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The influence of price perception, location, and service quality at Indomaret Madura Pamekasan on customer loyalty through satisfaction as a mediating variable

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Price Perception, Location, Service Quality, Customer Satisfaction, Customer Loyalty.

ABSTRACT

This research aims to explain the positive influence of perceived price, location and service quality on customer satisfaction and customer loyalty. Testing in this study used 381 respondents. The sampling technique used in this research was convenience sampling. This research uses the Structural Equation Modeling (SEM) analysis tool which was developed to test research hypotheses which were processed using the AMOS version 21 program. The variables used in this research are perceptions of price, location, service quality, customer satisfaction and customer loyalty. And the results of the analysis in this research show that perceptions of price, location and service quality have a positive and significant influence on customer satisfaction and customer loyalty. Customer satisfaction also has a positive influence on customer loyalty.

Introduction

Today the business world is growing very rapidly, especially businesses related to various types of orientations such as basic needs and household needs The amount of business competition, business competition has become very competitive, especially in the field of retail daily necessities (Ningsih & Priyadi, 2022). Based on the databok report (2021), the number of minimarket (retail) outlets increased by 39% in 2020. Here is the data on the increase in the number of outlets in the following graph:

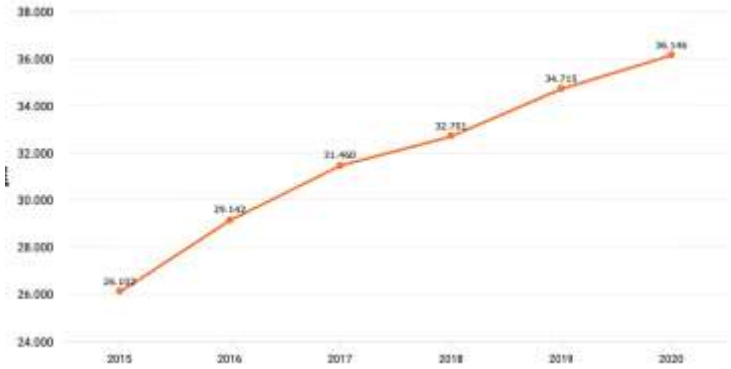

Figure 1. Growth in the Number of Minimarket Outlets in Indonesia

Based on the report from the databok (2021) above which refers to the Euromonitor International survey, the number of minimarkets in Indonesia is projected to increase by 39% from 2015 to 2020. In 2020, there were 36,146 outlets, an increase from the previous year which amounted to 26,102 outlets. The number of these companies continues to show an increasing trend every year. The number of convenience stores and minimarkets reached 29,142 locations in 2016, an increase of 3,040 locations from 2015. In 2017, there were 31,460 outlets, an increase of 2,318 outlets compared to the previous year (Taufik, 2022). In the following year, there was an increase in the number of outlets by 1,241. So that the total outlets in 2018 became 32,701 outlets. The number of convenience stores and minimarkets continues to grow in 2019. That year, 2,014 outlets were added, bringing the total outlets to 34,715. In 2022, Indomaret and Alfamart accounted for 92 percent of the total minimarkets. Indomaret has 19,996 stores with a market share of 50.5%, while Alfamart has 17,394 stores with a market share of 41.5% (Tunjungsari & Ginting, 2020). The following number of Indomaret and Alfamart outlets is presented in the graphic below:

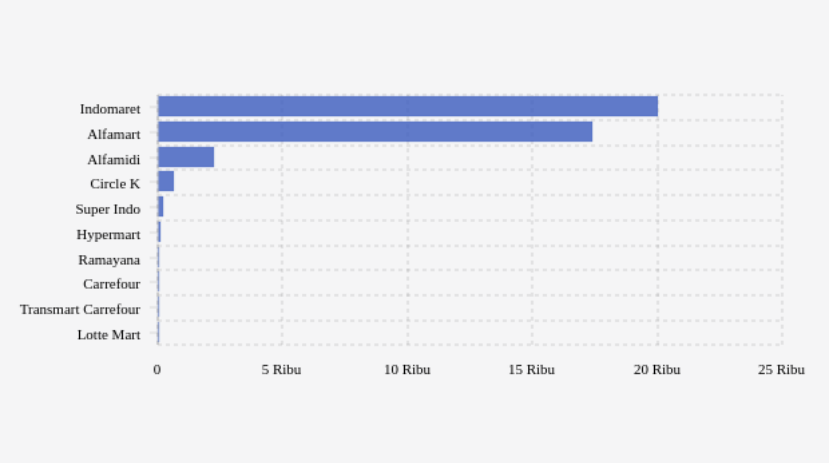

Figure 2. Growth in the Number of Indomaret and Alfamart Outlets in Indonesia

Based on these data, Indomaret is one of the leading mini-market stores in Indonesia; research on consumer/customer loyalty has direct relevance to the retail industry in Indonesia (Hasaniyah, n.d.). This can provide valuable insights for other companies in similar industries. Another reason related to the importance of this research conducted in Indomaret is the highly competitive retail industry in Indonesia, with many big players competing for consumers. To have a sufficient understanding of several factors that affect consumer loyalty, especially in Indomaret, we can broaden our horizons on how businesses can remain relevant and sustainable in a rapidly changing market (Azidin, 2019).

The rapid development in the service industry and modern trade places customers as a critical element in the success of a business. According to (SURYANA, 2022), increasing competition between companies in various sectors has caused franchise firms or organizations to increasingly focus on customer satisfaction and loyalty (Dewi, 2016).

In this context, customer satisfaction is the leading benchmark, namely evaluating the success of the company's achievements. It is influenced by several important factors, such as product price, franchise or business location, and service quality. The cost of a product or service is one of the significant factors in customer decision making, adding that customers tend to compare prices with the benefits they receive (Yudhanto, Waluyo, & Farida, 2022).

