

# Customer Loyalty Mediated By Customer Satisfaction With Product Quality, Service Quality And Price Predictors In The Selling Sector Of C Mining Materials In Aceh Besar District

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## Abstract

This study examines the impact of product quality, service quality, and price on customer satisfaction and loyalty in the Class C mining materials sector in Aceh Besar Regency. Aceh Besar Regency was selected as the research location due to its status as the largest producer of Class C mining materials in the region. The study population comprised all customers who purchased Class C mining materials in the Banda Aceh and Aceh Besar areas. The sample was selected using a purposive sampling technique, resulting in a total of 210 respondents. The collected data were analyzed using Structural Equation Modeling (SEM) with AMOS. The findings indicate that product quality, service quality, and price collectively function effectively. Moreover, these three factors exhibit a significant relationship with customer satisfaction. The analysis further reveals that product quality, service quality, and price influence customer loyalty, both directly and indirectly through customer satisfaction as a mediating variable. Consequently, customer satisfaction serves as a critical link between product quality, service quality, and price in fostering customer loyalty. These findings offer valuable insights for business managers in the Class C mining materials industry in Aceh Besar Regency, emphasizing the importance of enhancing product quality, service, and pricing strategies to improve customer satisfaction and loyalty..

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

## Introduction

Quarry C products are essential materials for both community and industrial needs due to their critical role in supporting infrastructure development and construction activities. Various materials, such as sand, river stones, gravel, and fill soil, serve as fundamental components in construction projects, including buildings, highways, bridges, and other public facilities. The availability of these materials is crucial, as they form the foundation of nearly every construction project. Without a sufficient supply of Quarry C products, many development initiatives would face significant challenges and inefficiencies, potentially hindering progress. Given their direct contribution to the efficiency and sustainability of development, ensuring the availability and proper management of these materials is of utmost importance.

Beyond their role in the construction sector, Quarry C products also make a significant contribution to various industries, including cement, ceramics, and glass manufacturing, all of which are essential in meeting the daily needs of society. Limestone, one of the key materials derived from Quarry C, serves as a primary ingredient in cement production, which is crucial for various development projects. Similarly, clay is widely used in the production of bricks and tiles, which are fundamental elements in housing construction. Thus, the availability of Quarry C products not only accelerates infrastructure development but also supports the fulfillment of basic societal needs, contributing to the creation of a more comfortable and sustainable

living environment.

The quality of Quarry C products is a critical factor in construction and development. These products may originate from various types of soil, sand, or gravel, each with distinct characteristics that influence their suitability for different construction applications. Additionally, the quality of Quarry C products directly impacts their market value, as high-quality fill soil—free from rocks and debris—is generally sold at a premium price. Therefore, selecting fill soil that aligns with specific construction requirements is essential to ensuring the stability and durability of the built environment.

This highlights that high-quality fill or embankment soil plays a crucial role in ensuring the stability and durability of construction structures. Suitable fill soil must meet several key criteria, including the type of soil used. Commonly utilized soil types for fill purposes include red soil, hard soil, and clay. Red soil is characterized by its dense and strong texture, making it a preferred choice for construction projects as a fill material and for land preparation in plantations. In contrast, hard soil has a higher density, making it ideal for construction projects that require enhanced soil stability.

Furthermore, high-quality fill soil must adhere to specific standards, including the absence of foreign materials such as rocks and debris. Additionally, it should possess characteristics that allow for the formation of land with contours and elevations that align with project requirements. Ensuring these quality standards is essential for optimizing construction outcomes and enhancing the longevity of built structures.

The quality of service provided by businesses in the Class C mining materials trading sector is a critical factor in enhancing customer satisfaction, which ultimately influences customer loyalty. High-quality service not only improves customer satisfaction but also strengthens the company's reputation. In this industry, service quality plays a fundamental role in evaluating the extent to which customers perceive value in the products and services they receive. Therefore, delivering optimal service is essential for fostering long-term customer relationships and enhancing business competitiveness in the Class C mining sector.

(Wulansari & Widowati, 2022) It has been stated that high-quality products and services play a crucial role in attracting customers, particularly when they meet or exceed customer expectations. When customers are satisfied with the quality provided, they are more likely to make repeat purchases and recommend the business to others. This not only contributes to customer acquisition but also strengthens customer loyalty and enhances the company's reputation in the market. Therefore, maintaining and continuously improving product and service quality is a strategic approach to expanding market share and sustaining business competitiveness.

Price variation in the Class C mining sector is a key factor influencing customer satisfaction in product evaluation. Pricing that aligns with product quality and customer needs can significantly impact satisfaction levels, ultimately affecting long-term loyalty. In the context of industrial competition, competitive pricing in the Class C mining sector plays a crucial role in attracting and retaining customers. An effective pricing strategy—one that balances quality, operational costs, and customer purchasing power—can enhance business competitiveness and foster long-term customer relationships.

Customer satisfaction in landfill purchases is a critical factor influencing customer loyalty and the sustainability of business relationships. This satisfaction is shaped by several key factors, including product quality, delivery reliability, customer service, competitive pricing, and effective communication. High-quality landfill that meets promised specifications instills customer confidence, ensuring they receive optimal value for their investment. Additionally, accurate and timely delivery enhances trust and minimizes potential disruptions to customer projects. Moreover, responsive and professional customer service, capable of addressing complaints and resolving issues efficiently, further strengthens positive perceptions of the service provider.

