

THE EFFECT OF SERVICE QUALITY AND PRICE FAIRNESS ON CUSTOMER LOYALTY THROUGH CUSTOMER SATISFACTION AT MCDONALD'S IN SAMARINDA

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Abstract. *As market dynamics demand that companies compete aggressively, maintaining customer loyalty has become a crucial factor for the sustainability of McDonald's in Samarinda. This study aims to analyze the influence of service quality and price fairness on customer loyalty through the mediating role of customer satisfaction. The method used is a quantitative approach involving the distribution of questionnaires to 100 respondents who have consumed McDonald's products in Samarinda. The sampling technique employed purposive sampling, and data analysis was conducted using Structural Equation Modeling (SEM). The results indicate that service quality does not have a direct effect on customer loyalty; however, price fairness was found to have a direct effect without requiring satisfaction to act as a mediator. In this context, customer satisfaction does not significantly mediate the relationship between service quality or price fairness and loyalty. These findings indicate that contextual factors such as consumption habits and sensitivity to promotions play a significant role in shaping the loyal behavior of McDonald's customers in Samarinda. This study offers practical insights for restaurant managers in developing more targeted marketing strategies to retain customers.*

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

1. INTRODUCTION

In the current era of hyper-competitive global business, customer loyalty has emerged as the cornerstone of organizational sustainability. As a prominent global brand, McDonald's continues to navigate the complexities of maintaining market share and profitability within diverse local markets, including Samarinda, East Kalimantan. While traditional management literature posits that customer loyalty is primarily a function of service quality and perceived price fairness, the pathways to achieving such loyalty are increasingly influenced by contextual and behavioral factors.

Extensive academic discourse suggests that superior service quality inherently fosters customer satisfaction, which in turn drives repurchase intentions and positive word-of-mouth recommendations (Rolando, 2024). Similarly, price fairness defined as the customer's perception of the price-value balance is frequently cited as a critical antecedent to customer satisfaction and loyalty (F. Wijaya et al., 2024). Traditionally, customer satisfaction is conceptualized as the pivotal mediator that bridges the gap between service experiences and long-term brand commitment (Adar Bakhsh Baloch, 2017). However, the assumption that customer satisfaction serves as a universal mediator remains contested. Empirical evidence regarding the direct and indirect impacts of service quality and price fairness on loyalty remains inconsistent across different geographical and cultural settings. In the context of Samarinda, emerging consumption patterns characterized by high price sensitivity and a preference for promotional incentives may challenge the conventional "satisfaction-loyalty" model.

2. LITERATURE REVIEW

Service quality is widely recognized as a critical determinant of customer loyalty, particularly within the food service industry. According to Parasuraman et al. (2008), core dimensions such as reliability, responsiveness, and empathy are the primary indicators of perceived quality. However, the current study reveals that service quality does not exert a significant direct effect on customer loyalty in the Samarinda market. This finding diverges from the results reported by Rahayu and Wati (2018), who established a significant direct influence. This discrepancy suggests that in Samarinda, operational attributes such as service speed or restaurant cleanliness may be secondary to other factors in shaping customer retention.

Expanding on these dynamics, price fairness consistently emerges as a significant driver of customer loyalty, acting either directly or through customer satisfaction. Studies by Surip et al. (2017) confirm that price fairness enhances loyalty via satisfaction. Nevertheless, the empirical findings of this study demonstrate a direct impact of price fairness on loyalty, circumventing the mediating role of customer satisfaction. This aligns with the perspective of Nurwahida et al. (2024), who argue that the customer base of McDonald's in Samarinda is highly sensitive to promotions and discounts, allowing competitive pricing to drive repurchase behavior without relying on emotional satisfaction stages.

