

Research Article

The Influence of Service Quality and Price on Customer Loyalty with Customer Satisfaction as an Intervening Variable at CV Fathin Aesthetic Beauty Salon in Pemangkat

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ABSTRACT

This study aims to analyze the influence of service quality and price on customer loyalty with customer satisfaction as an intervening variable at CV Fathin Aesthetic Beauty Salon in Pemangkat. The research approach used is quantitative with an associative causal design. Data were collected through structured questionnaires using a five-point Likert scale distributed to 100 respondents. The data analysis technique employed Partial Least Square Structural Equation Modeling using SmartPLS software. The results show that service quality and price have a positive and significant effect on customer satisfaction. Customer satisfaction is proven to have a positive and significant effect on customer loyalty. Service quality also has a positive and significant direct effect on customer loyalty, while price does not have a significant direct effect on customer loyalty. However, service quality and price have a positive and significant effect on customer loyalty through customer satisfaction as an intervening variable. These findings confirm that customer satisfaction plays an important role as a linking mechanism between service quality and price in shaping customer loyalty. Practically, the results of this study provide implications for salon managers to prioritize improving service quality and setting fair prices as the main strategy in building long-term customer loyalty. Future research is suggested to include other variables such as trust, brand image, perceived value, or relationship quality, as well as to expand the research object and area in order to obtain a more comprehensive understanding of the factors that influence customer loyalty in the beauty service industry.

Keywords: Service Quality; Price; Customer Loyalty; Customer Satisfaction

1. INTRODUCTION

The beauty service industry is developing rapidly along with lifestyle changes, increased income, and the strengthening of a self-care culture. In many countries, aesthetic services are no longer understood merely as the fulfillment of secondary needs, but rather as part of appearance management that is related to self confidence, social relations, and professional mobility. Intense competition means that salons are not sufficient simply by adding new types of treatments or following technological trends, because customers' decisions to return (loyalty) are more strongly determined by the service experience they feel over time, including their assessment of price fairness.

In Indonesia, the growth of the beauty and personal care market indicates opportunities while also bringing competitive pressure. In 2025, the value of the beauty and personal care market in Indonesia is estimated to reach around USD 9.74 billion with an annual growth of 4.33%. This figure shows that demand is increasing, but at the same time customer standards are also rising: they are increasingly sensitive to the quality of the service process, the consistency of treatment results, and price transparency. This situation requires salon managers to manage service quality and pricing with precision so as not to create dissatisfaction that leads to customer switching.

The impact of this industry development extends to regions, including West Kalimantan Province, Sambas Regency, and Pemangkat District, which are experiencing industrial growth. In Pemangkat District, there is increased awareness of self-care, as evidenced by the growing demand for hair, face, body, and make-up artist services. Based on data from the Sambas Regency Investment Office (2025), the number of beauty salon businesses in this area continues to increase along with the rising public attention to appearance. The growth in the number of service providers creates a denser market, so customers have more alternatives and can more easily compare services and prices across salons.

The competitive situation in Pemangkat can be seen from the presence of several beauty treatment salon businesses registered with the One Stop Integrated Investment and Licensing Service Office of Pemangkat District (Year 2025). In such a situation, loyalty cannot be assumed to arise simply because a salon is already well-known or offers many types of treatments. Loyalty becomes a variable that is prone to change when customers perceive that another salon is more responsive, more convincing, or offers prices that are considered more commensurate with the benefits received.

CV Fathin Aesthetic in Pemangkat is one of the salons that is quite well-known, providing a wide range of care services (from facials to technology-based treatments) with varied price ranges. Internal data show that revenue increased from 2022 to 2024, with an increase of 12% in 2023 and 23.2% in 2024. However, an increase in revenue does not automatically mean that loyalty is already stable, because revenue can be influenced by temporary promotions, certain treatment trends, or seasonal spikes. Indications of a problem actually emerge from the phenomenon of customers switching when they judge the service as “less than optimal” or the price as “not commensurate with the results.” This phenomenon confirms that the management of service quality and price needs to be tested scientifically in relation to loyalty, by considering the psychological mechanism that bridges the two.