Affordable or fair prices can boost customer satisfaction, while expensive prices are considered to reduce satisfaction (Dwiansyah et al., 2023). Therefore, it is essential to understand how the price of a product or service contributes to customer satisfaction and, more broadly, to their loyalty. In the context of Indomaret's retail, price is one of the items included in the business strategy to win in their competition (Utama, SE, & Adab, 2023). Indomaret competes in a highly competitive retail market, and the most commonly used pricing strategy is to keep the prices of their products as competitive as possible with those of other competitors. This can involve monitoring competitors' prices and adjusting prices periodically to stay competitive (Sinaga & Sutrisna, 2016).

Some products may be priced with larger profit margins than other products. Indomaret uses this strategy to offset the prices of products with lower profit margins or even products sold at promotional prices. In addition, Indomaret also often has promotional programs and discounts to attract customers. This context includes daily discounts, bundle offers, or seasonal special offers. Price promotion strategies are used to attract customers and increase sales.

In addition to product price, business location is also an essential factor in connecting companies with customers. Location accessibility, convenience, and the surrounding environment can affect customer perceptions of the business. A business that is easily accessible and strategically located has the potential to attract more customers. Therefore, location also has a significant impact on customer satisfaction. In the context of Indomaret retail, this also applies, where Indomaret tends to choose locations in areas with high customer potential, such as near residential areas, campuses, shopping centers, or office areas. This allows them to attract customers who often pass through such stores. In addition, Indomaret also monitors demographic data such as age, income, and lifestyle around the store where it can help them understand the profile of potential customers and choose locations according to their preferences and needs.

Furthermore, service quality is also seen as a major aspect of building consumer satisfaction because customers expect high-quality, friendly, and efficient service. Good service quality can optimize consumer satisfaction and strengthen brand loyalty. Therefore, poor service can result in customer disappointment and even loss of their loyalty. Service quality is important in retail businesses like Indomaret because it can affect customer satisfaction, loyalty, and brand image. So far, employees working at Indomaret have received customers with smiles and friendly greetings. This can create a friendly and pleasant environment for customers. In addition, customers often appreciate fast and efficient service. Thus, employees at Indomaret are required to prioritize providing the best service for their consumers, especially fast service. On the other hand,

Indomaret has also created convenience for customers by providing a comfortable parking area, sitting area for rest, and other facilities such as ATMs and bill payments. Several of these aspects indicate that Indomaret's service quality has been good so far, so their consumers tend to be loyal and continue to buy at their outlets.

Customer loyalty, which is a direct result of customer satisfaction, plays an important role in maintaining market share, reducing the cost of acquiring new customers, such as reducing the cost of making and leasing baleho or celebrities for product endorsers. In addition, customer loyalty is able to form profits for the company in the long term.

Customer satisfaction can mediate between service quality, price suitability, and location for customer loyalty. Based on the presentation of previous research above, there are still gaps that can be analyzed. Therefore, this research will look at the three interrelated variables influencing customer loyalty by involving customer satisfaction as an intervening variable. This research will further investigate and analyze the impact of price perception, location, and service quality on customer loyalty by involving customer satisfaction as intervening variables in Indomaret Madura Pamekasan. This research is expected to make theoretical contributions to the literature on marketing and management and provide practical benefits for organizations and industry players in increasing consumer satisfaction and loyalty.

This research on customer loyalty is of high interest to researchers. Although there have been many studies that discuss customer loyalty, there is a gap between this research and a number of previous studies that lie in good service quality that can optimize customer satisfaction and also strengthen loyalty. In this study, customer loyalty can affect several factors, and this prompted the researcher to propose the title "The Influence of Price Perception, Location, and Service Quality in Indomaret Pamekasan Madura on Customer Loyalty through Satisfaction as a Mediation Variable"

Research Methods

This research requires an approach with a population consisting of all consumers who shop at Indomaret Madura Pamekasan, and the sample is a small portion of the population that can represent the desired population. The sample is consumers who shop more than once a week at Indomaret Madura Pamekasan, which was selected through convenience sampling techniques for ease of access for researchers.

Determination of the number of samples researchers use the method suggested by Haryono (2017), namely by using the calculation of the number of samples based on the number of indicators plus the number of all variables, then multiplied by 5 to get the minimum sample and multiplied by 10 for the maximum sample. The indicators in this study are 23 and the number of latent variables is 5, so it can be formulated as follows:

Minimum Sample = [{Number of Indicators + Number of Variables}] x 2] x 5
= [{23+5} x 2] x 5
= 280 Sampel

Maksimal Sampel = [{Jumlah Indikator + Jumlah Variabel}] x 2] x 10

= [{23+5} x 2] x 10
= 560 Sampel

From the calculation of the sample above, a minimum of 280 respondents were obtained and a maximum target of 560 respondents.

Data Collection Techniques

Data collection in this research utilizes questionnaire media in the form of Google Form. After the data was collected, researchers tested the instrument first before distributing questionnaires using measuring instruments as validation and reliability test tools in order to find out the feasibility of the questionnaire used.

