International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

The Effect Of Product Quality And Service Quality On Customer Satisfaction And Customer Loyalty Case Study : At Manna Kampus Retail Store (Mirota Kampus 2) Simanjuntak In Yogyakarta

Ichsan Ramaditya[1*], Albari[2]

[1,2]Faculty of Business and Economics, Universitas Islam Indonesia.

[1*]Corresponding Author : ichsanramaditya01@gmail.com

Abstract

This study aims to explain the influence of product quality and service quality on customer satisfaction and customer loyalty, as well as the influence of customer satisfaction on customer loyalty. The population in this study consists of customers of Manna Kampus (Mirota Kampus 2) Simanjuntak in Yogyakarta, with a sample size of 100 customers. The sampling method used in this study is non-probability with a convenience sampling technique. Hypothesis testing in this study is conducted using the IBM SPSS 25 program. The results obtained show a positive influence of product quality and service quality on customer satisfaction. Both variables together with customer satisfaction can also positively influence customer loyalty.

Keyword: ***Product Quality, Service Quality, Customer Satisfaction, Customer Loyalty.***

INTRODUCTION

The trade sector (retail stores) in Indonesia continues to grow every year along with population growth and high purchasing power, which has led to an increase in companies competing in the market (Bank Indonesia, 2024). This condition presents consumers with a variety of purchasing choices, while companies must face increasingly fierce competition to attract consumers. Throughout Indonesia, retail stores, both small and large, have become an important part of meeting the clothing and food needs of the

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

community. Retail stores that can provide for the needs and desires of consumers have the potential to increase sales and encourage people's purchasing power, which in turn can contribute to national economic growth. Although the increase in retail store sales is relatively stable, data from the Retail Sales Survey (SPE) from Bank Indonesia shows a consistent upward trend (Bank Indonesia, 2024).

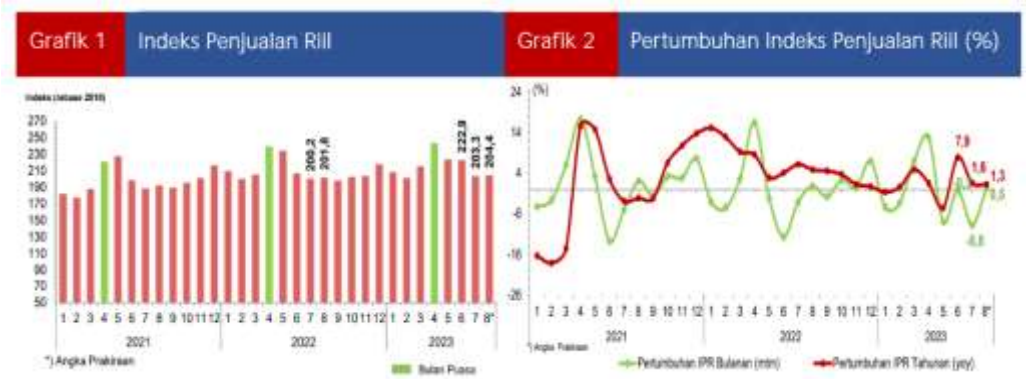


Figure 1. Real Retail Sales Chart July 2023

From the graph above, it can be seen that the Real Sales Index (IPR) in July 2023 was recorded at 203.3 (Chart 1), or an annual growth of 1.6% (yoy), slowing down from the previous month of 7.9% (yoy) (Chart 2). On a monthly basis, retail sales in July 2023 fell by 8.8% (mtm), or deeper than the contraction of 0.3% (mtm) in the previous period (Chart 2). The cause of the contraction in retail sales in July 2023 was due to a decline in the food, beverage and tobacco group by -10.9% (mtm) and a slowdown in the motor vehicle fuel group by 1.9% (mtm) which is in line with the normalization of community activities after the school holiday period and joint leave for the National Religious Holiday (HKBN) Iduladha 1444 H. The explanation of the results of the Retail Sales Survey (SPE) indicates that retail sales performance continues to grow positively even though it slowed down annually and contracted monthly.

The retail industry is a trade sector that can be said to continue to grow every year. According to data released by DataIndonesia.id in 2022, there were 3.61 million retail stores spread throughout Indonesia in 2021. This number is divided into various types, namely 3.57 million units are traditional grocery stores, 28,323 units are department stores, 1,411 units are supermarkets, 358 units are retail forecourts, and 285 units are hypermarkets. As previously mentioned, the following is a graphic showing the details of

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

the number of retail stores in Indonesia from 2017 to 2021 which are divided into various types (traditional grocery stores, department stores, supermarkets, retail forecourts, and hypermarkets).



Figure 2. Number of Retailers in Indonesia 2017-2021

In the Special Region of Yogyakarta Province, there are 1,392 retail stores still operating until 2023, consisting of 344 traditional markets, 170 district/state markets, 174 village markets, and 704 modern markets (bappeda.jogjaprov.go.id). This diversity provides consumers with many choices in choosing a shopping place that suits their needs. Retail stores play an important role in meeting the needs of the community, both through traditional and modern markets. Customer loyalty, which is built from satisfaction with the quality of products and services, plays a crucial role in helping companies survive in a competitive market and achieve long-term financial growth. The tight competition in the retail industry encourages companies to adopt customer-focused strategies to maintain their loyalty (Ngo & Nguyen, 2016). Customer loyalty reflects a long-term commitment to make repeat purchases, despite changes in behavior due to situational and marketing influences (Oliver, 2010). This loyal attitude can be seen from consistent consumption, making it a strategic asset for the company (Priansa, 2017; Aziz & Moharrang, 2019).

Customer loyalty can be formed or increased through customer satisfaction, which is an important factor in maintaining and developing a company. Satisfaction arises when customer expectations regarding product or service quality are met (Afnina & Hastuti,

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

2018; Trianah et al., 2017), and if performance exceeds expectations, customers will be very satisfied (Tampanguma et al., 2022). In the retail sector, customer satisfaction influences purchasing decisions and loyalty, especially if the quality of products and services does not meet expectations, which can lead to dissatisfaction (Sigit & Soliha, 2017). Product quality has a positive effect on consumer satisfaction, and this satisfaction has an impact on loyalty, with customers more likely to make repeat purchases (Andika et al., 2022; Chaniago, 2020). The higher the product quality, the greater the likelihood of increasing customer loyalty (Damayanti & Wahyono, 2015).

