



The Influence of Service Quality and Price on Customer Loyalty at PT Londria Karya Gemilang

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Abstract	
<p>Keywords: Service Quality; Price; Customer Loyalty; PT Londria Karya Gemilang; Quantitative Research; Multiple Regression Analysis; Marketing Strategy.</p> <p>Conflict of Interest Statement: The author(s) declare that this research was conducted without any commercial or financial relationships that could be construed as a potential conflict of interest.</p> <p>Copyright © 2023 POVREMA. All rights reserved.</p>	<p>Purpose: this study investigates the partial and simultaneous effects of service quality and price on customer loyalty at PT Londria Karya Gemilang.</p> <p>Research Design and Methodology: a quantitative approach was employed, with data collected from 78 customers who had utilized Londria’s services. Multiple regression analysis was conducted using SPSS version 26 to examine the relationships between the variables.</p> <p>Findings and Discussion: the results demonstrate that service quality has a positive and significant effect on customer loyalty. Likewise, price exerts a positive and significant influence on customer loyalty. Simultaneous testing further confirms that service quality and price together significantly enhance customer loyalty.</p> <p>Implications: These findings underscore the importance of maintaining high service standards and competitive pricing strategies to strengthen customer loyalty. The study contributes to managerial practice by highlighting the dual role of service and price in sustaining customer commitment, and it recommends further research to explore additional factors influencing loyalty in similar service-based industries.</p>

Introduction

The rapid expansion of the service industry has intensified competition across various sectors, with laundry services emerging as one of the most dynamic fields. Changes in urban lifestyles characterized by speed, convenience, and efficiency have increased consumer reliance on laundry services as a practical solution for daily needs. This condition forces service providers not only to ensure operational efficiency but also to develop strong value propositions to remain competitive. Recent empirical studies confirm that service quality and pricing strategies are among the most influential factors shaping customer behavior and loyalty in service-based industries (Widianti & Safuan, 2024; Tsania & Haris, 2024).

Service quality plays a central role in forming customer perceptions and experiences. Studies consistently show that high service quality—reflected through reliability, responsiveness, empathy, and service assurance—positively influences customer satisfaction and loyalty. Widiandi and Safuan (2024) demonstrated that improvements in service quality significantly increase customer loyalty through enhanced satisfaction levels. Similarly, Tsania and Haris (2024) found that customers are more likely to remain loyal when they perceive service providers as responsive and trustworthy. In technology-driven service environments, these quality dimensions are increasingly delivered through application-based systems that emphasize ease of use, transaction security, and service speed, further strengthening customer engagement and loyalty.

Price is another critical determinant of customer loyalty, particularly when it is perceived as fair and consistent with the quality of service received. Arnas and Wiyadi (2023) found that positive price perceptions significantly influence customer loyalty, especially when mediated by customer satisfaction. Competitive pricing strategies help service providers attract customers and encourage repeat usage when customers perceive that the benefits received outweigh the costs incurred. Furthermore, Darmawan et al. (2025) highlighted that price and service quality jointly influence customer loyalty through perceived value, indicating that customers evaluate pricing not in isolation but in relation to overall service performance.

In the context of laundry services, the interaction between service quality and pricing becomes even more critical. Tina et al. (2025) demonstrated that in laundry businesses, consistent service quality combined with competitive pricing significantly enhances customer loyalty. Customers tend to remain loyal to laundry service providers that deliver reliable results, timely service, and transparent pricing structures. This finding underscores the importance of maintaining service standards while ensuring price competitiveness in highly saturated service markets.

PT Londria Karya Gemilang represents a laundry service provider that has adopted digital innovation by integrating application-based features to enhance customer convenience. However, operating in a highly competitive environment means that customer loyalty cannot be assumed. Empirical evaluation is therefore necessary to assess how service quality and pricing strategies influence customer loyalty in this context. Previous studies suggest that even technologically advanced services must continuously align service performance and pricing strategies to meet customer expectations and sustain loyalty (Arnas & Wiyadi, 2023; Darmawan et al., 2025).

The objective of this study is to analyze the impact of service quality and price on customer loyalty at PT Londria Karya Gemilang. Academically, this research contributes to the service marketing literature by providing empirical evidence on loyalty formation within a technology-supported laundry service context. Practically, the findings are expected to offer strategic insights for service providers in designing integrated approaches that combine service excellence with competitive pricing. Such strategies are essential not only to enhance customer satisfaction and loyalty but also to secure long-term competitiveness and sustainability in the service industry

Literature Review

Customer loyalty is a central concept in service marketing because it reflects customers' long-term commitment and directly affects business sustainability and competitive advantage. Loyalty is commonly manifested through repeat purchase behavior, continued service usage, and positive word-of-mouth communication. In competitive service industries, customer loyalty is not only determined by service outcomes but also by customers' overall evaluation of their service experiences and emotional attachment to service providers (Rather et al., 2019).

