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Effect of Product Quality and Price on Customer Loyalty through Customer Satisfaction at PT. Andaf Corporation

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ABSTRACT

This study aims to determine the extent to which product quality and price influence customer loyalty through customer satisfaction at PT. Andaf Corporation. This research uses quantitative methods. The type of approach that researchers use is a type of quantitative description analysis approach with explanatory research. The research sample was taken using the probability sampling method from customers of PT. Andaf Corporation, totaling 26 samples. The findings of this study state that there is a significant direct effect between product quality and customer satisfaction. In addition, there is an effect of price on customer satisfaction, price on customer loyalty, price on customer loyalty, and customer satisfaction on customer loyalty, and there is an effect of product quality and price on customer loyalty through customer satisfaction. The results of this study are expected to provide benefits for the company and later can be an additional consideration for determining product quality and price.

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

1. INTRODUCTION

The business world is increasingly advanced and rapidly, causing the role of marketing to be very important in supporting business progress. Quality impels customers to establish a strong relationship with the company. In the long term, this bond allows the company to understand carefully the customer's expectations and needs. Thus, the company can increase customer satisfaction by maximizing a pleasant customer experience. Product quality is the ability of a product to meet the needs of customers or users of goods or services. Competition in the informatics engineering business in Indonesia is getting more intense along with the development of technological sophistication, such as buying goods online to ordering motorcycle taxi services using an online application. Competition for product quality and price is so fierce, demanding marketers to be able to provide quality products and prices that are affordable to consumers and to be able to develop a product that is useful and innovative according to consumer expectations

and market needs so that satisfaction after consumption can be obtained and will make consumers make purchases in the future or repeat purchases of the same product. Companies engaged in the service sector need help, especially with the company's products and the impact or results received by consumers, which affect customer satisfaction and evaluation of the products chosen. Companies engaged in services must also really pay attention to the quality of their services because, for service companies, the form of service is a vital thing that consumers can feel. As well as product differentiation from service products in informatics engineering, it must also be appropriate to what consumers need.

In addition, the number of competitors in the informatics engineering business is increasing. Each company tries to provide the best for its customers by providing various products, competitive prices and good product quality—one of the efforts made by PT. Andaf Corporation, in the face of competition, is to



provide unique products and affordable prices. Hurriyati (2005) states that price is important in the decision-making process. Price's allocation role is to help buyers decide how to obtain the highest expected benefit or utility based on their purchasing power. In order to survive during intense competition, informatics engineering companies must create customer-oriented job descriptions. Factors influencing customer satisfaction include product quality and price (Lupyoadi, 2001).

Products are made or produced to fulfill customer desires so that a product can be said to be of high quality if it is under the wishes of consumers. Therefore, the higher the quality of a product, the consumer will be satisfied with the product purchased. If the product quality received is higher than expected, then the perceived product quality will be satisfactory. Product quality is closely related to customer satisfaction which will build relationships between customers and companies for a long time. According to Kotler and Keller (2009), highly satisfied consumers will usually remain loyal for a long period and buy again when the company introduces new products and updates old ones. The company knows and believes in the relationship between customer satisfaction and increasing market share. Similar to the research conducted by Lumbangaol (2012), product quality significantly affects customer satisfaction. However, based on research conducted by Ganda Verra in 2016, it was found that product quality did not significantly affect customer satisfaction.

In addition to product quality, price is very important for consumers before purchasing; the pricing issue concerns consumers and companies. If the price set by the company is under the benefits and desires of consumers, then the community can accept the existence of this informatics engineering company. Gultom and Ngatno (2020) argue that price is a very important variable for customers because it will be the basis for consumers to be able to measure the compatibility between the benefits of the product received and the sacrifices that have been made, either in the form of money or certain sacrifices. Based on the research he has done; it was found that price has a positive effect on consumer satisfaction.

Price is one of the determinants of a company's success because price determines how much profit the company will get. Products are made or produced to fulfill customer desires so that a product can be said to be of high quality if it is under the wishes of consumers. Therefore, the higher the quality of a product, the consumer will be satisfied with the product purchased. If the product quality received is higher than expected, then the perceived product quality will be satisfactory. Product quality is closely related to customer satisfaction which will build relationships between customers and companies for a long time. According to Kotler and Keller (2009), highly satisfied consumers will usually remain loyal for a long period and buy again when the company introduces new products and updates old ones.

