

The Influence of Service Quality and Price on Customer Loyalty with Customer Satisfaction as an Intervening Variable: Study of Indomaret in Bandung Raya

ABSTRACT

This study aims to examine the influence of service quality and price on customer loyalty, mediated by customer satisfaction in the Indomaret in Bandung Raya. Population in this study consisting of consumers who have shopped at Indomaret who is >17 years old and domiciled in Bandung Raya. The sample size for this research is 160 respondents, selected using convenience sampling. The data type utilized in this study is primary data collected through a survey strategy using online questionnaires, with a cross-sectional time horizon. The research utilises analytical techniques like validity and reliability assessments for instruments, tests for classical assumptions, hypothesis testing by multiple linear regression, and the Sobel test utilising an online Sobel calculator. The study is backed by the statistical software programme Social Science (SPSS) version 25. Among the nineteen research hypotheses put forward, empirical data support 9 in among them. The results show that customer satisfaction does not play a role as a mediator between the impact of service quality (tangibles, reliability, responsiveness, assurance and empathy) and price on customer loyalty. In addition, the results of this research are useful for management which evaluates and similar minimarket industries in designing relevant strategies for improve for the quality

Keywords: {tangibles, reliability, responsiveness, assurance, empathy, price, customer satisfaction and customer loyalty}

1. INTRODUCTION

The modern retail industry in Indonesia has become a strategic industrial sector because of its large contribution to the national economy and can expand employment opportunities for the community. This industrial sector is also experiencing quite rapid development in line with Indonesia's relatively stable economic growth, large population, increasing per capita income and the development of more modern retail infrastructure. Based on Association data (2023), the number of modern retail outlets registered and owned by members of this association reached 36,915 units in 2019. This figure is estimated to reach 94.4 percent of the entire population of modern retail stores in Indonesia. It is recorded that in 2022, most modern retail

companies will experience significant growth in the number of outlets compared to the previous year [1]. Several factors that influence changes in consumer purchasing preferences are related to product availability, product price and product quality [2]. One of the big players in the Indonesian retail industry is Indomaret which is managed by PT. Indomaret Prisma Tbk. According to indomaret.co.id (2023) at the end of 2019 the number of Indomaret outlets was 17,600 outlets and the target is that by the end of 2020 it will reach 18,600 outlets, which means the target is 1000 new outlets in 2020, and now Indomaret is growing very rapidly with the number of stores as of August 2023 there are 22,077. Of this amount, 30% are franchises, while 70% are company-owned. As reported by idxchannel.com (2023), Indomaret's sales turnover in 2022 will reach 100.37 trillion, this value is calculated to have grown by 10.78 percent compared to the company's realized revenue in 2021. Indomaret competes with other brands such as Alfamart, Alfamidi, Seven Eleven, Family Mart, Ceria Mart, and others [3]. Even though retail conditions in Indonesia are improving, the Top Brand Index data for Indomaret retail is decreasing. The Top Brand Index table is as follows:

Table 1. Top Brand Indeks

NO.	BRAND	2020	2021	2022	2023
1.	ALFAMART	49,30%	47,50%	46,60%	45.60%
2.	INDOMARET	39,80%	38,70%	39,00%	37,80%
3.	FAMILYMART	-	-	9,20%	9,30%

Based on the results of the 2022 Top Brand Award, Indomaret is in second place in the minimarket category with an index value of 39.00%, while the results of the 2023 Top Brand Award, Indomaret is still in second place with an index value of 37.80%. Based on the table data, it can be seen that there was a decrease in the Indomaret index value of 1.2% (Top Brand Index, 2023). This phenomenon indicates a decline in Indomaret customer loyalty as a problem in this research. [4] Customer loyalty is purchasing behavior, while customer satisfaction is an attitude related to the possibility of customers making repeat purchases. Service quality has a positive effect on customer satisfaction [5]. As a result, customer satisfaction increases along with improvements in service quality. This research uses dimensions of service quality as follows: tangibles, reliability, responsiveness, assurance and empathy. In this research, the samples used were consumers who had shopped at Indomaret and were >17 years old, and located in Bandung.

