

ABSTRACT

Increasingly fierce competition in the automotive retail industry requires companies to maintain service quality and set competitive prices in order to retain customer loyalty. The decline in sales at Impala Jaya Motor in Jepara Regency indicates problems with service and price perception. This condition makes this study important to understand how service quality and price affect customer loyalty, with customer satisfaction as an intervening variable. The purpose of this study is to analyze the effect of service quality and price on customer satisfaction, assess the effect of service quality and price on customer loyalty, and examine the role of customer satisfaction in mediating the relationship between variables.

The research method used a quantitative approach with a survey technique. Data were collected through questionnaires administered to Impala Jaya Motor consumers selected as research samples. Data analysis was performed using Structural Equation Modeling (SEM), which included validity, reliability, and normality tests, Confirmatory Factor Analysis (CFA), and Sobel tests to measure the mediating effect.

The results show that service quality and price have a positive effect on customer satisfaction, and customer satisfaction plays a significant role in mediating the relationship between service quality and price with customer loyalty. This indicates that customer loyalty can be strengthened through consistent improvement in service quality and the setting of prices that are considered fair and commensurate with the benefits received. The conclusion of this study emphasizes the importance of service improvement strategies and appropriate pricing policies as efforts to maintain business sustainability and enhance the competitiveness of Impala Jaya Motor amid automotive industry competition.

Keywords: Service Quality, Price, Customer Satisfaction, Customer Loyalty, SEM