The company knows and believes in the relationship between customer satisfaction and increasing market share. It is the same as the research conducted by Ganda Verra (2016) that product quality significantly affects customer loyalty. In addition to product quality, price is very important for consumers before purchasing; the pricing issue seems to concern consumers and companies. If the price set by the company is under the benefits and desires of consumers, then the community can accept the existence of this informatics engineering company. Price is one of the determinants of a company's success because price determines how much profit the company will get, and companies will not be able to survive in the competition. The higher the level of product quality, the higher the satisfaction consumers feel. The high satisfaction consumers feel it will create a loyal attitude toward the information engineering company Andaf Corporation.

Several previous studies, such as Suwarni and Sepriana Dwi Mayasari (2011), have found that product quality and price have an effect of 11.5% on customer loyalty through customer satisfaction at IM3 prepaid card companies. Slightly different from the research conducted by Hayatun (2016) at the Pepsodent toothpaste company; his research found that product quality did not affect customer loyalty. Meanwhile, price and customer satisfaction affect customer loyalty to Pepsodent

toothpaste. With the large number of companies in the same field, the competition is getting tougher in increasing and retaining existing customers. The company strives to survive market competition through quality products at competitive prices.

2. LITERATURE REVIEW

Every producer always tries to achieve his goals and objectives through his products. The resulting product can be sold or purchased by the end consumer at a price rate that gives the company long-term profits. Through the products that can be sold, the company can guarantee its life or maintain the stability of its business and development. In this framework, every producer must think about marketing activities for his product long before it is produced until the final consumer consumes the product.

Management is an activity carried out by an organization to manage, organize, implement, and manage the activities carried out by the organization or company. That matter in line with what was expressed by Afifudin (2013) defines management that management as a typical process consisting of planning, organizing, actuating, and controlling actions carried out to determine and achieve predetermined targets through the utilization of human resources and other resources. In marketing, companies create value for customers and build strong customer relationships to capture value from customers in return.

Meanwhile, Kotler and Keller define marketing (2016: 27) as "Marketing is meeting profitability needs"; the meaning of this expression is that marketing is something that is done to meet every need (consumer needs) in ways that benefit all parties. Marketing is one of the most important factors for advancing the company. Especially companies engaged in goods and services. Much of the company's success is determined by achievements in the field of marketing. Marketing is studying consumer needs and wants and satisfying consumers with good products and services. Marketing activity is often interpreted as offering products and selling products.

Based on the explanation above, the writer is interested in conducting research titled "The Influence of Product Quality and Price on Customer Loyalty Through Customer Satisfaction."

However, when examined further, it turns out that the meaning of marketing is not just offering or selling products but activities that analyze and evaluate consumer needs and wants. As it goes

With time, society is also developing, not only developing in terms of education, technology, and lifestyle but society is also developing. Thus, the company must be able to follow these developments. Kotler and Armstrong (2014: 27) stated the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return. This definition means that marketing is a process by which companies create value for customers and build strong relationships with customers to capture value from customers in return.

According to Hasan (2013: 4), "Marketing is the process of identifying, creating and communicating value, and maintaining satisfying customer relationships to maximize company profits. According to John W. Mullins & Orville C. Walker, Jr. (2013:5), marketing is a social process involving the activities necessary to enable individuals and organizations to obtain what they need and want through exchange with others and develop ongoing exchange relationships. This definition means that marketing is a social process that involves activities necessary to enable individuals and organizations to get what they need and wants through exchanging with others and developing sustainable exchange relationships.

Marketing management occurs when one party to a potential exchange thinks about ways to achieve the other party's desired response. The company's goals will be achieved if its business is carried out simultaneously with the implementation of good marketing. Because by doing and implementing marketing



management well, we will be able to maximize the potential of the company so that it can achieve company goals.

