

The Impact of Service Quality and Price on Customer Satisfaction in Building Customer Loyalty

Maria Grace Herlina

Senior Lecturer, Management Department
BINUS Business School Undergraduate Program
Bina Nusantara University
Jakarta, Indonesia 11480
herlina01@binus.edu

Dewi, Johanne Jodie Aurelia

Senior Lecturer, Senior Student
Business Creation Program, Management Department
BINUS Business School Undergraduate Program
Bina Nusantara University
Jakarta, Indonesia 11480
dewi.creation@binus.edu
jodie.suhady@binus.ac.id

Abstract

Loyalty of the firm's customers has been recognized as the dominant factor in a business organization's success. Service quality and price are vital competitive policy to keep customer support and build great base. Beauty salons are trying to win customer loyalty by delivering good quality services, competitive price, and also make sure that customers are satisfied. This study is aimed to analyze the influence of service quality and price either simultaneously or partially to customer satisfaction, service quality and price either simultaneously or partially to customer loyalty, customer satisfaction to customer loyalty, service quality, price, and customer satisfaction simultaneously to customer loyalty, service quality to customer loyalty through customer satisfaction, and price to customer loyalty through customer satisfaction. This study is conducted in Capillus Hair Care Center with 100 respondents. This study uses Path Analysis Method and also includes validity test, reliability test, and classical assumption. The results of the study indicate that service quality and price either simultaneously or partially have a positive significant influence to customer satisfaction; customer satisfaction has a positive significant influence to customer loyalty; service quality, price, and customer satisfaction simultaneously have a positive significant influence to customer loyalty; service quality has a positive significant influence to customer loyalty through customer satisfaction, and price has a negative significant influence to customer loyalty through customer satisfaction.

Keywords

Service quality, Price, Customer satisfaction, Customer loyalty

1. Introduction

Globalization era, significant developments happen in various aspects, including technology, science, and economics. Globalization itself influences almost all aspects of society in the world especially in Indonesian society, which creates competitiveness to be the best in particular aspects. Rapid business development has been creating lots of new businesses established either small one, middle one, or a bigger one. It makes the service industry such as the beauty salon industry grows quickly. Each beauty salon is required to understand the needs and wants of the consumers. Beauty salons that want to survive must have a value that makes them different from other beauty salons. In this case, offering more value will give satisfaction to consumers and push the existing customers to return to the stores. Beauty salons in business should always observe the changes in consumer behavior.

Nowadays, the beauty salon is not only the place to get beauty care treatment but also a place to relax and rejuvenate the mind and body. The industry has evolved from service to experience. Beauty salons need to take one giant leap to entertainment and implement a new business model designed around the emotional needs of the customer.

The beauty salon industry is expected to be responsive and has a quick response to these changes. Design of stores, interiors, and exteriors of the beauty salon, the atmosphere created in the beauty salon, facilities that support the beauty treatment, and also the benefit of the beauty treatment to customers. The services are offered by the beauty salons are employee's skills in serving its customer, attracting customer, providing what customers' needs and even making the customers feel comfortable, because if they do not do that then the customers can look for other salons that can meet their needs. Thus, like any other service industry in Indonesia, quality of service is the most important concern for the beauty-care service industry.

There has been evidence that, when customers' perceptions of service quality are positive, the behavioral intentions are favorable, which strengthens their relationship with the organization. An excellent quality service of an organization can make the customers satisfied because the customers can compare the service given to other organizations. If the customers are satisfied, they will recommend it to other people. On the other hand, when service-quality assessments are negative, the customers' behavioral intentions are unfavorable. One of the ways that beauty salons can do to attract and keep customers is by providing the best quality service to make customers satisfied and make them be a loyal customer. The beauty salon should be able to design appropriate marketing strategies to achieve the goals, which are, customer satisfaction and creating customer loyalty. One of the ways to give satisfaction to the customer is the appropriate pricing. For consumers, the price is one consideration in making a purchase decision, while for the company, the price is an element of the marketing mix that brings in revenue. Capillus Hair Care Center as the object of this study is one of the beauty salons in Tangerang.

