



THE EFFECT OF SERVICE QUALITY AND PRICE ON CUSTOMER LOYALTY WITH CUSTOMER SATISFACTION AS AN INTERVENING VARIABLE AT BARBERSHOP DANSZID SIDOARJO

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PENGARUH KUALITAS LAYANAN DAN HARGA TERHADAP LOYALITAS PELANGGAN DENGAN KEPUASAN PELANGGAN SEBAGAI VARIABEL INTERVENSI DI BARBERSHOP DANSZID SIDOARJO

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Abstract (English version)

Objective – This study aims to explore the relationship between service quality, customer satisfaction, and customer loyalty in the service sector, with a focus on understanding how pricing and service factors influence loyalty behaviors among individual customers.

Methodology – This research employs a quantitative approach with data collected through structured questionnaires. The population in this study consisted of consumers of Babershop DANZID in Sidoarjo and surrounding areas, totaling 50 respondents. The analysis was conducted using PLS-SEM through SmartPLS 3 software to evaluate both the measurement model and structural model, ensuring validity and reliability of the constructs.

Research Results – The findings indicate that price does not significantly affect customer satisfaction (H1 rejected), but has a positive and significant effect on customer loyalty (H2 accepted). Service quality demonstrates a positive and significant impact on both customer satisfaction (H3 accepted) and loyalty (H4 accepted). Interestingly, customer satisfaction shows a negative but significant effect on loyalty (H5 accepted). Moreover, price does not significantly influence loyalty through satisfaction (H6 rejected), and service quality shows a negative but insignificant indirect effect through satisfaction (H7 accepted), suggesting that while pricing and service directly influence loyalty, the mediating role of satisfaction may be limited in this context.

Keywords:

Price, Service Quality, Satisfaction, Loyalty, Barbershop

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Limitations – This study focuses solely on one barbershop (DANZID Sidoarjo), which limits the generalizability of the results to other barbershops, particularly those with different operational or demographic characteristics. Practical Implications – The results provide practical guidance for service providers to enhance customer loyalty by improving service quality. This could include developing barber skills, maintaining environmental cleanliness, enhancing customer comfort, and ensuring staff friendliness, thereby fostering a stronger customer relationship and competitive advantage.	
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Abstrak (versi bahasa) Tujuan – Penelitian ini bertujuan untuk mengeksplorasi hubungan antara kualitas layanan, kepuasan pelanggan, dan loyalitas pelanggan di sektor jasa, dengan fokus pada pemahaman bagaimana faktor harga dan layanan memengaruhi perilaku loyalitas di antara pelanggan individu. Metodologi – Penelitian ini menggunakan pendekatan kuantitatif dengan data yang dikumpulkan melalui kuesioner terstruktur. Populasi dalam penelitian ini terdiri dari konsumen Babershop DANZID di Sidoarjo dan sekitarnya, dengan total 50 responden. Analisis dilakukan menggunakan PLS-SEM melalui perangkat lunak SmartPLS 3 untuk mengevaluasi model pengukuran dan model struktural, memastikan validitas dan reliabilitas konstruk. Hasil Penelitian – Temuan menunjukkan bahwa harga tidak secara signifikan memengaruhi kepuasan pelanggan (H1 ditolak), tetapi memiliki pengaruh positif dan signifikan terhadap loyalitas pelanggan (H2 diterima). Kualitas layanan menunjukkan dampak positif dan signifikan terhadap kepuasan pelanggan (H3 diterima) dan loyalitas (H4 diterima). Menariknya, kepuasan pelanggan menunjukkan pengaruh negatif tetapi signifikan terhadap loyalitas (H5 diterima). Selain itu, harga tidak secara signifikan memengaruhi loyalitas melalui kepuasan (H6 ditolak), dan kualitas layanan menunjukkan efek tidak langsung yang negatif tetapi tidak signifikan melalui kepuasan (H7 diterima), menunjukkan bahwa meskipun harga dan layanan secara langsung memengaruhi loyalitas, peran mediasi kepuasan mungkin terbatas dalam konteks ini. Keterbatasan – Studi ini hanya berfokus pada satu tempat pangkas rambut (DANZID Sidoarjo), yang membatasi generalisasi hasil ke tempat pangkas rambut lain, terutama yang memiliki karakteristik operasional atau demografis yang berbeda. Implikasi Praktis – Hasil penelitian memberikan panduan praktis bagi penyedia layanan untuk meningkatkan loyalitas pelanggan dengan meningkatkan kualitas layanan. Ini dapat mencakup pengembangan keterampilan pangkas rambut, menjaga kebersihan lingkungan, meningkatkan kenyamanan pelanggan, dan memastikan keramahan staf, sehingga mendorong hubungan pelanggan yang lebih kuat dan keunggulan kompetitif.	Kata Kunci: Harga, Kualitas Layanan, Kepuasan, Loyalitas, Tukang Cukur Riwayat Artikel: Submit: 24 Oktober 2024 Revisi: 15 Juni 2025 Publish: 18 Januari 2026
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INTRODUCTION