Kotler and Keller (2016) state that marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through delivering, delivering, and communicating superior customer value. The definition states that marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating accounts, delivering, and communicating superior customer value.

Kotler and Armstrong (2016) state that marketing management is the art and science of choosing target markets and building profitable relationships. The definition of Marketing Management, according to Sofjan Assauri (2013), states that marketing management is an activity of analyzing, planning, implementing, and controlling programs that are made to form, build, and maintain profits from exchanges through target markets in order to achieve organizational goals (company) in the long run. According to A.M.A (The American Marketing Association), marketing management is: "marketing is the performance of the business activities direct the flow of goods and services from producer to customer or user." Based on these definitions, marketing management influences the level, timing, and composition of demand to help the organization achieve its goals.

The quality variable is an important thing that a product follows, so product quality is one of the factors a customer decides to buy a product. Quality directly impacts product or service performance; therefore, quality is closely related to value and customer satisfaction. According to the definition of the American Society for Quality Control: Quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. A seller has delivered quality when his product or service meets or exceeds the customer's expectations. According to Yanti (2008), quality is keeping service promises to satisfy and benefit those served. Quality is not only an attempt to meet predetermined specification requirements or an

effort to reduce defective products but is broader than that. Quality is a comprehensive effort that includes every effort to improve the organization in satisfying customers.

Quality must be described and communicated in terms of its relationship with each customer and accordance with customer expectations. All the advertising, sales promotion, or customer service will be of little help for a poorly performing product. According to Kotler and Keller (2009), quality is the totality of features and characteristics of a product or service that depend on its ability to satisfy stated or implied needs. According to Wijaya (2011), quality is something that the customer decides. Quality is based on the customer's or consumer's service experience. Product quality is the ability of a product to meet and satisfy the needs of a customer who buys or uses the goods or services. Product quality is also an assessment of a product; product quality is related to the sacrifices incurred by customers relative to what they will receive. Kotler and Armstrong (2001) state, "Product quality is a potential strategic weapon to beat competitors." So only companies with the best product quality will grow rapidly, and in the long term, these companies will be more successful than others. From the definitions above, the authors conclude that quality is a quality standard in which each element is interconnected and can affect performance in meeting customer expectations. Quality not only emphasizes the final result's aspects, namely products and services but also concerns human quality, process quality and environmental quality. It is only possible to produce quality products and services through quality people and processes.

Operationally, quality products are products that meet customer expectations. Products must have a certain level of quality because products are made to meet consumer tastes or satisfy the wearer. Several terms are considered as definitions of quality, such as reliability, usability, satisfactory service, and ease of maintenance. According to Kotler and Armstrong (2015), Products can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need.

In addition, Buchari Alma (2013) defines a product as follows: "The product is a set of both tangible and intangible attributes, including color issues, price, good factory name, the good name of the selling shop (retailer), and factory services and retailer services received by buyers to satisfy their desires.

So, the product is not only in the form of something tangible, such as food, clothing, and so on but also something intangible, such as a form of service. All are intended for the satisfaction of the needs and desires (needs and wants) of consumers. Consumers do not only buy products to satisfy needs but also aim to satisfy wants. Products have an important role in supporting customer satisfaction. A product can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need of a user. The product is said to be good if the product can meet market needs.

The definition of product quality has a core in efforts to fulfill customer needs and desires, which aim to offset customer expectations. According to Kotler and Armstrong (2014), product quality is the ability of a product to perform its functions; this includes overall durability, reliability, accuracy, ease of operation and product repair, as well as other product attributes. According to Kotler and Keller (2016), product quality is the ability of an item to provide relevant results or performance beyond what the customer wants. The definition of product quality has a core in efforts to fulfill customer needs and desires, which aim to offset customer expectations. According to Kotler and Armstrong (2014), product quality is the ability of a product to perform its functions; this includes overall durability, reliability, accuracy, ease of operation and product repair, as well as other product attributes.

According to Kotler and Keller (2016), product quality is the ability of an item to provide relevant results or performance beyond what the customer wants. According to the author, product quality is the ability of a product to carry out its functions, which is a combined understanding of durability, reliability, accuracy, ease of maintenance and other attributes.