1.1 Objectives

The research objectives in this study are to analyze the influence of:

1. Service Quality to Customer Satisfaction.
2. Price to Customer Satisfaction.
3. Service Quality and Price to Customer Satisfaction.
4. Service Quality to Customer Loyalty.
5. Price to Customer Loyalty.
6. Customer Satisfaction to Customer Loyalty.
7. Service Quality, Price, and Customer Satisfaction to Customer Loyalty.
8. Service Quality to Customer Loyalty through Customer Satisfaction.
9. Price to Customer Loyalty through Customer Satisfaction.

2. Literature Review

2.1 Service Quality

Service Quality is one important element that is a consideration for customers in purchasing a product. Quality is a dynamic condition that affects products, services, people, processes, and environments that meet or exceed expectations (Tjiptono, 2012). Thus, service quality can be interpreted as an effort to meet the needs and desires of customers as well as the accuracy of delivery in balancing customer expectations (Tjiptono, 2012). According to Parasuraman et al. in Sulita (2018), service quality is about what customer makes an opinion of an overall firm's brilliance or superiority. Parasuraman et al. in Sulita (2018) identified five dimensions of service quality (reliability, responsiveness, assurance, empathy, and tangibles) that link specific service characteristics to customers' expectations.

2.2 Price

Kotler and Armstrong (2010) stated that price is the amount of money charged for a product or service or the amount of value that customers exchange for the benefits of owning or using the product or service. The price of products or services determines market demand. Price can also affect a company's marketing program because it can generate profits. Stanton in Widodo (2016) mentions several price indicators, including affordability of prices, price conformity with product quality, price competitiveness, and price match with benefits.

2.3 Customer Satisfaction

Mowen and Minor in Sukmawati (2017) defined customer satisfaction as the attitude shown by customers by providing an assessment after obtaining and consuming products or services. Very tight competition forces each company to compete with one another in giving satisfaction to customers. Customer satisfaction will provide benefits for companies, especially businesses in the service sector. By maintaining and giving satisfaction to customers, they tend to repurchase the products and services they have consumed. Satisfaction will also encourage positive word of mouth communication. Communication delivered by satisfied customers can be in the form of recommendations to other prospective customers and say good things about the company (Daryanto, 2014). Customer satisfaction is an indicator of the future success of the company's business, which measures how good the customer's response to the company's business future (Assauri, 2012). By paying attention to customer satisfaction, the company will be able to maintain the presence of its customers (Kotler & Keller, 2011).

2.4 Customer Loyalty

Customer loyalty can be defined as a customer who will repurchase the products or services continuously and intentionally or even unintentionally providing strong word-of-mouth references and publicity. This habit is motivated so that it is difficult to change and is often rooted in high involvement (Engel, et.al. in Kurniasih, 2012). Loyal customers are those who are not easily swayed by price inducement from competitors, and they usually purchase more than those less loyal customers (Baldinger & Rubinson in Montolalu, 2013). Customer Loyalty as the mindset of the customers who hold favorable attitudes toward a company, commit to repurchase the company's product/service and recommend the product/service to others (Pearson in Montolalu, 2013).

2.5 Previous Research

Kurniasih (2012) in his research found service quality and price have a positive effect on customer satisfaction. The higher the quality of service, the higher the customer satisfaction and vice versa. Whereas, the higher the price level, the higher the customer satisfaction and vice versa. Aryani and Rosinta (2010) in their research found that customer satisfaction is significantly and positively related to customer loyalty. Nalendra (2018) in his research found that there is an influence between service quality, price, and consumer satisfaction simultaneously on customer loyalty. Thungasal (2019) found customer satisfaction has found to be an important mediator between service quality and price to customer loyalty. But on the other hand, Caroline and Chandra (2013) said that price through customer satisfaction on customer loyalty is not significant.