2. LITERATURE REVIEW

2.1 Service Quality

Service quality is the presentation of a product or service according to the applicable standards where the product is produced and its delivery is at least the same as what consumers expect and want [6]. Fulfillment of promises in service will relate to and reflect the Company's interests. The appearance and capability of physical facilities and infrastructure must be reliable, the condition of the surrounding environment is concrete evidence of the services provided by the service provider. Service quality has five dimensions, namely tangibles, reliability, responsiveness, assurance and empathy [7]. The five main dimensions are: (i) tangibles describe physical facilities, equipment, and personnel appearance, (ii) reliability describes the ability of staff and the company to perform promised services reliably and accurately, (iii) responsiveness describes employees' willingness to help customers and provide prompt service, (iv) assurance, describes the knowledge and courtesy of employees

75 andtheirabilitytoinspiretrustandconfidence,and(v)empathydescribestheindividualcare
76 andattentionprovidedbythecompanytoitscustomers[8].

77 **2.2Price**

78 Priceisavalue(usuallyexpressedinmoney)thatmustbesacrificedtoenable toown,use
79 orconsumegoodsandservicesinordertoobtainssatisfaction[9].Pricingisamarketing
80 strategythatdeterminestheoccurrenceoftransactionsbetweensellersandbuyers.
81 Transactionswillonlyoccurifthepricesetona productisagreeduponbythesellerand
82 buyer.Therefore,companies thatareabletosetpricesaccuratelywillcertainlyobtain
83 satisfactorymarketingresults.Priceistheamountofmoneychargedforaproductorservice
84 thatcustomersexchange forthebenefitsofowningorusingproductservices[10].Price
85 measuresare:affordability,suitabilityforbenefits,andcompetitiveprices[11].

86 **2.3CustomerSatisfaction**

87 Customersatisfactionistheresultoftherevaluationofproductperformancewhenwhatthey
88 consumemeetsorexceedsinitialexpectations,notonlyrelatedtoassessmentbutalso related
89 to the attitudesandemotionalfeelings that consumersgiveafterconsuming[12].Customer
90 satisfactionisaperson'sfeelingofhappinessordisappointmentthat isobtainedfrom
91 comparingtheperceivedoractualperformanceofgoodsorserviceswithexpectations[13].If
92 performanceorexperiencefallsshortofexpectations,customersaredissatisfied.Satisfaction
93 isaperson'semotionalresponsetosomethingtheyarefacingwhichshowsfeelingsofliking
94 ordislikingsomething[14].Thereare4measuresofcustomersatisfaction,namely:
95 expectation,performance,comparisonandconfirmationordisconfirmation[15].

96 **2.4CustomerLoyalty**

97 Customerloyaltyisacustomer'scommitmenttoabrand,shoporsupplier,basedonavery
98 positiveattitudeand reflectedinconsistentpurchases[16].Customer loyaltyistheintention
99 topurchaseproductsandservicesasacompanygoal[17].Loyaltyisapositiveattitudeand
100 consumerattachmentthat isbasedonfeelings ofliking,familiarityandprideinbeingabrand
101 userandbuyingitconsistently,andshown bycommitment tocontinue using[18].Thereare
102 fourtypesofcustomerloyalty measures,namely:(i)makingregularrepeatpurchases,(ii)
103 makingpurchasesacrossproductandservicelines),(iii)providingreferencestootherpeople.
104 (refersothers),and(iv)showsimmunitytopullfromcompetitors(demonstrates immunity)105
[19].

106 **2.5TheoreticalFrameworksAndHypotheses**

107 Basedonpreviousresearch,customersatisfactionispositivelyinfluencedby tangible[20].
108 Customersatisfactionispositivelyinfluencedbyreliability[21].Furthermore,customer
109 satisfactionispositivelyinfluencedbyresponsiveness[22].Customersatisfactionispositively
110 influencedbyassurance[23].Then,customersatisfactionispositivelyinfluencedbyempathy
111 [24].Thestatement aboveisusedasabasisfordeterminingthefirsthypothesispointsa,b,
112 c,dandasefollows:

- 113 H1a:Tangibleshaveapositiveandsignificanteffectoncustomersatisfaction.
- 114 H1b:Reliabilityhasapositiveandsignificanteffectoncustomersatisfaction.
- 115 H1c:Responsivenesshas apositiveandsignificant effectoncustomersatisfaction.
- 116 H1d:Assurancehasapositiveandsignificanteffectoncustomersatisfaction.
- 117 H1e:Empathyhasapositiveandsignificanteffectoncustomersatisfaction.