Table 1
Research Instrument Test Results

Code	Question Indicator	Validitas	Reliability
	Price Perception		
PH1	I feel that the price of products at Indomaret Pamekasan is affordable.	0,846	0,931
PH2	I feel that the price at Indomaret Pamekasan is in accordance with the quality of the product.	0,897	
PH3	I feel that the price of products at Indomaret Pamekasan is competitive.	0,890	
PH4	I feel that the price sold at Indomaret Pamekasan reflects good benefits.	0,908	
PH5	I bought at indomaret because the price was affordable during the promo	0,894	
	Location		
L1	In my opinion, the location of Indomaret Pamekasan is often visited because there are clear directions.	0,663	0,826
L2	In my opinion, the location of Indomaret Pamekasan is supported by highway facilities that can make it easier for customers to visit.	0,870	
L3	In my opinion, the location of Indomaret Pamekasan is supported by parking facilities for two-wheeled and four-wheeled vehicles.	0,854	
L4	In my opinion, the location of Indomaret Pamekasan is supported by a large place for the future.	0, 841	
	Quality of Service		
KPY1	I feel that employees at Indomart Pamekasan have a supportive work experience in providing services.	0,884	0,887
KPY2	I feel that employees at Indomart Pamekasan are fast in serving customers.	0,842	
KPY3	I feel that employees at Indomart Pamekasan are friendly to customers.	0,833	
KPY4	I feel Indomart pamekasan provides services regardless of customer social status.	0,781	
KPY5	I feel Indomart Pamekasan has a clean and well-organized layout.	0,838	
	Customer Satisfaction		
KPG1	I feel satisfied with the service provided	0, 754	0,862
KPG2	I feel satisfied with the product purchased	0, 832	

KPG3	I am satisfied with the price offered	0, 823	
KPG4	I am satisfied with the fee charged	0, 826	
KPG5	I feel shopping at indomaret Pamekasan makes me happy and excited	0, 810	
	Customer Loyalty		
LP1	I will not switch to another store if Indomaret Pamekasan continues to maintain good service.	0, 766	0,852
LP2	I intend to remain a customer of Indomaret Pamekasan.	0, 879	
LP3	I tend to say positive things about Indomaret Pamekasan.	0, 882	
LP4	I suggest to friends and family to shop at Indomaret Pamekasan.	0,800	

Source: primary data processed, 2024

Based on table 1, it is known that all r values calculated for the validity test produce values above r table (0.312). The value of r in the table is obtained from df = n-2 in the r table, namely df = 40-2 = 38 which is then searched in the r table. All r values calculated in this research are above the r table so that all question instruments used are valid. Reliability tests in this research have also resulted in Cronbach's alpha above 0.6. That is, all instruments used in this research have been reliable (reliable).

Data Analysis Techniques

Statistical analysis is a technique used to test hypotheses by utilizing statistical methods. This research applies the Structural Equation Modeling (SEM) technique, which is a combination of factor analysis and simultaneous models. Researchers utilize AMOS software version 22.0 to process SEM data. The Goodness of fit criteria used are:

1. RMSEA (The Root Mean Square Error of Approximation) indicates how well the model can estimate the model in the population. The range of RMSEA values between 0.05 to 0.08 indicates the degree of conformity of the model to the required degrees of freedom.
2. GFI (Goodnes of Fit Index) is a model fit index with a range of 0 to 1 (poor fit index to perfect fit index). Recommend a good GFI score is ≥ 0.90.
3. CMIN/DF is the ratio between the number of residual chi-squares and degrees of freedom. If the chi-square value is less than 2.0, it indicates an acceptable fit between the model and the data.
4. TLI (Tucker Lewis Index) is an index comparing the estimate model with the base model. The TLI value range is 0 to 1.0, with the recommended value ≥ 0.90
5. CFI (Comparative Fit Index) is a conformity index between the model estimate and data. The expected value is a CFI of ≥ 0.90.
6. NFI (Normed Fit Index) is the ratio value between the zero model and the estimate model. The range of NFI values is from 0 (no fit at all) to 1.0 (perfect fit). The recommendation for NFI value is ≥ 0.60

Uji Hypoplant

This hypothesis testing involves analyzing the Critical Ratio (CR) value and Probability (P) value resulting from data processing. These values are then compared with predefined statistical limits, where CR values > 1.96 and P values <0.05 (Ghozali, 2018).

Test Mediation

Mediation is an intermediary between independent and dependent variables, which is tested through path analysis, developing multiple linear regressions to evaluate cause-and-effect relationships between variables according to established theories. According to (Sinaga & Sutrisna, 2016), path analysis is used to examine the pattern of linkage between variables to understand the direct and indirect effects of a set of exogenous (free) variables on endogenous variables (bound).

Results and Discussion

Analisis Respond

The respondent analysis is an explanation of the characteristics that can be shown in table 2 below:

Table 2
Descriptive Statistics of Respondents

Descriptive Statistics	Sum	Presented
Gender		
➢ Man	123	32,3%
➢ Woman	258	67,7%
Total	**381**	**100%**
Age (Years)		
➢ < 18	36	9,4%
➢ 19-24	81	21,3%
➢ 25-30	90	23,6%
➢ 31-36	108	28,3%
➢ > 37	66	17,3%
Total	**381**	**100%**
Work		
➢ Student	39	10,2%
➢ Private officer	186	48,8%
➢ State officer	129	33,9%
➢ Wiraswasta	27	7,1%
Total	**381**	**100%**
Earnings per month		
➢ <500.000	60	15,7%
➢ 1.000.000-2.500.000	90	23,6%
➢ 2.500.000-3.500.000	141	37,0%
➢ >3.500.000	90	23,6%
Total	**381**	**100%**
Purchase in a Week		
➢ 2 kali	84	22,0%
➢ 3-4 kali	204	53,5%

Descriptive Statistics	Sum	Presented
➢ >5 kali	93	24,4%
Total	**381**	**100%**

Referring to table 2 above, it is known that the majority of respondents to this research were women with a total of 258 people (67.7% of all respondents). The number of male respondents was 132 people (32.3% of all respondents). Meanwhile, the majority of respondents in this research ranged from 31-36 years as many as 108 people (28.3% of the total respondents). Furthermore, 90 respondents aged 25-30 years (23.6%), then respondents aged 19-24 years amounted to 81 respondents with a percentage of 21.3%, then for respondents over 37 years old as many as 66 respondents (17.3%). Finally, respondents under 18 years old were 36 respondents with a percentage (9.4%).