2.6 Research Hypothesis

- H1: Service Quality has a positive influence on Customer Satisfaction
- H2: Price has a positive influence on Customer Satisfaction
- H3: Service Quality and Price have a positive influence on Customer Satisfaction
- H4: Customer Satisfaction has a positive influence on Customer Loyalty
- H5: Service Quality has a positive influence on Customer Loyalty
- H6: Price has a positive influence on Customer Loyalty
- H7: Service Quality, Price, and Customer Satisfaction have a positive influence on Customer Loyalty
- H8: Service Quality through Customer Satisfaction has positive influence on Customer Loyalty
- H9: Price through Customer Satisfaction has positive influence on Customer Loyalty (figure 1)



Figure 1. Conceptual Framework

3. Methods

3.1 Types of research

Quantitative research is defined as a systematic investigation of phenomena by gathering quantifiable data and performing statistical, mathematical, or computational techniques. Quantitative research collects information from existing and potential customers using sampling methods and sending out online surveys, online polls, and questionnaires. The results of which can be depicted in the form of numerical. After careful understanding of these numbers to predict the future of a product or service and make changes accordingly.

3.2 Place and Time

The target audience of this research is the customers of Capillus Hair Care Center between January-April 2021.

3.3 Population and Sample

According to Sugiyono (2011), the population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied, and then conclusions are drawn. According to Riduwan and Kuncoro (2011), the sample is part of a population that has certain characteristics. Because not all data and information will be sent and not everyone will be asked, it is sufficient to use the sample that represents it. The sampling technique basically can be grouped into two, namely probability sampling and non-probability sampling. In this study, the sampling technique used is non-probability sampling with a focus on purposive sampling which is a sampling unit selected based on certain considerations with the aim of obtaining a sampling unit that has the desired characteristics. In this case, the customer makes a purchase at Capillus Hair Care Center.

3.4 Operational Definitions and Measurement of Research Variables

The general explanations about variable in this current study that will be analyzed are stated as follows:

1. Service Quality (X1) is an overall evaluation of the service function received by the customer (technical quality), and how the serviced is delivered (functional quality).
2. Price is the amount of money charged for a product or service. It is the amount of value the customer exchanges for the benefits of owning or using the product or service.
3. Customer Satisfaction is customer response to the evaluation of the perception of the difference between initial expectations before purchase and actual product performance as perceived between using or consuming the product concerned.
4. Customer Loyalty is customers who repurchase from the same service provider whenever possible and who will continue to recommend or maintain a positive attitude towards the service provide.

The dimension of each variable can be translated into a question in questionnaire and will be measured using Likert scale to indicate the degree of agreement or disagreement. Likert scale is designed to examine how strongly subjects agree or disagree with statements on a five-point scale (Sekaran & Bougie, 2009).

3.5 Validity and Reliability Test

According to Sarjono and Julianita (2011) validity testing is a process to prove that the instrument, technique or process used in measuring a concept actually measures the intended concept where the aim is to measure the validity of an item of questions from a questionnaire distributed to respondents who become research object.

Ferdinand (2014) said that a scale or measurement instrument of data produced is reliable if the instrument consistently raises the same results every time a measurement is carried out. Therefore, the purpose of reliability testing according to Sarjono and Julianita (2011) is to measure the consistency of the answers each respondent to the statement items contained in the distributed questionnaire can be trusted or reliable. In this study, the measurement of reliability doing with the SPSS program with used method Cronbach's Alpha, where the questionnaire is reliable if the value of Cronbach's Alpha is more than 0.6.

3.6 Path Analysis

According to Ghozali (2012), path analysis is an extension of multiple linear regression analysis testing or the use of regression analysis to estimate causal relationships between variables (causal models) that have been predetermined based on theory. Path analysis help to see the coefficient of both direct and indirect variables of the dependent variable to the independent variable. So, that the influence can be compared directly and indirectly.