In addition to product quality, the quality of service from retail stores also plays an important role in increasing customer satisfaction. Setiawan and Puspitadewi (2022) explain that service includes activities to prepare, assist, and manage products or services between the parties involved. Subawa and Sulistyawati (2020) state that "service quality is a key factor influencing customer loyalty" because satisfactory service drives high loyalty. Irnandha (2016) adds that less than satisfactory service can reduce customer loyalty. High customer satisfaction is directly related to service quality and, in turn, increases loyalty and creates a positive emotional response (Haryono & Evanita, 2015). Research by Chaniago (2020) shows that service and product quality have a positive and significant effect on customer loyalty, and Rurieta Anggarawati (2021) confirms that the quality of both greatly influences customer loyalty. "Consumers show high sensitivity to product and service quality," and the ability of merchants to meet these expectations drives loyalty and long-term benefits for the business (Chaniago, 2020).

The research on customer loyalty will be applied to the retail store "Manna Kampus (Mirota Kampus 2) Simanjuntak" in Yogyakarta. Manna Kampus, founded by Siswanto Hendro Sutikno, has been operating for more than 35 years and has 6 outlets in Yogyakarta and its surroundings. This store is known for its very competitive prices compared to its competitors. As a retail company, Manna Kampus provides various daily necessities such as household goods, electronics, and fashion with well-known brands and guaranteed quality. In addition to quality products, Manna Kampus also improves its services, including door-to-door delivery, warranty, online transactions, and pick-up points in Yogyakarta. The quality of these products and services plays an important role in creating customer loyalty. Therefore, this study aims to explore "The Effect of Product Quality and Service Quality on Customer Satisfaction and Customer Loyalty at the Manna Kampus Retail Store (Mirota Kampus 2) Simanjuntak in Yogyakarta."

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Objectives

This study aims to explain the positive influence of product quality and service quality on customer satisfaction, and to identify how product quality, service quality, and customer satisfaction affect customer loyalty. The main focus is to understand the contribution of each variable to customer satisfaction and loyalty. Thus, the results of this study are expected to provide in-depth insight into the factors that influence customer loyalty in retail stores.

THEORETICAL FRAMEWORK

Customer Loyalty

Customer loyalty refers to the level of consumer trust and commitment to a brand, as seen from repeat and consistent purchases (Pebrianti et al., 2023). Firmansyah (2019) defines loyalty as a strong commitment to continue purchasing a product or service despite factors that influence the decision to switch. Damayanti and Wahyono (2015) added that loyalty is characterized by consistent purchases. According to Kotler and Keller (2016), loyalty indicators include repeat purchases, resistance to negative influences, and recommendations to others. Tjiptono (2019) added that customer loyalty can be measured through repeat purchases, recommendations, brand switching, and positive reviews. In tight competition, retaining customers is a major challenge, so product quality, service quality, and customer satisfaction play an important role in shaping loyalty (Kurniawan et al., 2020; Prasyantia et al., 2021; Choiriah et al., 2019).

Product Quality

Product is the producer's perception of an offer that can meet consumer needs and desires, according to the company's capacity and market purchasing power (Indrasari, 2019). Product quality, according to Hafidzi et al. (2022), includes durability, reliability, strength, ease of use, and other attributes, and is an effort to meet or exceed customer expectations (Majid et al., 2021). Product quality indicators include performance, durability, conformity to specifications, additional features, reliability, aesthetics, and impression of quality (Indrasari, 2019). Product quality dimensions include the level of quality, namely the overall quality of the product compared to other products, and consistency of quality, namely the product's ability to maintain quality over a long period of time (Pride & Farrell, 2010). In addition, product attributes include quality, features, style, design, brand, packaging, and labels (Firmansyah, 2019).

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

By offering quality products that are recognized by customers, retail stores can strengthen customer loyalty and create a competitive advantage. Quality products are a vital strategic tool to beat competitors and ensure long-term success (Sari & Avriyanti, 2023). Consistent product quality makes retail stores a trusted source, which supports customer loyalty (Basith et al., 2014). Research by Prasyantia et al. (2021) shows that increasing product quality is directly proportional to increasing customer loyalty, while Choiriah et al. (2019) confirms that superior product quality increases customer loyalty. Althazia et al. (2022) added that product quality is the key to building loyalty because it affects customer satisfaction. Therefore, maintaining product quality is an important long-term investment in facing competition.

H1: Product quality has a positive effect on customer loyalty

The quality of products offered by retail stores has a direct impact on customer satisfaction. Consumers' assessment of product quality—good or bad—will affect their level of satisfaction; low-quality products will cause dissatisfaction, while good-quality products will increase satisfaction. Research by Widiyanto (2018) and Zakaria and Suwitho (2017) confirmed that product quality has a positive and significant impact on customer satisfaction, indicating that better quality is associated with higher satisfaction. Based on these findings, the hypothesis is determined.

H2: Product quality has a positive effect on customer satisfaction

Service Quality

Service is an activity offered by a company to customers that is intangible and does not involve ownership (Indrasari, 2019). According to Azizia et al. (2021), service quality is the level of excellence maintained by a company to meet consumer expectations. Putro (2014) also added that service quality involves company activities to meet consumer expectations. Thus, service quality is a company's effort to meet consumer expectations and obtain positive assessments. To achieve this, the company must apply service quality indicators, namely: (1) Tangibles, or physical form, related to the appearance of good physical quality; (2) Reliability, or reliability, refers to the consistency and accuracy of service according to promises; (3) Responsiveness, or responsiveness, includes speed and effectiveness in responding to customer needs; (4) Assurance, or guarantee, involves providing a sense of security to customers; and (5) Empathy, or empathy, related to attention and understanding of customer needs (Tjiptono and Chandra, 2016; Kotler and Keller, 2016).