Furthermore, while customer satisfaction is frequently conceptualized as a primary mediator in the relationship between service quality, price fairness, and loyalty, empirical results remain inconsistent. For instance, Wijaya and Nurcaya (2017) observed that satisfaction failed to mediate the impact of price fairness on brand loyalty in Denpasar, a finding consistent with our results regarding the service quality-loyalty pathway. Conversely, Woro et al. (2013) reported partial mediation with significant indirect effects. These inconsistencies underscore the necessity of contextualization; in the Samarinda market, factors such as consumption habits and the availability of promotional campaigns likely diminish the traditional role of customer satisfaction as a mediator.

3. RESEARCH METHODS

This study employs a quantitative research approach, utilizing a survey-based method to gather primary data and evaluate consumer perceptions. Data collection was conducted online over a one-month period, targeting McDonald's consumers in Samarinda, East Kalimantan. To assess perceptions, a Likert scale with five levels of agreement ranging from Strongly Disagree to Strongly Agree was utilized (Sugiyono, 2020).

The sample size determination followed the guidelines proposed by Roscoe in Sugiyono (2020), which suggests a feasible sample size for research ranges between 30 and 500 respondents. Additionally, Frankel and Wallen, as cited in Suryani (2023), recommend a minimum sample of 100 for descriptive studies; consequently, this research utilizes a sample of 100 respondents. The sampling technique employed was purposive sampling, selecting individuals who have experience consuming McDonald's products.

The data was analyzed using Structural Equation Modeling (SEM) to test hypotheses and validate theoretical models through structural modeling. SEM is utilized to verify theories within the framework of structural equations, strengthening the theoretical foundation of the study based on the approach by Siregar et al. (2021). The Partial Least Squares (PLS) analysis was performed in two stages:

3.1 Data Analysis Method

The research utilizes Structural Equation Modeling (SEM) to test hypotheses and validate theoretical models through structural modeling. SEM is applied in this study to verify theoretical frameworks and refine the research model, drawing upon the methodological foundations established by Siregar et al. (2021).

The data analysis was performed using the Partial Least Squares (PLS) approach, conducted in two sequential stages:

- a. The first step involves testing the measurement model, where the validity and reliability of the constructs for each indicator are tested (Ghozali, 2016).
- b. In the second step, the structural model testing is performed. The purpose is to evaluate whether there are influences between variables or correlations, as well as testing the relationships between the measured constructs using the t-test provided by the PLS itself (Ghozali, 2016).

The evaluation criteria for the PLS-SEM model are summarized in Table 3.1

Table 3.1 Criteria for PLS-SEM Model Evaluation

Assessment	Parameter	Rul Of Thumb	Source
Convergent Validity	Loading Factor	>0,70	(Haryono, 2016)
Convergent Validity	Fornell Lacker	Root Value AVE > Correlation between constructs	(Haryono, 2016)
Reliability	Cronbach'Alpha	> 0,70	(Haryono, 2016)
	Composite Reliability	>0,70	(Haryono, 2016)
Inner Model	R Square	0,70 (Strong), 0,50 (Moderate), and 0,25 (Weak)	(Savitri <i>et al.</i> , 2021:35)
	F Square	0,35 (Strong), 0,15 (Moderate), and 0,02 (Weak)	(Haryono, 2016)
	Hypothesis Test	>1,96 (Significance level = 5%)	(Savitri <i>et al.</i> , 2021:35)
Goodness of Fit	Average Communalities Index x R ²	0,1 (Small GOF), 0,25 (Moderate GOF), and 0,36 (Large GOF)	(Haryono, 2016)
	Average Communalities Index = Rata – Rata AVE		

4. RESULTS AND DISCUSSION

This study aims to investigate the influence of service quality and price fairness on customer loyalty, with customer satisfaction as a mediating variable, among 100 McDonald's customers in Samarinda. The data analysis utilized several tests: convergent validity, discriminant validity, reliability, structural model assessment (inner model), and goodness-of-fit evaluation.

Gender Based Respondent Data

Based on the data from 100 total respondents, 33 individuals (33%) are male, and 67 individuals (67%) are female. This indicates that female participation in this survey was significantly more dominant than that of males, accounting for approximately double the number.