The variables that influence the largest to the smallest dependent variable will be known. According to Riduwan and Kuncoro (2014), there are steps to carry out testing in the path analysis, which are:

1. Formulate hypotheses and structural equations
2. Calculate path coefficients based on regression coefficients
3. Calculate the path coefficients simultaneously (through the F test)
4. Calculate the path coefficients individually (through the T test)
5. Test the suitability between path analysis models
6. Summarize into the conclusion table
7. Interpret and summarize the results

The formulas of Path Analysis in this study in show as follows:

$$Y = \beta_1 X_1 + \beta_2 X_2 + \varepsilon_1 \dots \dots \dots (1)$$

$$Z = \beta_1 X_1 + \beta_2 X_2 + \beta_3 Y + \varepsilon_2 \dots \dots \dots (2)$$

Descriptions:

Y = Customer Satisfaction

Z = Customer Loyalty

X1 = Service Quality

X2 = Price

X3 = Customer Satisfaction

β_1 = Service Quality regression coefficient

β_2 = Price regression coefficient

β_3 = Customer Satisfaction regression coefficient

ε_1 = Error

4. Data Collection

An example of quantitative research is survey. Survey research is the most fundamental tool for all quantitative research methodologies and studies. By conducting survey research, an organization can ask multiple survey questions, collect data from a pool of customers, and analyze this collected data to produce numerical results. This research has used primary data received from the questionnaire's distribution to the customers of Capillus Hair Care Center.

5. Results and Discussion

5.1 Validity and Reliability

The validity test result of each variable while the variables of service quality, price, customer satisfaction, and customer loyalty indicate the valid result. It can be seen that number of correlation coefficient of each variable is more than r-table. R-table is obtained from the value of degree of freedom (df), where $df = \text{number of respondents} - 2$, with an error rate of 5%. The value of r-table when $df = 98$ is 0.196. So, it can be concluded that each indicator of each variable is valid and can be used for the next step of this study. The reliability test of each variables indicates the reliable result, with the Cronbach's Alpha more than 0.6. The Cronbach's Alpha of service quality (X1) is 0.902, price (X2) is 0.779, customer satisfaction (Y1) is 0.755, and customer loyalty (Y2) is 0.781 (Table 1).

5.2 Path Analysis

Table 1. Model Regression I

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
		1	(Constant)	.866		
	Service Quality (X1)	.549	.090	.509	6.117	.000
	Price (X2)	.266	.069	.320	3.843	.000

a. Dependent Variable: Kepuasan Pelanggan

The interpretations of the above regression model are as follows:

- The regression coefficient for service quality is 0.509. It means that if service quality of Capillus hair care center increases, the customer satisfaction will increase as much as 0.509.
- The regression coefficient for price is 0.320. It means that if Capillus hair care center provides more competitive and affordable price, then it will increase customer satisfaction as much as 0.320.
- Based on the result of the regression coefficients, the most influential factor to the customer satisfaction is service quality as it has larger regression coefficient than price (Table 2).

Table 2. Model Regression II

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
			(Constant)	-.666		
	Kualitas Pelayanan	.461	.137	.327	3.363	.001
	Harga	.273	.097	.251	2.831	.006
	Kepuasan Pelanggan	.370	.132	.283	2.809	.006

Dependent Variable: Loyalitas Pelanggan

The interpretations of the above regression model are as follows:

- Explanation of the regression equation in model II shows that the regression coefficient for the variable service quality shows a positive and significant value that is equal to 0.327. The explanation can be

interpreted with the statement, if the quality of the service increases, customer satisfaction will be increased and it can give a good impact on increasing customer loyalty.