Customer loyalty in landfill purchases is a vital concept in the construction and development

industry. Customer loyalty refers to the consistent tendency of customers to repeatedly choose and purchase products or services from the same provider, even when alternatives are available. This loyalty is characterized by high levels of customer satisfaction, repeat purchases, and positive word-of-mouth recommendations. Consistent delivery of landfill that meets promised specifications enhances customer satisfaction and fosters loyalty. Additionally, the timely delivery of landfill, in the correct quantity, is crucial. Reliability and punctuality in delivery contribute significantly to building customer trust and strengthening loyalty.

In the context of the Class C mining sector, competitive pricing can be an effective strategy for determining service prices by considering the prices set by competitors. This approach helps businesses maintain market competitiveness and enhance the potential for service sales. However, it is important to recognize the risks associated with this strategy, particularly the possibility of setting inappropriate prices if competitors' prices are also flawed. Therefore, careful evaluation and strategic analysis are essential when implementing a competitive pricing strategy to ensure its effectiveness.

## **Literature Review**

### **Customer Loyalty**

Quality customer service is a strategic advantage that can drive increased sales while enhancing the company's reputation. The success of a business is determined not only by its market share but also by its ability to deliver exceptional service experiences to customers. Through satisfactory service, companies can foster customer loyalty, which, in turn, strengthens their market position and supports long-term growth. (Utomo et al., 2024) Loyalty is defined as the frequency with which customers engage with a service provider, their positive perceptions of the provider, and their tendency to prioritize that provider when similar services are required. According to (Brown, 2006), Loyal customers not only make repeat purchases but also leave positive reviews about the service provider. This indicates that loyalty is not solely related to the frequency of purchases, but also reflects a deep sense of trust and satisfaction with the quality of service provided.

According to (Sutisna et al., 2001), Consumer loyalty is defined as "a positive attitude toward a brand demonstrated by consistent purchasing behavior over time." In this context, brand loyalty reflects consumers' emotional attachment and trust in the quality and value provided by the brand, motivating them to continue selecting the brand over competitors, even when alternatives are available in the market. According to (Kotler & Keller, 2018), Consumer loyalty can be defined as an individual's commitment to a product, whether goods or services. Key indicators of consumer loyalty include consistency in choosing the product or service, regular use of the offered services, repeated selection of the service to meet needs, and providing recommendations to others regarding the purchase of high-quality products or services. Customer satisfaction, resulting from experiencing the benefits of the products or services offered by the company, plays a crucial role in fostering loyalty to the company.

Based on the above explanation, consumer loyalty can be defined as a long-term commitment developed when consumers show a preference for a particular brand or service provider due to their satisfaction and positive perception of the quality of the product or service offered. This loyalty not only reflects the frequency of purchases but also encompasses emotional attachment, trust, and deep satisfaction with the brand. Quality customer service plays a crucial role in cultivating this loyalty, as the positive experiences provided to customers encourage them to continue selecting the product or service and recommending it to others. This, in turn, strengthens the business's market position and supports long-term growth.

## **Customer Satisfaction**

Consumer satisfaction and dissatisfaction are critical topics frequently discussed across various sectors, including both the general public and the goods and services industry, as both are influenced by the quality of the products and services provided. In general, consumer satisfaction can be understood as the difference between consumers' initial expectations and the actual performance they perceive from the products or services received. According to (Mowen & Minor, 2017), Customer satisfaction refers to the extent to which a product or service meets the expectations, needs, and desires of customers. Achieving this satisfaction significantly influences consumer behavior, often prompting decisions to make repeat purchases. Furthermore, customer satisfaction is crucial for fostering long-term loyalty, as satisfied customers are more likely to continue choosing the same products or services in the future. Therefore, customer satisfaction is not only a key factor in customer retention but also a strategic element that underpins the long-term sustainability and growth of the company.

Customer satisfaction is attained when the outcomes received meet or exceed the expectations held by the customer. According to (Zebrga & Zaver, 2020) Customer satisfaction increases when the quality of the products received exceeds the expectations set by the customer. One of the key elements in fostering customer satisfaction is agent performance, which is typically measured by the quality of service provided by the agent (Mowen & Minor, 2017). A satisfying customer experience can increase customer satisfaction and strengthen long-term relationships with the company.

According to (Richard & Vanessa, 2007), Customer satisfaction, whether it meets, falls short of, or exceeds expectations, is the result of customers' evaluation of product or service features that fulfill their needs with an adequate level of satisfaction. Oliver further emphasized that the elements of product features play a crucial role in shaping consumer satisfaction, as the quality and alignment of product features with consumer expectations significantly influence the degree of satisfaction with the product or service received.