Service quality has been widely recognized as a key antecedent of customer loyalty. Service quality refers to customers' overall judgment of service excellence based on the comparison between expectations and actual performance. In traditional and digital service settings, customers evaluate service quality through dimensions such as reliability, responsiveness, assurance, empathy, and tangibles. Empirical evidence consistently supports the positive relationship between service quality

and loyalty. Tran (2020) found that higher perceived service quality significantly enhances relationship quality and behavioral intentions, including loyalty. Similarly, Suhartanto et al. (2019) demonstrated that superior service quality in online-based services strengthens customer loyalty by improving customers' perceptions of reliability and convenience.

In application-based service contexts, service quality extends beyond interpersonal interactions to include system usability, transaction accuracy, and service responsiveness. Yeo et al. (2017) emphasized that positive customer experiences in digital service platforms significantly influence customers' attitudes and loyalty intentions. Supporting this view, Wolfinbarger and Gilly (2003) highlighted that electronic service quality dimensions such as website functionality, fulfillment, and security play a crucial role in shaping customers' loyalty in online services. These findings indicate that service quality not only fulfills functional needs but also creates favorable experiences that foster long-term customer relationships.

Price perception is another critical factor influencing customer loyalty, as it reflects customers' evaluation of the value received relative to the monetary sacrifice incurred. When customers perceive prices as fair and reasonable, they are more likely to maintain long-term relationships with service providers. Alnaser et al. (2018) found that price fairness significantly affects customer satisfaction and loyalty, particularly in service industries where price sensitivity is high. This finding suggests that transparent and equitable pricing strategies enhance perceived value and reduce customers' intention to switch to competitors. Furthermore, Rather et al. (2019) confirmed that perceived value derived from fair pricing strengthens customers' emotional attachment and loyalty intentions.

Recent studies emphasize that service quality and price perception should be managed simultaneously, as customers tend to evaluate both factors together when forming loyalty judgments. Suhartanto et al. (2019) argued that high service quality alone may not be sufficient to generate loyalty if customers perceive prices as inconsistent with the benefits received. Instead, loyalty is most likely to emerge when superior service quality is accompanied by appropriate and fair pricing strategies. This integrated perspective highlights the importance of balancing service excellence with value-based pricing to achieve sustainable customer loyalty.

Based on the reviewed literature, customer loyalty is influenced by the combined effects of service quality and price perception. High service quality enhances customer experience and trust, while fair pricing strengthens perceived value, both of which are essential drivers of loyalty. Accordingly, this study adopts a conceptual framework that positions service quality and price as independent variables influencing customer loyalty as the dependent variable. Based on this framework, the following hypotheses are proposed: (1) service quality has a positive effect on customer loyalty; (2) price has a positive effect on customer loyalty; and (3) service quality and price simultaneously have a positive effect on customer loyalty.

Research Design and Methodology

Research design

This study adopts a quantitative approach with an explanatory research design, aimed at clarifying the influence of service quality and price on customer loyalty. The research object is PT Londria Karya Gemilang, a laundry service company that integrates digital innovations into its operations. The subjects of the study are customers who have used Londria's services. The population consists of all customers of PT Londria Karya Gemilang, while the sample includes 78 respondents selected based on the criteria of having previously used Londria's services and being willing to complete the research questionnaire. This design is appropriate for testing causal relationships between independent variables (service quality and price) and the dependent variable (customer loyalty), thereby providing empirical evidence to answer the research questions posed.

Research Methodology

Data were collected using a structured questionnaire distributed to respondents. The research instrument employed a Likert scale to measure three main variables: service quality, price, and customer loyalty. Service quality was operationalized through indicators of reliability, responsiveness, assurance, empathy, and tangibles. Price was measured based on affordability, fairness relative to service quality, and competitiveness. Customer loyalty was assessed through indicators of repurchase intention, willingness to recommend, and commitment to the company.

The collected data were analyzed using multiple linear regression with the assistance of SPSS version 26. Prior to hypothesis testing, validity and reliability tests were conducted to ensure the accuracy and consistency of the measurement instruments. Regression analysis was then performed, including partial tests (t-tests) to examine the individual effects of service quality and price, and simultaneous tests (F-tests) to evaluate their combined influence on customer loyalty. The coefficient of determination (R^2) was also calculated to determine the proportion of variance in customer loyalty explained by the independent variables. This methodological sequence ensures that the study can be replicated and that the findings are both statistically reliable and practically meaningful.