The quality level does not always have to be high; the quality can be low, medium or high, according to the desired positioning. Then the quality of the product must be adjusted to the product's position in the market. In addition to quality levels, high quality can also mean consistency of high-quality levels. In this high-quality consistency, product quality means conformance quality free from defects and consistency in delivering the quality to be achieved or promised. According to Kotler and Keller (2007), a product mix is a set of all products certain sellers offer buyers. A product mix consists of various product lines. Based on the discussion above, a hypothesis can be taken:

H₁: There is a significant influence between product quality and customer satisfaction.

Product quality interests' customers in managing a good relationship with the product provider company. The existence of a reciprocal relationship between the company and the customer will provide an opportunity to know and understand what the needs and expectations are in customer perceptions. Thus, product provider companies can provide good performance to achieve customer satisfaction by maximizing pleasant experiences and minimizing unpleasant customer experiences in consuming products if the performance of a product that is received or felt is under customer expectations. From some of the definitions above, the product is not only tangible goods but can also be in the form of services so that products can provide different satisfactions, so companies must be more creative and broad-minded about the products they produce.

Price is a product value because it will affect the producer's profit. Price is also a consideration for consumers to buy, so special consideration is needed to determine this price. Kotler and Keller (2012) define price as the one element of the marketing mix that produces revenue; the other elements produce costs. Prices are the easiest element of the marketing program to adjust, product features, channels, and even communication. Buchari Alma (2011: 169) defines that: "Price is the value of an item expressed in money." Price has two main roles in the buyer's decision-making process, namely,



the role of allocation and the role of information.

According to Kotler and Armstrong (2013), the amount of money charged for an item or service or the amount of the value of money exchanged by consumers for the benefits of having or using the product or service. While the definition of price, according to Alma (2013), is the value of an item expressed in money. (Aburajab et al., 2019; Octaviani & Sofie, 2019). Price is the number of rupiah the market can pay (Colin, 2003). From a marketing point of view, monetary units or other measures (goods and products) are exchanged to obtain the right to own or use an item or product. According to Tjiptono (2004) price has two main roles in the buyer's decision-making process, namely the role of allocation and the role of information.

Price is the money charged or charged for a product or product. In other words, price is a value that must be exchanged for consumers' desired product. (Swastha, 2008) Price is the only element that generates income, while other elements generate costs. Price is one of the most flexible elements; prices can be changed quickly. However, some companies need to handle more cost-oriented pricing; prices are varied less often to take advantage of market changes, prices are set independently rather than as an intrinsic element of market positioning strategy, and prices are not varied enough for a wide range of products, market segment, and point of purchase. (Kotler, 2001) Keep in mind that the primary task of the marketer is to bring the price down by pushing other factors up. Because in some purchasing decisions, a lower price is superior. However, several conditions also cause consumers to be willing to pay a higher price because they are convinced by the product brand or the benefits offered. Price generally has a determining role in the choice of buyers. It is increasingly true for poorer countries and commodity-type products. Based on the explanation above, a hypothesis can be taken in the form of:

H₄: There is a significant effect between price and customer loyalty.

However, over the past few decades, non-price factors have become increasingly important in buyer choice behavior. However,

price is still the most important element determining market share and profitability. The price of an item is a determinant of market demand. In general, the conception of price is closely related to value and benefits. Value is a qualitative expression of an item's power to attract other goods in exchange. At the same time, the benefit is an attribute of a product that can satisfy consumer needs (Swastha, 2005).

Initially, prices were set by bargaining between buyers and sellers, and the main factors influencing buyers' choices. Price is the only element in the marketing mix that creates revenue. The other elements represent costs and competition. Many companies need help to handle pricing well. The most common mistakes are cost-oriented pricing, often under-revised, and prices that must be more varied for products in different market segments. Every company always tries to set a selling price that is acceptable to consumers because the price is a factor that can determine purchasing decisions and determine whether or not consumers accept goods.