Age Based Respondent Data

The majority of respondents were in the 15-20 age group, totaling 28 individuals (58%), followed by the 21–25 age group, totaling 40 individuals (40%), while the 31–40 age group consisted of only 2 individuals (2%). This suggests that the survey was predominantly dominated by younger demographics, ranging from adolescents to young adults, reaching 98% of the total respondents.

Occupation Based Respondent Data

Based on the occupational data of the 100 respondents, the largest sample group consisted of student, totaling 82 individuals (82,0%), which indicates that the survey was likely conducted within an educational environment, the employee group occupied the second position with 12 individuals (12,0%), the housewife and “other” groups occupied the third and fourth positions with 2 individuals each (2,0%), and the TNI/POLRI and entrepreneur groups were in the fifth and sixth positions with 1 individual each (1,0%).

Income Based Respondent Data

The largest portion of the sample consisted of respondents with a monthly income of < IDR 500,000, totaling 49 individuals (49.0%), indicating that nearly half of the population is still at a low-income level. Furthermore, 30 respondents (30%) had an income between IDR 500,000 and IDR 2,000,000. Meanwhile, 18 respondents (18%) were in the IDR 2,000,000 to IDR 5,000,000 income category. Finally, respondents with an income of more than IDR 5,000,000 totaled only 3 individuals, equivalent to 3% of the total respondents.

Purchase Location-Based Respondent Data

Survey data indicates that McDonald’s S. Parman Samarinda had the highest number of respondents with 51 individuals, or 36.96% of the 138 total respondents, followed by McDonald’s Samarinda Central Plaza with 48 individuals, or 34.78%, and McDonald’s Untung Suropati with 39 individuals, or 28.26%.

Evaluation of the Measurement Model (Outer Model)

1. *Convergent Validity Test*

Table 4.1 Convergent Validity Test Results

	Service Quality	Price Fairness	Customer Satisfaction	Customer Loyalty
X1.1	0.852			
X1.2	0.844			
X1.3	0.787			
X1.4	0.822			
X1.5	0.790			
X2.1		0.846		
X2.2		0.894		
X2.3		0.906		
Y1.1			0.864	
Y1.2			0.858	

Y1.3	0.864	
Y2.1		0.854
Y2.2		0.916
Y2.3		0.945

Source: Output PLS (2025)

Based on the outer loading values for the indicators of Service Quality, Price Fairness, Customer Satisfaction, and Customer Loyalty, it can be concluded that the measurement instrument has undergone convergent validity well. All indicators for the four variables have outer loading values > 0.70, ranging from 0.787 to 0.945, which shows that each indicator is able to adequately represent its latent variable. Service Quality has outer loading values between 0.787 and 0.852, Price Fairness between 0.846 and 0.906, Customer Satisfaction between 0.858 and 0.864, and Customer Loyalty between 0.854 and 0.945. Thus, the entire indicators are valid and can be used to measure the variables concerned in this study. This signifies that the instrument used is appropriate and can measure the constructs studied, resulting in high accuracy in describing the relationship between variables.

Based on Table 4.1, it can be seen that all statement values are > 0.70, supported by the Loading Factor parameter from Haryono (2016). Thus, all statement items meet the Convergent Validity criteria.

2. Discriminant Validity Test

Table 4.2 Discriminant Validity Test Results

	Customer Loyalty	Customer Satisfaction	Price Fairness	Service Quality
Customer Loyalty	0.906			
Customer Satisfaction	0.605	0.862		
Price Fairness	0.702	0.647	0.882	
Service Quality	0.526	0.686	0.599	0.819

Source: Output PLS (2025)

The discriminant validity test results show that each construct has good discriminant validity, indicated by the square root of the AVE on the diagonal, which is greater than the correlation between the construct and other constructs. The square root of the AVE for Customer Loyalty is 0.906, which is higher than its correlation with Customer Satisfaction (0.605), Price Fairness (0.702), and Service Quality (0.526). The same applies to Customer Satisfaction (0.862), Price Fairness (0.882), and Service Quality (0.819), all of which have diagonal values higher than the correlations between other constructs. This indicates that each construct is unique and significantly different from one another, ensuring the measurement instrument is appropriate in distinguishing these constructs. Thus, the results can be trusted because the variables measured do not overlap and the discriminant validity has been well fulfilled.

