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# The Influence of Service Quality, Price, and Customer Satisfaction on Customer Loyalty of Tenun Ikat 'Medali Mas' in Kediri City

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## ABSTRACT

This research aims to determine the effect of service quality and price on loyalty through customer satisfaction of Bandar Kediri ikat weaving customers. This type of research uses descriptive quantitative with a survey approach where questionnaires will be distributed to all research respondents who are the population in this study, namely consumers who have purchased gold medal ikat woven cloth more than once, taken in January - March 2023, which is not yet known for certain. The number was used so that the formula for determining the sample size according to Wibisono was used, where 100 respondents were obtained as samples. Path analysis was used to test the results of respondent data to measure the influence of the dependent variable on the independent variable. Based on the test results, it was found that service quality has a significant effect on customer satisfaction, price has a significant effect on customer satisfaction, service quality has a significant effect on customer loyalty, price has no significant effect on customer loyalty, and customer satisfaction mediates the effect of service quality on customer loyalty.

**Keywords:** Service Quality, Price, Customer Satisfaction And Customer Loyalty

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## INTRODUCTION

Ikat weaving is one of Indonesia's cultural heritage commodities that holds significant economic value in the market (Albab, 2019). This is because ikat fabrics are produced through highly intricate hand-weaving techniques, giving them not only high market value but also strong artistic value that allows them to compete with other textile products. In the production process, ikat weaving uses two types of looms: modern looms that utilize machine technology and traditional looms commonly known as *Alat Tenun Bukan Mesin* (ATBM), or non-machine looms.

ATBM ikat weaving is considered economically valuable due to the complexity of its production process, which is perceived to have high aesthetic value. The city of Kediri is home to a well-known ikat weaving center located in Bandar Kidul Village, Mojoroto District, widely recognized as a traditional ATBM weaving hub (Wiguna & Permana, 2019). This weaving center has existed for generations and remains active today. It is one of Kediri's signature industries, with its products distributed across various cities in Indonesia and even internationally. These products are highly sought after not only because of their quality but also because of their distinctive motifs that cannot be found in other regions, all produced using traditional weaving tools.

Fabrics produced using traditional looms generally have superior quality and unique motifs, which become key product advantages influencing consumer interest and purchasing decisions. Beyond product quality, the quality of service provided to customers also shapes consumer behavior. Customer satisfaction is often associated with both satisfaction and loyalty.

For businesses, customer satisfaction is both a goal and a marketing tool. Companies must pay close attention to customer satisfaction levels. If they fail to do so, dissatisfied customers may

spread negative information about the company due to poor service. When customers feel satisfied, they tend to return and repurchase because they have personally experienced product quality that meets their expectations. This satisfaction fosters loyalty, which ultimately supports the company's objectives.

Loyalty refers to a customer's desire to continue patronizing a company over a long period and to recommend its products or services to others (Wirtz & Lovelock, 2016). Customer loyalty reflects the level of satisfaction customers feel toward the products or services offered. According to Kotler & Keller (2012), customer satisfaction is the level of a person's feelings after comparing perceived performance with expectations. Satisfaction arises when performance meets or exceeds expectations; dissatisfaction occurs when performance fails to meet expectations, potentially causing customers to switch to competitors. Therefore, customer satisfaction is a crucial factor in building loyalty. It is essential for companies to create customer satisfaction as the first step toward retaining customers and winning competition.

Ganguli & Roy (2010) state that high service quality leads to high customer satisfaction and increased customer loyalty. When the service provided meets customer expectations, loyalty naturally follows. Caruana's research (in Kheng et al., 2010) further concludes that customer satisfaction mediates the relationship between service quality and loyalty meaning service quality influences loyalty through satisfaction.

According to Lupiyoadi (2013), service quality consists of five dimensions: tangibles, reliability, responsiveness, assurance, and empathy. Arifianto's study (2006) found that price directly influences customer satisfaction and both directly and indirectly affects customer loyalty through satisfaction. Higher customer satisfaction leads to higher loyalty. Another study by Doddy Setyo Nugraha (2008) concluded that both price and service quality significantly affect customer satisfaction at Hotel Lido Lakes Bogor, with service quality contributing the most.