The next characteristic about respondents' jobs where the majority work as private employees with a total of 186 respondents (48.8%). Then, as civil servants amounted to 129 respondents (33.9%). Then, students or students as many as 39 respondents (10.2%). And finally graduation as many as 27 respondents or with a percentage of 7.1% of all respondents.

Another characteristic is the average monthly income where respondents with incomes below Rp 500,000 are 60 respondents with a percentage of 15.7%, 90 respondents (23.6%) have an average income of Rp 1,000,000-2,500,000, 90 other respondents (23.6%) have incomes above Rp 3,500,000, and the majority of respondents in the study earn Rp 2,500,000-3,500,000 as many as 141 respondents with a percentage of 37.0%. The last characteristic is the purchasing activity of respondents in a week where as many as 204 respondents (53.5%) make purchases 3-4 times a week, 93 respondents (24.4%) make purchases above 5 times a week and 84 respondents (22.0%) make purchases in seminngu 1-2 times.

Test Results of Validity and Reliability of Each Variable

Test the validity and reliability of each variable in this study using the AMOS 21 application to find out the data obtained is valid and reliable. The respondents of this study amounted to 381 respondents who had answered 23 questionnaire questions. The validity test on each variable is carried out by looking at the loading factor value contained in the standardized regression weight in AMOS software. Then the loading factor value is used in calculating the construct reliability value in Microsoft Excel through the following formula:

$$Construct\ Reliability = \frac{(\Sigma Std.loading\ factor)^2}{(\Sigma Std.loading\ factor)^2 + \Sigma \varepsilon j}$$

The results of the validity and reliability tests are shown in the following table 3:

Table 3
Test Results of Validity and Reliability of Each Variable

Code	Question Indicator	Validitas	Reliability
	Price Perception		

Code	Question Indicator	Validitas	Reliability
PH1	I feel that the price of products at Indomaret Pamekasan is affordable.	0,807	0,926
PH2	I feel that the price at Indomaret Pamekasan is in accordance with the quality of the product.	0,827	
PH3	I feel that the price of products at Indomaret Pamekasan is competitive.	0,806	
PH4	I feel that the price sold at Indomaret Pamekasan reflects good benefits.	0,798	
PH5	I bought at indomaret because the price was affordable during the promo	0,800	
	Location		
L1	In my opinion, the location of Indomaret Pamekasan is often visited because there are clear directions.	0,808	0,903
L2	In my opinion, the location of Indomaret Pamekasan is supported by highway facilities that can make it easier for customers to visit.	0,825	
L3	In my opinion, the location of Indomaret Pamekasan is supported by parking facilities for two-wheeled and four-wheeled vehicles.	0,809	
L4	In my opinion, the location of Indomaret Pamekasan is supported by a large place for the future.	0,791	
	Quality of Service		
KPY1	I feel that employees at Indomart Pamekasan have a supportive work experience in providing services.	0,722	0,907
KPY2	I feel that employees at Indomart Pamekasan are fast in serving customers.	0,773	
KPY3	I feel that employees at Indomart Pamekasan are friendly to customers.	0,765	
KPY4	I feel Indomart pamekasan provides services regardless of customer social status.	0,747	
KPY5	I feel Indomart Pamekasan has a clean and well-organized layout.	0,711	
	Customer Satisfaction		
KPG1	I feel satisfied with the service provided	0,721	0,924
KPG2	I feel satisfied with the product purchased	0,785	
KPG3	I am satisfied with the price offered	0,806	
KPG4	I am satisfied with the fee charged	0,784	
KPG5	I feel shopping at indomaret Pamekasan makes me happy and excited	0,800	
	Customer Loyalty		
LP1	I will not switch to another store if Indomaret Pamekasan continues to maintain good service.	0,802	0,900
LP2	I intend to remain a customer of Indomaret Pamekasan.	0,800	

Code	Question Indicator	Validitas	Reliability
LP3	I tend to say positive things about Indomaret Pamekasan.	0,852	
LP4	I suggest to friends and family to shop at Indomaret Pamekasan.	0,779	

Based on table 3, it can be seen if the validity test of all indicators of each research variable has met the loading factor criteria above 0.5 so that it is declared valid. The reliability test results also produce construct reliability which are all valued above 0.7 which means all variables are reliable. Table 4.2 shows that in the price perception variable, the indicator that contributes the highest from the variable concerned is PH2 with a value of 0.827. In the location variable, the L2 indicator became the highest contributor by contributing with a value of 0.825. Furthermore, for the service quality variable, the item with the highest value of 0.747 is the KPY4 item. The fourth variable is customer satisfaction which contributes a value of 0.806, namely KPG3 items. Finally, in the customer loyalty variable, the LP3 item is an item that contributes with a value of 0.852.

Goodness of Fit test results per variable are presented in table 4 below.

Table 4
Goodness of Fit Index Results of Each Variable

Index	Cut of Value	Price Perception	Location	Quality of Service	Customer Satisfaction	Customer Loyalty
RMSEA	0,05 ≤ RMSEA ≤ 0,08	0,053	0,068	0,048	0,055	0,000
GFI	≥ 0,90	0,989	0,993	0,990	0,989	0,998
CMIN/DF	≤ 2,00	1,857	1,737	1,883	1,829	0,626
Prob	>0,05	0,068	0,065	0,094	0,059	0,535
TLI	≥ 0,90	0,991	0,987	0,989	0,988	1,003
CFI	≥ 0,90	0,995	0,996	0,994	0,994	1,000
NFI	≥ 0,60	0,991	0,993	0,988	0,989	0,998

The results of the GoF test for each variable in table 4 show if all variables match the cut off value criteria of each index used.

Analisis SEM (Structural Equation Modelling)

AMOS with version 21 is used as software for SEM data processing in this research. There are a number of stages of the process, namely:

1. Model Development based on Theory

The variable components contained in this study consist of independent variables, namely Price Perception (PH), Location (L), and Service Quality (KP) and dependent

variables, namely Customer Loyalty (LP). As well as intervening variables, namely Customer Satisfaction (KPG).