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Consumers prefer companies that offer reliable, satisfying, and consistent services, prompting entrepreneurs to develop strategies to increase service value and excellence. According to Sumarsid and Paryanti (2022), effective service can increase customer satisfaction. Service quality is an important factor in customer satisfaction in retail stores, where customers often use service quality as the main measure of their experience. This encourages many retail entrepreneurs to improve their services so that customers feel valued and tend to return. Amarin and Wijaksana's (2021) research shows a positive relationship between improving service quality and customer satisfaction, while Permana (2013) underlines the importance of paying attention to service quality because of its real impact on customer satisfaction.

H3: Service quality has a positive effect on customer satisfaction

Improving the quality of company services aims to meet and exceed consumer expectations, and plays an important role in building customer loyalty. Chao et al. (2015) found that service quality significantly affects customer loyalty, and Atmaja et al. (2018) also confirmed that there is a significant influence between service quality and loyalty. Irnandha (2016) added that service quality is the main factor influencing loyalty, because customers who are satisfied with the service tend to have high loyalty to the company.

H4: Service quality has a positive effect on customer loyalty

Customer Satisfaction

According to Kotler and Keller (2016), satisfaction is a feeling of pleasure or disappointment that arises from a comparison between product or service performance and customer expectations. If performance meets or exceeds expectations, customers are satisfied or very satisfied, conversely, if it does not meet expectations, customers are dissatisfied. Astuti et al. (2015) define satisfaction as a condition rating based on a comparison between the service received and expected. Factors that drive satisfaction include product or service quality, service quality, emotional aspects, price, and cost, as explained by Indrasari (2019). Tjiptono and Chandra (2016) mention five indicators of customer satisfaction: conformity to expectations, likelihood of repurchasing, emotions, suitability of facilities, and ease of service process. Tjiptono (2019) also identifies four methods for measuring customer satisfaction: complaint and suggestion systems, ghost shopping, lost customer analysis, and customer satisfaction surveys.

Experts' opinions show that customer satisfaction plays an important role in building customer loyalty. Fauzi and Mandala (2019) stated that customer satisfaction is the key to growing loyalty and long-term company development. Nasuka (2017) added

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

that increasing customer satisfaction is an effective strategy to strengthen loyalty, while Firmansyah and Prihandono (2018) stated that loyalty is the result of customer satisfaction. Further research by Firmansyah and Prihandono (2018), Woratschek et al. (2020), and Slack et al. (2020) shows that customer satisfaction has a positive and significant influence on customer loyalty. Therefore, to create loyal customers, companies must focus on maintaining customer satisfaction.

H5: Customer satisfaction has a positive effect on customer loyalty

Research Framework

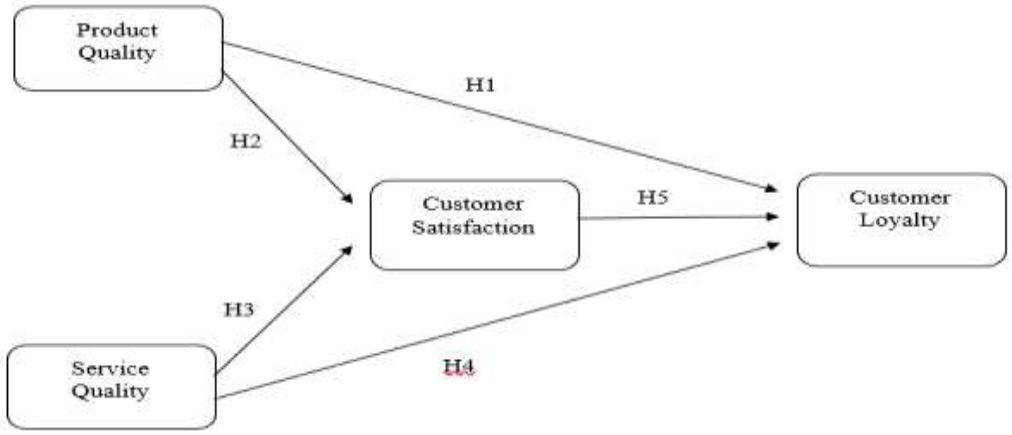


Figure 3. Research Framework

RESEARCH METHOD

This study uses a quantitative approach with data collection methods through online questionnaires distributed using Google Form and social media platforms such as WhatsApp and Instagram. The study population consists of customers who shop at Manna Kampus (Mirota Kampus 2) Simanjuntak in Yogyakarta, with samples taken using convenience sampling techniques, resulting in 100 respondents selected non-probabilistically. Data analysis techniques involve classical assumption tests, multiple linear regression analysis, and hypothesis testing using SPSS 25 software. Validity and reliability tests are carried out to ensure data quality, with validity criteria if the calculated r value> r table and reliability if the Cronbach's Alpha value> 0.60. Multiple regression analysis is used to test the effect of independent variables on dependent variables through a regression equation model, and the coefficient of determination (R^2) measures how well the model explains the variation in the dependent variable.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

RESULT

Based on the total number of 100 respondents obtained, then the validity and reliability test of the research instrument was carried out. after that the research hypothesis test was carried out as follows:

Statistics Analysis

a. Classics Assumption Test

In the outer model, there are several important components. First, Loading Factor measures the correlation between the indicator and its construct, where a value > 0.7 is expected. Indicators with low loading values indicate that the indicator is less functional in the model. Second, Cross Loading is used to measure discriminant validity, and indicators are expected to have higher loading values on the construct being measured than other constructs. Third, Composite Reliability (CR) shows internal consistency, with a value > 0.7 indicating good consistency between indicators in measuring the construct. Here are the results of the analysis.