Kediri's ikat weaving center in Bandar Kidul Village remains a legendary and long-standing traditional industry. Its products are widely known for their high quality and distinctive motifs, produced using traditional ATBM looms. However, the large number of ikat artisans in the area often makes it difficult for consumers to choose where to purchase, as many brands have strong reputations and offer high-quality products. As a result, consumers tend to base their decisions on the quality of service they receive. Additionally, customers from outside the region who wish to repurchase may face distance and time constraints, prompting them to order remotely. This situation requires effective communication and good customer service to maintain satisfaction and loyalty.

## METHOD

This study employs a quantitative research approach. The population in this research consists of consumers who have purchased Medali Mas ikat woven fabric more than once, collected during the period of January to March 2023, with the exact number of consumers still unknown. The sampling technique used in this study is purposive sampling. Inferential analysis in this study is carried out in two stages. The first stage involves evaluating the measurement model or outer model, and the second stage involves evaluating the structural model or inner model.

a. Measurement Model (Outer Model)

1. Indicator Reliability
   Indicator reliability aims to assess whether the indicators used to measure latent variables are reliable. This is done by evaluating the outer loading values of each indicator. A loading value above 0.7 indicates that the construct can explain more than 50% of the variance of its indicators (Furadantin, 2018).
2. Internal Consistency Reliability
   Internal consistency reliability measures the extent to which indicators consistently measure their latent construct. The tools used to assess this are composite reliability and Cronbach's alpha. Composite reliability values between 0.6 and 0.7 are considered acceptable, while Cronbach's alpha values are expected to be above 0.7 (Furadantin, 2018).

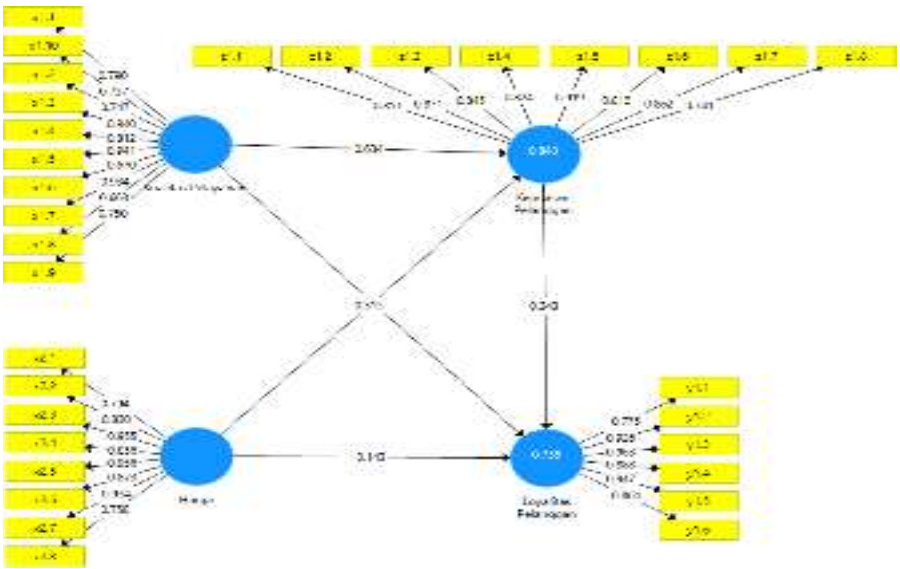
3. Convergent Validity
   Convergent validity is based on the principle that indicators of the same construct should be highly correlated. Convergent validity for constructs with reflective indicators is evaluated using the Average Variance Extracted (AVE). The AVE value should be 0.5 or higher. An AVE value of 0.5 or above indicates that the construct explains at least 50% of the variance of its items (Furadantin, 2018).
4. Discriminant Validity
   Discriminant validity aims to determine whether a reflective indicator truly measures its intended construct, based on the principle that each indicator should correlate more strongly with its own construct than with others. Indicators of different constructs should not be highly correlated. In SmartPLS 3.2.7, discriminant validity is assessed using cross loadings, the Fornell–Larcker Criterion, and the Heterotrait–Monotrait Ratio (HTMT).
   a. Cross Loadings
      Cross loading values for each construct are evaluated to ensure that the correlation between a construct and its indicators is higher than the correlation with other constructs. The expected cross loading value is above 0.7.
   b. Fornell Larcker Criterion
      Another method for assessing discriminant validity is the Fornell–Larcker Criterion, a traditional method used for more than 30 years. It compares the square root of the AVE of each construct with the correlations between that construct and other constructs in the model. If the square root of the AVE is greater than the inter-construct correlations, the model is considered to have good discriminant validity.
   c. Heterotrait Monotrait Ratio (HTMT)
      Some experts argue that cross loadings and the Fornell Larcker Criterion are less sensitive in detecting discriminant validity issues. HTMT is recommended as an alternative method. It is based on the multitrait–multimethod matrix. HTMT values should be below 0.9 to confirm discriminant validity between two reflective constructs (Furadantin, 2018).