118 Customersatisfactionispositivelyinfluencedbyprice[25].Thestatementaboveisusedasa
119 basisfordeterminingthesecondhypothesisasfollows:

120 H2:Pricehasapositiveandsignificanteffectoncustomersatisfaction.

121 Customerloyalty is positively influencedbycustomersatisfaction[26].Thestatementabove
122 isusedasabasisfordeterminingthethirdhypothesisasfollows:

123 H3:Customersatisfactionhasapositiveandsignificanteffectoncustomerloyalty.

124 Customerloyaltyispositivelyinfluencedbytangibles[27].Customerloyaltyispositively
125 influencedbyreliability[28].Customerloyaltyispositivelyinfluencedbyresponsiveness[29].
126 Customerloyaltyispositivelyinfluencedbyassurance.Furthermore,customerloyaltyis
127 positivelyinfluencedbyempathy[30].Thestatementaboveisusedasabasisfordetermining
128 thehypothesisforthefourpointsa,b,c,dandeasfollows:

129 H4a:Tangibleshaveapositiveandsignificanteffectoncustomerloyalty.

130 H4b:Reliabilityhasapositiveandsignificanteffectoncustomerloyalty.

131 H4c:Responsivenesshasapositiveandsignificanteffectoncustomerloyalty.

132 H4d:Assurancehasapositiveandsignificanteffectoncustomerloyalty.

133 H4e:Empathyhasapositiveandsignificanteffectoncustomerloyalty.

134 Customerloyaltyisalsopositivelyinfluencedbyprice[31].Thestatementaboveisusedasa
135 basisfordeterminingthefifthhypothesisasfollows:

136 H5:Pricehasapositiveandsignificanteffectoncustomerloyalty.

137 Customersatisfactionplaysaroleinmediatingtangiblesoncustomerloyalty[32].Customer
138 satisfactionplaysaroleinmediatingreliabilityoncustomerloyalty[33].Customersatisfaction
139 playsaroleinmediatingresponsiveness towardscustomerloyalty[34].Customersatisfaction
140 playsaroleinmediatingassuranceoncustomerloyalty[35].Customersatisfactionplaysa
141 roleinmediatingempathytowardscustomerloyalty[36].Theabovestatementisusedasa
142 basisfordeterminingthehypothesisforthesixpointsa,b,c,dandeasfollows:

143 H6a:Customersatisfactionplaysaroleinmediatingtheinfluenceoftangibleson
144 customerloyalty.

145 H6b:Customersatisfactionplaysaroleinmediatingtheeffectofreliabilityon
146 customerloyalty.

147 H6c:Customersatisfactionplaysaroleinmediatingtheinfluenceofresponsiveness
148 oncustomerloyalty.

149 H6d:Customersatisfactionplaysaroleinmediatingtheeffectofassuranceon
150 customerloyalty.

151 H6e:Customersatisfactionplaysaroleinmediatingtheinfluenceofempathyon
152 customerloyalty.

153 Customersatisfactionplaysaroleinmediatingpriceoncustomerloyalty[37].Thestatement
154 aboveisusedasabasisfordeterminingtheseventhypothesisasfollows:

155 H7:Customersatisfactionplaysaroleinmediatingpriceoncustomerloyalty.

Based on the relationships between variables described in the theoretical framework above, this is a manifestation of the conceptual model shown in the image below.

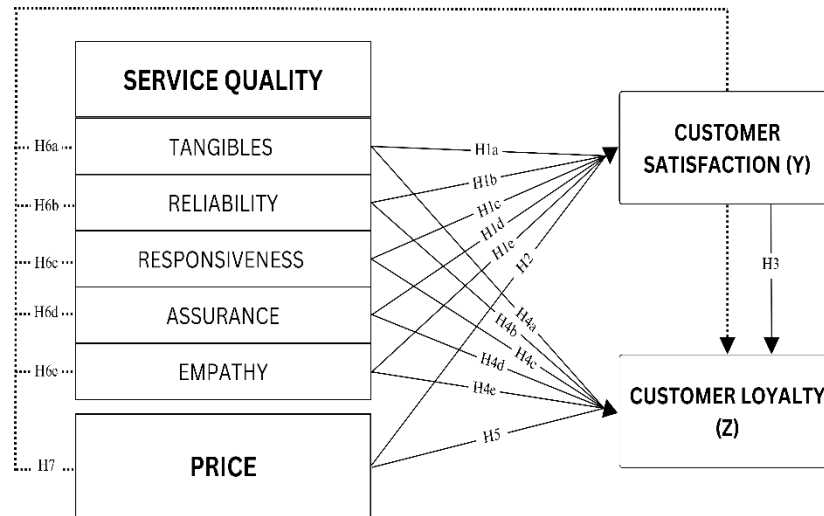


Fig.1 Conceptual Framework

The conceptual model describes the relationship between service quality parameters (tangibles, reliability, responsiveness, assurance and empathy), price and loyalty mediated by customer satisfaction at Indomaret, as seen in Figure 1.