1) Normality Testing

The normality test aims to test whether in the regression model, the residual variable (disturber) has a normal retribution or not (Ghozali, 2018). Furthermore, the results of the normality test are displayed in the table of model 1 and model 2 as follows

Tabel 1. Normality Testing Model 1

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		100
Normal Parameters[a.b]	Mean	.0000000
	Std. Deviation	1.69376090
Most Extreme Differences	Absolute	.040
	Positive	.040
	Negative	-.040
Test Statistic		.040
Asymp. Sig. (2-tailed)		.200[c.d]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Tabel 2. Normality Testing Model 2

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		100
Normal Parameters[a.b]	Mean	.00000000
	Std. Deviation	1.34310459
Most Extreme Differences	Absolute	.066
	Positive	.045
	Negative	-.066
Test Statistic		.066
Asymp. Sig. (2-tailed)		.200[c.d]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Based on the table presented, the results of the normality test for both models show that the sig. Kolmogorov-Smirnov value is 0.200, which is greater than 0.05. Therefore, it can be concluded that the data in this study are normally distributed for both models.

2) Multicollinearity Testing

Ghozali (2018) stated that the multicollinearity test aims to test whether the regression model finds a correlation between independent variables. Furthermore, the results of the multicollinearity test are displayed in the following model tables 3 and 4

Table 3. Multicollinearity Testing Model 1

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Tolerance	
	B	Std. Error	Beta			Tolerance	VIF
1	1.667	.705		2.365	.020		
(Constant)	.678	.088	.695	7.713	.000	.172	5.809
X1	.240	.086	.252	2.793	.006	.172	5.809
X2							
a. Dependent Variable: Y1							

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Table 4. Multicollinearity Testing Model 2

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Tolerance	
	B	Std. Error	Beta			Tolerance	VIF
1	.541	.578		.936	.352		
(Constant)	.210	.089	.207	2.359	.020	.107	9.372
X1	.441	.071	.444	6.188	.000	.159	6.277
X2	.354	.081	.341	4.378	.000	.136	7.377
Y1							
a. Dependent Variable: Y2							

Based on the table presented, the results of the multicollinearity test show that in model 1, both independent variables have a tolerance value of 0.172 and a VIF value of 5.809. These values indicate that the independent variables are free from multicollinearity symptoms, because tolerance > 0.10 and VIF < 10.00. Likewise, in model 2, both independent variables also show a tolerance value greater than 0.10 and a VIF value that does not exceed 10.00. Therefore, it can be concluded that there are no symptoms of multicollinearity in the two models, or in other words, both models pass the multicollinearity test.

3) *Heteroscedasticity Test*

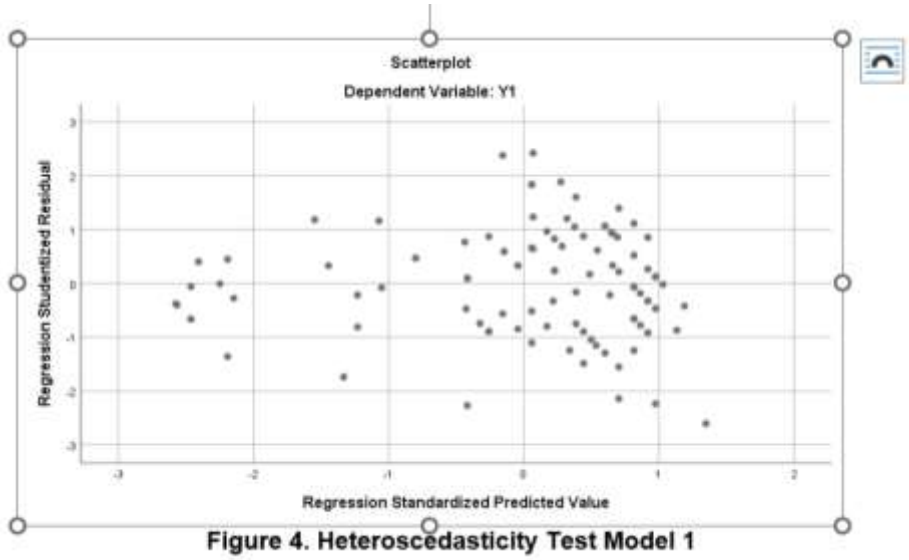


Figure 4. Heteroscedasticity Test Model 1

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

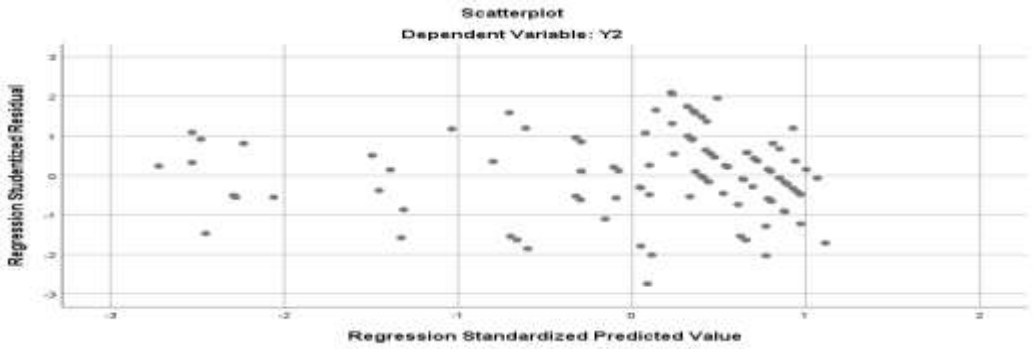


Figure 5. Heteroscedasticity Test Model 2

Based on the scatterplot image presented, the results of the heteroscedasticity test in model 1 show that the data points do not form a certain pattern and are spread above and below the number 0 on the Y axis. The same thing is also seen in model 2, where the data points also do not form a certain pattern and are spread above and below the number 0 on the Y axis. Therefore, it can be concluded that there is no disturbance of the heteroscedasticity assumption in the two models, so that a good and ideal regression model can be met.

b. Multiple Linear Regression Analysis

Multiple regression is a regression model that involves more than one independent variable. Multiple linear analysis is conducted to determine the direction and extent of influence of the independent variable on the dependent variable Ghozali (2018). Furthermore, the results of the multiple linear regression analysis are displayed in the following model tables 1 and 2