b. Structural Model Evaluation (Inner Model)

The initial step in evaluating the structural model is to check for collinearity among constructs and assess the model's predictive capability. This is followed by evaluating the model's predictive power using four criteria: the coefficient of determination ($R^2$), cross-validated redundancy ($Q^2$), effect size ($f^2$), and path coefficients.

## FINDING AND DISCUSSION

**Image.1 Initial Model Validity Test**



**Source : Smart PLS,2025**

**Evaluation of the Measurement Model (Outer Model)**

The evaluation of the outer model aims to assess the indicator variables by examining the validity and reliability of the model. A valid variable is one that is capable of measuring what it is intended to measure and can accurately represent the construct it is designed to capture. A reliable variable is one that, when used repeatedly to measure the same object, produces consistent results.The results of the validity test for the 24 questionnaire items administered to 100 respondents are as follows:

**Table .1 Questionnaire Validity Test Results**

| *Measurement Model* | *Hasil* | | *Nilai Kritis* | *Evaluasi Model* |
|---|---|---|---|---|
| ***Outer*** | | | | |
| ***Convergent Validity*** | ***Variabel*** | ***Ave*** | | |
| | Harga | 0,761 | >0,5 Chin (1995) | Valid |
| | Kepuasan Pelanggan | 0,709 | | Valid |
| | Kualitas Pelayanan | 0,648 | | Valid |
| | Loyalitas Pelanggan | 0,803 | | Valid |
| ***Discriminant Validity*** | ***Indikator*** | ***Outer Loading*** | | |
| | X1.1 | 0,790 | Widarjono (2014), >0,7 | Valid |
| | X1.2 | 0,747 | | Valid |
| | X1.3 | 0,940 | | Valid |
| | X1.4 | 0,812 | | Valid |
| | X1.5 | 0,941 | | Valid |
| | X1.6 | 0,670 | | Tidak Valid |
| | X1.7 | 0,934 | | Valid |
| | X1.8 | 0,663 | | Tidak Valid |
| | X1.9 | 0,750 | | Valid |
| | X1.10 | 0,737 | | Valid |
| | X2.1 | 0,794 | | Valid |
| | X2.2 | 0,830 | | Valid |
| | X2.3 | 0,955 | | Valid |
| | X2.4 | 0,856 | | Valid |
| | X2.5 | 0,956 | | Valid |
| | X2.6 | 0,873 | | Valid |
| | X2.7 | 0,934 | | Valid |
| | X2.8 | 0,758 | | Valid |
| | Y1 | 0,775 | | Valid |
| | Y2 | 0,926 | | Valid |
| | Y3 | 0,963 | | Valid |
| | Y4 | 0,888 | | Valid |
| | Y5 | 0,947 | | Valid |
| | Y6 | 0,864 | | Valid |
| | Z1 | 0,851 | | Valid |
| | Z2 | 0,871 | | Valid |
| | Z3 | 0,845 | | Valid |
| | Z4 | 0,824 | | Valid |
| | Z5 | 0,919 | | Valid |
| | Z6 | 0,812 | | Valid |
| | Z1.7 | 0,862 | | Valid |
| | Z1.8 | 0,741 | | Valid |

Source of Data: Processed Analysis Results

Based on the table above, several indicators were found to not meet the required criteria. In the first stage of the model evaluation, the researcher removed indicators with loading values below 0.7 and retained those with loading values above 0.7.