Consumer satisfaction can be understood as the evaluation process undertaken by consumers to assess various features of the products or services received, in order to determine the extent to which the product meets their needs and expectations. This evaluation encompasses various aspects, such as quality, price, and service, which are then compared to the consumer's prior expectations. Consumer dissatisfaction occurs when the results fall short of, or fail to meet, expectations. In contrast, consumer satisfaction arises when the results align with or exceed expectations

## **Product Quality**

Product quality is a critical factor that plays a central role in sustaining demand and enhancing the profitability of a company. High-quality products not only meet customer expectations but also help build a strong reputation for the company, which, in turn, can strengthen customer loyalty and encourage repeat purchases. Furthermore, consistent product quality reduces complaints and returns, thereby minimizing operational costs and improving efficiency. As a result, investing in product quality improvement is a key strategy for enhancing the company's competitive position and supporting long-term growth. Product quality encompasses various aspects, such as performance, features, aesthetics, reliability, and suitability. Additionally, it is closely linked to customer satisfaction, durability, and ease of use. Product quality can be assessed based on its ability to meet or exceed customer expectations while maintaining competitiveness in the market. Therefore, product quality includes not only its physical characteristics but also its impact on consumer satisfaction and the overall success of the company.

According to (Kotler & Armstrong, 2018), A product encompasses anything that a business offers to satisfy a need or want in the market. This includes not only physical goods but also services, experiences, events, places, properties, organizations, information, and ideas. Each of these elements holds perceived

value for the consumer, serving to solve a problem or provide a benefit. Consequently, the definition of a product is broad, encompassing various forms of offerings, all of which contribute to creating value and meeting market expectations.

(Kotler & Armstrong, 2018) Product quality refers to the extent to which a product effectively performs its intended function. This encompasses several key factors, including durability, operational reliability, adherence to established standards, and ease of use and maintenance. Additionally, product quality includes other attributes that provide added value to consumers, ultimately contributing to their satisfaction with the product. A high-quality product not only lasts longer but also functions optimally by meeting consumer needs and expectations. This quality is not solely related to the product's longevity or performance, but also to how easy the product is to use and repair, as well as how well it aligns with consumer expectations. Products of high quality can enhance customer satisfaction, foster loyalty, and ultimately strengthen the company's competitiveness in the market (Mowen & Minor, 2017).

### **Quality of Service**

Service quality is a critical factor that influences the level of customer satisfaction. A company can be considered successful if it provides products or services that not only meet but also exceed customer expectations. Superior performance in both product and service quality significantly impacts customer satisfaction. To further enhance service quality, companies must develop clear operational guidelines for employees and offer training to ensure that they work with a high level of professionalism. Service quality can be defined as the extent to which a company meets or surpasses customer expectations and needs. A service is deemed high quality if customers feel that the product or service received aligns with or even exceeds their expectations. Conversely, if the service provided falls short of customer expectations, it will be regarded as low quality.

Service refers to a series of intangible activities that occur through interactions between consumers and employees or other elements provided by the service provider. Due to its intangible nature, service emphasizes the consumer's experience and perception of how the service is delivered and how well it meets their expectations. The purpose of service is to address customer needs and resolve the problems they encounter. As an intangible element, service quality is primarily assessed through customer experience and perception during interactions with the service provider, which ultimately influences the level of customer satisfaction and loyalty. According to (Tjiptono, 2017), Service quality can be measured by the difference between the service actually received by customers and their expectations for the service provided. When the service received meets or exceeds customer expectations, it is considered to be of high quality. This disparity reflects the level of customer satisfaction, where a smaller gap between expectations and reality indicates a higher level of satisfaction experienced by customers.

(Parasuraman et al., 2005) To assess service quality, five dimensions are commonly used as a reference: Appearance refers to the physical aspects of the service, such as the cleanliness of the premises, the quality of facilities provided, and the innovation in the equipment used. This dimension encompasses elements that are visible, tangible, or usable by customers, directly influencing their experience of the service. Reliability denotes the ability of the service provider to consistently deliver services in accordance with the promises made. It includes the extent to which the company can meet customer expectations promptly and accurately, thereby fostering customer trust and satisfaction. High reliability indicates that customers can depend on the service provider to offer a consistent and dependable experience with each interaction. Responsiveness refers to the readiness and attentiveness of staff in assisting customers, both in addressing difficulties and in situations requiring attention. This dimension evaluates how quickly and effectively the service provider responds to customer requests and complaints. Assurance is the level of

confidence the service provider instills in customers regarding the quality of the service offered. It is reflected in the professionalism, friendliness, and courtesy of the staff, as well as in the assurance that customers will receive safe, high-quality service. Empathy refers to the degree to which the service provider demonstrates concern and care for the individual needs of customers. Empathy is manifested in an attitude of understanding and compassion towards the issues faced by customers.

Some research, as described by (Liung & Syah, 2017), shows that optimal service quality, encompassing the five key dimensions tangibles, reliability, responsiveness, assurance, and empathy can significantly enhance customer satisfaction. When the service provided meets or exceeds customer expectations, it not only fosters satisfaction but also strengthens customer loyalty, thereby contributing to the long-term success of the company. Service quality plays a crucial role in influencing both customer satisfaction and overall business success.

To achieve long-term success, companies must remain committed to continuously enhancing the quality of service they provide to customers. High-quality service not only positively impacts customer satisfaction, but also strengthens the company's image, fosters customer loyalty, and supports sustainable business growth. Therefore, companies should focus on consistently meeting customer expectations by delivering responsive, reliable, and professional service to maintain a competitive advantage in the market.

