

## The Effect Of Product And Service Quality On Customer Loyalty Mediated By Customer Satisfaction In Micro Small Business Multi Cipta Semarang

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**Abstract.** Research located at Toko Multi Cipta Semarang has objectives that are divided into two types, namely the general purpose is to analyze and explain the effect of products and service quality on customer loyalty mediated by customer satisfaction in Micro Small Enterprises Multi Cipta Semarang, and for its special purpose is to analyze and explain: 1) the effect of products on customer satisfaction, 2) the effect of service quality on customer satisfaction, 3) the effect of the product on customer loyalty, 4) the effect of service quality on customer loyalty. 5) the effect of customer satisfaction on customer loyalty, 6) the effect of products on customer loyalty mediated by customer satisfaction, and 7) the effect of service quality on customer loyalty mediated by customer satisfaction. The sample used in this study was 138 people, then given the opportunity to answer questionnaires that would be processed using the SPSS 25.0 application to produce numbers which were then tested for feasibility using validity tests and reliability tests. For data analysis techniques used are multiple regression analysis, model testing and hypothesis testing. The results of the study concluded that: the general conclusion states that customer satisfaction does not mediate the effect of product and service quality on customer loyalty, while the specific conclusion states that: 1) product affects customer satisfaction, 2) service quality affects customer satisfaction, 3) product affects customer loyalty, 4) service quality affects customer loyalty, 5) customer satisfaction affects customer loyalty. Customer loyalty, 6) customer satisfaction does not mediate the effect of the product on customer loyalty, and 7) customer satisfaction does not mediate the effect of service quality on customer loyalty.

**Keywords** .customer loyalty; customer satisfaction; service quality; product.

### INTRODUCTION

Customers are the lifeblood of every business built. A business will not be able to grow big without the support and encouragement of customers who entrust their needs to the business. Customers are part of the marketing cycle. All activities carried out by a company will ultimately boil down to the value that will be provided by customers regarding the loyalty carried out. In this era of globalization, companies will always be aware of the importance of customer factors. Therefore, measuring the level of customer loyalty is very necessary. Every company that is engaged in the Micro Small Business product sales industry in marketing products must have a goal, namely how loyal customers are to the service received which ultimately has an impact on increasing sales of products sold by a company. One of the companies that became the location of the research was Micro Small Business Multi Cipta Semarang which is engaged in: (1) retail sales of handicraft goods and other paintings, (2) retail sales of handicraft goods from wood, bamboo, rattan, pandanus, grass and the like, (3) retail trade of results from printing and publishing, (4) retail trade of paper or cardboard, and goods from paper or cardboard, and (5) retail trade in household appliances

and other supplies. Therefore, the existence of this store is expected to have a good impact on increasing product sales results which can later increase sales results from year to year, so to achieve this, customer loyalty is needed, because with high loyalty from customers / customers it will affect the amount of costs incurred to buy all products in Multi Cipta Semarang.

Customer loyalty plays a very important role in business organizations or businesses carried out. Customer loyalty includes the attitude component and the customer behavior component. The components of customer attitude are ideas such as the intention to return to buy additional products or services from the same company, the willingness to recommend the company to others, the demonstration of commitment to the company by showing resistance if there is a desire to switch to another competitor and the willingness to pay at a premium. On the other hand, according to (Saravanakumar, 2014), customer loyalty is the actual repeat purchase of a product or service, which includes purchasing more of the same product or service or other product alternatives from the same company, recommending the company to others and the possibility of long-term use of the product for the brand is still maintained quality. The following is data supporting the condition of customer loyalty when viewed from the results of sales or trading of business results per month in 2022

Store Sales Results Table in 2022

No	Products sold	Number of Retail Pcs Per Month in 2022										
		Jan	Feb	Mar	Apr	Mei	Jun	Jul	Agu	Sep	Nov	Des
1	Other craft and Print items	389	420	201	745	458	332	610	386	514	678	574
2	Handicraft items from wood, bamboo, rattan, pandanus, grass and the like,	167	89	93	204	136	92	121	105	111	204	124
3	Results of printing and publishing,	144	188	90	49	83	125	111	102	127	117	196
4	Retail paper or cardboard, and goods from paper or cardboard,	401	383	280	207	199	426	301	235	194	112	439
5	Retail appliances and other household appliances	105	114	120	118	127	213	209	200	233	192	208