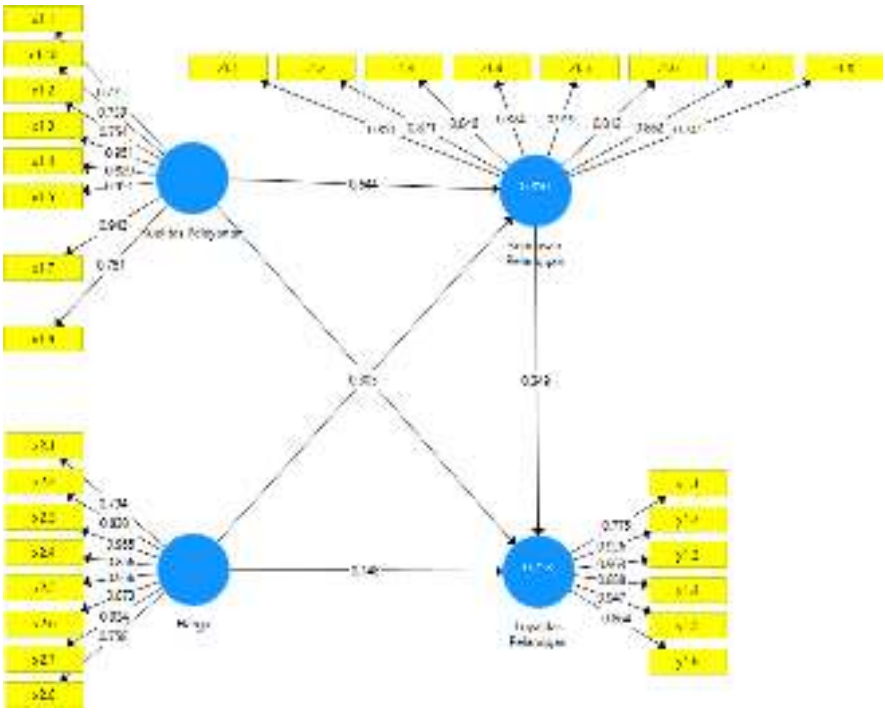
**Table .2 Outer Loading Measurement**

| *Measurement Model* | *Hasil* | | *Nilai Kritis* | *Evaluasi Model* |
|---|---|---|---|---|
| ***Outer*** | | | | |
| ***Convergent Validity*** | ***Variabel*** | ***Ave*** | | |
| | Harga | 0,761 | >0,5 Chin (1995) | Valid |
| | Kepuasan Pelanggan | 0,709 | | Valid |
| | Kualitas Pelayanan | 0,708 | | Valid |
| | Loyalitas Pelanggan | 0,803 | | Valid |
| ***Discriminant Validity*** | ***Indikator*** | ***Outer Loading*** | | |
| | X1.1 | 0,775 | Widarjono (2014), >0,7 | Valid |
| | X1.2 | 0,754 | | Valid |
| | X1.3 | 0,951 | | Valid |
| | X1.4 | 0,829 | | Valid |
| | X1.5 | 0,951 | | Valid |
| | X1.7 | 0,943 | | Valid |
| | X1.9 | 0,751 | | Valid |
| | X1.10 | 0,739 | | Valid |
| | X2.1 | 0,794 | | Valid |
| | X2.2 | 0,830 | | Valid |
| | X2.3 | 0,955 | | Valid |
| | X2.4 | 0,856 | | Valid |
| | X2.5 | 0,956 | | Valid |
| | X2.6 | 0,873 | | Valid |
| | X2.7 | 0,934 | | Valid |
| | X2.8 | 0,758 | | Valid |
| | Y1 | 0,775 | | Valid |
| | Y2 | 0,926 | | Valid |
| | Y3 | 0,963 | | Valid |
| | Y4 | 0,888 | | Valid |
| | Y5 | 0,947 | | Valid |

Source of Data: Processed Analysis Results

Based on the table above, the outer loading measurement indicates that all variables and indicators meet the required criteria and are therefore declared valid.