### **Price**

Price can be understood as a reflection of a business's ability to align the value of its products with prevailing market rates. In this context, price also represents the sacrifices made by consumers, namely the money or costs they incur, which are perceived as comparable to the benefits or value they expect from the product. Price not only serves as a transactional tool but also acts as an indicator for consumers to assess whether the product or service provides value in relation to the money spent. In other words, price reflects consumers' perceptions of the balance between the costs incurred and the benefits received, which ultimately influences their purchasing decisions and overall satisfaction with the product or service (Anjaningrum & Sidi, 2018).

Price refers to a pricing strategy that uses competitor prices or industry averages as a benchmark for determining product prices. In this case, a company may choose to set a price that is higher, comparable, or lower than those offered by competitors. In a competitive market, consumers tend to be highly price-sensitive because they have a wide variety of product choices. Consumer purchasing decisions are often influenced by price factors; they may opt for the lowest-priced product if it fits their budget, or select a more expensive option if it is perceived to offer greater value (Tjiptono & Chandra, 2013).

This pricing strategy is often directly tied to the broader competitive strategy of the business, specifically the competitive position the company aims to establish in the market. In highly competitive markets, where companies have little control over pricing independently, this strategy becomes crucial. In a perfectly competitive market, companies typically cannot influence prices and must align with the prevailing market rates. Therefore, pricing is not solely about aligning with competitors' prices but also reflects the company's approach to creating competitive value in the market (Tjiptono, 2017)

The main objective of competitive pricing is to maintain profit margins in situations where several companies offer similar products or services. By adjusting prices based on competitors' prices, companies aim to stay competitive and attract customers. However, a competitive pricing strategy is not always the most effective for achieving higher profit margins. Companies must carefully assess whether other pricing strategies, such as premium pricing or product differentiation, may offer more profitability. In doing so, it is

crucial that product quality is consistently maintained, and customer satisfaction remains the primary focus, ensuring sustainable profits without compromising the perceived value for customers.

Price refers to the ability of business actors to set the price of their products in alignment with prevailing market rates. As a form of sacrifice, price represents the monetary amount or cost that consumers perceive as commensurate with the expected value and benefits derived from the product. A product is considered competitively priced when different parties or organizations can offer similar products at comparable prices within the market. Pricing is a strategic decision for entrepreneurs, taking into account consumer perceptions of the alignment between price and product benefits, as well as the product's ability to maintain competitiveness in a highly competitive market (Anjaningrum & Sidi, 2018).

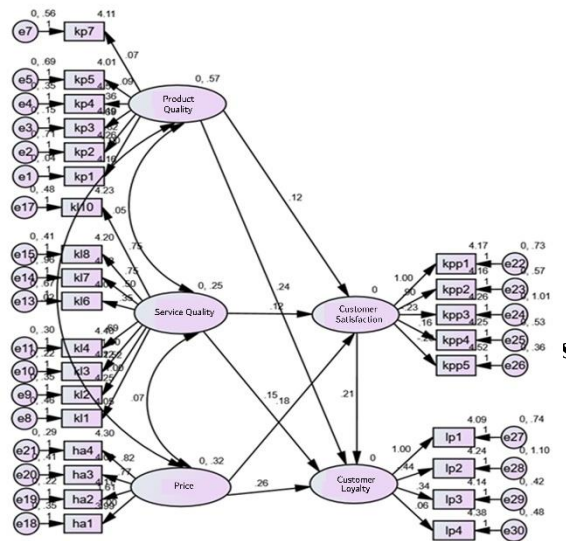
Pricing is a critical sales strategy for businesses, as it plays a pivotal role in making informed decisions regarding product sales. Therefore, entrepreneurs must ensure that the pricing strategy employed is effective, enabling products to remain competitive and viable in a highly competitive market. Price evaluation can be conducted based on three primary criteria: alignment with product quality, competitiveness within the market, and affordability for consumers. These three factors should be carefully considered to ensure that products remain relevant, attractive to customers, and competitive in the market (Putri & Ferdinand, 2016).

## **Research Methods**

This study was conducted in the C Mining Material Sales and Purchase Sector in Aceh Besar Regency. The population for this research consists of all customers who make purchases within the C Mining Material Sales and Purchase Sector in Aceh Besar Regency. (Ferdinand, 2019) The minimum sample size should be 5 to 10 times the number of indicators. In this study, the sample size is determined by multiplying 7 times the number of research indicators. Given that there are 30 research indicators, the total number of respondents is 210, consisting of customers from the C Mining Sector in Aceh Besar Regency.