From the table information above, it can be identified that researchers conclude that customer loyalty has not been maximized because from the sales results summarized per month in 2022, there is instability which means that customers have not maximized to support the store by coming and buying the products sold. This is certainly the basis that customer loyalty to Toko Multi Cipta Semarang is less than optimal so researchers take several factors that might have an influence on increasing customer loyalty, namely the quality of products sold, service quality and customer satisfaction.

Quality products at competitive prices are the main key in winning a competition, which in the end will be able to provide higher satisfaction scores to customers. According to (Akbar, 2011), products are a set of attributes both tangible and intangible, including the problem of color, price, good name of the factory, good name of the store, who sells (retailer), and factory services and retailer services received by buyers to satisfy their desires. This explanation is supported by the results of research from (Kencana, 2018) entitled the effect of products and prices on customer satisfaction in using Telkom Speedy in Semarang City, with the results of products having a positive effect on customer satisfaction and price positively affecting customer satisfaction.

Customer satisfaction is the ultimate goal of every industry engaged in the sale of goods and services, but if the products sold are not in accordance with customer expectations, satisfaction will not occur, as well as the quality of service carried out by employees in serving customers. Service quality is an important factor in determining marketing strategies, especially in the business of selling products. Good service quality must be carried out for the survival of a business person, whether or not the quality of service of goods or services depends on the ability of producers to meet customer expectations consistently. By prioritizing good service, customers will make it easier for business people to achieve the goal of achieving maximum profit through increasing the number of product purchases as a form of customer satisfaction with the quality of employee service.

Customer satisfaction can be felt after customers compare their experience in purchasing goods / services from sellers or providers of goods / services with the expectations of the buyers themselves. These expectations are formed through their first experience in buying an item/service, comments from friends and acquaintances, as well as promises and information of marketers and competitors. Marketers who want to excel in competition must certainly pay attention to customer expectations and customer satisfaction. The definition of customer satisfaction according to (Kotler, P. and Keller, 2016) is a feeling of pleasure or disappointment that arises after comparing the performance (results) of the product in thought against the expected performance (or results). Therefore, customer satisfaction has an impact on loyalty because if customer satisfaction is guaranteed, customer loyalty will also be carried out automatically

The results of previous research that strengthen the use of service quality variables are the results of research from (Rossitya Dwi Setyawardani, 2021) which states that products have a significant effect on customer satisfaction and loyalty, while service quality has a significant effect on customer satisfaction and has an insignificant effect on customer loyalty.

The same results were obtained by (Ibrahim & Akbar, 2021) who stated that product quality and service quality have a strong and significant influence on customer loyalty, both partially and simultaneously. Not only that, the results of research conducted by (Andalusi, 2018) stated that there is a positive and significant influence between service quality, and satisfaction with customer loyalty. From the results of this supporting research, the whole has an influence on customer loyalty, but different results were obtained by (Berman, Barry, Joel R. Evans, 2018) who stated that service quality did not have a significant effect on customer loyalty and research from (Budiarno et al., 2022) which stated that service quality did not have a significant effect on Customer Satisfaction

Based on the explanation above, the researcher drew several problem phenomena obtained through a survey at Toko Multi Cipta Semarang, the first of which was the problem of product variables. The problem obtained by researchers is that the products offered and sold by the store are not in accordance with customer expectations because after the goods are brought to the house, there are defects so that it makes customers dissatisfied. Not only that, the product problem is also complained by customers because the packaging is not neat and safe so that it makes its appearance when displayed in the store less pleasing to the eye. The next problem phenomenon is about the variable quality of employee service in the store as evidenced by the unfriendly response from employees when serving customers who come. Not only that, the problem of service quality from employees is also not optimal in providing complete information about the products sold, making customers feel dissatisfaction with the quality of service of these employees. The last problem phenomenon is the variable of customer satisfaction obtained from observations, researchers found that customer satisfaction is less than optimal because there are customers who are disappointed with the product sold because it looks different from before and after the product arrived home. Therefore, some of the problems obtained by the researchers above as a form of concrete evidence about the decline in customer loyalty are influenced by products that do not meet expectations, then the quality of employee service that is less professional and customer satisfaction is less so that the hope in the future is for the business people of Toko Multi Cipta Semarang to evaluate their employees in order to increase customer satisfaction.

