

Original Research Article

The Influence of Product Quality and Price on Customer Loyalty: A Quantitative Research Approach

ABSTRACT

Aims: The purpose of this study was to determine the effect of product quality and price on customer loyalty in Liah Hijab's online shop, both partially and simultaneously.

Study design: This type of research is quantitative associative

Place and Duration of Study: Liah Hijab's online shop, Makassar, between July and September 2024

Methodology: The population in this study were Liah Hijab consumers who made purchases in 2024. The sampling technique used was purposive sampling with a sample size of 100 respondents. Data collection was carried out by distributing questionnaires online using Google Form. The data obtained was processed using SPSS software and then analyzed through instrument tests and multiple linear regression tests.

Results: Based on the results of the F test obtained F count of 163.002. Therefore, the value of F count > F table (163.002 > 3.089). This indicates that H_0 is rejected and H_a is accepted. This means that there is a significant influence of Product Quality and Price on Customer Loyalty at Liah Hijab's Online Shop. Based on the results of the t test, it can be seen that the t count value of variable X1 is 7.470 and the t table is 1.9847, so that t count > t table, meaning that the Product Quality variable has a significant effect on Customer Loyalty at the Liah Hijab online shop. Furthermore, the t count of the X2 variable is positive, namely 3.241, so that the t count > t table with a significance of $0.002 < 0.05$, the proposed hypothesis is accepted, then the Price variable has a significant effect on Customer Loyalty at Liah Hijab online shop. Based on the results of the t test analysis, the most dominant independent variable influencing the dependent variable is the Product Quality variable (X1), which is 7.470.

Conclusion: Based on the results of the simultaneous test, it is found that product quality and price have a positive and significant influence on customer loyalty at Liah Hijab online shop. Furthermore, the partial test results of each independent variable show a positive influence on customer loyalty.

1. INTRODUCTION

Customer loyalty is one of the keys to success in creating maximum profits in the company. According to Kotler and Keller (2016) loyalty is defined as a firmly held commitment to buy or subscribe again to certain products or services in the future despite the influence of situations and marketing efforts that have the potential to cause customers to switch. Many things affect customer loyalty, including product quality and price. When the quality of a product is directly proportional to the price, it will create loyal consumers.

According to Hidayat (2013) product quality is the ability of a product to carry out its functions including, durability, reliability, accuracy, ease of operation and repair, and other valuable

attributes. Meanwhile, according to Fauziah (2014), product quality is the overall characteristics and characteristics of a good or service that affect its ability to satisfy stated or implied needs.

There are ten dimensions of product quality according to Kotler and Keller (2016) as follows, namely 1) Product Variety, including the variety or number of product offerings, 2) Form, including the size, shape, or physical structure of the product, 3) Feature, aspects of privileges, characteristics, special services, various advantages that are integrated or carried in a product exposed to customers / social / general, 4) Performance Quality, is the degree to which the main characteristics of the product operate. For example, price, cleanliness, speed, and also taste, 5) Services, is the service performed or provided to consumers, 6) Durability, a measure of the expected operating life of a product under ordinary or stressful conditions, is a valuable attribute for certain products, 7) Reliability, is a measure of the probability that the product will not malfunction or fail within a certain time, 8) Warranties, that a manufacturer guarantees against a fault that occurs in the product offered, 9) Design, is the totality of features that include the look, feel, and function of the product based on customer needs, 10) Returns (Rewards), producers make special gifts or offers to consumers.

According to Assauri (2011), price is the only element of the marketing mix that generates sales revenue, while the other elements are only cost elements". Meanwhile, according to Kotler and Keller (2007), price is the sum of money charged for a product or service, or the total value that consumers exchanged for the benefits received for using the product or service.

In terms of consumers, the price is the amount of value provided by a product that is exchanged by consumers because they want to own or use the product. From a marketing point of view, price is a monetary unit or other measure (including interest or other services) that is exchanged in order to obtain the right to ownership or use of a good or service (Ulus, 2013).

According to Nurhudawan (2016) there are several factors that influence pricing, namely internal factors (organizational considerations, marketing goals, costs and marketing mix strategies) and external factors (market situation and demand, competition, intermediary expectations, and environmental factors such as socio-economic, cultural, and political conditions).

Loyalty is a measure of customer attachment to a product or brand. Customer loyalty is a form of one's loyalty and one's behavior to be willing and willing to recommend what he feels to others is a form of customer love and trust in a company and behavior that arises from the mind of the customer so that it cannot be forced.