Theoretically, service quality is understood as a comparison between the service received and what is expected. [Kotler & Keller \(2021\)](#) emphasize that service quality is a consumer assessment of their perception of the level of service received compared to the level of service expected. This perspective is aligned with the definition of [Parasuraman, Zeithaml, & Berry \(2020\)](#) which emphasizes service quality as customers' perceptions of the quality of services they receive, determined by five dimensions: tangibles, reliability, responsiveness, assurance, and empathy. In beauty salons, these five dimensions are highly operational: cleanliness of facilities and neatness of tools, procedural accuracy, responsiveness to skin complaints, therapist competence, and empathy in personal communication. Inconsistent service quality will widen the gap between expectations and actual experience, which in turn erodes trust and triggers switching.

In addition to service quality, price becomes a value signal that is continuously evaluated by customers, especially for services whose outcomes are subjective in nature (for example “the skin feels cleaner,” “the face looks brighter,” or “feels more comfortable after treatment”). [Kotler & Armstrong \(2021\)](#) state price is the amount of money or value exchanged by consumers to obtain a product or service, including the benefits of ownership or its use. [Priansa \(2017\)](#) emphasizes price as the amount of cost needed to obtain a combination of goods along with their services, while [Alma \(2018\)](#) confirms price as the value of an item expressed in money. In salon services, customers do not only judge “cheap or expensive”, but assess fairness: whether the cost incurred feels proportional to the service process, procedure safety, comfort, and the results received.

Customer satisfaction plays a role as a mechanism that explains how service quality and price are translated into repeat behavior. [Oliver \(2021\)](#) defines customer satisfaction as the level of a person's feeling after comparing perceived product or service performance with their expectations, while [Tjiptono \(2019\)](#) views satisfaction as an emotional response to the evaluation of a consumption experience. This means that even if a salon offers many services and competitive pricing, loyalty is difficult to form if the service experience does not consistently strengthen satisfaction. This linkage is also consistent with [Sumarwan \(2011\)](#) that the relationship between satisfaction and loyalty occurs when consumers reach the highest level of satisfaction that creates a strong emotional bond and long-term commitment to the company brand. Loyalty itself is understood as a repeated commitment to choosing the same provider; [Kotler & Keller \(2020\)](#) state that customer loyalty is the level of loyalty and commitment of customers to a brand, product, or service that makes them continue to choose to buy from the same company consistently.

Based on the phenomena, business data, and theoretical framework, this study aims to analyze the influence of service quality and price on customer loyalty with customer satisfaction as an intervening variable at Salon Kecantikan CV Fathin Aesthetic in Pemangkat. The theoretical contribution of this study lies in testing relationships among service variables in the context of a regional beauty salon with an emphasis on the satisfaction mediation mechanism, thereby clarifying the pathway of loyalty formation based on service experience. The practical contribution provides a basis for managerial decision making regarding priorities for improving service dimensions and pricing strategies that are most relevant to keep customers loyal in an increasingly competitive local market.

2. RESEARCH METHOD

This study uses a quantitative approach with an associative causal design, aiming to analyze the relationships and effects among research variables. Associative research is research that aims to determine the relationship between two or more variables ([Siregar, 2020](#)). This approach was chosen to empirically test the influence of service quality and price on customer loyalty, both directly and indirectly through customer satisfaction as an intervening variable, at Salon Kecantikan CV Fathin Aesthetic in Pemangkat.

The data used in this study consist of primary and secondary data. Primary data are obtained directly from research sources through observation, interviews, and questionnaires. [Sugiyono \(2019\)](#) explains that primary data are data obtained directly from the original source by the researcher. Observation is conducted through direct observation of service activities at Salon Kecantikan CV Fathin Aesthetic to understand the service process, interactions between employees and customers, and facility conditions. Observation enables researchers to capture behaviors and meanings that arise naturally in the research context ([Sugiyono, 2020](#); [Yusuf, 2020](#)). Interviews are conducted directly with the salon owner to obtain information regarding the history of the establishment of the salon, available facilities, and service and pricing strategies. Interviews are understood as the process of obtaining information or data for research purposes through question and answer, face to face ([Siregar, 2020](#)). The main research instrument is a closed ended questionnaire prepared based on the indicators of each research variable. The questionnaire is distributed to customers of Salon Kecantikan CV Fathin Aesthetic in Pemangkat to obtain respondent perception data related to service quality, price, satisfaction, and loyalty. A questionnaire as a data collection technique is carried out by providing written questions or statements to respondents to be answered according to their perceptions ([Sugiyono, 2020](#)). Secondary data are used as supporting data, including the list of treatment services, the list of treatment prices, and salon revenue data. Secondary data are sources that do not directly provide data to the data collector ([Sugiyono, 2017](#)).