- b) The regression equation for price variable shows a positive and significant value that is 0.251. It means that the performance of price has impact to the customer loyalty, which means that if price is more competitive and affordable, it will increase customer satisfaction, and it will give impact to customer loyalty.
- c) The regression equation for variable of customer satisfaction shows a positive and significant value. The value of standardized coefficient is 0.283 and the significant is 0.000. It means that the customer satisfaction influence customer loyalty so, if the customer satisfaction increases, the customer loyalty will be increased as well.
- d) Based on the results of the regression coefficients, the most influential factor to customer loyalty is service quality, as evidence by the high value of the regression coefficient for the variable of customer satisfaction which is 0.327 with significance of 0.001 (table 3).

Table 3. Coefficient of Determination I

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.739 ^a	.546	.537	.29500

a. Predictors: (Constant), Harga, Kualitas Pelayanan

The percentage amount of customer satisfaction can be explained by the variable service quality and price. It is indicated by the value of R square (R) which is equal to 0.546. It means that the customer satisfaction is able to be explained by the variable of service quality and price with a score of 54.6%, while the remaining 45.4% (100%-54.6%) is explained by other variables that are not examined in this study (Table 4).

Table 4. Coefficient of Determination II

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.747 ^a	.557	.543	.38299

a. Predictors: (Constant), Kepuasan Pelanggan, Harga, Kualitas Pelayanan

The percentage amount of customer loyalty can be explained by the variable service quality, price, and customer satisfaction. It is indicated by the value of R square (R) which is equal to 0.557. It means that the customer loyalty is able to be explained by the variable of service quality, price, and customer satisfaction with a score of 55.7%, while the remaining 44.3% (100%-55.7%) is explained by other variables that are not examined in this study (Table 5).

Table 5. Test of Individual Parameter Significance (T_{test}) I

Hypotheses	t	Sig.	Decision	Validation
$P_{yx1} = 0$	6,117	0,000	Ho rejected	Significant
$P_{yx2} = 0$	3,843	0,000	Ho rejected	Significant

a. Dependent Variable: Y

Referring to the table above, referring to the table above, result of T_{test} can be described as follows:

- a) Quality service variable has the sig value of $0,000 < 5\% (0.05)$, it has explained that quality service has affected significantly customer satisfaction.
- b) Price variable has the sig value of $0,000 < 5\% (0.05)$, it has explained that price has affected significantly customer satisfaction (Table 6).

Table 6. Test of Simultaneous Significance (F_{test}) II ANOVA^a

Sum of Squares	df	Mean Square
10.148	2	5.074
8.442	97	.087
18.590	99	

- a. Dependent Variable: Kepuasan Pelanggan
- b. Predictors: (Constant), Harga, Kualitas Pelayanan

Based on the table above, it has identified that the sig value of $0.000 < 5\%$ (0.05), it means that the quality service and price simultaneously have affected significantly the variable of customer satisfaction (table 7).

Table 7. Test of Individual Parameter Significance (Ttest) II

Hypotheses	t	Sig.	Decision	Validation
$P_{zx1} = 0$	3,636	0,001	Ho rejected	Significant
$P_{zx2} = 0$	2,831	0,006	Ho rejected	Significant
$P_{zy} = 0$	2,809	0,006	Ho rejected	Significant

- a. Dependable Variable: Z

Referring to the table above, referring to the table above, result of T_{test} can be described as follows:

- a) Quality service variable has the sig value of $0,001 < 5\%$ (0.05), it has explained that quality service has affected significantly customer loyalty.
- b) Price variable has the sig value of $0,006 < 5\%$ (0.05), it has explained that price has affected significantly customer loyalty.

Customer satisfaction has the sig value of $0,006 < 5\%$ (0.05), it has explained that customer satisfaction has affected significantly customer loyalty (table 8)

Table 8. Test of Simultaneous Significance (F_{test}) II

ANOVA^a

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.725	3	5.908	40.281	.000 ^b
	Residual	14.081	96	.147		
	Total	31.806	99			

- a. Dependent Variable: Loyalitas Pelanggan
- b. Predictors: (Constant), Kepuasan Pelanggan, Harga, Kualitas Pelayanan

Based on the table above, it has identified that the sig value of $0.000 < 5\%$ (0.05), it means that the quality service, price, and customer satisfaction simultaneously have affected significantly the variable of customer satisfaction (Table 9).