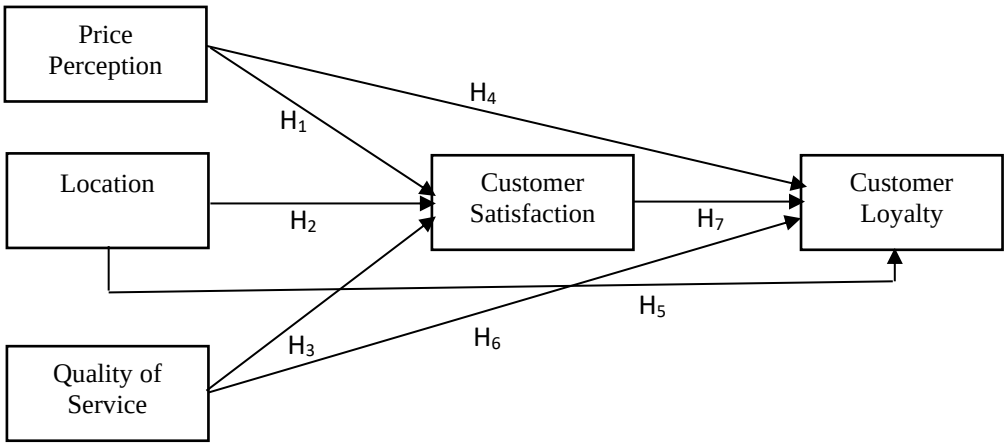

Figure 3. Research Framework

2. Preparation of Path Diagrams and Structural Equations

In the next stage, the researchers connect the model with lines between endogenous and exogenous latent constructs. The test results are:

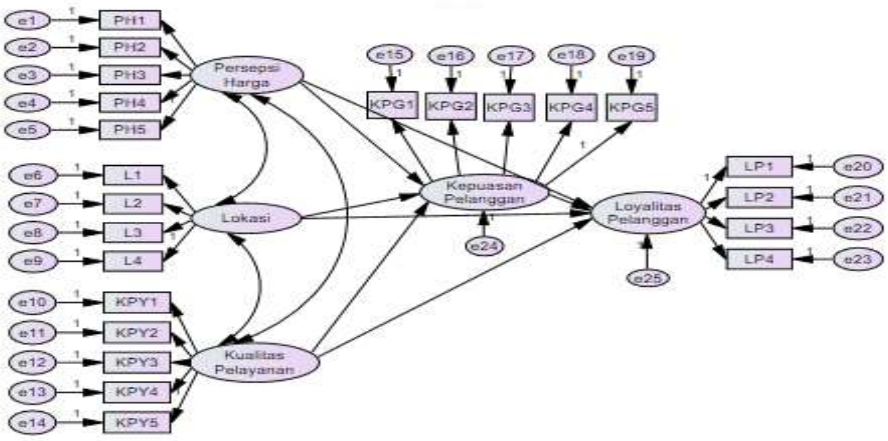

Figure 4. Path Diagram

3. Uji Measurement Model

This test stage is used to check the accuracy / absence of the ability to explain the manifest variable to the latent variable. The test results are:

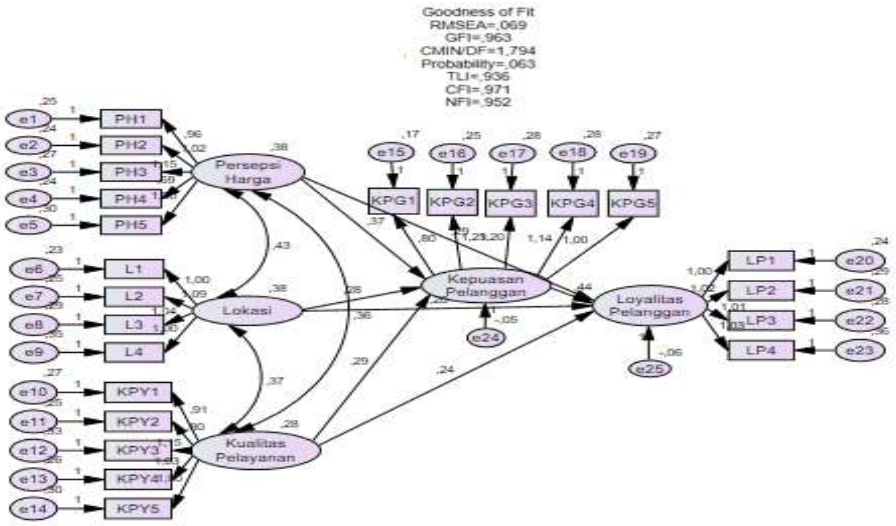

Figure 5. Structural Model

Table 5
Research Model Results

Number of distinct sample moments:	276
Number of distinct parameters to be estimated:	56
Degrees of freedom (276 - 56):	220
Chi-square:	654,623
Probability	0,063

Seen in Table 5, the results of the calculation of Degrees of freedom are named overidentified because the number of distinct parameters to be estimated (56) is lower than the covariance (276). Thus resulting in a positive degree of freendom of 220. Therefore, the tester can proceed to the next step.