The sampling method employed in this study is stratified random sampling. In this approach, samples are randomly selected from various pre-defined strata. Each stratum is represented proportionally, meaning that the number of samples drawn from each stratum corresponds to the proportion of that stratum within the overall population. Prior to sampling, the population is categorized into several subgroups based on specific characteristics. Subsequently, samples are randomly selected from each subgroup, ensuring that each subgroup is proportionally represented in the overall sample. This technique helps to capture the diversity present within the population, enabling a more precise and comprehensive analysis based on different characteristics (Sekaran & Bougie, 2016). Research data were analyzed using the SEM AMOS statistical tool

**Result**  
**Direct Effect**



**Table 1. Regression Weight Structural Equation Model**

			Estimate	S.E.	C.R.	P
Customer satisfaction	<---	Product Quality	0.171	0.053	9.733	0.000
Customer satisfaction	<---	Quality of Service	0.174	0.049	2.979	0.000
Customer satisfaction	<---	Price	0.254	0.060	9.618	0.000
Customer loyalty	<---	Product Quality	0.260	0.053	6.514	0.000
Customer loyalty	<---	Quality of Service	0.122	0.070	8.000	0.000
Customer loyalty	<---	Price	0.206	0.050	7.415	0.000
Customer loyalty	<---	Customer satisfaction	0.341	0.042	6.819	0.000

Source: Processed Primary Data, (2024)

**The Impact of Product Quality on Customer Satisfaction in the C Mining Materials Sector**

The measurement results indicate that the quality of C excavation materials has a significant impact on customer satisfaction. This was determined through testing using C.R., which yielded a value of 9.733, greater than the critical value of 1.97. Additionally, the P-value of <0.05 demonstrates that the findings are statistically significant and not due to chance. This research confirms that higher product quality is directly correlated with increased customer satisfaction. This finding is particularly relevant in the construction sector, including housing development and infrastructure projects, where the quality of materials is crucial for ensuring project success and smooth execution. Therefore, companies providing high-quality C excavation materials are better positioned to enhance customer satisfaction, which in turn can foster increased customer trust and loyalty. These results underscore the importance for businesses in the C excavation material industry to continuously focus on and improve the quality of their product.

**The Impact of Service Quality on Customer Satisfaction in the C Mining Material Industry**

The impact of service quality on customer satisfaction was analyzed through measurements, which revealed a C.R. value of 2.979, greater than the critical value of 1.97. Additionally, the P-value of <0.05 confirms that these results are statistically significant. These findings indicate that the service quality provided by the C mining material company positively influences customer satisfaction. The analysis revealed that service quality significantly contributes to customer satisfaction. The test results, using the critical ratio (C.R.) estimation parameter, yielded a value of 2.979, exceeding the t-table value of 1.97, with a probability less than 0.05. This suggests that service quality plays a crucial role in shaping customers' experiences and



perceptions. The service quality, as referenced in this research, encompasses aspects such as responsiveness to customer needs, the ability to offer adequate solutions, and professionalism in customer interactions. The better the company is at providing prompt, effective, and courteous service, the greater the satisfaction experienced by customers. These findings have significant implications for businesses in the C-type mining material sector. To enhance customer satisfaction, companies should focus on improving service quality, including staff training to strengthen communication and service skills, and ensuring customer needs are addressed efficiently and professionally. Higher customer satisfaction, in turn, is likely to lead to increased customer loyalty, which could significantly bolster the company's market position.

### **The Impact of Price on Customer Satisfaction in the C Mining Material Industry**

The test results indicate a C.R value of  $9.618 > 1.97$ , with a P-value  $< 0.05$ . These findings demonstrate that the price of C-type mining materials plays a significant role in enhancing customer satisfaction. When customers perceive the price as fair and aligned with the quality or benefits received, it fosters a sense of satisfaction. In contrast, if the price is deemed excessive or mismatched with the product's quality, customer dissatisfaction is likely to arise. Therefore, companies should prioritize competitive pricing strategies that align with market expectations to ensure customer satisfaction. These results hold substantial implications for C-type mining material companies. To boost customer satisfaction, companies must ensure that their pricing reflects the perceived value of the product and remains competitive with similar offerings in the market. This approach will not only enhance customer satisfaction but also encourage repeat purchases, thereby fostering customer loyalty and expanding the company's market share.

### **The Impact of Customer Satisfaction on Customer Loyalty in the C Mining Materials Industry**

The results of the customer loyalty measurement regarding product quality show a significant CR value of 6.819 and a P value  $< 0.05$ , which indicates that customer satisfaction not only influences positive customer attitudes but also impacts their behavior to continue choosing the product in the future. In this context, customer satisfaction encompasses customer perceptions of the quality of both the products and services provided by the C mining material company. Product quality refers to a set of characteristics and attributes within a product or service that influence its ability to meet both explicit and implicit needs expressed by consumers. Key factors in product quality include design, performance, durability, and the level of satisfaction experienced by consumers after using the product. High-quality products not only meet the expected standards of customers but also exceed their expectations. The positive experience generated by these high-quality products can strengthen consumer loyalty and enhance their trust in the brand or service provider, ultimately contributing to the long-term success of the company.