According to Kotler and Armstrong (2001), price is the amount of money charged for a product or service or the amount of value exchanged by consumers for the benefits of having or using the product or service. So the price is the amount of money needed or exchanged by consumers to obtain or own an item with benefits and uses. Meanwhile, another opinion regarding the definition of price is the exchange rate for the benefits posed by certain goods or products for a person. Based on the discussion above, a hypothesis can be taken in the form of:

H₂: There is a significant influence between price and customer satisfaction.

The word satisfaction comes from the Latin "satis" (meaning good enough, adequate) and "facio" (to do or make). Satisfaction can be interpreted as "efforts to fulfill something" or "to make something adequate." According to Kotler and Keller (2016), in general: "Satisfaction is a person's feelings of pleasure or disappointment that result from comparing a product or service's perceived performance (or outcome) to expectations." In general, satisfaction is a person's pleasure or disappointment from comparing the perceived

product or performance with the expected service (or results). Satisfaction comes from "satisfied," a statement of feelings for something.

In contrast, customer satisfaction is the result of customer perceptions of the value received in transactions or relationships where value is equal to the perceived quality of service relative to the prices and costs incurred by customers (Afshar et al., 2011), while Keller and Kotler (2009) say that satisfaction is a person's feeling of pleasure or disappointment that arises from comparing the perceived performance of a product (or result) to their expectations. Customer satisfaction has been defined in various ways. However, the conceptualization that has achieved the widest acceptance is that satisfaction is a post-evaluative choice of a particular transaction (Bastos & Gallego, 2008). Retaining customers means expecting customers to repeat purchases of products or services when the same need arises occasionally.

The definition of customer satisfaction, according to Kotler (2014), is Feelings of pleasure or disappointment that arise after comparing the performance (results) of the product that is thought of against the performance (or results) that is expected. According to Kotler and Keller (2009), satisfaction is a person's pleasure or disappointment from comparing a product's perceived performance (or result) against their expectations. If performance fails to meet expectations, the customer will be dissatisfied. If performance matches expectations, the customer will be satisfied. If performance exceeds expectations, the customer will be delighted.

Oxford Advanced Learner's Dictionary (Tjiptono & Chandra, 2011) describes satisfaction as "the good feeling that you had when you achieved something or when something that you wanted to happen does happen" and "the act of fulfilling a need or desire." From the opinion above, it can be interpreted that satisfaction is a pleasant feeling that is owned when people get something or when something wants to happen—the action of fulfilling their needs and desires.

Kotler and Keller (2006) revealed that customer satisfaction is the main key to retaining consumers. It is because the company's sales in each period come from new customers and existing customers. Therefore, to retain consumers, companies must research customer satisfaction. Based on the above definition, it can be concluded that consumer satisfaction is an attitude, evaluation and emotional response shown by consumers after the purchase/consumption process, which comes from a comparison of their impressions of the actual performance of a product and its expectations, as well as an evaluation of the experience of consuming a product or service.

Customer loyalty is important in a company; retaining them means improving financial performance and maintaining survival. It is the main reason for a company to attract and retain them. Measurement of customer satisfaction or dissatisfaction with a product is an important indicator of product loyalty. Loyalty can be interpreted as loyalty, namely, one's loyalty to an object. According to Ratih Hurriyat (2014), the definition of customer loyalty is as follows: "Customer commitment to stay in-depth to re-subscribe or re-purchase selected products/services consistently in the future, even though situational influences and marketing efforts have the potential for behavior change." According to Sangadji and Sopiah (2013), customer loyalty is a deeply held customer commitment to re-subscribe or re-purchase selected products or services consistently in the future, even though situational influences and marketing efforts can potentially cause behavior changes. Based on the explanation above, a hypothesis can be drawn in the form of:

H₃: There is a significant influence between product quality and customer loyalty.

According to Cheng and Rashid (2013) Customer loyalty is a strong commitment to make many repeat purchases of the selected product or use the service consistently in the future. Loyalty will reduce competitors' attacks from similar companies, not only product battles but perception battles. Customer loyalty begins with the customer's assessment of the quality of the product or service received



(perception) based on the expectations that have been conceptualized. These expectations arise from products or services received previously (experience) and word of mouth that reaches customers. This assessment will lead to satisfaction and dissatisfaction. Customers will be satisfied if the quality provided meets or even exceeds customer expectations. However, vice versa, if the quality of the product or service provided is less or below expectations, then customers will be disappointed. Aditya (2008) states that loyalty is a condition where customers have a positive attitude towards a brand, are committed to the brand, and intend to continue their purchases in the future.