4. Test Results of Structural Research Model

The test of the level of validity and reliability / reliability this time was carried out using the entire structural with all variables. The test results are:

Table 6
Test the Validity and Reliability of Structural Models

Code	Question Indicator	Validitas	Reliability
	Price Perception		
PH1	I feel that the price of products at Indomaret Pamekasan is affordable.	0,762	0,907
PH2	I feel that the price at Indomaret Pamekasan is in accordance with the quality of the product.	0,786	
PH3	I feel that the price of products at Indomaret Pamekasan is competitive.	0,807	
PH4	I feel that the price sold at Indomaret Pamekasan reflects good benefits.	0,651	
PH5	I bought at indomaret because the price was affordable during the promo	0,744	

Code	Question Indicator	Validitas	Reliability
	Location		
L1	In my opinion, the location of Indomaret Pamekasan is often visited because there are clear directions.	0,791	0,883
L2	In my opinion, the location of Indomaret Pamekasan is supported by highway facilities that can make it easier for customers to visit.	0,803	
L3	In my opinion, the location of Indomaret Pamekasan is supported by parking facilities for two-wheeled and four-wheeled vehicles.	0,764	
L4	In my opinion, the location of Indomaret Pamekasan is supported by a large place for the future.	0,721	
	Quality of Service		
KPY1	I feel that employees at Indomart Pamekasan have a supportive work experience in providing services.	0,677	0,881
KPY2	I feel that employees at Indomart Pamekasan are fast in serving customers.	0,647	
KPY3	I feel that employees at Indomart Pamekasan are friendly to customers.	0,725	
KPY4	I feel Indomart pamekasan provides services regardless of customer social status.	0,728	
KPY5	I feel Indomart Pamekasan has a clean and well-organized layout.	0,695	
	Customer Satisfaction		
KPG1	I feel satisfied with the service provided	0,724	0,903
KPG2	I feel satisfied with the product purchased	0,796	
KPG3	I am satisfied with the price offered	0,771	
KPG4	I am satisfied with the fee charged	0,757	
KPG5	I feel shopping at indomaret Pamekasan makes me happy and excited	0,715	
	Customer Loyalty		
LP1	I will not switch to another store if Indomaret Pamekasan continues to maintain good service.	0,796	0,881
LP2	I intend to remain a customer of Indomaret Pamekasan.	0,778	
LP3	I tend to say positive things about Indomaret Pamekasan.	0,781	
LP4	I suggest to friends and family to shop at Indomaret Pamekasan.	0,746	

In table 6, it can be seen that in the validity test all variables have a loading factor greater than 0.5 so that they are declared valid. The reliability test results of each variable show a construct reliability value of more than 0.7, meaning that all items are reliable. The test results also showed that in the price perception variable, the item that contributed the most was PH3 with a value of 0.807. The second variable is location, the L2 item with the highest value of 0.803 being the highest contributing item in this variable. Furthermore, in the variable service quality, KPY4 is the highest contributor with a value of 0.728. For the customer satisfaction variable, the biggest contributor is the KPG2 item

with a value of 0.796. Finally, the customer loyalty variable of the item with the highest donation is 0.896 which is an LP1 item. From the results of this calculation, it can be used for SEM AMOS testing.

Normality Test

This test is used to check the normality of data through skewness and kurtosis at a limit value of ± 2.58. Normal data when it is within the Limit of that value. The test results are:

Table 7
Normality Test

Variable	min	max	skew	c.r.	kurtosis	c.r.
LP4	1,000	5,000	-,707	-2,074	,461	1,656
LP3	1,000	5,000	-,621	-2,457	,684	2,455
LP2	1,000	5,000	-,467	-2,348	,433	1,553
LP1	1,000	5,000	-,625	-2,485	,770	2,362
KPG1	1,000	5,000	-,813	-2,009	,872	2,459
KPG2	1,000	5,000	-,271	-1,944	-,119	-,427
KPG3	1,000	5,000	-,666	-1,776	,719	1,580
KPG4	1,000	5,000	-,502	-2,104	,141	,506
KPG5	2,000	5,000	-,675	-2,343	,600	2,151
KPY1	2,000	5,000	-,380	-2,226	,139	,500
KPY2	1,000	5,000	-,801	-1,750	1,584	2,184
KPY3	1,000	5,000	-,262	-1,882	-,376	-1,348
KPY4	2,000	5,000	-,444	-2,186	,101	,362
KPY5	2,000	5,000	-,456	-2,270	,037	,134
L1	1,000	5,000	-,773	-1,550	1,179	2,230
L2	1,000	5,000	-,569	-2,086	,774	2,378
L3	1,000	5,000	-,590	-2,233	,677	2,430
L4	1,000	5,000	-,829	-1,952	1,007	1,612
PH1	1,000	5,000	-,824	-1,914	1,638	1,877

Variable	min	max	skew	c.r.	kurtosis	c.r.
PH2	1,000	5,000	-,826	-1,926	1,419	1,091
PH3	1,000	5,000	-,711	-1,104	1,006	1,611
PH4	1,000	5,000	-,644	-1,801	2,020	1,012
PH5	1,000	5,000	-,832	-1,971	1,010	1,625
Multivariate					36,923	2,488

Referring to table 7 shows the value of c.r. skewness of each variable is between the limit values ± 2.58. That is, all data in this research is normal so that it can proceed to the next stage of testing.

Outliers Data

Outliers data is data that when observed deviates from other data (extreme data). Outliers are detected by looking at the mahalobis distance value. The criteria used refer to the Chi-Square value with a degree of freedom (df) and a significance of 1% or $p < 0.01$ contained in the Chi-Square distribution table. The mahalobis distance value in this study df 23 (23:0.01) = 41.638. It was concluded that all data with mahalobis distance above 41,638 were multivariate outliers. The test results are:

Table 8
Uji Outliers

Observation number	Mahalanobis d-squared	p1	p2
41	34,557	,058	,000
289	34,354	,060	,000
287	34,310	,061	,000
33	34,025	,065	,000
141	34,025	,065	,000
247	34,025	,065	,000
92	33,868	,067	,000
229	33,837	,068	,000
118	33,730	,069	,000
88	33,703	,070	,000
149	33,464	,073	,000

Observation number	Mahalanobis d-squared	p1	p2
75	33,062	,080	,000
266	32,722	,086	,000
72	32,217	,096	,000
52	31,883	,103	,000
158	31,883	,103	,000
222	31,870	,103	,000
94	31,351	,114	,000
102	31,203	,118	,000
162	31,070	,121	,000
39	30,531	,135	,000
100	30,499	,136	,000
290	30,367	,139	,000
199	30,266	,142	,000
120	30,215	,143	,000
101	30,134	,146	,000
42	29,953	,151	,000
4	29,872	,153	,000
126	29,538	,163	,000
240	29,359	,169	,000
224	29,289	,171	,000
291	28,939	,182	,000
241	28,899	,184	,000
163	28,700	,190	,000

Observation number	Mahalanobis d-squared	p1	p2
132	28,529	,196	,000
82	28,371	,202	,000
34	28,263	,206	,000
285	28,083	,213	,000

In Table 8 it can be seen that the value of mahalobis d-squares farthest = 34.55 and closest = 28.083, where these values are still smaller than 41.638. That is, there are no multivariate outliers.