From the explanation above, the researcher finally drew a conclusion to take the title of the study on "The Influence of Product and Service Quality on Customer Loyalty Mediated by Customer Satisfaction in Micro Small Enterprises Multi Cipta Semarang"

## METHOD

In the method, authors should explain the rationale for the application of specific approaches, methods, procedures or techniques used to identify, select, and analyze information applied to understand the research problem/project, thereby, allowing the readers to critically evaluate your project's/study's overall validity and reliability.

The type of research used is research with quantitative methods because to test theories, test hypotheses, the use of statistical test tools is used numbers with statistical data processing starting from data collection, data interpretation and presentation carried out in the form and model of numbers based on statistical processed results as well (Arikunto, 2014).

The location of this research is in Multi Cipta Toko on Jl. Kauman No. 81 Semarang (024 3565352) and the research time plan is to be carried out from June to September 2023

(Sugiyono, 2013) explained that population is a generalized area consisting of objects or subjects that have certain qualities and characteristics set by researchers to be studied and then drawn conclusions. From the explanation of this theory, in this study, the number of population taken is customers who come to buy store products at Multi Cipta Semarang in the June 2023 period as many as 210 people

According to (Arikunto, 2012) if the population is less than 100 people, then the number of samples is taken as a whole, but if the population is greater than 100 people, then 5-15% or 20-25% of the total population can be taken

The sample in this study uses the Slovin formula because the number of samples must be representative so that the research can be generalized and the calculation does not require a table of the number of samples, but can be done with simple formulas and calculations. With Slovin formulas (Riduwan, 2015)

In this study, the author used the Purposive Sampling sampling technique, which is a sampling technique with certain considerations. Because in this study the author has determined the customers who will be the research sample, namely customers who have purchased products sold by Toko Multi Cipta Semarang, this technique is considered suitable to obtain clear and concrete data. So based on the calculation above, the number of samples used is 138 customers

Data collection techniques are the most important step in research, because the main purpose of research is to obtain data. Data collection techniques in this study used observation, interviews and questionnaires with the following explanations:

## **1. Observation**

According to (Ali, 2013) Observation is the selection, alteration, recording, and coding of a series of behaviors and atmospheres related to the organization, in accordance with empirical goals. The observation referred to in this data collection technique is pre-research observation, during research and post-research used as an auxiliary method, with the aim of observing the conditions, problems faced by employees at Multi Cipta Semarang

## **2. Questionnaire**

According to (Noor, 2011) "Questionnaire is a data collection technique by providing or disseminating a list of questions to respondents in the hope of providing a response to the list of questions". The distribution of questionnaires was carried out by direct distribution to research samples, namely customers who came to the Semarang Multi Cipta Store using the Likert Scale 1 – 5

Value Score Statement: SS : Totally Agree (5), S : Agree (4), CS ; Simply Agree (3), TS : Disagree (2), STS : Strongly Disagree (1)

## **RESULTS AND DISCUSSION**

The general discussion of this study is intended to explain the effect of product and service quality on customer loyalty mediated by customer satisfaction. As for what resulted from the results of the above study, it can be concluded that in the first mediation test, namely customer satisfaction mediates the effect of the product on customer loyalty as evidenced by the calculation results  $H1 \times H5 > H3$  (mediate) =  $(0.481 \times 0.323 > 0.216) = (0.155 < 0.216)$ , so it can be concluded that the customer satisfaction variable does not mediate the effect of the product on customer loyalty with evidence  $(0.155 > 0.216)$ , and it can also be said that customer satisfaction does not mediate the effect of the product on customer loyalty. While the second mediation test, namely customer satisfaction, does not mediate the effect of service quality on customer loyalty as evidenced by the calculation results  $H2 \times H5 > H4$  (mediate) =  $(0.445 \times 0.323 < 0.180) = (0.143 < 0.180)$ , so it can be concluded that the customer satisfaction variable does not mediate the effect of service quality on customer loyalty with evidence  $(0.143 < 0.180)$ , and it can also be said that customer satisfaction does not mediate the effect of products on loyalty customer