With high loyalty owned by customers to the products offered can affect the continuity of the company's business. In a business context, loyalty is the willingness of consumers to continue to subscribe to a company in the long term, by buying and using its goods and services repeatedly and even better exclusively, and willingly recommending the company's products to friends and colleagues (Tjiptono, 2011). Loyalty is about the percentage of people who have bought within a certain time frame and made repeat purchases since their first purchase.

According Hurriyati (2015) loyal consumers have the following characteristics; 1) make regular repeat purchases, 2) Make purchases across all lines products and services, 3) Recommend other products, and 4) Show immunity from the attraction of similar products from competitors.

According to Mardiana and Kasim (2016) the factors that can affect customer loyalty are as follows: 1) Product quality, consumers will feel satisfied if they buy and use the product and the quality is good. There are six elements in product quality, namely: performance, durability, features, reliability, consistency and design. 2) Price, for consumers who are sensitive, lower prices are the most important source of satisfaction, because they will get high value for money. This component is very important for some companies that want to create customer satisfaction. 3) Service quality, this component consists of three things, namely systems, technology and people. The human factor holds the largest contribution of 70% so it is not surprising that customer satisfaction cannot be followed.

Liah hijab is an online shop engaged in Muslim fashion. Liah hijab is one of the online shops in Makassar city and was established in 2014, which focuses on selling various Muslimah clothing needs. The marketing system is carried out online on various social media such as Facebook, Instagram, WhatsApp, Line, and Shopee as a sales promotion media. To increase sales, Liah Hijab pays close attention to customer loyalty in maximizing profits.

Some testimonials from Liah Hijab consumers regarding the quality of the products offered, most of them argue that the quality of the products offered is very good and in accordance with the photos shown on social media. In fact, not a few of the consumers gave positive comments regarding the quality of the product. Furthermore, positive comments are not only given on product quality but also related to prices that get positive points. Various types of products are offered at a variety of relatively affordable prices.

Recently, Liah Hijab's customer loyalty tends to decrease, this is because the number of consumers of Muslim clothing also tends to decrease. This can be seen in the data below

Table 1. Sales and Total Customer of Liah Hijab

Month	Sales	Total Customer
January	236.106.095	1530
February	256.488.315	1565
March	317.000.220	1617
April	305.357.520	1688
May	286.332.330	1583
June	178.032.055	993
July	170.045.055	950
August	110.014.850	816
Total Customer		10.742

From the table above, it can be seen that the number of products sold proves that consumers are satisfied with the clothing products marketed by Liah Hijab, thus making consumers place repeat orders. With the repeat orders made by consumers, it will increase customer loyalty. But the table also clearly shows that there was a significant decline in April - August so the question will arise why this is so. Meanwhile, in the field, the products that are marketed get a positive response from consumers. The discrepancies that occur in the field and in product sales data will raise questions about what caused the decline in the number of consumers in April - August which can be interpreted as customer disloyalty to the Liah Hijab online shop.

The quality of a product is a subjective study by consumers. This research is determined by the perception of what consumers want and need for the product. Quality products have an important role in shaping customer satisfaction. The higher the quality of the products and

services provided, the higher the satisfaction felt by customers on a product, which can lead to profits for the business entity. Likewise, if there is no satisfaction, it can result in customers moving to other products because product quality is closely related to customer loyalty, if the goods and services purchased match what consumers expect, there will be customer satisfaction or loyalty and vice versa. If the enjoyment obtained by consumers exceeds their expectations, then consumers will truly feel satisfied and it is certain that they will continue to make repeat purchases.

Product quality and price are closely related to customer loyalty. If the goods and services purchased match what consumers expect, there will be satisfaction or loyalty. According to Tjiptono and Chandra (2016) states that the quality of a product and price have a close relationship with customer satisfaction to establish a strong relationship with the company, in the long run, ties like this allow companies to thoroughly understand customer expectations and needs.

2. MATERIAL AND METHODS

In this study, 3 variables have been determined, namely the independent variable or independent variable and the dependent variable or dependent variable. The independent variables in this study are Product Quality (X1) and Price (X2). The dependent variable in this study is Customer Loyalty (Y).

This study uses a Likert scale where five alternative answers, namely: strongly agree (SA), agree (A), neutral (N), disagree (DA), and strongly disagree (SDA). Respondents can choose one of the five alternative answers tailored to the circumstances of the subject.

The sample is part of the number and characteristics of the population (Sugiyono, 2017). Thus, the sample is part of the population whose characteristics are to be investigated, and can represent the entire population so that the number is less than the population. The population in this study are users of Liah Hijab products where the population is 10,742 people. The sampling in this study was carried out by probability sampling method. The technique used is the Simple Random Sampling technique, which is a sampling technique from members of the population that is carried out randomly without regard to the strata in the population. The sample was obtained using the Slovin method totaling 100 respondents.