Consumer loyalty is very important for a company, both services and products (goods), to increase profits because if consumers are not loyal to a company's products, then it is certain they will turn to other products. Consumer loyalty maintenance is one way to increase Customer loyalty by providing good service, which is expected to make customers return to make transactions. Customers (customers) are different from consumers (consumers); a person can be said to be a customer if that person starts to get used to buying products or services offered by business entities.

This habit can be built through repeated purchases within a certain period. If, within a certain period, the people do not repurchase, then that person cannot be said to be a customer but a buyer or consumer. Loyalty is consumer loyalty to a product or service meeting their expectations. Loyalty cannot be formed before the buying process because loyalty is also formed due to the impression of quality and experience in using goods or services.

Hurriyati (2005) explains the notion of loyalty as a customer's deep commitment to re-subscribing or repurchasing selected products or services consistently in the future, even though situational influences and marketing efforts can potentially cause behavior changes. Customer loyalty has a very important role for the company, and the company must be able to attract and retain customers.

Efforts to acquire loyal customers cannot be made all at once but through several processes, from finding potential customers to getting partners. Griffin (2003) states that customers

must be considered as individuals and treated in such a way as to remain loyal and help the company continue to grow and continue to develop. True loyalty will only be formed if the customer has made the purchase process first. Satisfied customers will have a high level of loyalty to the products or services offered compared to dissatisfied customers. Customer loyalty is a continuation of customer satisfaction, even though loyalty is not created from the results of customer satisfaction.

According to Kotler (2008), loyalty is a deeply held commitment to buy or re-support a preferred product or service in the future despite situational influences and marketing efforts that cause customers to switch. Based on this opinion, loyalty is a customer commitment that forms customer loyalty to a product or service, resulting in customers making continuous purchases of selected products or services. Customers will remain consistent and not easily influenced by volatile market situations, which generally affect consumer behavior.

Furthermore, Griffin (2005) argues that a customer is said to be loyal or loyal if the customer shows normal buying behavior or there is a condition where the customer is required to buy at least twice within a certain time interval. Efforts to provide customer satisfaction are carried out to influence customer attitudes, while customer loyalty is more related to customer behavior than the customer's attitude. Aditya (2008) states that a consumer is said to be loyal if he has a strong commitment to use or buy again regularly a product or service.

Customer satisfaction is influenced by product quality and prices provided by the company. Product differences in quality and benefits that are better than competitors will affect consumer satisfaction so that consumers will be interested in using the products provided by the company. Likewise, competitive prices under those set by the company will influence consumer decisions to buy these products.

Quality is important and needs serious attention for every company to survive and remain the customer's choice. The quality of the products offered is one of them because, in service businesses such as restaurants or

Informatics Engineering companies, quality is the basis for creating customer satisfaction. The products' quality will affect customer satisfaction Sari (2009). Customers will be satisfied if their expectations are met. Furthermore, customer satisfaction will positively impact the company, encouraging customer loyalty, and the company's reputation will positively impact society in general and customers in particular (Parvez, 2009). Based on the explanation above, a hypothesis can be taken in the form of:

H₅: There is a significant influence between customer satisfaction and customer loyalty.

Boulding (1993) (in Ali Hasan, 2008: 83) suggests that brand loyalty to consumers is caused by the influence of satisfaction and

dissatisfaction with the brand, which accumulates continuously in addition to the perception of product quality. Consumers who are always satisfied by using a company's products will have trust in that company, so they tend to repurchase and ignore products from competing companies even though competing companies offer similar products. PT. Andaf Corporation has affordable prices and good quality, allows for customer satisfaction and will attract new customers, so it is hoped that it will make loyal customers in the end. Based on the explanation above, the following hypotheses can be taken:

H₆: There is a significant influence between product quality and price on customer loyalty through customer satisfaction.