Table 5. Multiple Linear Regression Test Results Model 1

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1	1.667	.705		2.365	.020
(Constant)	.678	.088	.695	7.713	.000
X1	.240	.086	.252	2.793	.006
X2					
a. Dependent Variable: Y1					

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Table 6. Multiple Linear Regression Test Results Model 2

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	.541	.578		.936	.352
(Constant)	.210	.089	.207	2.359	.020
X1	.441	.071	.444	6.188	.000
X2	.354	.081	.341	4.378	.000
Y1					
a. Dependent Variable: Y2					

Based on the results of the multiple linear regression analysis shown, there are two models with different but complementary results. In model 1, the constant value (a) of 1.667 indicates that if product quality (X1) and service quality (X2) do not change, customer satisfaction (Y1) will be worth 1.667. The regression coefficient for product quality is 0.678, which means that every one-unit increase in product quality assessment will increase customer satisfaction by 0.678. While the regression coefficient for service quality is 0.240, indicating that every one-unit increase in service quality will increase customer satisfaction by 0.240. In model 2, the constant value (β) of 0.541 indicates that if product quality (X1), service quality (X2), and customer satisfaction (Y1) do not change, then the customer loyalty value (Y2) will be 0.541. The regression coefficient for product quality is 0.210, which means that every one-unit increase in product quality will increase customer loyalty by 0.210. The regression coefficient for service quality is 0.441, indicating that every one-unit increase in service quality will increase customer loyalty by 0.441. The regression coefficient for customer satisfaction is 0.354, meaning that every one-unit increase in customer satisfaction will increase customer loyalty by 0.354.

c. Analysis of Determination Coefficient (R^2)

According to Ghozali (2018), the coefficient of determination is used to measure how far the model's ability to explain the variation of the dependent variable. Furthermore, the results of the determination coefficient analysis ($R2$) are displayed in the tables of models 1 and 2 as follows:

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Table 7. Results of the Determination Coefficient Test (R^2) Model 1

Model	R	R Square	Adjusted R Square	Std. Errror of the Estimate
1	.930[a]	.864	.862	1.71113
a. Predictors: (Constant), X1, X2				
b. Dependent Variable:Y1				

Table 8. Results of the Determination Coefficient Test (R^2) Model 2

Model	R	R Square	Adjusted R Square	Std. Errror of the Estimate
1	.960[a]	.921	.919	1.36393
a. Predictors: (Constant), Y1, X1, X2				
b. Dependent Variable:Y2				

Based on the table presented, the results of the Determination Coefficient (R^2) test for model 1 show an adjusted R Square value of 0.862 or 86.2%, which means that the variables of product quality, service quality, and customer satisfaction affect the customer loyalty variable by 86.2%, while 13.8% is influenced by other factors not studied. While in model 2, the adjusted R Square value of 0.919 or 91.9% shows that the three variables affect customer loyalty by 91.9%, with the remaining 8.1% influenced by other variables not included in this study.

d. Hypothesis Testing (T-Testing)

Table 9. Model 1 t-Test Results

Model	Unstandardize Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	1.667	.705		2.365	.020
(Constant)	.678	.088	.695	7.713	.000
X1	.240	.086	.252	2.793	.006
X2					
a. Dependent Variable: Y1					

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Table 10. Model 1 t-Test Results

Model	Unstandardize Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	.541	.578		.936	.352
(Constant)	.210	.089	.207	2.359	.020
X1	.441	.071	.444	6.188	.000
X2	.354	.081	.341	4.378	.000
Y1					
a. Dependent Variable: Y2					

The hypothesis in this study covers several aspects related to the influence of product quality, service quality, and customer satisfaction on customer loyalty at Manna Kampus (Mirota Kampus 2) Simanjuntak in Yogyakarta. Based on the results of the t-test of model 1, it was found that product quality (X1) has a significance value of 0.000, which is smaller than 0.05, so Ho2 is rejected and Ha2 is accepted, indicating that product quality has a positive and significant effect on customer satisfaction. The same applies to service quality (X2), with a significance value of 0.006, which is also smaller than 0.05, indicating that service quality has a positive and significant effect on customer satisfaction. In model 2, the results of the t-test show that product quality (X1) has a significance value of 0.020, which means Ho1 is rejected and Ha1 is accepted, indicating a positive and significant effect on customer loyalty. The service quality (X2) and customer satisfaction (Y1) variables also showed significant results with values of 0.000 each, indicating that both have a positive and significant effect on customer loyalty, so that Ho4 and Ho5 are rejected, while Ha4 and Ha5 are accepted.

DISCUSSION

The Influence of Product Quality on Customer Loyalty

The results of the hypothesis test show that product quality has a positive and significant effect on customer loyalty, where the better the product quality, the higher the level of customer loyalty. This finding is consistent with the research of Prasyantia et al. (2021) and Choiriah et al. (2019), which indicate that high product quality increases customer loyalty. In addition, Althazia et al. (2022) emphasized that product quality plays an important role in building customer loyalty. In the case of the Manna Kampus (Mirota Kampus 2) Simanjuntak retail store in Yogyakarta, good and consistent product quality

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

has been shown to increase customer loyalty, so it is important for the store to continue to maintain and improve the quality of its products to strengthen customer loyalty.

The Influence of Product Quality on Customer Satisfaction

The results of the hypothesis test show that product quality has a positive and significant effect on customer satisfaction, meaning that the better the quality of the product received by customers, the higher their satisfaction. This finding is in line with research by Widiyanto (2018) and Zakaria and Suwitho (2017), which also showed that product quality significantly affects customer satisfaction. At the Manna Kampus (Mirota Kampus 2) Simanjuntak retail store in Yogyakarta, good and consistent product quality has been shown to increase customer satisfaction. Therefore, the store must continue to prioritize product quality to increase customer satisfaction and potentially build customer loyalty.