### **Special Discussions**

#### **The Effect of Products on Customer Satisfaction**

The first special discussion of this study is intended to explain the effect of products on customer satisfaction. As for what is produced from the results of the study above, it can be said that the value of product variable significance is  $0.001 < 0.05$ , so this means that there is

a positive and significant influence of the product on customer satisfaction, which indicates that the first hypothesis is accepted, with the conclusion that there is a positive and significant effect of the product on customer satisfaction Toko Multi Cipta Semarang

The next discussion discusses the results of respondents' answers to the product variable questionnaire where from the three dimensions produced, there are the highest and lowest mean values. The highest dimension is the packaging dimension with a mean value of 3.99 which indicates that the packaging dimension is very important to increase customer satisfaction through product packaging. This can happen because with a guarantee that the product is packaged durably and the product packaging is comfortable to the eye can result in increased customer satisfaction. Dimeni with the lowest value is the brand dimension with a value of 3.83 which indicates that this brand dimension needs to be leveled again in order to be an important factor in highlighting product quality so as to create customer satisfaction occurs. This can happen because typical and unique product conditions may not necessarily affect customer satisfaction, as well as product benefits that are felt to be less in accordance with customer expectations which ultimately affect customer satisfaction.

The next discussion is to discuss supporting theories about how important this product is in an effort to increase customer satisfaction, as said by (Fandy, 2016)) who defines products as everything that consumers receive in the exchange process with producers, in the form of basic benefits; physical products and their packaging; as well as additional accompanying elements. So that with products that highlight benefits, physical shape and packaging can have an influence on increasing customer satisfaction. This theory is supported by the results of research conducted by (Fadilla et al., 2022) which resulted in research that there is an influence of products on customer satisfaction, and price on customer satisfaction in using Telkom Speedy in Semarang City

Based on the results of research, supporting theories and previous research above, it can be concluded that the product has a positive and significant influence on customer satisfaction Toko Multi Cipta Semarang, the better the product sold, the more customer satisfaction increases.

### **The Effect of Service Quality on Customer Satisfaction**

The special discussion of these two studies is intended to explain the effect of service quality on customer satisfaction. As for what results from the results of the study above, it can be said that the significance value of service quality variables is  $0.000 < 0.05$ , which indicates that the second hypothesis is accepted, with the conclusion that there is a positive and significant influence on service quality on customer satisfaction Toko Multi Cipta

Semarang

The next discussion discusses the results of respondents' answers to the service quality variable questionnaire where from the five dimensions produced, there are the highest and lowest mean values. The highest dimension is the empathy dimension with a mean value of 4.09 which indicates that the empathy dimension plays an important role in increasing customer satisfaction through the quality of employee service. This can happen because with the quality of employees who are swift in providing product explanations to customers, it becomes a form of empathy that is difficult from employees to customers and customers who feel well served by employees can be an important factor in increasing customer satisfaction. Dimensi with the lowest value is the responsiveness dimension with a value of 3.84, which indicates that this responsiveness dimension needs to be leveled again so that it becomes an important factor in highlighting service quality so as to create customer satisfaction occurs. This can happen because the swift behavior of employees when asked by customers about all matters related to products needs to be improved again and employees also pay more attention to the speed of delivering products requested by customers so that customers are comfortable so as not to cause a decrease in customer satisfaction

The next discussion discusses supporting theories on how important service quality is in an effort to increase customer satisfaction, as said by (Lupiyoadi, 2013) who interprets service quality as how far the difference between reality and expectations for the services they receive or obtain. So that with equality of reality and customer expectations from the quality of employee service can have an influence on increasing customer satisfaction