The population in this study is all customers of CV Fathin Aesthetic, with the total number of customers not known with certainty. Population is defined as a generalization area consisting of objects or subjects that have certain numbers and characteristics determined by the researcher to be studied and then conclusions are drawn (Sugiyono, 2020). Sampling uses purposive sampling, namely selecting respondents based on certain criteria relevant to the research objectives. The respondent criteria include female customers, having used the salon services more than two times, and being at least 18 years old. The sample size is set at 100 respondents, referring to Roscoe's rule regarding an appropriate sample size of 30 to 500 for quantitative research (Sugiyono, 2019). This study involves four variables: service quality (X_1) and price (X_2) as independent variables, customer loyalty (Y) as the dependent variable, and customer satisfaction (Z) as the intervening variable. The intervening variable functions to explain the mechanism of the influence of independent variables on the dependent variable indirectly (Sugiyono, 2020). Measurement of all variable indicators uses a five-point Likert scale, which is used to measure a person's or group's attitudes, opinions, and perceptions about the social phenomena being studied (Sugiyono, 2020).

Data analysis is conducted using the Partial Least Square Structural Equation Modeling (PLS SEM) approach with SmartPLS software. This method is chosen because it can test causal relationships among latent variables simultaneously, and it is suitable for relatively small sample sizes and predictive research models (Sugiyono, 2020). PLS SEM analysis includes evaluating the measurement model (outer model) through convergent and discriminant validity tests, as well as reliability tests using Cronbach's alpha and composite reliability. Next, the structural model (inner model) is analyzed through the coefficient of determination (R^2) and path coefficients to test the research hypotheses. The inner model describes the strength of the relationships among latent variables built based on theoretical substance (Ghozali & Latan, 2020). To examine the role of customer satisfaction as an intervening variable, the bootstrapping PLS test is used, which aims to assess the significance of the indirect effect of independent variables on the dependent variable through the mediating variable. This test calculates the strength of the mediation effect based on path coefficients and the standard error of each variable.

3. RESULTS AND DISCUSSION

3.1 Test Research Instruments

3.1.1 Convergent Validity

The convergent validity test is assessed through the loading factor value for each indicator in the construct. The higher the loading value, the stronger the indicator is in representing the measured variable. Generally, an indicator is considered valid if it has a loading factor value above 0.70. The results of the convergent validity test for all research variables are presented in Table 1.

Table 1. Convergent Validity Test Results

Variable	Indicator	Loading Factor	Description
Service Quality (X_1)	X1.1	0.814	Valid
	X1.2	0.758	
	X1.3	0.870	
	X1.4	0.877	
	X1.5	0.862	
	X1.6	0.832	
	X1.7	0.844	
	X1.8	0.804	
	X1.9	0.907	
	X1.10	0.814	
Price (X_2)	X2.1	0.828	Valid
	X2.2	0.855	
	X2.3	0.781	
	X2.4	0.811	
	X2.5	0.877	
	X2.6	0.796	
	X2.7	0.859	
	X2.8	0.797	
	X2.9	0.756	
	X2.10	0.868	
	Z.1	0.738	
	Z.2	0.787	
	Z.3	0.858	

Customer Satisfaction (Z)	Z.4	0.780	Valid
	Z.5	0.801	
	Z.6	0.740	
	Z.7	0.783	
	Z.8	0.867	
	Z.9	0.797	
	Z.10	0.792	
Customer Loyalty (Y)	Y.1	0.853	Valid
	Y.2	0.850	
	Y.3	0.782	
	Y.4	0.786	
	Y.5	0.833	
	Y.6	0.784	
	Y.7	0.780	
	Y.8	0.773	
	Y.9	0.808	
	Y.10	0.779	

Source: Processed Data, 2025

Based on the results of the Convergent Validity test shown in **Table 1**, it can be seen that the results of the convergent validity test show that all indicators in each variable, namely Service Quality, Price, Customer Satisfaction, and Customer Loyalty, have a loading factor value above 0.7. This value indicates that each indicator is able to represent its construct or latent variable well. Therefore, all indicators are declared valid as measures of their respective variables.