**Figure 2. Final Model Validity Test**



Source of Data: Processed Analysis Results

Using the results of the final validity test, the next step is to conduct the reliability test, which can be assessed through the composite reliability values. Composite reliability must have a value of ≥ 0.7 to be considered acceptable. Using SMARTPLS, the composite reliability results obtained are as follows:

**Table.3. Composite Reliability**

| *Variabel* | *Composite reliability* | *Batas kritis* | *Evaluasi model* |
|---|---|---|---|
| Price | 0,962 | **≥ 0,7 Hair (2008)** | Reliabel |
| Customer Satisfaction | 0,951 | | Reliabel |
| Service Quality | 0,950 | | Reliabel |
| Customer Loyalty | 0,960 | | Reliabel |

Source of Data: Processed Analysis Results

Based on the table above, the results show that all composite reliability values for each variable are above 0.7. Therefore, it can be concluded that all variable indicators are reliable.

**Table 4. Reliability Test Results (Cronbach's Alpha)**

| | Cronbach's Alpha |
|---|---|
| Price | **0,954** |
| Customer Satisfaction | **0,941** |
| Service Quality | **0,939** |
| Customer Loyalty | **0,950** |

Source of Data: Processed Analysis Results

**Table 5. Convergent Validity Test Results (AVE)**

| | Average Variance Extracted (AVE) |
|---|---|
| Price | **0,761** |
| Customer Satisfaction | **0,709** |
| Service Quality | **0,708** |
| Customer Loyalty | **0,803** |

Source of Data: Processed Analysis Results

Based on the table above, the results show that all AVE values for each variable are greater than 0.5. This indicates that each construct is able to explain 50% or more of the variance of its items.

**Table 6. Discriminant Validity Test Results (Fornell–Larcker Criterion)**

| | Price | Customer Satisfaction | Service Quality | Customer Loyalty |
|---|---|---|---|---|
| Price | 0,872 | | | |
| Customer Satisfaction | 0,866 | 0,842 | | |
| Service Quality | 0,870 | 0,910 | 0,841 | |
| Customer Loyalty | 0,800 | 0,843 | 0,848 | 0,896 |

Source of Data: Processed Analysis Results

Based on the table above, all square root values of AVE (Fornell Larcker Criterion) for each construct are greater than their correlations with other variables. For example, the AVE value for the Price variable is 0.761, resulting in a square root AVE of 0.877. This value (0.877) is higher than its correlations with other constructs, namely Customer Satisfaction (0.866), Service Quality (0.870), and Customer Loyalty (0.800).

The same condition applies to all other latent variables, where the square root of AVE is greater than the correlations with other constructs. Since all latent variables meet the requirement of having a square root AVE greater than their inter-construct correlations, the discriminant validity criterion for this model is fulfilled, as shown in the table above.

**Results of the Inner Model Testing: Structural Relationships Among Research Variables**

The inner model test aims to determine whether the relationships among latent variables both exogenous and endogenous constructs are able to answer the hypothesized relationships proposed in the study. The evaluation of the inner model or structural model is conducted using four criteria: the coefficient of determination ($R^2$), cross-validated redundancy ($Q^2$), effect size ($f^2$), and path coefficients.

**Table 7. Inner Model Test Results: Coefficient of Determination ($R^2$)**

| | R Square |
|---|---|
| **Customer Satisfaction** | 0,850 |
| **Customer Loyalty** | 0,753 |

Source of Data: Processed Analysis Results

The table above shows that the $R^2$ value for the Customer Loyalty variable is 0.753. This result indicates that 75.3% of Customer Loyalty is influenced by Service Quality, Price, and Customer Satisfaction, while the remaining 24.7% is influenced by variables outside the scope of this study.