This theory is supported by the results of research conducted by (Ibrahim & Akbar, 2021) which resulted in research that the Product Quality variable has a direct and significant effect on the Satisfaction variable; Service Quality variables have a direct and significant effect on Customer Satisfaction; Customer Satisfaction variables have a direct and significant effect on Customer Loyalty; Product Quality variables have an insignificant effect on Customer Loyalty; Service Quality variables have a significant influence on Customer Loyalty

Based on the results of research, supporting theories and previous research above, it can be concluded that service quality has a positive and significant influence on customer satisfaction Toko Multi Cipta Semarang, the better the quality of employee service, the more customer satisfaction will increase

### **The Effect of Product on Customer Loyalty**

The special discussion of these three studies is intended to explain the effect of



products on customer loyalty. As for what results from the results of the above research can be said that the value of product variable significance is  $0.007 < 0.05$ , which indicates that the third hypothesis is accepted, with the conclusion that there is a positive and significant influence of the product on customer loyalty Toko Multi Cipta Semarang

The next discussion discusses the results of respondents' answers to the product variable questionnaire where from the three dimensions produced, there are the highest and lowest mean values. The highest dimension is the packaging dimension with a mean value of 3.99 which indicates that the packaging dimension is very important to increase customer loyalty through product packaging. This can happen because with a guarantee of products that are packaged durably and product packaging that is comfortable to the eye can result in increased customer loyalty. The dimension with the lowest value is the brand dimension with a value of 3.83 which indicates that this brand dimension needs to be leveled again in order to be an important factor in highlighting product quality so as to create increased customer loyalty. This can happen because typical and unique product conditions may not necessarily affect the increase in customer loyalty, as well as product benefits that

The next discussion is to discuss supporting theories about how important this product is in an effort to increase customer loyalty, as said by (Tjiptono, 2012) who defines products as everything that consumers receive in the exchange process with producers, in the form of basic benefits; physical products and their packaging; as well as additional accompanying elements. So that with products that highlight benefits, physical form and packaging can have an influence on increasing customer loyalty. This theory is supported by the results of research conducted by (Rossitya Dwi Setyawardani, 2021) which resulted in research that partially product quality variables have a significant effect on customer satisfaction and customer loyalty. Service quality variables have a significant effect on customer satisfaction and affect customer loyalty but not significantly. The variable customer satisfaction has an effect on customer loyalty but is not significant. Combined, the variables of product quality and service quality have a significant effect on customer satisfaction. The variables of product quality and service quality have a significant effect on customer loyalty. The variables of product quality, service quality, and customer satisfaction have a significant effect on customer loyalty

Based on the results of research, supporting theories and previous research above, it can be concluded that the product has a positive and significant influence on customer loyalty Toko Multi Cipta Semarang, the better the product sold, the more customer loyalty will increase

### ***The Effect of Service Quality on Customer Loyalty***

The special discussion of these four studies is intended to explain the effect of service quality on customer loyalty. As for what is produced from the results of the study above, it can be said that the value of the significance of service quality variables is  $0.005 < 0.05$ , which indicates that the fourth hypothesis is accepted, with the conclusion that there is a positive and significant influence on service quality on customer loyalty Toko Multi Cipta Semarang

The next discussion discusses the results of respondents' answers to the service quality variable questionnaire where from the five dimensions produced, there are the highest and lowest mean values. The highest dimension is the empathy dimension with a mean value of 4.09 which indicates that the empathy dimension plays an important role in increasing customer loyalty through the quality of employee service. This can happen because with the quality of employees who are swift in providing product explanations to customers, it becomes a form of empathy that is difficult from employees to customers and customers who feel well served by employees can be an important factor in increasing customer loyalty. Dimensi with the lowest value is the responsiveness dimension with a value of 3.84, which indicates that this responsiveness dimension needs to be increased again in order to become an important factor in highlighting service quality so as to create increased customer loyalty. This can happen because the swift behavior of employees when asked by customers about all matters related to products needs to be improved again and employees also pay more attention to the speed of delivering products requested by customers so that customers are comfortable so as not to cause a decrease in customer loyalty