Model Conformity Testing (Goodness of Fit)

This test is used in checking the level of conformity of the equation. The test results are:

Table 9
Model Conformity Test

Criterion	Cut Of Value	Result	Conclusion
RMSEA	0,05 ≤ RMSEA ≤ 0,08	0,069	Fit
GFI	≥ 0,90	0,963	Fit
CMIN/DF	≤ 2,00	1,794	Fit
Probability	≥ 0,05	0,063	Fit
TLI	≥ 0,90	0,936	Fit
CFI	≥ 0,90	0,971	Fit
NFI	≥ 0,60	0,952	Fit

Referring to Table 9, it can be seen that all model conformity test criteria have met the cut of value limit. That is, the model can be said to be fit (good) so that further tests can be carried out.

Hypothesis Testing

This test is used to check the acceptability / absence of the hypothesis proposed through the value of Critical Ratio (CR) with a minimum limit of 1.96 and probability (P) with a maximum limit of 0.05 then the hypothesis is accepted. The test results are:

Table 10
Test Hypotheses Directly

			Estimate	H.E.	C.R.	P
Customer Satisfaction	<---	Price Perception	,374	,032	11,865	***
Customer Satisfaction	<---	Location	,281	,026	10,656	***
Customer Satisfaction	<---	Quality of Service	,286	,033	8,730	***
Customer Loyalty	<---	Price Perception	,290	,031	9,304	***
Customer Loyalty	<---	Location	,205	,025	8,250	***

			Estimate	H.E.	C.R.	P
Customer Loyalty	<---	Quality of Service	,243	,035	6,921	***
Customer Loyalty	<---	Customer Satisfaction	,435	,039	11,134	***

Referring to table 10 above, the results of the hypothesis test include:

1. In H1, it was found that the CR value of the influence of price perception on customer satisfaction was 11.865 > 1.96 and the P value was 0.000 < α (0.05). That is, price perception has a positive and significant effect on customer satisfaction. An estimate value of 0.374 indicates that an increase in price perception can lead to an increase in customer satisfaction of 0.374. For this reason, H1 in this research is supported.
2. Based on the AMOS output, it can be seen that the CR value of the location variable to customer satisfaction was found to be 10.656 > 1.96 and P value 0.000 < 0.05. That is, location has a positive and significant effect on customer satisfaction. The estimated value of 0.281 which shows that there is a location can cause an increase in customer satisfaction by 0.281. Therefore, H2 in this research is supported.
3. The findings of the CR value in H3 are the effect of service quality on customer satisfaction of 8.730 > cut off (1.96) and P value of 0.000 < 0.05. This means that the quality of service positively and significantly affects customer satisfaction. An estimate value of 0.286 indicates that improved service quality will increase customer satisfaction by 0.286. This means that the H3 in this research is supported.
4. For H4, it is known that the CR value of the effect of price perception variables on customer loyalty obtained is 9.304 > 1.96 with a significance obtained 0.000 (p<0.05). This can be interpreted if price perception has a positive effect on customer loyalty. The estimated value of 0.290 means that an increase in price perception can increase customer loyalty by 0.290. For this reason, it is stated that H4 is supported in this research.
5. The results of the H5 test stated that the CR value of the influence of location on customer loyalty was 8.250 > 1.96 and P 0.000 < 0.05 (p < 0.05). In conclusion, location can positively and significantly affect customer loyalty. The estimate value of the data is 0.205. This means that location will lead to an increase in customer loyalty by 0.205. Therefore, the H5 in this study is supported.
6. The H6 tested shows results if the CR value of the effect of service quality is obtained at 6.921 > 1.96 with a P value of 0.000 < 0.05 so that it can be interpreted if the quality of service has a positive and significant effect on customer loyalty. The estimated value of 0.243 causes that improving the quality of waiters will increase customer loyalty by 0.243. For this reason, H6 in this research is supported
7. Finally, the H7 test shows that the CR value of customer satisfaction on customer loyalty is 11.134 > a cut off of 1.96 with a P value of 0.000 < 0.05 (p<0.05). That is, customer satisfaction has a positive and significant effect on customer loyalty. The

estimated value is known to be 0.435 which shows that customer satisfaction can lead to an increase in customer loyalty by 0.435. So H7 is supported in this research.

After calculating the SEM analysis, there are several discussions, namely on price perception found to have a positive and significant effect on customer satisfaction (H1). These results show that product pricing is in line with consumer expectations. This means that as long as the benefits of the product are in accordance with the set price, consumers will feel satisfied with the price issued. The results of this research are similar to the results of research by (Sinaga & Sutrisna, 2016) which found that price suitability can have a positive impact on customer satisfaction.