The Influence of Service Quality on Customer Satisfaction

The results of the hypothesis test show that service quality has a positive and significant effect on customer satisfaction, which means that increasing service quality will increase customer satisfaction. This finding is consistent with the research of Amarin and Wijaksana (2021) which indicates a positive relationship between service quality and customer satisfaction, as well as with the research of Permana (2013) which emphasizes the importance of service quality in influencing customer satisfaction. At the Manna Kampus retail store (Mirota Kampus 2) Simanjuntak in Yogyakarta, good and consistent service quality has the potential to increase customer satisfaction. Therefore, the retail store must continue to maintain high service standards to ensure customer satisfaction and meet their expectations.

The Influence of Service Quality on Customer Loyalty

The results of the hypothesis test show that service quality has a positive and significant effect on customer loyalty, which means that improving service quality can increase customer loyalty. This finding is in line with research by Chao et al. (2015) and Atmaja et al. (2018) which confirmed the positive impact of service quality on customer loyalty, as well as research by Irnandha (2016) which stated that service quality affects customer loyalty by creating satisfaction and positive mood. At the Manna Kampus retail store (Mirota Kampus 2) Simanjuntak in Yogyakarta, satisfactory and consistent service has the potential to strengthen customer loyalty. Therefore, to build and maintain

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

customer loyalty, it is important for the store to continue to improve and maintain high service standards.

The Influence of Customer Satisfaction on Customer Loyalty

The last hypothesis test shows that customer satisfaction has a positive and significant effect on customer loyalty. This finding is consistent with the research of Firmansyah and Prihandono (2018), which confirmed that customer satisfaction contributes significantly to customer loyalty, as well as Woratschek et al. (2020) and Slack et al. (2020), which stated that customer satisfaction is the main factor in driving loyalty. At the Manna Kampus retail store (Mirota Kampus 2) Simanjuntak in Yogyakarta, well-maintained customer satisfaction tends to increase loyalty and the likelihood of repeat purchases. Therefore, it is important for stores to continue to maintain and improve customer satisfaction as a way to build and maintain sustainable customer loyalty.

CONCLUSION

Based on the research results on the variables studied, it can be concluded as follows: (1) Product quality has a positive and significant influence on customer satisfaction and loyalty at the Manna Kampus retail store (Mirota Kampus 2) Simanjuntak, Yogyakarta. Increasing product quality will increase customer satisfaction and loyalty, while decreasing quality will have a negative impact. (2) Service quality also has a positive influence on customer satisfaction and loyalty. Good and consistent service quality increases satisfaction and loyalty, while poor and inconsistent service decreases it. (3) Customer satisfaction positively affects customer loyalty. High satisfaction in the shopping experience will increase customer loyalty, while low satisfaction will decrease it.

RESEARCH LIMITATION

The researchers identified several limitations that need to be considered by other researchers. First, this study only analyzed four variables—product quality, service quality, customer satisfaction, and customer loyalty—while there are many other instruments and factors that can be explored to test the influence on customer satisfaction and loyalty. Second, the data collection process took quite a long time because the researchers had to distribute questionnaires through various social media platforms and wait for responses until the target number of respondents was met.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

MANAGERIAL IMPLICATION

This study has two main implications: theoretical and managerial. Theoretically, this study confirms that product quality, service quality, and customer satisfaction are key factors in shaping customer loyalty, supporting the findings of previous studies on the influence of the three elements (Prasyantia et al., 2021; Choiriah et al., 2019; Althazia et al., 2022; Chao et al., 2015; Atmaja et al., 2018; Irnandha, 2016; Firmansyah & Prihandono, 2018; Woratschek et al., 2020; Slack et al., 2020). From a managerial perspective, the results of this study are expected to provide strategic guidance for the Manna Kampus (Mirota Kampus 2) Simanjuntak retail store in Yogyakarta to understand and improve the factors that influence customer loyalty, such as product quality, service quality, and customer satisfaction, in order to formulate more effective marketing steps.

RECOMMENDATION

Based on the results and conclusions of this study, some suggestions for the retail store company Manna Kampus (Mirota Kampus 2) Simanjuntak in Yogyakarta and further researchers are as follows: First, the retail store is advised to continue to pay attention to and maintain the quality of the products and services offered in order to increase customer satisfaction and loyalty, because these two factors are the main keys in achieving customer satisfaction and loyalty. With consistent quality, the store can compete better and maintain its position in a competitive market. Second, further researchers are advised to add other variables to expand the findings and provide new references that can strengthen the results of previous studies. Third, this study only focuses on one object, namely the Manna Kampus retail store, so that future researchers are expected to expand the scope of research objects to gain more comprehensive insights.

REFERENCES

Afnina, A., & Hastuti, Y. (2018). Pengaruh Kualitas Produk terhadap Kepuasan Pelanggan Afnina Yulia Hastuti. *Jurnal Samudra Ekonomi dan Bisnis*, 9 (1), 21-30. https://doi.org/10.33059/jseb.v9i1.458

Althazia, D., & Aziz, N. (2022). Pengaruh Kualitas Produk, Harga dan Promosi Terhadap Loyalitas Konsumen Pada Produk YOU Transmart Padang. Jurnal Bina Bangsa Ekonomika, 15 (2), 601-615. https://doi.org/10.46306/jbbe.v15i2.199

Amarin, S., & Wijaksana, T. I. (2021). Pengaruh Kualitas Sistem, Kualitas Informasi, dan Kualitas Layanan Terhadap Kepuasan Konsumen (Studi Pada Pengguna Aplikasi

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Berrybenka di Kota Bandung). Business Management Analysis Journal (BMAJ), 4 (1), 37-52. https://doi.org/10.24176/bmaj.v4i1.6001

Andika, R., Kusnadi, E., & Wiryaningtyas, D. P. (2022). Pembelian Sebagai Variabel Intervening Pada Toko Sembako Barokah Dibesuki Situbondo. Jurnal Mahasiswa Entrepreneur (JME) FEB UNARS, 1 (4), 692-712. https://doi.org/10.36841/jme.v1i4.2055