Based on Table 4.2, using the Fornell-Larcker parameter (Henseler, Ringle, & Sarstedt, 2015), where the square root of AVE for each variable is > the correlation between constructs, it can be concluded that all variables are Discriminant Valid.

3. Reliability Test

Table 4.3 Reliability Test Results

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Customer Loyalty	0.890	0.891	0.932	0.820
Customer Satisfaction	0.829	0.838	0.897	0.744
Price Fairness	0.858	0.863	0.913	0.778
Service Quality	0.877	0.877	0.911	0.672

Source: Output PLS (2025)

The reliability test indicates that all constructs have a very high level of reliability and validity. The Cronbach's Alpha values for Customer Loyalty (0.890), Customer Satisfaction (0.829), Price Fairness (0.858), and Service Quality (0.877) are all > 0.7 , indicating strong internal consistency. In addition, the Composite Reliability (rho_a) and Composite Reliability (rho_c) values are excellent, with most values approaching or > 0.9 , indicating high internal consistency. The AVE for all constructs is above the minimum threshold of 0.5, confirming the convergent validity of these constructs. Thus, the instrument is valid and reliable, making the data trustworthy for further analysis.

Based on Table 4.3, the Cronbach's Alpha and Composite Reliability (rho_c) parameters are > 0.70 , declaring all variables Reliable.

Evaluation of the Structural Model (Inner Model)

1. R-Square Test

Table 4.4 R-Square Results

	R-square	R-square adjusted
Customer Loyalty	0.533	0.518
Customer Satisfaction	0.558	0.548

Source: PLS Output (2025)

Based on the R-square test results, the R-square value for the Customer Loyalty variable is 0.533, and the adjusted R-square is 0.518, indicating that 53.3% of the variation in customer loyalty can be explained by the independent variables in the model, with the adjustment slightly reducing the value to 51.8%, which signifies that the model is sufficiently robust and does not experience overfitting. Meanwhile, for Customer Satisfaction, the R-square value is 0.558 and the adjusted R-square is 0.548, indicating that the adjustment maintains the validity of the model at 54.8%. Overall, R-square and adjusted R-square values greater than 0.5 demonstrate that the regression model used is strong enough to explain the variability of both variables; therefore, the research results can be considered valid and used as a basis for further analysis or business decision-making.

The adjusted R-square value for the Loyalty variable is 0.518, which indicates that the variables of Price Fairness and Service Quality are able to explain 51.8% of the variation in Loyalty. Thus, the model is categorized as moderate. Meanwhile, the adjusted R-square for the Satisfaction variable reaches 0.548, which means that the variables of Price Fairness, Service Quality, and Satisfaction collectively explain 54.8% of the variation in Satisfaction. In conclusion,

this model can also be considered moderate. This is in accordance with the criteria (0.70 = Strong; 0.50 = Moderate; 0.25 = Weak) sourced from (Savitri et al., 2021:35).

2. F-Square Test

Tabel 4.5 F-Square Results

	Customer Loyalty	Customer Satisfaction
Customer Loyalty		
Customer Satisfaction	0.050	
Price Fairness	0.309	0.197
Service Quality	0.003	0.313

Source: PLS Output (2025)

Based on the F-square test results, it indicates that the effect of Customer Satisfaction on Customer Loyalty is categorized as weak, with a value of 0.050, meaning its contribution to explaining the variability of customer loyalty is relatively low. Conversely, Price Fairness shows a moderate to strong effect with values of 0.309 and 0.197, indicating that the perception of price fairness plays a significant role in shaping customer loyalty. Service Quality shows varied values; 0.003 is very small, while 0.313 is substantial, which indicates both direct and indirect effects on Customer Loyalty, while Customer Satisfaction provides a smaller direct contribution, showing that customer loyalty is more influenced by the perceived price and service quality. The following explanation is based on the criteria (0.35 = Strong; 0.15 = Moderate; 0.02 = Weak) sourced from (Savitri *et al.*, 2021).