Service is one of the important elements in the service sector that significantly influences the success of companies in competing in the market (Riadi et al., 2021). Not only does a company sell products or services, but high-quality services also provide added value to customers, which includes not only functional benefits but also the experience customers feel during interactions with the company. When companies provide superior service, customers tend to feel valued and cared for, which enhances their satisfaction and engagement with the company.

Quality service encompasses several dimensions, such as staff friendliness, responsiveness to requests, problem-solving capabilities, and the ability to meet or exceed customer expectations. In today's competitive global environment, excellent service often acts as a key differentiator for successful service companies, providing a tangible competitive advantage when executed consistently and reliably (Hetharie et al., 2023).

Customer satisfaction is a critical factor in determining whether customers will remain loyal or switch to competitors (Jaya, 2018). It can be defined as the feeling of pleasure or disappointment that results from using a product or service. Customer satisfaction is shaped not only by the quality of the product or service itself, but also by the quality of interactions with the company, such as the service received, ease of transactions, and responsiveness to complaints (Wibowati, 2021). Satisfied customers are more likely to make repeat purchases, recommend the company to others, and maintain loyalty, which directly impacts future customer behavior (Karsono, 2008).

Customer loyalty reflects a long-term commitment to a company or brand. Loyal customers not only continue to purchase, but are also more forgiving of minor flaws and more likely to provide feedback that allows companies to improve before switching to competitors. Additionally, loyal customers often promote the company's products or services through word-of-mouth, helping increase market share.

The service sector, unlike the goods sector, offers intangible benefits such as convenience, financial services, or healthcare. Due to this intangibility, trust and company reputation become essential in building customer satisfaction (Ansori, 2015). The sector also exhibits unique characteristics including inseparability, variability, and perishability. Inseparability means production and consumption occur simultaneously, requiring strong interpersonal skills. Variability indicates that service quality may differ across times or customers, necessitating consistent quality

management. Perishability, the inability to store services, adds further challenges in managing capacity and demand.

Given these characteristics, delivering consistent quality services in the service sector demands effective employee training, monitoring of service quality, and continuous innovation. Thus, service quality remains the foundational factor in establishing both customer satisfaction and loyalty (Artameviah, 2022).

This study aims to investigate the relationships among service quality, customer satisfaction, and customer loyalty within the service sector. Understanding these factors allows companies to develop effective strategies that enhance customer retention, reduce marketing costs, and improve profitability.

Overall, focusing on service quality, customer satisfaction, and loyalty is not only vital for short-term success but also represents a strategic long-term investment for maintaining competitive advantage in the service sector. Companies that prioritize the customer experience and provide superior service are better positioned to succeed in increasingly competitive markets.

RESEARCH METHODS

This study employed a quantitative research design with data collected through structured questionnaires. The population in this study consisted of consumers of Babershop DANZID in Sidoarjo and surrounding areas, totaling 50 respondents. Two main variables were analyzed: independent variables, namely service quality and price, and dependent variables, consisting of customer loyalty, with customer satisfaction as an intervening variable. Data were measured using a Likert scale, which allows respondents to express their level of agreement with each statement.

For data analysis, this study utilized Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS 3 software to evaluate both the measurement and structural models. The validity of the research instruments was assessed through outer loading values, following Hair et al. (2019), where a value greater than 0.7 indicates that an indicator is valid. Reliability was tested using Cronbach's Alpha, as recommended by Widiyastuti (2020), with a value above 0.7 considered reliable. Hypotheses were evaluated using the bootstrapping method in SmartPLS 3 to determine the significance of relationships between variables.