Anggarawati, I. (2021). Pengaruh Kualitas Produk, Kualitas Pelayanan dan Kepuasan Pelanggan Terhadap Loyalitas Pelanggan PDAM Tirta Marta Yogyakarta. Jurnal Indonesia Sosial Sains, 2 (1), 40-49 https://doi.org/doi.org/10.59141/jiss.v2i01.146

Astuti, F. W., Riadi, S., & Kholil, M. (2015). Analisis Kepuasan Pelanggan di PT. X Dengan Metode Service Quality. JISI: Jurnal Integrasi Sistem Industri, 2 (1), 28-37. https://doi.org/10.24853/jisi.2.1.28-37

Atmaja, K. V. W., Sujana, I Nyoman., & Suwena, K. R. (2018). Pengaruh Kualitas Pelayanan dan Kepuasan Terhadap Loyalitas Pelanggan pada PT. Pos Cabang Singaraja. Jurnal Pendidikan Ekonomi Undiksha, 10 (1), 12-23. https://doi.org/10.23887/jjpe.v10i1.20039

Aziz, A., & Moharrang, A. (2019). Pengaruh Citra Merek dan Kepuasan Konsumen Terhadap Loyalitas Konsumen Sim Card Telkomsel (Studi Pada Pengguna Sim Card Telkomsel di Ampana Kota). Jurnal Ekonomi Trend, 7 (1), 71–82. https://doi.org/doi.org/10.31970/trend.v7i1.174

Azizia, F. N., Akbar, H. S., Dzikri, M., Rohman, T., & Rilando, Y. A. (2021). Pengaruh Kualitas Pelayanan Terhadap Kepuasan Nasabah PT Pegadaian Area Surabaya 2. Jurnal MANOVA, 4 (1), 35-46. https://doi.org/10.15642/manova.v4i1.385

Basith, A., Kumadji, S., & Hidayat, K. (2014). Pengaruh Kualitas Produk dan Kualitas Pelayanan Terhadap Kepuasan Pelanggan dan Loyalitas Pelanggan (Survei pada Pelanggan De'Pans Pancake and Waffle di Kota Malang). Jurnal Administrasi Bisnis (JAB), 11 (1), 1-8. Retrieved from https://administrasibisnis.studentjournal.ub.ac.id/index.php/jab/article/view/449

Chaniago, H. (2020). Analisis Kualitas Pelayanan, Kualitas Produk, dan Harga pada Loyalitas Konsumen Nano Store. International Journal Administration, Business and Organization, 1 (2), 59-69. https://doi.org/10.61242/ijabo.20.38

Chao, R.-F., Wu, T.-C., & Yen, W.-T. (2015). The Influence of Service Quality, Brand Image, and Customer Satisfaction on Customer Loyalty for Private Karaoke Roomsin Taiwan. The Journal of Global Business Management, 11 (1), 59-67. Retrieved from http://ir.lib.isu.edu.tw/handle/987654321/18907

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Choiriah, E. N. M., & Liana, L. (2019). Pengaruh kualitas produk, citra merek, dan kualitas layanan terhadap loyalitas pelanggan dimediasi kepuasan pelanggan (Studi Pada Pelanggan Sepeda Motor Honda di Kota Semarang). MADIC. 236-244. Retrieved from https://www.unisbank.ac.id/ojs/index.php/madic/article/view/7596

Damayanti, C., & Wahyono. (2015). Pengaruh Kualitas Produk, Brand Image Terhadap Loyalitas Dengan Kepuasan Sebagai Variabel Intervening. Management Analysis Journal, 4 (3), 236-251 https://doi.org/10.15294/MAJ.V4I3.8875

Dianawati, C. P., & Fuadati, S. R. (2016). Pengaruh CSR dan GCG terhadap nilai perusahaan: profitabilitas sebagai variabel intervening. Jurnal Ilmu dan Riset Manajemen (JIRM), 5(1), 1-20. Retrieved from https://jurnalmahasiswa.stiesia.ac.id/index.php/jirm/article/view/424

Fauzi, M. R., & Mandala, K. (2019). Pengaruh Kualitas Pelayanan, Kualitas Produk, dan Inovasi Produk Terhadap Kepuasan Untuk Meningkatkan Loyalitas Pelanggan. E-Jurnal Manajemen Universitas Udayana, 8 (11), 6741-6761. https://doi.org/10.24843/ejmunud.2019.v08.i11.p18

Firmansyah, M. A. (2019). Pemasaran Produk dan Merek (Planning & Strategy) (1st ed.). Qiara Media.

Firmansyah, D., & Prihandono, D. (2018). Pengaruh Kualitas Pelayanan dan Perceived Value Terhadap Loyalitas Pelanggan Dengan Kepuasan. Management Analysis Journal, 7 (1), 120-128. https://doi.org/10.15294/MAJ.V7I1.20638

Ghozali, I. (2018). Aplikasi Analisis Multivariate Dengan Program IBM SPSS 25 (9th ed.). Semarang: Universitas Diponegoro.

Hafidzi, M. K., Rizqi, F., & Jumani, A. (2022). Literature Review Pengaruh Harga, Kualitas Produk Dan Lokasi Terhadap Pengambilan Keputusan Pembelian. Jurnal Ilmu Multidisplin, 1 (1), 203-214. https://doi.org/10.38035/jim.v1i1

Haryono, G., & Evanita, S. (2015). Pengaruh Dimensi Kualitas Pelayanan Terhadap Loyalitas Pelanggan PT. Jambi Permata Tour Dan Travel di Sungai Penuh. Jurnal Riset Manajemen Bisnis Dan Publik, 3 (3), 1-14. Retrieved from https://ejournal.unp.ac.id/index.php/jrmbp/article/view/5392

Indrasari, M. (2019). PEMASARAN DAN KEPUASAN PELANGGAN: pemasaran dan kepuasan pelanggan. Unitomo Press.