Table 9. Test of Significance of a Mediation Effect (Sobel Test)

Model			Indirect influence	Standard Error			T Count	T Table	Conclusion
				Direct		Indirect			
a	b		a.b	Sa	Sb	Sab			

X1-Y	0,509		0,14405	0,09		0,07283	1,978	1,96	Significant
Y-Z		0,283			0,132				
X2-Y	0,320		0,09056	0,069		0,04742	1,910	1,96	Not Significant
Y-Z		0,283			0,132				

Based on the table above, in the mediation test of service quality on customer loyalty through customer satisfaction, a t count of 1.978 was obtained. Because the value of t count (1.978) > t table (1.96), it is concluded that Ho is rejected. Thus, it means that customer satisfaction mediates between service quality and customer loyalty with a coefficient value of 0.14405.

In the price mediation test of customer loyalty through customer satisfaction, a t count of 1.910 was obtained. Because the value of t count (1.910) < t table (1.96), it is concluded that Ho is accepted. Thus, it means customer satisfaction does not mediate between price and customer loyalty with a coefficient value of 0.09056.

6. Conclusion

Based on the result and description of the research above, it can be concluded that:

1. Quality service (X1) measured by customer satisfaction (Y) has a significant effect as seen from the Sig value of 0,000 (Sig <0.05) and the magnitude of the service quality effect which directly influences customer satisfaction is $(0.509)^2 = 0.259 = 25.9\%$ and the remaining 74.1% is influenced by other factors outside this study. Thus, quality service has a positive and significant effect to customer satisfaction, hypothesis 1 is accepted.
2. Price (X2) measured by customer satisfaction (Y) has a significant effect as seen from the Sig value of 0,000 (Sig <0.05) and the magnitude of the price effect that directly influences to customer satisfaction is $(0.320)^2 = 0.102 = 10.2\%$ and the remaining 89.8% is influenced by other factors outside this study. Thus, price has a positive and significant effect to customer satisfaction, hypothesis 2 is accepted.
3. Quality service (X1) and price (X2) simultaneously measured by customer satisfaction have a significant effect as seen from the Sig value of 0,000 (Sig <0.05) and the magnitude of the effect of service quality and price on customer satisfaction is $(0.546)^2 = 0.298 = 29.8\%$ and the remaining 70.2% is influenced by other factors outside this study. Thus, the quality of service and price can affect the level of customer satisfaction, hypothesis 3 is accepted.
4. Quality service (X1) has a significant effect on customer loyalty (Z) as seen from the Sig value of 0.001 (Sig <0.05) and the magnitude of the quality service effect directly on customer loyalty are $(0.327)^2 = 0.106$ or 10.6% and the remaining 89.4% is influenced by other factors outside this study. So, it can be concluded that service quality has a significant direct effect on customer loyalty, hypothesis 4 is accepted.
5. Price (X2) directly has a significant effect on customer loyalty (Z) as seen from the Sig value of 0.006 (Sig <0.05) and the magnitude of the price effect directly on customer loyalty are $(0.251)^2 = 0.063$ or 6.3% and the remaining 93.7% is influenced by other factors outside this study. So, it can be concluded that the price has a significant direct effect on customer loyalty, hypothesis 5 is accepted.
6. Customer satisfaction (Y) as measured by customer loyalty (Z) has a positive and significant effect as seen from the Sig value of 0.006 (Sig <0.05) and the magnitude of the effect of customer satisfaction directly to customer loyalty is $(0.283)^2 = 0.08 = 8\%$ and the remaining 92% is influenced by other factors outside this study. Thus, customer satisfaction has a significant direct effect on customer loyalty, hypothesis 6 is accepted.
7. Service quality (X1), price (X2), and customer satisfaction (Y) directly have a significant effect on customer loyalty (Z) as seen from the Sig value of 0,000 (Sig <0.05) and the magnitude of the influence of service quality, price, and customer satisfaction directly on customer loyalty is $(0.557)^2 = 0.310$ or 31% and the remaining 69% is influenced by other factors outside this study. So, it can be concluded that the quality of service, price, and customer satisfaction have a significant direct effect on customer loyalty at Capillus Hair Care Center, hypothesis 7 is accepted.