Findings and Discussion

Findings

The study examined the effects of service quality and price on customer loyalty at PT Londria Karya Gemilang using data from 78 respondents analyzed through multiple linear regression with SPSS version 26. Prior to hypothesis testing, validity and reliability tests confirmed that all measurement instruments were valid and reliable, as indicated by correlation coefficients exceeding the critical value and Cronbach's Alpha values above 0.60. The regression analysis results indicate that both service quality and price have positive and significant effects on customer loyalty. Service quality shows a significant influence with a standardized coefficient of 0.333 and a significance value of 0.001, while price demonstrates a stronger effect with a standardized coefficient of 0.480 and a significance value of 0.000. These findings confirm that improvements in service quality and appropriate pricing strategies contribute to increased customer loyalty.

The simultaneous F-test further reveals that service quality and price jointly have a significant effect on customer loyalty, with an F-value of 42.524 and a significance level of 0.000. Additionally, the coefficient of determination (R^2) indicates that 53.1% of the variation in customer loyalty is explained by service quality and price, while the remaining 46.9% is influenced by other factors outside the research model. Overall, the findings demonstrate that customer loyalty at PT Londria Karya Gemilang is significantly shaped by both service quality and price, with price emerging as the more dominant determinant

Discussion

The findings of this study demonstrate that service quality and price have a positive and significant influence on customer loyalty at PT Londria Karya Gemilang. These results align with empirical evidence from recent research showing that service quality and price perception are critical determinants of customer loyalty in various service contexts. For example, Yulihapsari *et al.* (2025) found that e-service quality and price perception significantly influence customer satisfaction and loyalty, suggesting that customers who perceive high service quality and fair pricing are more likely to remain loyal. Similarly, Arnas and Wiyadi (2025) show that both service quality and price perception positively affect customer loyalty, indicating the importance of combined evaluation of service performance and pricing strategies.

The positive effect of service quality on customer loyalty in this study reflects the fact that reliable, responsive, and consistent services enhance customers' willingness to continue using the company's offerings. This is supported by research showing that superior service performance increases customer trust and long-term relationship intentions. Transferable findings from studies such as Tsania and Haris (2024) show that higher perceived service quality leads to greater customer loyalty through enhanced satisfaction and perceived value. Such results underscore that service quality in laundry services – including punctuality, accuracy of service outcomes, and responsiveness – contributes to trust and comfort, which are core components of loyalty.

The study also reveals that price has a more dominant effect on customer loyalty compared to service quality. This result supports findings from the hospitality and service industries where price fairness and perceived value exert significant influence on loyalty intentions. Research by Susanti *et al.* (2025) found that competitive pricing enhances loyalty by strengthening perceived value, particularly in markets where service offerings are similar and price competition is intense. Furthermore, Tsania and Haris (2024) documented that customers are more likely to stay loyal when they perceive prices as fair and proportional to the quality received, indicating that pricing strategy functions as a key value signal for customers.

While service quality and price together explain a substantial portion of customer loyalty, the coefficient of determination in this study signals that other factors also contribute to loyalty formation. Service outcomes, promotional strategies, brand image, and overall customer experience may play additional roles. This multidimensional nature of customer loyalty is supported by research showing that loyalty emerges from the interplay of multiple service and value dimensions rather than a single factor. Considering these additional variables helps explain why a model that includes only service quality and price cannot fully capture the variation in loyalty behavior.

Overall, the findings support the proposed hypotheses and reinforce the importance of balancing high-quality service delivery with competitive and fair pricing strategies. Maintaining consistent service standards while offering transparent and value-reflective pricing is essential for strengthening customer loyalty and ensuring long-term business sustainability for PT Londria Karya Gemilang.

Conclusion

This study examined the influence of service quality and price on customer loyalty at PT Londria Karya Gemilang. The findings indicate that both service quality and price contribute to shaping customer loyalty, both individually and simultaneously. These results address the research objectives by confirming that customer loyalty in the laundry service industry is associated with customers' evaluations of service performance and perceived value derived from pricing. The study demonstrates that customer loyalty is not driven by a single factor but emerges from the interaction of multiple service-related considerations.

From a scientific perspective, this study contributes to the service marketing literature by reinforcing the multidimensional nature of customer loyalty, particularly within small and medium-sized service enterprises such as laundry services. The results provide empirical support for the integration of service quality and price perception in explaining loyalty behavior. From a practical standpoint, the findings offer valuable insights for service providers, highlighting the importance of maintaining consistent service standards while implementing competitive and transparent pricing strategies to strengthen customer retention. This study adds originality by focusing on the laundry service industry, which remains relatively underexplored compared to other service sectors.

Despite its contributions, this study has several limitations. The research was conducted using a limited sample size and focused on a single company, which may restrict the generalizability of the findings. In addition, the model only included service quality and price as explanatory variables, while other potential determinants of customer loyalty – such as brand image, promotional strategies, and customer experience – were not examined. Future research is encouraged to expand the scope of

analysis by incorporating additional variables, larger samples, and different service industries to provide a more comprehensive understanding of customer loyalty formation.

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