3.1.2 Discriminant Validity

The discriminant validity test uses the Fornell-Larcker criteria to ensure that each construct can be distinguished from other constructs. A construct is considered to have discriminant validity if the Fornell-Larcker value for that construct is higher than the correlation value with other constructs. This indicates that the indicator more accurately measures its own variable rather than a different variable. The results of the discriminant validity test are presented in **Table 2**.

Table 2. Discriminant Validity Test Results

Variable	Price	Customer Satisfaction	Service Quality	Customer Loyalty
Price	0.824			
Customer Satisfaction	0.776	0.795		
Service Quality	0.510	0.515	0.842	
Customer Loyalty	0.772	0.788	0.532	0.803

Source: Processed Data, 2025

Based on the results of the discriminant validity test shown in **Table 2**, it can be seen that each construct has a higher Fornell-Larcker criterion value than its correlation value with other constructs. This shows that these indicators are stronger in measuring their own constructs than other constructs. Based on these results, it can be concluded that each construct has good discriminant validity, as it is able to clearly distinguish itself from other constructs in the model because each model has a Fornell-Larcker value of more than 0.70.

3.1.3 Average Variance Extracted (AVE)

The Average Variance Extracted (AVE) value is a construct that is considered valid if the AVE value is greater than 0.5. The AVE values in this study are presented in **Table 3**.

Table 3. Average Variance Extracted (AVE)

Construct	AVE
Service Quality (X1)	0.709
Price (X2)	0.678
Customer Satisfaction (Z)	0.632
Customer Loyalty (Y)	0.645

Source: Processed Data, 2025

Based on the Average Variance Extracted (AVE) test results shown in **Table 3**, it can be seen that all variables in this study show an AVE value of more than 0.5. This indicates that all constructs have met the criteria for convergent validity. Thus, it can be concluded that all indicators used in this study are valid for measuring all variables to be studied.

3.1.4 Reliability Test

The construct reliability is evaluated using Composite Reliability to ensure internal consistency in variable measurement. The construct is considered reliable if it has a value of ≥ 0.7 . This test is reinforced by Cronbach's Alpha with a minimum value of 0.6. The reliability results of the study are presented in **Table 4**.

Table 4. Composite Reliability & Cronbach's Alpha

Variable	Cronbach's Alpha	Composite Reliability
Service Quality (X1)	0.949	0.956
Price (X2)	0.947	0.955
Customer Satisfaction (Z)	0.935	0.945
Customer Loyalty (Y)	0.939	0.948

Source: Processed Data, 2025

Based on the reliability test results shown in **Table 4**, it can be seen that all constructs in the tested model have met the reliability standards, as indicated by a Composite Reliability value of more than 0.7 and a Cronbach's Alpha value of more than 0.6. Therefore, it can be concluded that all measurement items in each variable have a good level of reliability and are suitable for use in this study.

3.1.5 Coefficient of Determination (R-Square)

In SEM-PLS, the coefficient of determination (R-square) is used to assess the ability of exogenous variables to explain endogenous variables. A high R^2 value indicates that the model has better predictive power. According to Chin (1998 in Ghazali & Latan, 2015), an R^2 value of 0.67 is considered strong, 0.33 is moderate, and 0.19 is weak. The R-square values for this study are presented in **Table 5**.