### **The Impact of Product Quality on Customer Loyalty in the C Mining Materials Industry**

The results of this analysis indicate a strong relationship between product quality and customer loyalty, with a significant CR value of 6.514 and a P value of less than 0.05. These findings suggest that the quality of C-type mining materials directly contributes to customer loyalty. Specifically, when customers perceive that the product not only meets but exceeds their expectations, they are more likely to continue using the product in the future. In this context, product quality encompasses various factors, such as durability, reliability, and the product's ability to fulfill customer needs in construction or infrastructure projects. Customers who experience the tangible benefits of high-quality products are more likely to develop trust in the product provider, leading to repeat purchases and recommendations to others. These results underscore the importance for companies to continuously improve product quality to maintain and strengthen customer loyalty. By doing so, companies can ensure customer satisfaction while fostering long-term, mutually

beneficial relationships, which will ultimately contribute to the success and sustainability of the company in the C-type mining material market.

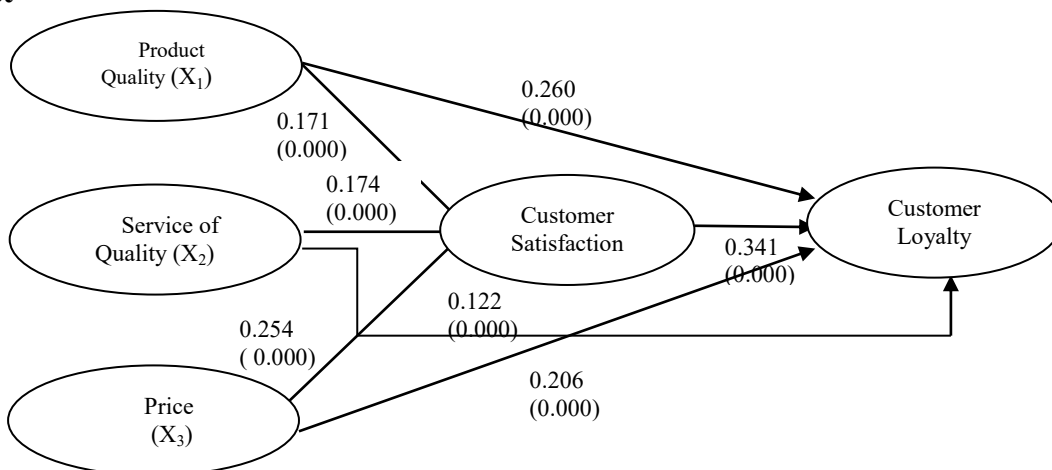
### **The Impact of Service Quality on Customer Loyalty in the C Mining Materials Sector**

The effect of service quality on customer loyalty can be analyzed based on the test results, which show a C.R value of  $8.000 > 1.97$ , with  $P < 0.05$ . These findings indicate that the quality of service provided by all employees significantly impacts customer loyalty in the C Mining Material sector. Specifically, the higher the service quality offered to customers, the more positively it influences customer loyalty to C Mining Material products in Aceh Besar Regency. The results suggest that the quality of service plays a crucial role in customer loyalty, meaning that the better the customer experience when interacting with company employees, the more likely they are to continue choosing the product in the future. In this context, service quality encompasses factors such as responsiveness, friendliness, employee competence, and the ease with which customer issues are addressed. With a significant C.R value of 8.000 and a probability lower than 0.05, it is evident that companies capable of delivering high-quality services are more likely to retain their customers. This aligns with the theory that customers who feel valued and satisfied with the service they receive are more likely to exhibit higher levels of loyalty to the brand or product. Effective service quality management, which includes training employees to enhance communication and responsiveness, will contribute to stronger customer loyalty. Therefore, companies must focus not only on product quality but also on improving overall service quality to ensure the sustainability of customer relationships. Enhancing service quality will also improve the company's reputation, strengthen its market position, and support long-term growth in the C Mining Material industry.

### **The Impact of Price on Customer Loyalty in the C Mining Material Sector**

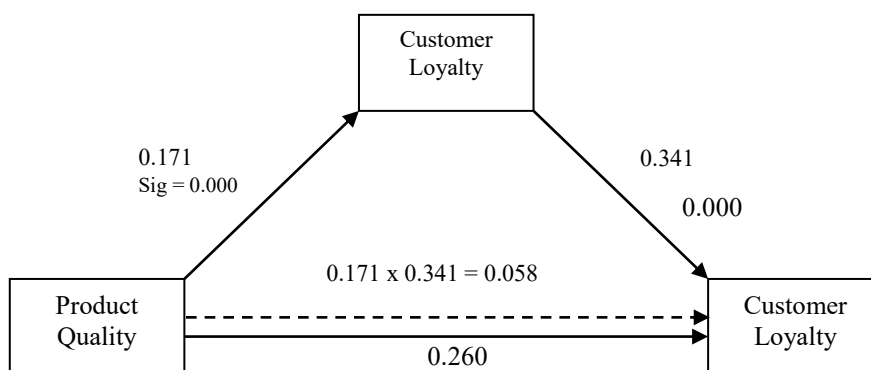
The effect of price on customer loyalty can be analyzed based on test results showing a C.R value of  $7.415 > 1.97$ , with  $P < 0.05$ . These findings indicate that the price offered by the company has a significant impact on customer loyalty. Specifically, when the price is competitive and aligned with customer expectations, it enhances customer loyalty. This analysis underscores the important role price plays in sustaining customer loyalty. When companies offer prices perceived as fair or better than alternative options in the market, customers are more likely to make repeat purchases, demonstrating a stronger commitment to the product or brand. This suggests that not only competitive pricing but also alignment with customer expectations fosters long-term customer relationships. From the customer's perspective, fair and competitive prices alleviate concerns about overpaying or making poor purchasing decisions, leading to a heightened sense of security and value. Moreover, consistent and transparent pricing builds customer trust, further reinforcing loyalty. Therefore, to cultivate customer loyalty, companies in the C Mining Material sector must ensure their pricing reflects both the value provided in terms of product quality and competitiveness in the market. A well-considered pricing strategy can be a critical factor in retaining customers and encouraging repeat purchases in the future.