Irnandha, A. (2016). Pengaruh Kualitas Layanan Terhadap Loyalitas Pelanggan Yang Dimediasi Oleh Kepuasan Pelanggan Jasa Pengiriman Jalur Darat (Studi Kasus Kepuasan Pelanggan JNE Cabang Hijrah Sagan Yogyakarta). Jurnal Manajemen

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Bisnis Indonesia (JMBI), 5 (6), 660-669. Retrieved from https://journal.student.uny.ac.id/index.php/jmbi/article/view/5065

Kurniawan, D., Arif, M., & Fahmi, M. (2020). Determinasi Kepuasan Pelanggan Terhadap Loyalitas Pelanggan Melalui Kepercayaan. Jurnal Ilmiah Magister Manajemen, 3 (2), 171-180 https://doi.org/10.30596/maneggio.v3i2.5290

Majid, A., Fazal V, A., Oktavianti, A. E., Rista, M. A., Santika, D., Ummah, F., … Ummah, A. D. (2021). Pengaruh Kualitas Pelayanan, Kualitas Produk Dan Lokasi Terhadap Kepuasan Konsumen (Studi Kasus Pada Rocket Chicken Cabang Lamongan). Journal of Economics, Management, and Business Research, 2 (1), 214-226. Retrieved from https://jurnal.umla.ac.id/index.php/JEMBER/article/view/278

Nawang Sigit, K., & Soliha, E. (2017). Kualitas Produk dan Kualitas Layanan Terhadap Kepuasan dan Loyalitas Nasabah. In Jurnal Keuangan dan Perbankan, 21 (1), 157-168. https://doi.org/10.26905/jkdp.v21i1.1236

Ngo Vu, M., & Nguyen Huan, H. (2016). The Relationship Between Service Quality, Customer Satisfaction and Customer Loyalty: An Investigation in Vietnamese Retail Banking Sector. Journal of Competitiveness, 8 (2), 103-116. https://doi.org/10.7441/joc.2016.02.08

Nurbani, A., Mulyanto, H., Wardani, M. K., & Andriyani, M. (2019). Pengaruh Bauran Pemasaran Terhadap Kepuasan dan Kepercayaan Serta Dampaknya Pada Loyalitas Konsumen. Jurnal Manajemen Kewirausahaan, 16 (2), 109-120. https://doi.org/10.33370/jmk.v16i2.346

Pebrianti, W., Ningtias, F. O., Ahmadi, Listiana, E., & Ramadania. (2023). Pengaruh Perilaku Mencari Variasi dan Kualitas Website pada Loyalitas Pelanggan melalui Kepuasan Pelanggan sebagai Variabel Intervening Studi Empiris di Netflix. (JMK) Jurnal Manajemen dan Keuangan, 12 (2), 231-254. https://doi.org/10.33059/jmk.v12i2.7521

Prasyantia, P. A., Ningrum, N. R., & Basri, A. I. (2021). Pengaruh Store Atmosphere, Kualitas Produk, Kualitas Pelayanan, dan Kepuasan Pelanggan Terhadap Loyalitas Pelanggan. Equilibrium: Jurnal Ilmu Manajemen, 1 (1), 16-23. https://doi.org/10.56393/equilibrium.v1i1.52

Putro, S. W. (2014). Pengaruh Kualitas Layanan dan Kualitas Produk Terhadap Kepuasan Pelanggan dan Loyalitas Konsumen Restoran Happy Garden. Jurnal Strategi Pemasaran, 2 (1), 1-9. Retrieved from https://publication.petra.ac.id/index.php/manajemen-pemasaran/article/view/1404/1263

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Qudratullah, M. F. (2013). Analisis Regresi Terapan: Teori, Contoh Kasus, dan Aplikasi dengan SPSS. ANDI.

Rurieta Anggarawati, I. (2021). Pengaruh Kualitas Produk, Kualitas Pelayanan dan Kepuasan Pelanggan Terhadap Loyalitas Pelanggan PDAM Tirta Marta Yogyakarta. Jurnal Indonesia Sosial Sains, 2 (1), 40-49. https://doi.org/doi.org/10.59141/jiss.v2i01.146

Setiawan, M. A. W., & Puspitadewi, N. W. S. (2022). Hubungan Antara Kualitas Pelayanan Dengan Loyalitas Pelanggan Pada Nasabah PT. "X" Cabang Pamolokan Sumenep. Jurnal Penelitian Psikologi, 9 (4), 96-107. https://doi.org/10.26740/cjpp.v9i4.46983

Slack, N., Singh, G., & Sharma, S. (2020). The Effect of Supermarket Service Quality Dimensions and Customer Satisfaction on Customer Loyalty and Disloyalty Dimensions. International Journal of Quality and Service Sciences, 12 (3), 297-318. doi.org/10.1108/IJQSS-10-2019-0114

Subawa, I. G. B., & Sulistyawati, E. (2020). Kualitas Pelayanan Berpengaruh Terhadap Loyalitas Pelanggan Dengan Kepuasan Pelanggan Sebagai Variabel Mediasi. E-Jurnal Manajemen Universitas Udayana, 9 (2), 718-736. https://doi.org/10.24843/ejmunud.2020.v09.i02.p16

Tampanguma, I. K., Kalangi, J. A. F., & Walangitan, O. F. C. (2022). Pengaruh Kualitas Pelayanan Terhadap Kepuasan Pelanggan Rumah Es Miangas Bahu Kota Manado. Productivity, 3 (1), 7-12. Retrieved from https://ejournal.unsrat.ac.id/v3/index.php/productivity/article/view/37955

Tjiptono, F., dan Chandra, G. (2016). Service, Quality, dan Satisfaction (4th ed.). ANDI OFFSET.

Zakaria, D. G., & Suwitho, S. (2017). Pengaruh Kualitas Pelayanan, Kualitas Produk Dan arga Terhadap Kepuasan Pelanggan. Jurnal Ilmu dan Riset Manajemen (JIRM), 6 (4), 1-18. Retrieved from https://jurnalmahasiswa.stiesia.ac.id/index.php/jirm/article/view/296

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.