3. METHODOLOGY

3.1 Research Objectives, Approaches, And Strategies

This research uses quantitative techniques using surveys as the main research tool. The process of operationalizing variables and assessing the eight variables in this research was carried out using a Likert scale. Participants indicated their level of agreement or disagreement with the items using a five-point Likert scale, providing a rating from 1 to 5. Questionnaires were used to collect primary data. Assessment of the validity of each statement on the questionnaire was carried out using the product moment correlation approach, meanwhile reliability was evaluated using the Cronbach's alpha coefficient measurement technique. This research uses convenience sampling as a sampling strategy, which is a type of nonprobability sampling. Convenience sampling is the collection of information from members of the population who agree to provide that information [38]. That way, anyone who agrees to provide the required information with the researcher, either directly or indirectly, can be used as a sample in this research if the respondent is suitable as a data source. This research has a minimum sample size referring to the ideas put forward by [39] which is supported by [40] where the sample size recommended by these experts is at least 10 times the number of research variables. Meanwhile, in this research, researchers applied a sample size of 20 times

191 thenumberofvariablesconsistingofperceptionsabouttangibles, reliability, responsiveness,
192 assurance, empathy, price, customersatisfaction, andcustomerloyalty.

193 **3.2CharacteristicsOfTheResearchPopulation**

194
195 Thisresearchwillinvolve samplesfromthepopulationofIndomaretcustomerstholivein
196 GreaterBandungwithanage rangeof>17years. Theagerequirementissetbasedonthe
197 assumptionthattheyhavesufficientcognitivecapacitytobeabletofillinthestatements that
198 remainonthequestionnaire. Apartfromthat, thisageisincludedintheproductivegroup[41].199

200 **3.3DataProcessingAndAnalysisMethods**

201
202 Accordingto[42], afterthedatawasobtainedthroughasurveyusingaquestionnaire, thenext
203 stepwasdataprocessingwhichconsistedoffourstages, namelydatacoding, dataentry, data
204 editinganddatatransformation. Dataprocessingtoanalyzemultipleregressionresearchers

used statistical program of science (SPSS) version 25. Meanwhile, to test the Sobel test, researchers used an online Sobel test calculator from [43].

4. RESULTS AND DISCUSSION

4.1 Respondent Profile

Based on the data presented in table 2, participants in this research are individuals who act as consumers. Age > 17 years and has also shopped at Indomaret 3 times in 2023, domiciled in Bandung Raya.

Table 2. Respondent Profile

No	Information	Sum	(%)
Age			
1	17n/d21	71	42.2%
2	22n/d26	62	36.9%
3	27n/d31	20	11.9%
4	32n/d40	10	6%
5	>40	5	3%
	Total	168	100%
Occupation			
1	Student	22	13.2%
2	Collager Student	86	51.4%
3	Government Employees	9	5.4%
4	Businessman	21	12%
5	Private Sector Employee	17	10.2%
6	Other	13	7.8%
	Total	168	100%
Income/Month			
1	<RP.1.500.000	92	54.5%
2	RP.1.500.000– RP.5.000.000	48	29.1%
3	>RP.5.000.000	28	16.4%
	Total	168	100%
Location			
1	BANDUNG CITY	38	23%
2	BANDUNG DISTRICT	18	10.9%
3	WEST BANDUNG REGENCY	37	21.2%
4	CIMAH CITY	75	44.9%
	Total	168	100%
Have You Shopped More Than 3 Times At Indomaret In 2023?			
1	YES	165	98.2%
2	NO	3	1.8%
	Total	168	100%

4.2 Validity And Reliability Test

This study examines eight variables, namely tangibles (X1a), reliability (X1b), responsiveness (X1c), assurance (X1d), empathy (X1e), price (X2), customer satisfaction (Z) and customer loyalty (Y). Each of these variables comprises several indicators with measurements specified in the questionnaire statements. Prior to evaluating the findings, it is essential to conduct a validity and reliability test for the measurements of these eight variables. Using SPSS software version 25, the calculation for the validity and reliability tests yielded the following results.