3. RESEARCH METHOD

In this study, the authors used a quantitative method with a descriptive research approach and associative analysis because variables will be examined, and the purpose is to present a picture of the relationship between the variables studied. The research conducted this time was explanatory research using a survey method in which a questionnaire was used to collect data.

3.1. Data Collection Techniques

The type of data collected is in the form of quantitative and qualitative data. Sources of data obtained in this study are primary data and secondary data. Data collection techniques in research are using questionnaires and documentation studies.

3.2 Operational Definitions of Variables

Table 1: Variable Measurement

Variables	Measurement
Dependent Variables:	
<i>Customers Loyalty</i> Yovita (2008).	(1). Make regular repeat purchases. (2). Buying across product lines and services. (3). Referring to others. (4). Demonstrates immunity to the pull of competitors.
<i>Customers Satisfaction</i> Tjiptono (2008)	(1) Product Quality, (2) Service Quality, (3) Emotional, (4) Price, (5) Cost.
Independent Variables:	
<i>Product Quality</i> Tjiptono (2008)	(1). performance, (2). employee interaction, (3). reliability, (4). durability, (5). timeliness and convenience, (6). aesthetics, (7). brand fairness.
<i>Price</i> Ariani, 2009	(1) Tangibles, (2) Reliability, (3) Responsiveness, (4) Assurance, (5) Empathy.

3.3 Sample Collection Techniques

The sampling technique in this study used a non-probability sampling technique, which is a sampling technique that does not provide equal opportunities for each element or member of

the population to be selected as a sample. This technique was chosen because of the small population, namely 26 consumers. Questionnaires were given to all 26 consumers to obtain data.



3.4 Data Analysis Techniques

The technique used to measure the validity of the questionnaire question items is the Correlation Product Moment from Karl Pearson (content validity) by correlating each item of the questionnaire question. In decision-making, validity tests are:

1. If $r_{count} > r_{table}$, then the statement is valid.
2. If $r_{count} < r_{table}$, then the statement is declared invalid

The reliability test was carried out to measure the consistency between the results of observations with instruments or measuring instruments used at different times. Statements that are valid in the validity test will be determined reliably with the following criteria:

1. If r_{alpha} is positive or $> r_{table}$, then the statement is reliable
2. If r_{alpha} is negative or $< r_{table}$, then the statement is not reliable

The main objective of reliability testing is to determine the consistency or regularity of the measurement results of a research instrument called reliable if the instrument is consistent in assessing what is being measured. The standard used in determining the reliability of research instruments is generally a comparison between the r_{count} and r_{table} values at the 95% confidence level or a 5% significance level. A research instrument can be reliable if the calculated Alpha is greater than the table and the calculated Alpha is positive. The level of reliability with the Alpha Cronbach formula is measured based on the Alpha scale of 0 to 1.

4. RESULTS AND DISCUSSIONS

4.1. Results

Table 2: Statistic Descriptive

Variables	N	Mean	SD	Min	Max
Dependent variables:					
<i>Customers Satisfactions</i>	26	29.96	5.82	16.00	40.00
<i>Customers Loyalty</i>	26	23.69	6.76	13.00	35.00
Independent variables:					
<i>Product Quality</i>	26	31.15	6.26	18.00	45.00
<i>Price</i>	26	17.31	3.43	10.00	24.00

Source: Proceed by E-views, 2022

Table 3: Regression test

Variables	Coefficient	Sig.
Dependent variables: Customers Satisfactions		
<i>Product Quality</i>	0.841	0.000
<i>Price</i>	0.824	0.000*
Dependent variables: Customers Loyalty		
<i>Product Quality</i>	0.864	0.000
<i>Price</i>	0.794	0.000
<i>Customers Satisfaction</i>	0.861	0.000
<i>R-square</i>	81.3%	
<i>Prob(F-statistic)</i>	0.000	
<i>Observations</i>	26	

Source: Proceed by E-views, 2022

Based on Table 3 above, the R² (R square) number is 0.813. The product quality, price and customer satisfaction variables of 81.3% can explain or influence the customer loyalty variable. In comparison, the remaining 18.7% is

explained or influenced by other variables not examined.