**Table 8. Inner Model Test Results: Cross-Validated Redundancy ($Q^2$)**

| | SSO | SSE | $Q^2$ (=1-SSE/SSO) |
|---|---|---|---|
| Price | 800,000 | 800,000 | |
| Customer Satisfaction | 800,000 | 331,078 | 0,586 |
| Service Quality | 800,000 | 800,000 | |
| Customer Loyalty | 600,000 | 245,960 | 0,590 |

Source of Data: Processed Analysis Results

Blindfolding is an analysis used to assess the predictive relevance of a structural model. This analysis uses the Q-Square value. If Q-Square > 0.05, it can be concluded that the structural model has predictive relevance. In other words, the exogenous variables used to predict the endogenous variables are appropriate.

From the table above, the $Q^2$ value for Customer Satisfaction is 0.586 > 0.05 and for Customer Loyalty is 0.590 > 0.05, indicating that the variables used in the model are appropriate.

Based on both the diagram and the table, all Q-Square values for the constructs of Customer Satisfaction and Customer Loyalty are greater than 0.05. This means that the predictive relevance for both constructs is adequate. The detailed conclusions are as follows:

1. The predictive relevance of Service Quality and Price toward Customer Satisfaction, based on the Q-Square value of 0.586 > 0.05, indicates that these exogenous variables are appropriate and relevant predictors of Customer Satisfaction as an endogenous construct.
2. The predictive relevance of Service Quality, Price, and Customer Satisfaction toward Customer Loyalty, based on the Q-Square value of 0.590 > 0.05, indicates that these exogenous variables are appropriate and relevant predictors of Customer Loyalty as an endogenous construct.

**Table 9. Inner Model Test Results: Effect Size ($f^2$)**

| | Price | Customer Satisfaction | Service Quality | Customer Loyalty |
|---|---|---|---|---|
| Price | - | **0,151** | | **0,019** |
| Customer Satisfaction | | | | 0,074 |
| Service Quality | | **0,673** | | 0,095 |
| Customer Loyalty | | | | - |

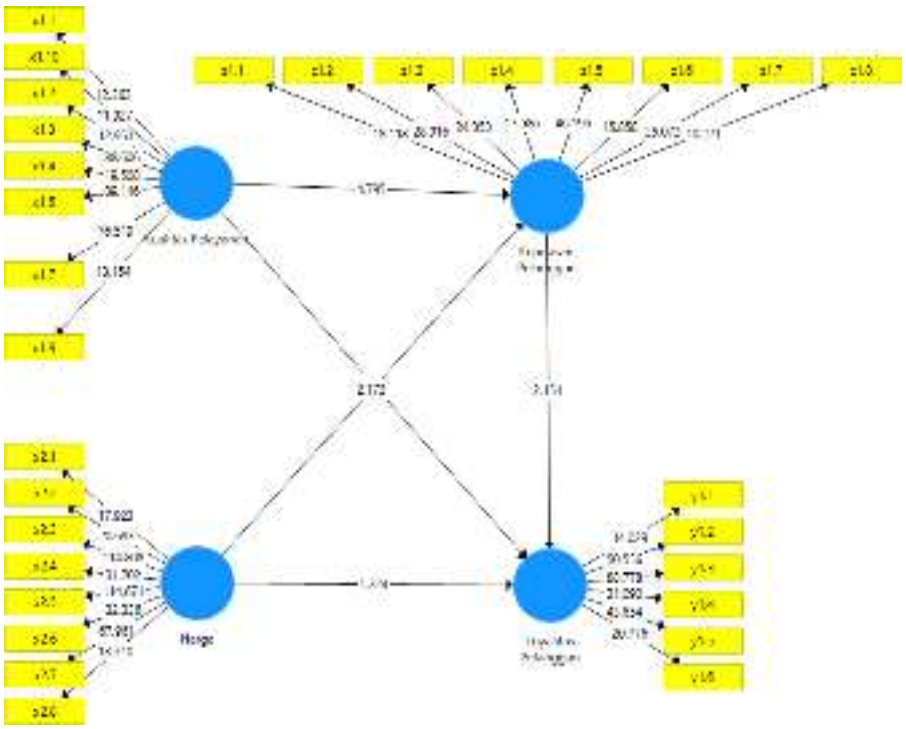
Source of Data: Processed Analysis Results

Based on the table above, it can be seen that the effect of Service Quality on Customer Satisfaction has a relatively large effect size, with a value of 0.673 > 0.35. Meanwhile, the effects of Price on Customer Satisfaction, Customer Satisfaction on Customer Loyalty, and Service Quality on Customer Loyalty fall within the range of 0.35–1.5, which is categorized as a medium effect size. The effect of Price on Customer Loyalty is disregarded because its effect size value is below 0.02.

