in meeting the needs of building materials. At UD. Mujur 2 Kediri, customer satisfaction is the main aspect that is maintained by improving the quality of products and services. Satisfied customers not only drive business continuity, but also have an important role in creating a strong commitment in the midst of an increasingly competitive market. Therefore, maintaining customer satisfaction is the main strategy of UD. Mujur 2 Kediri in strengthening and increasing customer loyalty. These findings are in line with research by [2] which shows that partial customer satisfaction has a significant influence on customer commitment to Semet Barbershop. In addition, the findings of this study are also in accordance with research from [6] Which shows that customer satisfaction has a positive and significant influence on customer loyalty.

**d. The Effect of Service Quality, Price Perception, and Customer Satisfaction on Customer Loyalty at UD. Mujur 2 Kediri**

The results of the study show that service quality, price perception, and customer satisfaction have a positive and significant influence on customer commitment to UD. Mujur 2 Kediri. Good news for both of us. Data analysis shows that the value of  $p$  is 0.000 and the sum of  $f$  is 48.666, which is greater than the  $f$  of the table by 2.78. These findings show that the independent variables in this study have a significant influence on customer loyalty. The results of this study show that the combination of these three factors creates a strong synergy in building long-term relationships with customers. Good service quality includes aspects of friendliness, speed, and accuracy in meeting customer needs, so as to provide a satisfying shopping experience. A reasonable and accurate price perception will make customers confident that the money spent is not wasted. In addition, a high level of customer satisfaction will increase trust and confidence in the products and services provided. When these three factors are optimally managed, customers tend to show greater loyalty to UD. Mujur 2 Kediri. They not only return to make purchases, but also recommend these stores to others, which ultimately contributes to the sustainability of the business amid fierce market competition. Thus, service quality, price perception, and customer satisfaction are key elements in building and maintaining customer loyalty. This is in accordance with research [2] which states that service quality, price perception, and customer satisfaction together have a positive and significant influence on customer commitment at Semet Barbershop in Telagawaru District, Labuapi Regency. Other research [1] Also supporting the results of this study, the author states that these three variables have a positive influence on customer loyalty.

**4. Conclusion**

The results of the study show that service quality, price perception, and customer satisfaction have a positive and significant effect on customer commitment both directly and indirectly at UD. Mujur 2 Kediri.

The results of this study show that superior service quality leads to a positive experience for customers, general perception of price is an added benefit, and customer satisfaction increases association with the store. These three factors, if managed synergistically, are able to build strong customer loyalty, increase trust, and support business sustainability in the midst of fierce market competition. This research contributes to the development of customer loyalty theory and provides a deeper understanding of how various factors in the building store industry affect customer loyalty. This research provides practical advice that store managers can use to improve service quality, appropriate pricing, and ensure customer satisfaction. The findings of this study can be implemented directly in business strategies to strengthen customer loyalty and improve store performance.

This research has several limitations that need to be considered for further development, namely this research is only conducted at UD. Mujur 2 Kediri. Building Workshop, so the findings obtained may not fully describe the condition of the building workshop industry in general. A wider sample or research in multiple building workshops in other areas can give more representative results. By continuing the research, it is hoped that it can enrich the literature on customer loyalty, as well as provide more comprehensive recommendations for business managers in increasing customer satisfaction and loyalty.

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