The validity test is used to determine the feasibility of the items of each question in defining a variable. In the validity test, you can use SPSS (Statistical Product and Service Solutions) and can also use the Product Moment correlation formula. A question item is said to be valid if the r-count value which is the value of the corrected item-total correlation is greater than the r-table obtained through Df (Degree of Freedom). To test whether a question is valid or not, it can be done through the Excel Statistical Analysis & SPSS program.

Reliability test is a test of research instruments used to determine the level of accuracy, accuracy or accuracy shown by the measurement instrument. The measuring tool that will be used is Cronbach alpha through the Excel Statistical Analysis & SPSS program. The reliability of a variable construct is said to be good if it has a Cronbach alpha value greater than 0.60.

This study uses multiple linear regression analysis techniques, which is a research analysis method involving one dependent variable that is estimated to be related to one or more independent variables. The aim is to determine the effect of product quality and price on customer loyalty at the Liah hijab online shop in 2024.

The amount of influence is indicated by the regression coefficient with the formula $y = a + b_1X_1 + b_2X_2 + e$

The Coefficient of Determination (R^2) essentially measures how far the model's ability to explain the variation in the dependent variable, Ghozali (2009). The coefficient of determination is between 0 (zero) and 1 (one). A small R^2 value means that the ability of the independent variables to explain the variation in the dependent variable is very limited. A value close to 1 means that the independent variables provide almost all the information needed to predict variations in the dependent variable.

The F statistical test is used to determine the effect of product quality (X_1) and price (X_2) together or simultaneously on customer loyalty. F count > F table at $\alpha = 5\%$, then H_0 is rejected, H_a is accepted or the independent variables simultaneously have an influence on the dependent variable. F count < F table at $\alpha = 5\%$, then H_0 is accepted, H_a is rejected or the independent variables simultaneously have no effect on the dependent variable.

The t test is used to determine the significance of the effect of the independent variable on the dependent variable individually and considers other dependents constant. The t test is used to determine the effect of product quality (X_1) and price (X_2) individually on customer loyalty (Y). This test uses a significance level of 5% and compares t count with t table. If the t count > t table value, each independent variable studied has a significant effect on the dependent variable. Conversely, if the value of t count < t table then each independent variable studied has no significant effect on the dependent variable.

3. RESULTS AND DISCUSSION

Based on the results of data processing on the validity test of each variable, it is found that the r count value is greater than the r table value of 0.1966, it can be concluded that all statement items from the research variables are declared valid and can be used in further tests.

Based on the results of processing the reliability test data using the Cronbach's Alpha method, the reliability test results obtained an Alpha coefficient value for the Product Quality variable (X_1) of 0.786, the Price variable (X_2) of 0.631, and the customer loyalty variable (Y) of 0.756. From these results it can be seen that the variables; X_1 , X_2 , and Y each variable has Cronbach's alpha > 0.60, so it can be stated that the questionnaire of each variable is reliable to be tested.

Based on the results of the regression analysis, the multiple regression equation is obtained as follows $Y = 2.074 + (0.597) X_1 + (0.404) X_2 + e$.

The multiple linear regression equation above can be described as follows: a) the interception constant value is positive, namely 2.074, this indicates that if the variable product quality and price of the Liah Hijab product is zero, the level of consumer loyalty to Liah Hijab is 2.074. b) The regression coefficient of the Product Quality variable (b_1) is positive, namely 0.597, this means that Product Quality has a positive and significant effect on customer loyalty to Liah Hijab products. This means that every 1 unit increase in Product Quality value, customer loyalty to Liah hijab increases by 0.597. c) The regression coefficient of the Price variable (b_2) is positive, namely 0.404, this means that Price has a positive and significant effect on customer loyalty for Liah Hijab products. This means that every 1 unit increase in price value, customer loyalty to Liah hijab increases by 0.404.

Based on the results of the coefficient of determination test, the Adjusted R Square is 0.766. This means 0.766 or 76.6% of the ability of the independent variables in the form of Product Quality and Price together to influence the dependent variable, namely Customer Loyalty. While the remaining 23.4% is explained by other variables outside the regression model that are not examined in this study.

Based on the results of the F test obtained F count of 163.002, the value of F count > F table (163.002 > 3.089). This shows that H_0 is rejected and H_a is accepted. This means that there is a significant influence of Product Quality and Price on Customer Loyalty at Online Shop Liah Hijab.