Table 5. R-Square Values

Endogenous Variable	R-Square	R-Square Adjusted
Customer Satisfaction (Z)	0.621	0.613
Customer Loyalty (Y)	0.695	0.686

Source: Processed Data, 2025

Based on the R-Square test results shown in **Table 3.5**, the results can be described as follows:

1. The test results for the Customer Satisfaction (Z) variable produced an Adjusted R Square value of 0.613, indicating that the Customer Satisfaction variable is simultaneously influenced by the Service Quality (X1) and Price (X2) variables by 61.3%, while the remaining 38.7% is influenced by other factors outside this research model. In addition, the R-Square value obtained is 0.621, indicating that the influence of the exogenous constructs of Service Quality and Price on Customer Satisfaction is in the Moderate category.
2. The test results for the Customer Loyalty (Y) variable produced an Adjusted R -Square value of 0.686, indicating that the Customer Loyalty variable is simultaneously influenced by the variables of Service Quality (X1), Price (X2) and Customer Satisfaction (Z) by 68.6%, while the remaining 31.4% is influenced by other factors outside the research model. In addition, the R-Square value obtained of 0.695 indicates that the influence of the exogenous constructs of Service Quality, Price, and Customer Satisfaction on Customer Loyalty is in the Strong category.

3.2 Hypothesis Testing

3.2.1 Direct Effec Test

The direct effect test is used to assess the direct influence of exogenous latent variables on endogenous latent variables in the model. This test is based on the bootstrapping path coefficient values. The results of the direct effect test are presented in **Table 6**.

Table 6. Direct Effect Test

H	Relationship Between Variables	Original Sample Estimate	T Statistic	P Value	Description
H1	Service Quality —> Customer Satisfaction	0.404	3.704	0.000	Significant

H2	Price →	0.490	3.944	0.000	Significant
	Customer Satisfaction				
H3	Customer Satisfaction →	0.644	5.915	0.000	Significant
	Customer Loyalty				
H4	Service Quality →	0.247	3.060	0.002	Significant
	Customer Loyalty				
H5	Price →	0.042	0.374	0.709	Not Significant
	Customer Loyalty				

Source: Processed Data, 2025

Based on the results of direct hypothesis testing shown in [Table 6](#), the results of the Direct Effect can be explained as follows:

1. The test results for the Service Quality variable (X1) have a T-statistic value of 3.704, which is greater than 1.96, and a P-value of 0.000, which is less than 0.05. These results indicate that Service Quality has a direct, positive, and significant effect on Customer Satisfaction. This means that improvements in aspects such as reliability of service procedures, responsiveness of therapists, assurance of treatment safety, clarity of communication, and the physical condition of facilities contribute meaningfully to shaping customer satisfaction at CV Fathin Aesthetic. This finding is consistent with the study conducted by [Sari et al. \(2025\)](#), which reported that service quality significantly influences customer satisfaction at Vemas Salon. In their study, customer evaluations of service performance—particularly in terms of consistency and professionalism—were shown to be key determinants of satisfaction levels. Similarly, Mangarin & Gonzaga (2021), in their research on beauty salons in the Philippines, found a statistically significant relationship between service quality and customer satisfaction. Their results emphasized that customers tend to evaluate satisfaction based on their overall service experience rather than on isolated service attributes.
2. The test results for the Price variable (X2) have a T-Statistic value of 3.944, which is greater than 1.96, and a P-Value of 0.000, which is less than 0.05. These results indicate that Price has a direct, positive, and significant effect on Customer Satisfaction. This means that customers' perceptions regarding the appropriateness of price relative to the benefits received contribute to shaping their level of satisfaction. In the context of beauty services, customers do not merely evaluate whether the price is cheap or expensive, but rather whether the price is considered proportional to the quality of procedures, service comfort, treatment safety, and the results obtained. These findings are consistent with the study conducted by [Sari et al. \(2025\)](#) at Vemas Salon, which revealed that price perception has a significant effect on customer satisfaction, although service quality was found to have a more dominant contribution. This result indicates that price remains an important variable in the evaluation of satisfaction; however, its strength may vary depending on the service context and customer characteristics. Likewise, the study conducted by [Wibowo & Achmad \(2025\)](#) at Hazel Salon Bridal & SPA also found that price perception plays a role in determining customer satisfaction.
3. The test results for the Customer Satisfaction (Z) variable have a T-Statistic value of 5.915, which is greater than 1.96, and a P-Value of 0.000, which is less than 0.05. These results indicate that Customer Satisfaction has a direct, positive, and significant effect on Customer Loyalty. In other words, the higher the level of satisfaction experienced by customers after receiving the service, the greater their tendency to make repeat visits, recommend the salon to others, and remain loyal even when alternative salons are available. This finding is consistent with the study conducted by [Artika et al. \(2023\)](#) at RAF Beauty Art Salon in Ponorogo, which demonstrated that customer satisfaction has a positive effect on consumer loyalty. The study emphasized that loyalty does not arise spontaneously, but is formed through the accumulation of consistent and satisfying service experiences over time.
4. The test results for the Service Quality (X1) variable have a T-Statistic value of 3.060, which is greater than 1.96, and a P-Value of 0.002, which is less than 0.05. These results indicate that Service Quality has a direct, positive, and significant effect on Customer Loyalty. This means that improvements in service quality—whether in terms of procedural accuracy, therapist professionalism, responsiveness, or facility comfort—can encourage customers to continue using the salon's services without necessarily relying on satisfaction as the primary mediating mechanism. This finding is consistent with the study conducted by [Wibowo & Achmad \(2025\)](#) at Hazel Salon Bridal & SPA, which demonstrated that service quality has a significant effect on customer loyalty. Similarly, the research by [Artika et al. \(2023\)](#) at RAF Beauty Art Salon in Ponorogo found a direct positive relationship between service quality and consumer loyalty. The study indicated that customers tend to maintain their relationship with a service provider when they consistently experience professionalism and reliability in every service interaction.
5. The test results for the Price variable (X2) have a T-Statistic value of 0.374, which is less than 1.96, and a P-Value of 0.709, which is greater than 0.05. These results indicate that Price has no significant direct effect on Customer Loyalty. This finding indicates that within the loyalty model of salon services, price is not the dominant variable in shaping customer commitment. Loyalty tends to be relational and experience-based rather than purely driven by economic considerations. This result is consistent with the study conducted by [Agusfianto \(2023\)](#) at Hany Salon Narmada in West Lombok Regency, which found that price perception did not have a partial effect on customer loyalty. In that study, customer loyalty was more strongly influenced by service quality and salon atmosphere than by price. These findings