8. Service quality (X1) indirectly influences customer loyalty (Z) through customer satisfaction (Y) with a total effect of $(0.14405)^2 = 0.0207$ or 2% and the remaining 98% is influenced by other factors outside this study. So, it can be concluded with the existence of good service quality can increase customer loyalty if Capillus Hair Care Center's customer satisfaction is met, hypothesis 8 is accepted.
9. Price (X2) indirectly does not affect customer loyalty (Z) through customer satisfaction (Y) with a total effect of $(0, 0.09056)^2 = 0.008$ or 0, 8% and the remaining 99.2% are influenced by other factors outside this study. Price indirectly has a smaller effect than direct application. So, it can be concluded that the application of price indirectly does not affect customer loyalty through customer satisfaction at Capillus Hair Care Center, hypothesis 9 is not accepted.

The result and the conclusion of this study, there are some of suggestions:

1. The result shows that service quality and price have strong influence on customer satisfaction, it means that if the quality of service in Capillus hair care center improved, it will increase customer satisfaction levels. While, if the offered price is more varied then the customer satisfaction will be increased. Capillus hair care center must maintain the level of service quality that it currently has, such as always make sure that all the equipment that used by customers are clean and in a good condition. Furthermore, Capillus hair care center must offer more affordable price or give discount in special period, it will have effect on customer satisfaction.
2. The result indicates that customer satisfaction is significant to customer loyalty, which means when customer satisfaction increases it will increase customer loyalty. Customers will feel satisfy when their needs can be fulfilled by the service that they use. Therefore, Capillus Hair Care Center must maintain and improve customer satisfaction through things that have been favored by customers such as adequate and modern salon facilities, cleanliness of the place, hygienic procedures, friendliness and skills of employees, and the existence of a loyalty card program where customers will get free one treatment if they have done the treatment at least ten times at the Capillus Hair Care Center.
3. The service quality has strong influence to customer satisfaction and customer loyalty than price. It means that customers who satisfy with the service will recommend the service to other people and they will also increase their purchase intention. Quality Service can be increased by improving continuously the quality of its human resources and by doing innovation to improve the value of facility which is supporting the quality service.
4. From this study, Capillus hair care center will see the factors that must be prioritized and not to be prioritized. Service quality and price are two factors that must get special attention. Capillus must focus on the direct way of service quality and price to reach the customer loyalty. It may not give special attention on indirect way to get the loyalty because this study shows that customer can be a loyal customer without feeling satisfied. When the customers feel that the service quality is good and price is worth the service, the customers will be loyal to the salon.

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Biographies

Dr. Maria Grace Herlina, S.Sos., MM is a Senior Faculty Member in the Management Department of Bina Nusantara Business School. She also works as the Deputy Head of the Management Program. Her love of teaching has encouraged her to devote her expertise and experiences to improving the next generation for many years by teaching, studying, and producing scientific publications. She has done various local and international studies, and she has published multiple scientific articles in international journals that are Scopus indexed. Human resource management, organizational behavior, entrepreneurial behavior, and knowledge management behavior are among her knowledge areas.

Dewi, S.Kom., MM is a Senior Faculty Member from Business Creation Program. She is teaching Entrepreneurship courses such as, Design Thinking and Entrepreneurial Marketing. Her research domains include consumer behavior, start-up business, and business model.

Johanne Jodie Aurelia is a Senior Student from Business Creation Program, BINUS Business School Undergraduate Program.