Based on the t test results, it can be seen that the t count value of variable X1 is 7.470 and the t table is 1.9847, so that t count > t table, meaning that the Product Quality variable has a significant effect on Customer Loyalty in the Liah Hijab online shop. Furthermore, the t count of the X2 variable is positive, namely 3.241, so that t count > t table with a significance of 0.002 < 0.05, so H_0 is rejected and H_a is accepted, then the Price variable has a significant effect on Customer Loyalty in the Liah Hijab online shop. Based on the results of the t test analysis, the most dominant independent variable influencing the dependent variable is the Product Quality variable (X1), which is 7.470.

Based on the results of multiple linear regression tests on the effect of X1 on Y, it is found that product quality has a positive and significant effect on customer loyalty in the online shop Liah hijab. Product quality can be seen from the suitability of products expected by consumers, the quality of good raw materials and the large variety of products offered by online shops. High product quality will show that the product is what the customer wants (Hartini, 2012). By producing the product quality that customers want, customers will feel satisfied and when they are satisfied, it is certain that customers will continue to make repeat purchases at Liah Hijab.

Based on the respondents' answers to the research questionnaire, it can be seen that the product quality indicator that has the highest value to attract customer loyalty is the statement on the product variety indicator. Consumers, in this case the respondents in this study, stated that the large variety of colors offered by Liah hijab is an important point to remain loyal to this online shop, because the newer color variations that are present in the market will increase consumer interest in buying products with new color variations available, and can support a fashionable appearance for most respondents whose jobs are as civil servants / private sector. According to Rosalia (2014), color is often a determining factor in whether or not a product is accepted by consumers. Consumers will buy a product because it is influenced by the color contained in the product. The colors offered by Liah Hijab are also not flashy, even tend to be colors that match the current trend so that they make users look attractive. Apart from product variants that have a high effect on loyalty, the indicator of product suitability to consumer expectations also has a good effect on influencing customer loyalty. This can be seen from the respondents' responses regarding the suitability of the product with the image included on social media, where the image that matches the original form of the product will make consumers trust so that it can increase customer loyalty to the online shop. Thus, if Liah hijab continues to offer good product quality, customer loyalty will also increase. This is also supported by Stanton's theory (Gaul & Kadasiman, 2016) which states that if the quality of the product being sold offers good quality, consumers will buy it, after that if consumers are satisfied, they will repurchase the product and will become loyal customers. It can be interpreted, if the better the product quality, the higher the level of customer loyalty.

Furthermore, the effect of X2 on Y. Based on the results of multiple regression tests, price has a positive and significant effect on customer loyalty in the Liah Hijab online shop. The price

referred to in this case is price affordability, price in accordance with product quality, and price compatibility with benefits.

Based on the respondents' answers to the research questionnaire, it can be seen that the price indicator that has the highest points is the statement that the price offered by Liah Hijab is in accordance with the quality of the product. In this case, respondents want a price that is directly proportional to the quality offered. When the product offered has a high price, the customer will also expect a high quality of the product. Thus, when customers find an online shop with a price that matches the quality of the product, customers will remain loyal to the online shop. When customers believe that the price is in accordance with the product, product purchasing behavior will tend to be repeated, and vice versa, if customers feel that the product does not match the price, then they will not repeat the purchasing behavior again.

This shows that price can encourage customers to remain loyal to a product, a reasonable price will be a decision for customers to remain loyal. Based on the results of this study, it is also in line with research conducted by Djumarno, Anjani, & Djamaluddin (2018) which states that price has a positive and significant effect on customer loyalty, which in this study shows that consumer expectations of affordable prices, according to the quality and benefits needed by consumers will increase customer loyalty.

Based on the results of the simultaneous influence test, thereby relating to the results of this study, the effect of product quality and price on customer loyalty affects consumers to remain loyal. This is also supported by the previous discussion which has been stated regarding the effect of product quality in the form of the variety of products offered by Liah Hijab getting the highest score. Where the respondents considered that the more product variations owned by the Lia Hijab online shop, the consumers would be freer to choose.

Based on the results of the simultaneous influence test, thereby relating to the results of this study, the effect of product quality and price on customer loyalty affects consumers to remain loyal. This is also supported by the previous discussion which has been stated regarding the effect of product quality in the form of the variety of products offered by Liah Hijab getting the highest score. Where respondents assessed that the more product variations owned by the Lia Hijab online shop, consumers will be freer to choose the desired product both in terms of color, shape, and product design. And this is also one of the good marketing strategies to increase sales and maintain customer loyalty. In addition, in terms of price, respondents considered that the price offered was in accordance with the quality obtained. Where the price is the benchmark for consumers to shop, if the price is too high and then the quality obtained is not appropriate, consumers will switch to another manufacturer. So as to keep consumers from switching, Liah Hijab has fulfilled consumer desires where the price offered is in accordance with the quality obtained by consumers.