Table 3. Validity And Reliability Test

NO	Statement	Rcalculate	Note	Cronbach's alpha	Note
Tangibles					
1.	Inmyopinion, Indomarethas attractivephysical facilities.	0.770	Valid	0.739	Reliable
2.	Inmyopinion, Indomarethas complete equipment accordingto my expectations.	0.870	Valid		
3.	Inmyopinion, Indomaret employeeshavean attractive appearance.	0.789	Valid		
Reliability					
4.	Inmyopinion, Indomaretprovides theserviceas promised.	0.803	Valid	0.785	Reliable
5.	Inmyopinion, Indomarethas employeeswhoare reliableinsolving customerproblems.	0.903	Valid		
6.	Inmyopinion, Indomarethas employeeswhoare accuratein providingservice.	0.799	Valid		
Responsiveness					
7.	In my opinion,Indoma rethasemploye eswho alwaysprovidefasts ervice tocustomers.	0.804	Valid		Reliable
8.	In my opinion,Indom arethas				

9.	employees who are always willing to help customers. In my opinion, Indomare has employees who are always ready to respond to customer requests.	0.864	Valid	0.803	
<i>Assurance</i>					
10.	In my opinion, Indomare has employees who are polite to customers.	0.691	Valid		
11.	In my opinion, Indomare employees have in-depth knowledge.	0.846	Valid	0.685	Reliable
12.	In my opinion, Indomare employees have the ability to inspire customer confidence.	0.808	Valid		
<i>Empathy</i>					
13.	In my opinion, Indomare has employees who care about customers.	0.873	Valid	0.717	
14.	In my opinion, Indomare has employees who care about customers.	0.893	Valid		Reliable
<i>Price</i>					
15.	In my opinion, Indomare has affordable prices for all groups.	0.851	Valid		
16.	In my opinion, Indomare has prices that match its benefits.	0.844	Valid	0.764	Reliable
17.	In my opinion, Indomare has competitive prices when compared to competitors.	0.790	Valid		
<i>Customer Satisfaction</i>					
18.	I am happy that the service provided by				

	Indomaret is in line with the expectations.	0.781	Valid		
19.	I feel happy that the performance provided by Indomaret is in line with the expectations.	0.790	Valid	0.793	Reliable
20.	I feel happy with the service provided by Indomaret.	0.850	Valid		
21.	I feel happy that the decision in choosing to shop at Indomaret was right.	0.721	Valid		
Customer Loyalty					
22.	I am willing to repurchase at Indomaret regularly.	0.839	Valid		
23.	I am willing to buy other products at Indomaret.	0.839	Valid		
24.	I would recommend Indomaret to others.	0.784	Valid	0.842	Reliable
25.	I will remain loyal to shopping at Indomaret compared to other minimarkets.	0.841	Valid		

232

233

234 4.3 Classical Assumptions Test

235

236 This study will be subjected to testing employing two (2) variable techniques, particularly
 237 designed for the investigation of intervening factors. Consequently, the classical assumption
 238 test will be undertaken using the set two (2) methodologies. 239

240 4.3.1 Test the classical assumption of intervening variables

241

242 4.3.1.1 Equation 1

243

244 Equation 1 uses a straight forward regression equation to look at how tangibles, reliability,
 245 responsiveness, assurance, empathy and price all play a role in customer satisfaction. These
 246 are the basic terms of the regression equation:

247

$$248 Y = a_1 + b_1X_{1a} + b_2X_{1b} + b_3X_{1c} + b_4X_{1d} + b_5X_{1e} + b_6X_2$$

249 Note:

250

251 Y = Customer Satisfaction

252 a = Constant

253 b =CoefficientofIncreaseofBoundVariablesIfthereisAnIncreaseofOneUnitof
 254 FreeVariables.
 255 X1a =Tangibles
 256 X1b =Reliability
 257 X1c =Responsiveness
 258 X1d =Assurance
 259 X1e =Empathy
 260 X2 =Price
 261

262 Thefindingsoftheclassicalassumptiontest,whichincludestestsforheteroskedasticity,
 263 multicollinearity,andnormalcy,whenappliedtomultipleregressionanalysis,areasfollows:264
 265 4.3.1.1.1 Normality

test266

267 "Withasignificantvalue>(0.05),specificallyasignificancevalueof(0.200),itcanbe
 268 concluded from theanalysisresultspresentedinthe tableabovethatthedatainequation 1
 269 followsanormaldistribution".2