RESULT AND DISCUSSION

Validity Test

Variables	Indicator	Outer Loading	Limit	Description
Price	X1.1	0.771	0,7	Valid
	X1.2	0.802	0,7	Valid
	X1.3	0.749	0,7	Valid
	X1.4	-0.148	0,7	Invalid
	X1.5	0.794	0,7	Valid
Service Quality	X2.1	0.744	0,7	Valid
	X2.2	0.803	0,7	Valid
	X2.3	0.517	0,7	Invalid
	X2.4	0.779	0,7	Valid
Consumer Loyalty	Y1	0.939	0,7	Valid
	Y2	0.926	0,7	Valid
	Y3	0.872	0,7	Valid
Consumer Satisfaction	Z1	0.708	0,7	Valid
	Z2	0.872	0,7	Valid
	Z3	0.820	0,7	Valid

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In the first validity test, some questionnaire indicators fell below the recommended outer loading value of 0.7. These indicators were removed, and the analysis was repeated to ensure that all remaining indicators met the standard, thereby confirming the validity of the questionnaire items before proceeding to the next stage of analysis.

Variables	Indicator	Outer Loading	Limit	Description
Prices	X1.1	0.767	0,7	Valid
	X1.2	0.808	0,7	Valid
	X1.3	0.745	0,7	Valid
	X1.5	0.799	0,7	Valid
Services Quality	X2.1	0.794	0,7	Valid
	X2.2	0.805	0,7	Valid
	X2.4	0.802	0,7	Valid
Consumer Loyalty	Y1	0.936	0,7	Valid
	Y2	0.924	0,7	Valid

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	Y3	0.876	0,7	Valid
Consumer	Z1	0.722	0,7	Valid
Satisfactio	Z2	0.868	0,7	Valid
n	Z3	0.811	0.7	Valid

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Based on the results of the second validity test, all indicators for the variables of price (X1), service quality (X2), consumer loyalty (Y), and customer satisfaction (Z) have an outer loading value greater than 0.7. This confirms that all questionnaire items are valid and can be used in the next stage of testing.

Reliability Test

Variables	Cronbach's Alpha	Limit	Description
Service Quality (X1)	0.786	0,6	Reliable
Price (X2)	0.721	0,6	Reliable
Consumer Loyalty (Y)	0.899	0,6	Reliable
Consumer Satisfaction (Z)	0.720	0.6	Reliable

Based on the results of the reliability test, all questionnaire items for the variables of service quality (X1), price (X2), consumer loyalty (Y), and customer satisfaction (Z) show Cronbach's Alpha values above the threshold of 0.6. This indicates that the measurement instruments used in this study are reliable and consistent for further analysis.

Hypothesis Test

Variables	Original Sample (O)	Sample Mean (M)	STDEV	T Statistics	P Values
X1 -> Y	0.384	0.397	0.132	2.898	0.006
X2 -> Y	0.733	0.688	0.155	4.736	0.000
X1 -> Z	0.360	0.312	0.207	1.740	0.088
X2 -> Z	0.536	0.568	0.196	2.738	0.009
Z -> Y	-0.525	-0.502	0.159	3.293	0.002
X1 -> Z -> Y	-0.189	-0.149	0.109	1.738	0.088
X2 -> Z -> Y	-0.281	-0.292	0.142	1.982	0.053

Hypothesis	P Values	Limit	Description
H1	0.088	0,05	Rejected
H2	0.006	0,05	Accepted
H3	0.009	0,05	Accepted
H4	0.000	0,05	Accepted
H5	0.002	0,05	Accepted
H6	0.088	0,05	Rejected
H7	0.053	0,05	Accepted

Hypothesis	T Statistics	Limit	Description
H1	1.740	1,96	Not Significant
H2	2.898	1,96	Significant
H3	2.738	1,96	Significant
H4	4.736	1,96	Significant
H5	3.293	1,96	Significant
H6	0.088	1,96	Not Significant
H7	0.053	1,96	Not Significant

Hypothesis 1: Price has a significant effect on satisfaction

Based on the hypothesis testing results, the P value for the effect of price (X1) on customer satisfaction (Z) is 0.088, which exceeds the 0.05 significance threshold, and the T statistic is 1.684, below 1.96, indicating no significant effect. The original sample value is positive, suggesting a positive relationship between price and satisfaction. Therefore, H1 is rejected, meaning price has a positive but insignificant effect on customer satisfaction. This implies that price adjustments alone may not effectively enhance customer satisfaction, and companies should consider combining pricing strategies with service improvements to strengthen customer perceptions and overall satisfaction.

Hypothesis 2: Price has a significant effect on loyalty

The results show that the P value for the effect of price on consumer loyalty (Y) is 0.006, below the 0.05 threshold, and the T statistic is 2.898, exceeding 1.96. The original sample value is positive, indicating a positive relationship. Consequently, H2 is accepted because price has a positive and significant effect on

consumer loyalty. This finding suggests that offering competitive or fair pricing can directly increase customer loyalty, and companies may benefit from carefully structured pricing strategies to retain loyal customers in competitive service sectors.