The results of H2 testing found a positive and significant influence between locations on customer satisfaction. This explains that the strategic location makes it easier for consumers to access Indomaret, and reduces the difficulty of consumers in remembering the location. Next, after conducting the third hypothesis test (H3), it was found that the variable of service quality had a positive and significant effect on customer satisfaction at Indomaret Madura Pamekasan. This shows that the services provided by Indomaret Pamekasan are able to meet or even exceed consumer expectations. This study resulted in the same conclusion as the Themba study, namely that service quality can create a positive and significant effect on customer satisfaction. In addition, this research also received support from Asnawaty who concluded that the better the service felt by customers, the tendency of customer attitudes would also be more positive.

The results of the H4 test show that price perception has a positive and significant influence on customer loyalty at Indomaret Madura Pamekasan. That is, the evaluation of consumer prices is directly proportional to the benefits felt by consumers, so that consumers have a positive attitude towards pricing at Indomaret Madura Pamekasan. According to (Liu et al., 2019) research, the division of prices into several parts or partitioned prices can make consumers remember the low total cost and feel that they get greater added value from the services / products that customers buy. This will give consumers encouragement to make further purchases.

The results of the H5 test are that the location has a significant positive impact on customer loyalty at Indomaret Madura Pamekasan. This indicates that companies that can choose a good business location can have an impact on increasing loyal customers. Location selection in a business activity is considered a crucial decision because it can lure buyers. That is, location affordability allows consumers to continue to buy products/services repeatedly. The results of this research are directly proportional to Winata's research (2023) which suggests that location can produce a positive and significant effect on customer loyalty.

Furthermore, the results of the H6 test are known that the quality of service has a positive impact on customer loyalty at Indomaret Madura Pamekasan. This result can explain that the service felt by consumers where the service can meet / exceed their expectations, will cause a tendency to continue to make purchases at that place. Good service quality will increase customer loyalty to the business. In addition, good service quality will also maintain customer relationships in the long run. These results support Themba's (2019) research which found service quality has a good impact on customer loyalty.

Finally, H7 shows the results that customer satisfaction has a positive and significant effect on customer loyalty at Indomaret Madura Pamekasan. This reflects if satisfied consumers will have a positive attitude towards the business and form their

loyalty to the business. This research is in accordance with the results of research from (Asniwaty, Sehe, & Siswanto, 2019), namely customer satisfaction, is able to optimize customer loyalty, meaning that the higher the customer is satisfied, it will have an impact on customer loyalty.

Furthermore, there are the results of the analysis of direct influence, indirect influence, and total influence of all variables. This is seen in Table 11.

Table 11
Effect of Free Variables

Total Effect					
	PH	**L**	**KPY**	**KPG**	**LP**
KPG	0,428	0,325	0,282	0	0
LP	0,427	0,311	0,299	0,359	0
Direct Effect					
	PH	**L**	**KPY**	**KPG**	**LP**
KPG	0,428	0,325	0,282	0	0
LP	0,274	0,195	0,198	0,359	0
Indirect Effect					
	PH	**L**	**KPY**	**KPG**	**LP**
KPG	0	0	0	0	0
LP	0,154	0,116	0,101	0	0

Based on Table 11, the price perception variable has a total influence on customer satisfaction of 0.428 (42.8%) and a total influence on customer loyalty of 0.427 (42.7%). In addition, location also has a total influence on customer satisfaction of 0.325 (32.5%) and a total influence on customer loyalty of 0.311 (31.1%). Then the service quality variable can have a total influence on customer satisfaction of 0.282 (28.2%) and a total influence on customer loyalty of 0.299 (29.9%). While customer satisfaction directly affects customer loyalty by 0.359 (35.9%). In other words, the largest total influence is owned by the influence between price perception and customer satisfaction, which is 42.8%.

Next, the price perception variable has a direct influence on customer satisfaction by 0.428 (42.8%) and a direct effect on customer loyalty by 0.274 (27.4%). In addition, location also has a direct influence on customer satisfaction by 0.325 (32.5%) and a direct effect on customer loyalty by 0.195 (19.5%). Then the service quality variable has a direct effect on customer satisfaction by 0.282 (28.2%) and a direct effect on customer loyalty by 0.198 (19.8%). While customer satisfaction directly affects customer loyalty by 0.359 (35.9%). In other words, the largest direct influence is the influence between price perception and customer satisfaction, which is 42.8%

For indirect influence, there is a price perception variable on customer loyalty of 0.154 (15.4%). The location variable has an indirect effect on customer loyalty by 0.116 (11.6%). Then, the variable of service quality on brand personality has an indirect influence of 0.101 (10.1%). Therefore, overall it can be stated that customer satisfaction in this study shows a very important role of the influence of price perception, location, and service quality on customer loyalty. In other words, the largest indirect influence is the influence between price perception and customer loyalty, which is 15.4%.

Conclusion

The results of the calculation of all data carried out obtained the results of various variable analysis from each variable indicator. In the price perception variable, the highest

item value is found in PH2 which contains I feel the price at Indomaret Pamekasan is in accordance with the quality of the product. For the location variable, the highest value is item L2 which states in my opinion the location of Indomaret Pamekasan is supported by highway facilities that can make it easier for customers to visit. Furthermore, in the highest value service quality variable, namely KPY2 with a statement, I feel that employees at Indomart Pamekasan are fast in serving customers. The fourth variable is customer satisfaction where KPG3 is the highest value that states I am satisfied with the price offered. The last variable, customer loyalty where the highest value is LP3, states I tend to say positive things about Indomaret Pamekasan.

Of all 7 hypotheses in this study that were proposed, all proved to be significant. Where H1 is shown that there is a positive and significant influence on price perception on customer satisfaction. H2 found a positive and significant influence between locations on customer satisfaction. In H3, the quality of service has a positive and significant effect on customer satisfaction. Furthermore, H4, namely price perception, has a positive and significant effect on customer loyalty. H5 found that location has a positive and significant influence on customer loyalty. For H6, it was obtained that the quality of waiters had a positive and significant effect on customer loyalty. The last hypothesis of H7, found the result that customer satisfaction has a positive and significant influence on customer loyalty.

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