70

271 **Table4.Normalitytestequestion1**

272

N		160
NormalParameters ^{a,b}	Mean	.000
	Std.Deviation	1.47211300
MostExtremeDifferences	Absolute	.054
	Positive	.040
	Negative	-.054
TestStatistic		.054
Asymp.Sig.(1-tailed)		.200 ^{c,d}

273

274 a. TestdistributionisNormal,b.Calculatedfromdata,c.LillieforsSignificanceCorrection.
 275 Source:SPSSOutputDataVersion25(2023)
 276

277 4.3.1.1.2Heteroskedasticitytest

278 Theexaminationofthetableindicates thatthereareno signsof heteroskedasticityinthedata
 279 ofequation1,sincethesignificantvalue>(0.05).

280 **Table5.Heteroskedasticitytestequestion1**

Coefficients^a

	Unstandardized		StandardizedC		
	Coefficients		oefficients		
Model	B	Std.Error	Beta	t	Sig.
(Constant)	1.611	.650		2.477	.014
tangibles	.030	.042	.065	.713	.477
reliability	-.065	.047	-.139	-1.395	.165
responsiveness	.007	.045	.014	.152	.879
assurance	-.018	.050	-.039	-.364	.716

empathy	-.040	.068	-.061	-.592	.555
price	.037	.042	.088	.886	.377
a. Dependent Variable: Abs					

281

282 4.3.1.1.3 Multicholenieritytest

283 The results from the table analysis indicate that the data in equation 1 is devoid of
 284 multicollinearity, given that the tolerance values for the variables are >(0.1) and the VIF value 285 is <(10).

286 **Table 6. Multicholenierity test equation 1**

Variable	Collinearity Statistic	
	Tolerance Value	VIF
Tangibles	.757	1.322
Reliability	.638	1.567
Responsiveness	.733	1.364
Assurance	.550	1.817
Empathy	.600	1.667
Price	.640	1.562

287 *a. Dependent Variable: customer satisfaction*

288

289 4.3.1.2 Equation 2

290 The hypothesis is to evaluate the significant link between tangibles, reliability, responsiveness,
 291 assurance, empathy, price and customer satisfaction with customer loyalty. The basic
 292 regression equation is as follows:

$$293 \quad Z = a_2 + b_7X_{1a} + b_8X_{1b} + b_9X_{1c} + b_{10}X_{1d} + b_{11}X_{1e} + b_{12}X_2 + b_{13}Y$$

294 Note:

- 295 Z = Customer Loyalty
- 296 Y = Customer Satisfaction
- 297 a = Constant
- 298 b = Coefficient of Increase of Bound Variables If there is An Increase of One Unit of
- 299 Free Variables.
- 300 X_{1a} = Tangibles
- 301 X_{1b} = Reliability
- 302 X_{1c} = Responsiveness
- 303 X_{1d} = Assurance

304 X1e =Empathy
 305 X2 =Price
 306

307 Theclassicalassumptiontestconductedonthemultipleregressionanalysisincludes
 308 assessmentsfor normality, heteroskedasticity, and multicollinearity. The study's findings
 309 regarding the classical assumption test are as follows:

310 4.3.1.2.1 Normality test

311 The results of the study can be seen in the table above; a significance value of $(0.200) >$
 312 (0.05) , indicating that the data in equation 2 follows a normal distribution.

313 **Table 7. Normality test equation 2**

N		160
Normal Parameters ^{a, b}	Mean	.000
	Std. Deviation	1.80555244
Most Extreme Differences	Absolute	.038
	Positive	.030
	Negative	-.038
Test Statistic		.038
Asymp. Sig. (1-tailed)		.200 ^{c, d}

315
 316 *Test distribution is Normal, b. Calculated from data, c. Lilliefors Significance Correction. Source: SPSS*
 317 *Output Data Version 25 (2023)*

318 4.3.1.2.2 Heteroskedasticity test

319 "The analysis results from the table lead to the conclusion that, in the data of equation 2, there
 320 are no indications of heteroskedasticity, as evidenced by the significant value being $> (0.05)$ ".