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Hypothesis 3: Service has a significant effect on satisfaction

The analysis indicates a P value of 0.009 for the effect of service quality (X2) on customer satisfaction, below 0.05, and a T statistic of 2.738, above 1.96. The original sample value is positive, confirming a positive relationship. Therefore, H3 is accepted, showing that service quality significantly enhances customer satisfaction. This highlights the importance of service excellence in creating positive customer experiences, where improving responsiveness, problem-solving, and friendliness can directly elevate satisfaction levels and contribute to repeat business.

Hypothesis 4: Service has a significant effect on loyalty

The results demonstrate that the P value for the effect of service quality (X2) on consumer loyalty (Y) is 0.000, below 0.05, and the T statistic is 4.736, well above 1.96. The original sample value is positive, indicating a positive relationship. Hence, H4 is accepted, meaning service quality has a positive and significant effect on consumer loyalty. This indicates that companies that consistently provide high-quality services can strengthen customer loyalty, reducing churn and fostering long-term engagement, which is critical for sustainable business growth.

Hypothesis 5: Satisfaction has a significant effect on loyalty

The hypothesis testing shows a P value of 0.002 for the effect of customer satisfaction (Z) on loyalty (Y), below 0.05, with a T statistic of 3.293, exceeding 1.96. Interestingly, the original sample value is negative, suggesting a negative relationship. Thus, H5 is accepted, indicating that customer satisfaction has a negative but significant effect on loyalty. This counterintuitive finding may reflect that satisfaction alone does not guarantee loyalty; other factors such as perceived value, emotional attachment, or service consistency may play a role in sustaining long-term customer loyalty.

Hypothesis 6: Price has a significant effect on loyalty through satisfaction

The results indicate a P value of 0.088 for the indirect effect of price (X1) on consumer loyalty (Y) through satisfaction (Z), exceeding the 0.05 threshold, with a T statistic of 0.088, below 1.96. The original sample value is negative, indicating a negative relationship. Therefore, H6 is rejected, meaning that price does not

significantly affect loyalty through satisfaction. This suggests that price alone, mediated by satisfaction, is not sufficient to influence customer loyalty, and companies may need to consider other mediating factors such as perceived service value or brand trust.

Hypothesis 7: Service has a significant effect on loyalty through satisfaction

The analysis shows a P value of 0.053 for the effect of service (X2) on loyalty (Y) through satisfaction (Z), slightly above the 0.05 threshold, with a T statistic of 0.053, below 1.96. The original sample value is negative, indicating a negative relationship. Thus, H7 is accepted, suggesting that satisfaction has a negative but insignificant mediating effect between service and loyalty. This implies that while high service quality directly enhances loyalty, its indirect effect through satisfaction may be weak or inconsistent, and companies should ensure both service excellence and customer satisfaction are strategically aligned to maximize loyalty.

CONCLUSION

Overall, the findings of this study indicate that both price and service quality have a positive and significant effect on customer loyalty, demonstrating that customers are more likely to remain loyal when they perceive fair pricing and receive high-quality service. The results also reveal that customer satisfaction exhibits a negative but significant effect on loyalty in certain contexts, particularly in mediating the service variable, indicating that satisfaction alone may not always translate directly into stronger loyalty. Specifically, price does not significantly influence customer satisfaction (H1 rejected), but it has a positive and significant effect on customer loyalty (H2 accepted), implying that while adjusting price may not immediately enhance satisfaction, it can still foster loyalty by meeting customer expectations regarding value. Service quality is shown to have a positive and significant impact on both customer satisfaction (H3 accepted) and loyalty (H4 accepted), highlighting the critical role of service excellence in maintaining a committed customer base. Customer satisfaction, despite being generally positive, demonstrates a negative but significant effect on loyalty (H5 accepted), suggesting that other factors such as trust, emotional attachment, or perceived value may influence the loyalty outcome. Meanwhile, price does not significantly affect loyalty through satisfaction as a mediating variable (H6 rejected), and service quality shows a negative but insignificant mediating effect through satisfaction (H7 accepted), indicating that while service and pricing strategies directly influence loyalty, the

indirect effects through satisfaction may vary, emphasizing the importance of integrated management strategies that simultaneously address service quality, pricing, and customer experience. In conclusion, companies aiming to improve customer loyalty in the service sector should focus on delivering superior service quality and maintaining fair pricing structures while also considering other factors beyond satisfaction to foster long-term loyalty, and this study contributes to both theory and practice by providing empirical evidence on the complex relationships among price, service, satisfaction, and loyalty, serving as a reference for service companies seeking to enhance competitive advantage.

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