**Indirect Effect**



**Figure 2. The Influence Between Variables in the Flowchart**

**The Influence of Product Quality on Customer Loyalty Through Customer Satisfaction in the C Mining Materials Sector**



**Figure 3. Testing the Mediating Effect of Product Quality on Customer Loyalty Through Customer Satisfaction**

The results of the analysis indicate that the direct effect of the product quality variable on customer satisfaction is 0.171. This suggests that product quality can directly enhance customer satisfaction with C Mining Materials. Meanwhile, the effect of product quality on customer loyalty through customer satisfaction was recorded at 0.058. This demonstrates that improving product quality has a greater impact on customer satisfaction initially, which then contributes to increased customer loyalty. The study also reveals that while product quality has a direct effect on customer satisfaction, its effect on customer loyalty through customer satisfaction is more pronounced. In other words, companies providing C Mining Materials should focus on improving product quality, as it not only boosts customer satisfaction but also fosters long-term customer loyalty. However, the study findings also indicate that service quality does not have a significant direct effect on customer loyalty. This implies that while service quality is important, customer satisfaction plays a more critical role in building loyalty. Therefore, to effectively increase customer loyalty, companies must prioritize strategies that enhance customer satisfaction, particularly through improving product quality. Overall, the results suggest that in order to achieve higher customer loyalty, companies should ensure

superior product quality as a primary strategy, paying attention to customer satisfaction as a key driver of loyalty to the products or services offered.

### The Influence of Service Quality on Customer Loyalty Through Customer Satisfaction in the C Mining Materials Sector

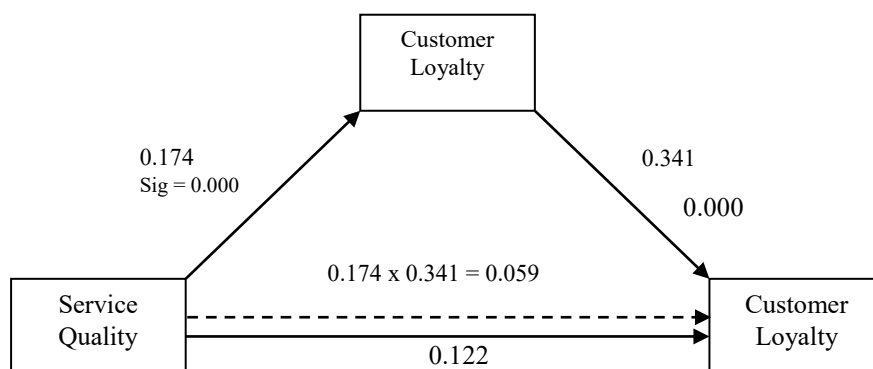


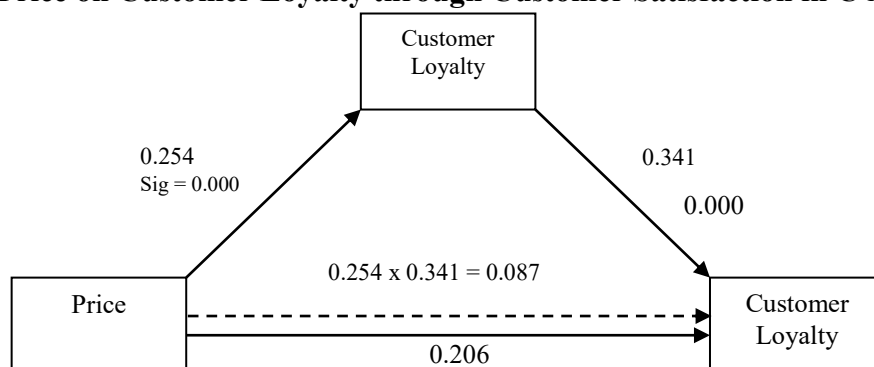
Figure 4. Indirect Effect of Service Quality on Customer Loyalty Through Customer Satisfaction

The analysis reveals that the service quality variable has a significant direct effect on customer satisfaction, with a value of 0.174. This suggests that service quality plays a critical role in enhancing customer satisfaction with C Mining Materials. Conversely, the indirect effect of service quality on customer loyalty through customer satisfaction is recorded at 0.059, indicating that while service quality influences customer satisfaction, its impact on customer loyalty is largely dependent on the extent to which customer satisfaction is achieved.