321 **Table 8. Heteroskedasticity test equation 2**

Spearman's rho	Variable	Unstandardized Residual	
		Correlation Coefficient	Sig
	Tangibles	.029	.357
	Reliability	.007	.466
	responsiveness	.006	.471
	Assurance	-.012	.442
	Empathy	.008	.461
	Price	-.044	.291

Customer satisfaction -.017 .414

322 a. Dependent Variable: Abs_RES2Source: SPSSOutputDataVersion25(2023)

323 4.3.1.2.3 Multicholenieritytest

324 Accordingtotheresultsfromthetableanalysis,itcanbeassertedthatthedatainequation2
325 isdevoidofmulticollinearity,asindicatedbytolerancevaluesforthevariablesbeing>(0.1)
326 andtheVIFvaluebeing<(10).

327 **Table9.Multicholenieritytestequestion2**

Variable	CollinearityStatistic	
	ToleranceValue	VIF
Tangibles	.757	1.322
Reliability	.634	1.587
Responsiveness	.654	1.530
Assurance	.525	1.904
Empathy	.580	1.723
Price	.607	1.647
CustomerSatisfaction	.504	1.985

328 a. Dependent Variable: customerloyalty

329 **4.3.3Resultsofmultipleregressionanalysiswithinterveningvariables**

330 **4.3.3.1Multipleregressionanalysisesequation1's**

331 "Drawingconclusionsfromtheanalysisresultsdisplayedinthegraph,itcanbeconcluded
332 thatconsumersatisfaction(Z)issignificantlyinfluencedbythevariablesresponsiveness
333 (X1c),guarantee(X1d),empathy(X1e),andpriceconsideringthesignificancevalueis<0.05.
334 Asaresult,H1cn/dH2isaccepted.Theresultsofthisresearchareinlinewithresearch
335 conducted[44]whichstatethatresponsiveness,guarantee,empathyandpricehavea
336 significanteffectoncustomersatisfaction".

337 **Table10.Multipleregressioniontestresultsequation1**

Coefficients ^a					
Model	Unstandardized		Standardized	t	Sig.
	B	Std. Error	Coefficients		

(Constant)	3.568	1.133		3.149	.002
X1a	-.001	.073	-.001	-.018	.986
X1b	-.086	.082	.076	1.058	.292
X1c	.340	.079	.289	4.316	.000
X1d	.233	.086	.209	2.703	.008
X1e	.269	.118	.169	2.277	.024
X2	.212	.073	.207	2.889	.004

a. Dependent Variable: Z

338

339 4.3.3.2 Multipleregressionanalysis equation 2's

340 "From the analysis results depicted in the graph, it can be concluded that customer loyalty (Y)
341 is influenced positively and significantly by the variables responsiveness (X1c) and price (X2),
342 which is indicated by their significance value. $< (0.05)$. As a result, H4c and H5 are accepted.
343 The findings of this research are in line with the research conducted. [Herawati et al., 2021]
344 which states that responsiveness and price have a significant positive effect on customer
345 loyalty. However, H4a, H4b, H4d, and H4e were ignored, this is proven by the results of the
346 analysis on the graph, where the significance value for tangibles (X1a), reliability (X1b),
347 assurance (X1d) and empathy (X1e) is $> (0.05)$. which shows that this variable does not have
348 a significant influence on the customer loyalty variable (Y). This research deviates from the
349 results of research conducted by [45]."

350 **Table 11. Multipleregression test result equation 2**

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.704	1.439		1.880	.062
	X1a	.162	.090	.125	1.793	.075
	X1b	-.141	.101	-.106	-1.395	.165
	X1c	.258	.103	.189	2.515	.013
	X1d	.154	.109	.118	1.414	.159
	X1e	.149	.148	.081	1.010	.314
	X2	.423	.093	.356	4.574	.000
	Z	.129	.099	.111	1.298	.196

a. Dependent Variable: Y

351

352

353

354

4.3.3.3 Sobel test

"Based on the test findings of H6a and H7, it shows that customer satisfaction is not successful in mediating the influence of tangibles, reliability, responsiveness, assurance, empathy and price on customer loyalty. This is shown from the analysis carried out using the Sobel calculator, where the significance value is $> (0.05)$. The results of this study are not in line with previous research".