**Hypothesis Testing**

The significance test is obtained from the path coefficients output after the bootstrapping procedure is performed. This process is conducted to strengthen the interpretation of the relationships among variables in each hypothesis. The significance test in this study uses a t-value threshold of 1.96, where a relationship between variables is considered significant if the t-statistic value is greater than the t-value (Purwanto et al., 2021). The original sample value is used to observe the magnitude of the effect.

**Figure 3. Hypothesis Testing Model**



Source of Data: Processed Analysis Results

**Table . 10. Hypothesis Testing Results**

| Hipotesis | | Original Sample (O) | T Statistics (\|O/STDEV\|) | P Values | Hipotesys Results |
|---|---|---|---|---|---|
| **H1** | **Service Quality-> Customer Satisfaction** | 0,644 | 4,587 | **0,000** | Accepted |
| **H2** | **Price -> Customer Satisfaction** | 0,305 | 2,079 | **0,038** | Accepted |
| **H3** | **Service Quality -> Customer Loyalty** | 0,402 | 2,268 | **0,024** | Accepted |
| **H4** | **Price ->Customer Loyalty** | 0,148 | 1,304 | **0,193** | Rejected |
| **H5** | **Service Quality -> Customer Satisfaction->Customer Loyalty** | 0,626 | 4,627 | **0,000** | Accepted |

Source of Data: Processed Analysis Results

Based on the bootstrapping results in the table above, the following findings are obtained:

1. Service Quality has a significant effect on Customer Satisfaction, as indicated by a t-statistic of 4.587 > 1.96 and a significance value of 0.000 < 0.05, with a path coefficient of 0.644. Therefore, the first hypothesis is accepted.

2. Price has a significant effect on Customer Satisfaction, as shown by a t-statistic of 2.079 > 1.96 and a significance value of 0.038 < 0.05, with a path coefficient of 0.305. Thus, the second hypothesis is accepted.
3. Service Quality has a significant effect on Customer Loyalty, as indicated by a t-statistic of 2.268 > 1.96 and a significance value of 0.024 < 0.05, with a path coefficient of 0.402. Therefore, the third hypothesis is accepted.
4. Price does not have a significant effect on Customer Loyalty, as shown by a t-statistic of 1.304 < 1.96 and a significance value of 0.193 > 0.05, with a path coefficient of 0.148. Therefore, the fourth hypothesis is rejected.
5. Customer Satisfaction mediates the effect of Service Quality on Customer Loyalty, as indicated by a t-statistic of 4.627 > 1.96 and a significance value of 0.000 < 0.05, with an indirect effect value of 0.626. Since the indirect effect is greater than the direct effect, the fifth hypothesis is accepted.

**Discussion**

**The Influence of Service Quality on Customer Satisfaction**

Based on the hypothesis testing results, Service Quality has a significant effect on Customer Satisfaction, as indicated by a t-statistic of 4.587 > 1.96 and a path coefficient of 0.644. This finding shows that the better the service quality provided, the higher the level of customer satisfaction. Customers perceive that the service quality delivered by the employees and the owner of Medali Mas is highly satisfying whether in terms of product completeness, employee responsiveness in assisting customers, the closeness and attentiveness of employees toward customers, or the employees' ability to provide detailed information and product recommendations that stimulate customers' interest in shopping and making purchases at Medali Mas. This demonstrates that the higher the quality of service provided, the more satisfied and comfortable customers feel when shopping.

This result is consistent with previous studies (Firatmadi, 2017; Juniantara & Sukawati, 2018; Nugroho, 2015; Putu & Susanti, 2020; Rahayu & Nurlaela Wati, 2018), which also found that better service quality leads to higher customer satisfaction.