The magnitude of the direct influence of product quality (X1) on customer satisfaction (Y1) = $(0.841) \times (0.841) = 0.707 = 70.7\%$. The magnitude of the direct effect of price (X2) on

customer satisfaction (Y1) = $(0.824) \times (0.824) = 0.679 = 67.9\%$. The direct effect of product quality (X1) on customer loyalty (Y2) = $(0.864) \times (0.864) = 0.746 = 74.6\%$. The magnitude of the direct effect of price (X2) on customer loyalty (Y2) = $(0.794) \times (0.794) = 0.630 = 63\%$. The magnitude of the direct effect of customer

4.2. Discussion

Based on research findings, product quality significantly influences customer satisfaction, meaning that the better the quality of the products produced by PT. Andaf Corporation, the higher the level of customer satisfaction. In this condition, customers of PT. Andaf Corporation will have customer satisfaction due to perceived good product quality. The better the quality of the products produced by PT. Andaf Corporation, the higher the level of customer satisfaction at PT. Andaf. Research conducted by Suwarni and Septina Dwi Mayasari in 2011 revealed that product quality strongly influences customer satisfaction.

Indonesian digital consumers enjoy online as a way to find various information about products and services online because they view the internet as a means to check products/services and provide information before making transactions, generally buying and selling. By looking at how consumers browse online before making a purchase, retailers need to pay attention to digital marketing strategies to reach consumers or customers. One of the digital marketing strategies is to build a network so that customers can increase their turnover.

Based on research findings, the price significantly influences customer satisfaction, meaning that the better the price offered, the better the level of customer satisfaction generated by PT. Andaf Corporation, the higher the level of customer satisfaction. In this condition, customers of PT. Andaf Corporation will have customer satisfaction because the price is perceived as appropriate. It is similar to

5. CONCLUSIONS

This study examines the influence of product quality and price on customer loyalty through customer satisfaction at PT Andaf Corporation. Based on the research and

satisfaction (Y1) on customer loyalty (Y2) = $(0.861) \times (0.861) = 0.741 = 74.1\%$. The magnitude of the indirect effect of product quality (X1) and price (X2) on customer loyalty (Y2) through customer satisfaction (Y1) = $(0.841) \times (0.824) \times (0.861) = 0.596 = 59.6\%$.

research conducted by Hermina (2017) entitled "The Influence of Price and Product Quality on Consumer Satisfaction." Sony Smartphone Users at PT. Maju Jaya Cicaheum Bandung" found that price positively and significantly affects satisfaction.

The findings of subsequent research show that product quality significantly influences customer loyalty, meaning that the better the quality of the products produced by PT. Andaf Corporation, the higher the level of customer loyalty. In this condition, customers of PT. Andaf Corporation will have customer loyalty due to perceived good product quality. The better the quality of the products produced by PT. Andaf Corporation, the higher the level of customer loyalty to PT. Andaf.

Price significantly affects customer loyalty, meaning that the better the price offered by PT. Andaf Corporation, the higher the level of customer loyalty. In this condition, customers of PT. Andaf Corporation will have customer loyalty because the price offered is perceived as good. The better the price offered by PT. Andaf Corporation, the higher the level of customer loyalty to PT. Andaf.

Based on the research findings, customer satisfaction significantly influences customer loyalty, meaning that the higher the customer satisfaction, the higher the customer loyalty. These results are in line with research conducted by Rudisty (2007) with the research title "The Influence of Satisfaction on Consumer Loyalty (Case Study on Customers of Elegance Cellular Partners," showing that there is a positive and significant influence between satisfaction and customer loyalty.

discussion results, it can be concluded that product quality affects customer satisfaction, price affects customer satisfaction, product quality affects customer loyalty, and price



affects customer loyalty. Customer satisfaction has affected customer loyalty.

Suppose future researchers are going to do the same research. In that case, the researchers should choose companies in different business sectors to get research results that are more

representative of each business sector and can strengthen the findings of previous researchers. Future researchers are expected to conduct longer research periods to better reflect on the company and obtain more accurate research results.

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