At the same time, from the results of the Coefficient of Determination (R^2) test, it is known that the determination value of the independent variable (Product Quality and Price) is 0.766. This means that product quality and price together affect customer loyalty by 76.6% and 23.4% are influenced by other variables not examined in this study. Thus, the quality of a product and price have a close relationship with customer loyalty to establish a strong relationship with the company. In the long run, such a bond allows the company to thoroughly understand customer expectations and needs those (Kotler & Keller, 2016).

4. CONCLUSION

Based on the result of data analysis in this study, it is shown that product quality has a significant effect on customer loyalty. Quality is one of the factors in determining customer

loyalty. Product quality at Liah Hijab in terms of product variety has met customer expectations so that it can create loyalty. Thus, if Liah hijab continues to offer good product quality, it will also increase customer loyalty, customer loyalty will also increase.

Price has a significant effect on customer loyalty. The price of Liah Hijab products is within reach of customer purchasing power. Price affordability can encourage customers to remain loyal to a product, a reasonable price will be a decision for customers to remain loyal.

Product quality and price simultaneously have a significant effect on customer loyalty. This shows that the price offered by Liah Hijab is in accordance with the quality and benefits obtained by consumers. If the price and quality are directly proportional, it will keep customers trusting the company and continue to make repeat purchases.

COMPETING INTERESTS DISCLAIMER:

Authors have declared that they have no known competing financial interests OR non-financial interests OR personal relationships that could have appeared to influence the work reported in this paper.

REFERENCES

1. Assauri, S. Basic Marketing Management, Concepts, and Strategies. Jakarta: Raja Grafindo. 2011.
2. Djumarno, Anjani, S., & Djamaluddin, S. Effect of Product Quality and Price on Customer Loyalty through Customer Satisfaction". International Journal of Business and Management Invention (IJBMI). Vol 7. Mercubuana University. 2017.
3. Fauziah, S. The Effect of Product Quality on Customer Loyalty with Customer Satisfaction as a Moderating Variable. Scientific Paper. Muhammadiyah University of Surakarta. 2014.
4. Gaol, L.A., & Kadarsiman, H.S. The Effect of Product Quality on the Level of Consumer Satisfaction and Consumer Loyalty. Journal of Business Administration. Vol 38. Brawijaya University. 2016.
5. Ghozali, I. Application of Multivariate Analysis with SPSS. Semarang: UNDIP Publishing Agency. 2009.
6. Hartini, S. Product Quality Development and Business Performance. Journal of Economics and Entrepreneurship. Vol 14. Airlangga University Surabaya. 2012
7. Hidayat, U.A. Product Quality, Service Quality, and Price on Fast Food Restaurant Satisfaction. Journal of Management Science and Research. Vol 5. Indonesian School of Economics Surabaya. 2013.
8. Hurriyati, R. Marketing Mix and Customer Loyalty. Bandung: Alfabeta. 2015.
9. Kotler, P., & Keller, K., Lane. Marketing Management. Twelfth Edition. Volume 1. Jakarta: Indeks. 2007.
10. Kotler, P., & Keller, K.L. Marketing Management, Global Marketing. England: Pearson Education. 2016.
11. Mardiana, A., & Kasim, N.A. The Effect of Marketing Strategy on Customer Loyalty of Anisa Muslim Clothing Boutique in Gorontalo City. Journal of Islamic Economics and Business Studies. Vol 1. Faculty of Islamic Economics and Business, IAIN Sultan Amal Gorontalo. 2016.
12. Nurhudawan, D. A. The Effect of Product Quality and Price on Customer Loyalty on Telkomsel Prepaid Cards (case study of students of the Faculty of Economics and Business, Pasundan University). Journal of Business and Management Research. Vol 9. Pasundan University, Bandung. 2016.

13. Rosalia, M. The Influence of Product Attributes on Consumer Loyalty of Rabbani Product Veils in the Community of Muslim Student Unesa Ketintang. *Journal of Business Education*. Vol 2. Surabaya State University. 2014.
14. Sugiyono. *Combination Research Method*. Bandung: Alfabeta. 2017.
15. Tjiptono, Fendy. 2011. *Service Marketing*. Malang: Banyumedia.
16. Ulus, A. Marketing Mix Influence on Purchasing Decisions for Daihatsu Cars at Pt. Astra International Manado. *Journal*. 2013.

UNDER PEER REVIEW