**4.4.2 The Influence of Price on Customer Satisfaction**

The results show that Price has a significant effect on Customer Satisfaction, as indicated by a t-statistic of 2.079 > 1.96 and a path coefficient of 0.305. This suggests that more competitive pricing leads to higher customer satisfaction.The findings indicate that the significant influence of Price on Customer Satisfaction may be due to the fact that the prices offered by Medali Mas align with customer expectations, making the products more affordable and accessible to the community.This result is supported by previous studies (Ichsan & Nasution, 2022; Sondak et al., 2021), which state that price can influence customer satisfaction in relation to the perceived value received by customers.

**The Influence of Service Quality on Customer Loyalty**

The analysis shows that Service Quality has a significant effect on Customer Loyalty, as indicated by a t-statistic of 2.268 > 1.96 and a path coefficient of 0.402. This indicates that customers perceive Medali Mas as capable of providing excellent service during their visits and shopping experiences.This finding suggests that delivering high-quality service and prioritizing customer needs can foster customer loyalty, as customers tend to remain committed to businesses that provide emotional satisfaction and positive experiences, making them less likely to switch to other stores.This result supports previous studies (Chaniago, 2020; Pramesti & Chasanah, 2021), which found that higher customer satisfaction leads to increased customer loyalty.

**The Influence of Price on Customer Loyalty**

The results indicate that Price does not have a significant effect on Customer Loyalty, as shown by a t-statistic of 1.304 < 1.96 and a significance value of 0.193 > 0.05, with a path coefficient of 0.148. This suggests that higher prices may cause customers to reconsider future purchase decisions.The insignificant effect implies that respondents in this study do not consider price as a determining factor in developing loyalty. The level of price whether high or low does not strongly influence

customer loyalty.This finding is consistent with previous studies (Lestari et al., 2022; Pramesti & Chasanah, 2021), which also found that price does not significantly affect customer loyalty.

**The Influence of Service Quality on Customer Loyalty Through Customer Satisfaction**

The results indicate that Customer Satisfaction mediates the effect of Service Quality on Customer Loyalty, as shown by a t-statistic of 4.627 > 1.96 and an indirect effect value of 0.626. Since the indirect effect is greater than the direct effect, it is evident that Customer Satisfaction strengthens the influence of Service Quality on Customer Loyalty.This means that high service quality enhances customer satisfaction, which in turn increases customer loyalty. Thus, customer satisfaction plays a crucial mediating role in reinforcing the relationship between service quality and customer loyalty.

## CONCLUSIONS

Based on the results of the analysis and discussion, several conclusions can be drawn. First, service quality has a significant influence on customer satisfaction, indicating that better service delivery leads to higher levels of satisfaction. Second, price also significantly affects customer satisfaction, suggesting that competitive and appropriate pricing contributes positively to how customers evaluate their shopping experience. Third, service quality significantly influences customer loyalty, demonstrating that high-quality service encourages customers to remain committed to the business. Fourth, price does not have a significant effect on customer loyalty, implying that customers do not consider price as a determining factor in developing long-term loyalty. Finally, customer satisfaction mediates the relationship between service quality and customer loyalty, meaning that high service quality enhances satisfaction, which in turn strengthens customer loyalty.

Based on the findings of this study, several recommendations can be proposed. First, although customers are generally satisfied with the products and services offered by Medali Mas, some respondents feel that the prices are not fully aligned with their purchasing power. Therefore, it is advisable for the company to offer product variations that cater to different consumer segments, particularly those with more limited purchasing capacity.

Second, the service quality provided by Medali Mas is already excellent and should be maintained. However, as technology continues to advance, the company is encouraged to strengthen its digital marketing efforts. Expanding its online presence will help attract more customers and broaden its market reach.

Third, future researchers who wish to explore similar topics are encouraged to increase the number of respondents. Consumer behavior is dynamic and may change over time; therefore, a larger sample size will provide more comprehensive insights and enhance the usefulness of the research for institutions and stakeholders involved.

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