These findings suggest that service quality is pivotal in shaping customer satisfaction. Enhancing the quality of service will increase customer satisfaction, which in turn can strengthen customer loyalty to the company. However, since the indirect effect of service quality on customer loyalty through customer satisfaction is relatively small (0.059), it is crucial for company management to recognize that a high level of customer satisfaction is a key factor in fostering loyalty. Therefore, company leadership should prioritize efforts to improve service quality as a central strategy for increasing customer satisfaction, which will ultimately bolster customer loyalty in Aceh Besar Regency.

One potential approach is to provide additional training to employees to improve their ability to deliver more responsive and customer-oriented service. In conclusion, this study underscores the importance of service quality in creating positive customer experiences, which not only enhance satisfaction but also encourage long-term customer loyalty to the products and services offered.

### The Influence of Price on Customer Loyalty through Customer Satisfaction in C Mining Materials



### Figure 5. Testing the Mediating Effect of Price on Customer Loyalty through Customer Satisfaction

The results of the analysis indicate that the price variable has a significant direct effect on customer satisfaction, with an influence value of 0.254. This suggests that the price set by the company plays a crucial role in shaping the level of customer satisfaction. In contrast, the effect of price on customer loyalty through customer satisfaction was recorded at 0.087, which implies that while price influences customer satisfaction, its impact on loyalty is more contingent upon the extent of satisfaction achieved.

Based on these findings, it can be concluded that the price offered by the company significantly affects customer satisfaction. The more aligned the price is with the perceived value of the product, the greater the impact on customer satisfaction. Prices deemed fair and commensurate with the product's value are likely to increase customer satisfaction, thereby enhancing customer loyalty. However, since the effect of price on customer loyalty through customer satisfaction is relatively small (0.087), it is imperative for company leadership to exercise caution when adjusting product prices in relation to the quality offered.

Price adjustments that are proportionate to product quality are likely to be more effective in fostering customer satisfaction, which in turn will strengthen customer loyalty to the C Mining Material product. Therefore, implementing an appropriate pricing strategy, one that accounts for product quality, will prove to be a more efficient means of enhancing customer loyalty in Aceh Besar Regency. The company must ensure that the product price reflects the quality and benefits perceived by the customer, thus fostering a mutually beneficial relationship between the company and its customers.

### **Managerial implications**

The implications of this research suggest that product quality, service quality, and price are pivotal in fostering customer loyalty, with customer satisfaction acting as an intermediary variable that integrates the effects of these three factors. While each variable exerts a different influence—either directly or indirectly—these findings emphasize the importance of a comprehensive and integrated approach to enhancing customer loyalty. The study underscores that, to increase customer loyalty for C Mining Materials in Aceh Besar Regency, companies must prioritize three key dimensions: product quality, service quality, and price. These factors are interconnected and collectively influence customer satisfaction. High product quality provides customers with a positive perception of the value they receive. Conversely, high service quality fosters satisfying interactions, strengthens emotional bonds, and boosts satisfaction. Furthermore, aligning pricing with product quality is crucial, as a fair and balanced price reflects the value delivered to customers while taking into account their perceived trade-offs.

To achieve higher customer loyalty, companies need to ensure that these three factors do not just run separately, but are integrated into one comprehensive strategy. This will make it easier for companies to increase customer satisfaction, which in turn will increase customer loyalty. Strong customer loyalty will bring long-term benefits to the company, because loyal customers tend to make repeat purchases, provide recommendations to others, and strengthen the company's brand image in the market. Thus, companies that can optimize product quality, service quality, and price in an integrated manner will be better able to create an extraordinary customer experience, which leads to high loyalty and sustainable business growth.

### **CONCLUSION**

This research demonstrates that the quality of products, services, and prices offered by the C-type Quarry Material company in Aceh Besar Regency have a significant positive impact on customer satisfaction and the company's ability to maintain customer loyalty. High product quality, effective service, and competitive pricing have been shown to contribute to creating a satisfying customer experience. These

findings indicate that companies can sustain their competitiveness in the market by focusing on these three key factors to foster long-term, mutually beneficial relationships with customers..

The results of this study indicate that both product quality and service quality play a crucial role in enhancing customer satisfaction. As the quality of the products offered improves and the responsiveness and professionalism of the services provided by the company increase, customer satisfaction levels also rise. Conversely, any decline or inconsistency in product or service quality can negatively impact customer satisfaction. On the other hand, continuous improvements in quality can significantly enhance the customer experience, ultimately fostering greater loyalty to the company.

This study demonstrates that price has a significant impact on customer satisfaction. Adjusting prices in accordance with product quality can enhance customer satisfaction, which subsequently contributes to increased customer loyalty. Customers are more likely to feel satisfied when they perceive the price they pay aligns with the value they receive. Consequently, it is essential for companies to ensure that the prices they offer reflect the quality of the product and meet customer expectations. This approach helps strengthen customer relationships and encourages long-term loyalty.

Customer satisfaction plays a crucial role as a mediator in the relationship between product quality, service quality, price, and customer loyalty. This study confirms that customer satisfaction acts as a key link, connecting the direct influences of product quality, service quality, and price on customer loyalty. The findings highlight the importance for companies to focus not only on product quality or price, but also on ensuring comprehensive customer satisfaction across all aspects of the service provided. By prioritizing customer satisfaction, companies can foster long-term loyalty, which is essential for maintaining market share and achieving sustainable business growth

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