suggest that in the context of salon services, customers do not maintain relationships solely because the price is perceived as appropriate, but rather because of the overall service experience they receive.

3.2.2 Indirect Effect Test

The indirect effect test is used to assess the indirect influence of exogenous latent variables on endogenous latent variables through mediating variables. This test refers to the specific indirect effect values obtained from bootstrapping results. The results of the indirect effect test are presented in [Table 7](#).

Table 7. Indirect Effect Test

H	Relationship Between Variables	Original Sample Estimate	T Statistic	P Value	Description
H6	Service Quality →	0.260	2.767	0.006	Significant
	Customer Satisfaction →				
	Customer Loyalty				
H7	Price →	0.316	4.315	0.000	Significant
	Customer Satisfaction →				
	Customer Loyalty				

Source: Processed Data, 2025

Based on the results of indirect hypothesis testing shown in [Table 7](#), the Indirect Effect results can be explained as follows:

1. The test results for the Service Quality (X1) variable have a T-Statistic value of 2.767, which is greater than 1.96, and a P-Value of 0.006, which is less than 0.05. With these results, it can be interpreted that Service Quality has a positive and significant effect on Customer Loyalty through the mediating role of Customer Satisfaction. This means that service quality does not automatically create loyalty directly; instead, it first enhances customer satisfaction, and it is this satisfaction that subsequently drives the formation of loyalty. This finding is consistent with the study conducted by [Winata and Prabowo \(2022\)](#) at London Beauty Center (LBC) Sidoarjo. In their research, customer satisfaction was explicitly tested as an intervening variable between service quality and customer loyalty. The analysis results showed that service quality significantly influences loyalty through satisfaction as a mediating variable. This indicates that improvements in service quality—whether in terms of facilities, procedural accuracy, or employee interactions—are more effective in building loyalty when they first succeed in generating customer satisfaction. A similar result was also found by [Sukma and Inayati \(2026\)](#) at the Nails Art business “House of Nails” in Surabaya. Their study demonstrated that customer satisfaction mediates the relationship between service quality and customer loyalty. Consistent service quality that meets customer expectations enhances satisfaction, and this satisfaction becomes the driving force that encourages repeat visits and sustained preference for the same service provider.
2. The test results for the Price variable (X2) have a T-Statistic value of 4.315, which is greater than 1.96, and a P-Value of 0.000, which is less than 0.05. These results indicate that Price has a positive and significant effect on Customer Loyalty through the mediating role of Customer Satisfaction. In other words, price does not directly create loyalty; rather, it first shapes customer satisfaction, and it is this satisfaction that subsequently encourages customers to remain loyal. This finding is consistent with the study conducted by [Winata & Prabowo \(2022\)](#) at London Beauty Center (LBC) Sidoarjo. A price that is perceived as appropriate by customers does not automatically generate loyalty, but instead enhances satisfaction first, which then strengthens customers’ commitment to return and continue using the same services. A similar result was found in the study by [Sukma & Inayati \(2026\)](#) at the Nails Art business “House of Nails” in Surabaya. A price perceived as fair and proportional to service quality leads to customer satisfaction, and this satisfaction drives repeat visits as well as sustained preference for the same service provider.