The next discussion discusses supporting theories about how important service quality is in an effort to increase customer loyalty, as said by (Lupiyoadi, 2013) who interprets service quality as how far the difference between reality and expectations for the services they receive or obtain. So that with equality of reality and customer expectations from the quality of employee service can have an influence on increasing customer loyalty

This theory is supported by the results of research conducted by (Astawa, 2017) which resulted in research that the Product Quality variable has a direct and significant effect on the Satisfaction variable; Service Quality variables have a direct and significant effect on Customer Satisfaction; Customer Satisfaction variables have a direct and significant effect on Customer Loyalty; Product Quality variables have an insignificant effect on Customer Loyalty; Service Quality variables have a significant influence on Customer Loyalty

Based on the results of research, supporting theories and previous research above, it can

be concluded that service quality has a positive and significant influence on customer loyalty Toko Multi Cipta Semarang, the better the quality of employee service, the more customer loyalty increases

### **The Effect of Customer Satisfaction on Customer Loyalty**

The fifth specific discussion of this study is intended to explain the effect of customer satisfaction on customer loyalty. As for what is produced from the results of the study above, it can be said that the significance value of customer satisfaction variables is  $0.000 < 0.05$ , which indicates that the first hypothesis is accepted, with the conclusion that there is a positive and significant influence of customer satisfaction on customer loyalty Toko Multi Cipta Semarang

The next discussion discusses the results of respondents' answers to the customer satisfaction variable questionnaire where from the three dimensions produced, there are the highest and lowest mean values. The highest dimension is the expectation conformity dimension with a mean value of 3.99 which indicates that the expectation conformity dimension plays an important role in increasing customer loyalty. This can happen because the suitability of products sold in stores with those in promotional advertisements on social media can cause customer loyalty to increase, and the quality of good service from store employees can also provide customer comfort so as to increase customer loyalty. Dimensi with the lowest value is the dimension of willingness to recommend with a value of 3.96, which indicates that the dimension of willingness to recommend needs to be leveled again in order to be an important factor in generating customer satisfaction. This can happen because the characteristics of customers who are indifferent to inviting friends to come to the store and teaching family to come also need to get more attention by employees, about how solutions can attract interest and make customers satisfied accompanied by the willingness to recommend the store to others so that in the end customer loyalty becomes even more optimal

The next discussion discusses supporting theories about how important customer satisfaction is in an effort to increase customer loyalty, as said by (Indrasari, 2019) who interprets customer satisfaction as a customer feeling as a response to goods or services that have been consumed. So that the feeling of customers who buy products and services as consumption can have an influence on increasing customer loyalty

This theory is supported by the results of research conducted by (Andalusi, 2018) which resulted in research that the positive and significant influence between service quality, and satisfaction with customer loyalty with the linear regression equation bergada  $y = 48.41 +$

$0.492X_1 + 0.617X_2$ . The value of Adjust R-Square is 0.672 where the quality of service and satisfaction with customer loyalty contributes 67.2%, the simultaneous value of F quality of service and health is  $62,041 > 3.94$  with a sig value of  $0.000 < 0.1$  so that it can be concluded that the effect is significant

Based on the results of research, supporting theories and previous research above, it can be concluded that customer satisfaction has a positive and significant influence on customer loyalty Toko Multi Cipta Semarang, the higher customer satisfaction, the more customer loyalty increases

### **The Effect of Product on Customer Loyalty Mediated Customer Satisfaction**

The special discussion of these six studies is intended to explain the effect of products on customer loyalty mediated by customer satisfaction. As for what results from the results of the above research can be said that customer satisfaction mediates the effect of products on customer loyalty as evidenced by the calculation results  $H_1 \times H_5 > H_3$  (mediate) =  $(0.481 \times 0.323 > 0.216) = (0.155 < 0.216)$ , so it can be concluded that the customer satisfaction variable does not mediate the effect of products on customer loyalty with evidence  $(0.155 < 0.216)$ , which indicates that the sixth hypothesis is rejected, whose conclusion is satisfaction customers positively and significantly do not mediate the effect of the product on customer loyalty Toko Multi Cipta Semarang