Table.12 Result Sobel Test

RELATIONSHIP BETWEEN HYPO THESIZED VARIABLES	A	B	S _A	S _B	T calculate
<i>Customers satisfaction → tangibles → customer loyalty</i>	-0.001	0.129	0.073	0.099	-0.01369
<i>Customers satisfaction → reliability → customer loyalty</i>	0.086	0.129	0.082	0.099	0.81701
<i>Customers satisfaction → responsiveness → customer loyalty</i>	0.340	0.129	0.079	0.099	1.24712
<i>Customers satisfaction → assurance → customer loyalty</i>	0.233	0.129	0.086	0.099	1.17427
<i>Customers satisfaction → empathy → customer loyalty</i>	0.269	0.129	0.118	0.099	1.13126
<i>Customers satisfaction → price → customer loyalty</i>	0.212	0.129	0.073	0.099	1.18884

3.CONCLUSION

The 19 (nineteen) hypotheses of the study are categorized into 6 (six) that are accepted and that are rejected. This division illustrates that the research hypotheses, grounded in relevant theory, receive complete empirical support. Additionally, the results underscore the endorsement of prior research regarding the examination of influences among variables. The 410 outcomes of this inquiry can be summarized as follows:

1. Tangibles has no positive and significant effect on customer satisfaction at INDOMARET in Bandung Raya.
2. Reliability has no positive and significant effect on customer satisfaction at INDOMARET in Bandung Raya.
3. Responsiveness has a positive and significant effect on customer satisfaction at INDOMARET in Bandung Raya.
4. Assurance has a positive and significant effect on customer satisfaction at INDOMARET in Bandung Raya.
5. Empathy has a positive and significant effect on customer satisfaction at INDOMARET in Bandung Raya.
6. Price has a positive and significant effect on customer satisfaction at INDOMARET in Bandung Raya.
7. Customer satisfaction has no positive and significant effect on customer loyalty at INDOMARET in Bandung Raya.
8. Tangibles has no positive and significant effect on customer loyalty at INDOMARET in Bandung Raya.
9. Reliability has no positive and significant effect on customer loyalty at INDOMARET in Bandung Raya.
10. Responsiveness has a positive and significant effect on customer loyalty at INDOMARET in Bandung Raya.
11. Assurance has no positive and significant effect on customer loyalty at INDOMARET in Bandung Raya.
12. Empathy has no positive and significant effect on customer loyalty at INDOMARET in Bandung Raya.
13. Price has a positive and significant effect on customer loyalty at INDOMARET in Bandung Raya.
14. Tangibles has no positive and significant effect on customer loyalty at INDOMARET in Bandung Raya.
15. Reliability has no positive and significant effect on customer loyalty at INDOMARET in Bandung Raya.
16. Responsiveness has no positive and significant effect on customer loyalty at INDOMARET in Bandung Raya.
17. Assurance has no positive and significant effect on customer loyalty at INDOMARET in Bandung Raya.
18. Empathy has no positive and significant effect on customer loyalty at INDOMARET in Bandung Raya.
19. Price has no positive and significant effect on customer loyalty at INDOMARET in Bandung Raya.

415 6.SUGGESTION

416 Referring to the findings of this research, several suggestions are represented that can provide
417 benefits for Indomaret companies in Bandung Raya, the following is the explanation:

418 6.1 Scientific Implications

419 This research is different from previous researchers, namely the use of SERVQUAL
420 dimensions including: tangibles, reliability, responsiveness, assurance and empathy. Several
421 other things that differ from previous research are different objects, characteristics and loci.
422 Where the object of this research is Indomaret with characteristics of respondents aged >17
423 years and a different locus, namely in Bandung Raya. Apart from that, the limitation of this
424 research is that the research location is only in Bandung Raya. For future researchers, the
425 researchers suggest using a different locus. It is hoped that future researchers will be able to
426 add more other variables or dimensions not examined in this study and doing things that have
427 an influence on customer loyalty.
428

429 6.2 Managerial Implications

430 The suggestion addressed to the Indomaret company is that it can use the results of this
431 research as a reference for decision making regarding how the company increases customer
432 loyalty. Based on the results of this research, customer satisfaction does not play a role in
433 mediating the SERVQUAL and price dimension of customer loyalty. Researchers
434 recommend that managers continue to pay attention to the variables that influence customer
435 loyalty, even though in this research there were many variables that had no effect on customer
436 loyalty. The Indomaret company must pay attention to the responsiveness, assurance and
437 empathy of employees towards customers, so that they feel satisfied with the services
438 provided. The Indomaret company must pay attention to price levels compared to competitors,
439 suitability of prices to the benefits obtained by customers and affordable prices for all groups
440 so that customers are satisfied and loyal.

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