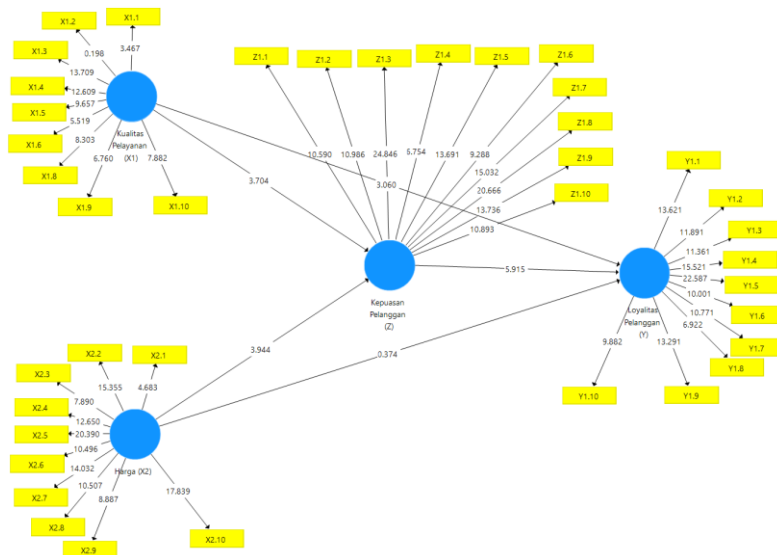


Figure 1. Inner Model Test Results
Source: SmartPLS output, 2025

4. CONCLUSION

This study provides empirical evidence that service quality and price play an important role in shaping customer loyalty at CV Fathin Aesthetic Beauty Salon in Pemangkat, with customer satisfaction serving as a strong intervening variable. The results of the analysis indicate that service quality and price have a positive and significant effect on customer satisfaction, and customer satisfaction is proven to be a strong determining factor in enhancing customer loyalty. In addition, service quality also has a direct effect on customer loyalty, while price does not show a significant direct effect on customer loyalty. These findings emphasize that in the context of beauty services, price does not automatically drive loyalty without first creating customer satisfaction. Theoretically, this study enriches the service marketing literature by strengthening the position of customer satisfaction as an intervening variable that explains the relationship between service quality, price, and customer loyalty, particularly in the beauty service industry within non-metropolitan areas. The study demonstrates that customer loyalty models cannot be separated from consistently perceived service experiences, thereby contributing to the development of a conceptual framework of loyalty based on service experience. From a practical perspective, the findings imply that beauty salon managers should focus their business management strategies on continuously improving service quality, particularly in terms of therapist competence, facility comfort, procedural accuracy, and empathy in service delivery. Pricing strategies need to be managed fairly and transparently in line with the benefits perceived by customers, as fair price perceptions will strengthen satisfaction and ultimately encourage long-term customer loyalty. As a recommendation, future research may expand the research model by incorporating other variables relevant to the service context, such as trust, brand image, perceived value, or relationship quality, and by applying the study to more diverse objects and research areas. Different methodological approaches, such as the use of longitudinal data or comparisons across salons, also have the potential to provide a deeper understanding of the dynamics of customer loyalty formation in the beauty service industry.

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