This theory is supported by the results of research conducted by (Budiarno et al., 2022) which resulted in research that service quality has a negative and insignificant effect on customer satisfaction, product quality has a positive and significant effect on customer satisfaction and customer satisfaction has a positive and significant effect on customer loyalty

Based on the results of previous research and research above, it can be concluded that customer satisfaction does not mediate the effect of the product on customer loyalty Toko Multi Cipta Semarang, the higher customer satisfaction, the more it does not affect the increase in loyalty

### **The Effect of Service Quality on Customer Loyalty Mediated by Customer Satisfaction**

The sixth special discussion of this study is intended to explain the effect of service quality on customer loyalty mediated by customer satisfaction. As for what results from the above research results can be said that customer satisfaction does not mediate the effect of service quality on customer loyalty as evidenced by the calculation results  $H_2 \times H_5 > H_4$  (mediate) =  $(0.445 \times 0.323 < 0.180) = (0.143 < 0.180)$ , so it can be concluded that the customer satisfaction variable does not mediate the effect of service quality on customer loyalty with evidence  $(0.143 < 0.180)$ , which indicates that the seventh hypothesis is rejected,

which The conclusion is that customer satisfaction does not mediate the effect of the product on customer loyalty Toko Multi Cipta Semarang

This theory is supported by the results of research conducted by (Berman, Barry, Joel R. Evans, 2018) which resulted in research that the value received by customers has a direct positive and significant influence on employee satisfaction and loyalty. While the quality of service does not directly have a significant effect on customer loyalty. Furthermore, in this study it was found that the value received by customers and the quality of service have a positive and significant effect on employee loyalty through customer satisfaction. Then gender does not moderate the relationship between the value received by customers, quality of service, customer satisfaction with customer loyalty

Based on the results of previous research and research above, it can be concluded that customer satisfaction does not mediate the effect of service quality on customer loyalty Toko Multi Cipta Semarang, the higher customer satisfaction, the more it does not affect the increase in loyalty

### **Quotation & Figures**

Product according to (Armstrong, Gary & Philip, 2013) is "A Product as anything that can be offered to a market for attention, acquisition, use or consumption and that might satisfy a want or need", meaning a product is everything that is offered to the market to get attention bought, used and that can satisfy wants and needs. According to (Fandi, 2014), Products are everything that consumers receive in the exchange process with producers, in the form of basic benefits; physical products and their packaging; as well as additional accompanying elements. (Kasmir, 2016) Service quality is defined as the actions or actions of a person or organization aimed at providing satisfaction to customers or employees. (Lupiyoadi, 2013) suggests that service quality is how far the difference is between reality and expectations for the services they receive or obtain.

According to (Danang, 2013), consumers can experience one of three levels of general satisfaction, namely if performance is below expectations, customers will feel disappointed but performance in accordance with consumer expectations will feel satisfied and if performance can exceed expectations then consumers will feel very satisfied happy or happy. (Indrasari, 2019), revealed that customer satisfaction is a customer feeling in response to goods or services that have been consumed. Suggests that customer loyalty is a deep commitment of consumers to resubscribe or repurchase selected goods or services consistently in the future, even though the influence of the situation and marketing efforts has the potential to cause behavior change. (Kartajaya, 2013), defines loyalty as a manifestation

of the fundamental human need to belong, support, feel safe, build attachment, and create emotional attachment

## **CONCLUSION**

### **General conclusions**

The general conclusion produced in this study is that customer satisfaction does not mediate the influence of product and service quality on customer loyalty at Toko Multi Cipta Semarang

### **Special conclusions**

The specific conclusions produced in this study are as follows:

1. Products affect customer satisfaction at Toko Multi Cipta Semarang
2. Service quality affects customer satisfaction at Toko Multi Cipta Semarang
3. Products affect customer loyalty at Toko Multi Cipta Semarang
4. Service quality affects customer loyalty at Toko Multi Cipta Semarang
5. Customer satisfaction affects customer loyalty at Toko Multi Cipta Semarang
6. Customer satisfaction does not mediate the effect of the product on customer loyalty at Toko Multi Cipta Semarang
7. Customer satisfaction does not mediate the effect of service quality on customer loyalty at Toko Multi Cipta Semarang

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