- a. Price Fairness has an effect of 0.197 on Satisfaction, which is considered to have a moderate level of influence.
- b. The effect of Price Fairness on Loyalty is recorded at 0.309, which is also categorized as a moderate influence.
- c. Service Quality provides a contribution of 0.313 to Satisfaction, which is considered a moderate influence.
- d. The effect of Service Quality on Loyalty is only 0.003, indicating a weak influence.
- e. The effect of Satisfaction on Loyalty, which only reaches 0.050, indicates a weak influence.

3. Hypothesis Test

Table 4.6 Hypothesis Test Results

Path	Path Coefficient	T Statistics	P Values
Customer Satisfaction -> Customer Loyalty	0,229	1,636	0,102
Price Fairness -> Customer Loyalty	0,519	5,366	0,000
Price Fairness -> Customer Satisfaction	0,369	3,825	0,000
Service Quality -> Customer Loyalty	0,058	0,474	0,635
Service Quality -> Customer Satisfaction	0,465	4,644	0,000
Price Fairness -> Customer Satisfaction -> Customer Loyalty	0,084	1,408	0,159
Service Quality -> Customer Satisfaction -> Customer Loyalty	0,106	1,567	0,117

Based on the hypothesis test results, the effect of Customer Satisfaction on Customer Loyalty shows a positive result with a path coefficient of 0.229; however, it is not statistically significant because the P-value of 0.102 is greater than 0.05. This indicates that Customer Satisfaction in this study does not have a significant effect on Customer Loyalty. Meanwhile, Price Fairness has a highly significant and positive effect on Customer Loyalty with a path coefficient of 0.519 and a P-value of 0.000. This means that the perception of price fairness significantly increases customer loyalty.

Furthermore, Price Fairness also has a positive and significant effect on Customer Satisfaction with a coefficient of 0.369 and a P-value of 0.000, which shows that perceived fair pricing is able to increase Customer Satisfaction. Regarding the Service Quality variable, the test results show that its direct effect on Customer Loyalty is not significant with a coefficient of 0.058 and a P-value of 0.635; therefore, Service Quality does not have a direct effect on Customer Loyalty.

However, Service Quality has a positive and significant effect on Customer Satisfaction with a coefficient of 0.465 and a P-value of 0.000, which means that good Service Quality can significantly increase customer satisfaction. Furthermore, the mediation test of Customer Satisfaction on the relationship between Price Fairness and Customer Loyalty shows insignificant results (coefficient 0.084; P-value 0.159), so Customer Satisfaction does not significantly mediate that relationship. Likewise, in the mediation of Customer Satisfaction in the relationship between Service Quality and Customer Loyalty, the result is insignificant with a coefficient of 0.106 and a P-value of 0.117, which means that customer satisfaction does not serve as a strong mediator in the relationship between Service Quality and Customer Loyalty.

- a. The relationship between Customer Satisfaction and Customer Loyalty shows a p-value of 0.102 (> 0.05), so hypothesis H1 is rejected. This means that Customer Satisfaction does not have a significant effect on Customer Loyalty.
- b. On the path of Price Fairness to Customer Loyalty, a p-value of 0.000 (< 0.05) indicates that H2 is accepted, so it can be concluded that Price Fairness has a significant effect on Customer Loyalty.
- c. The path between Price Fairness and Customer Satisfaction obtained a p-value of 0.000 (< 0.05), so H3 is accepted, which means that Price Fairness significantly influences Customer Satisfaction.
- d. The relationship between Service Quality and Customer Loyalty shows a p-value of 0.635 (> 0.05), so H4 is rejected. This means that Service Quality does not have a significant effect on Customer Loyalty.
- e. On the path of Service Quality to Customer Satisfaction, a p-value of 0.000 (< 0.05) results in H5 being accepted, indicating that Service Quality has a significant effect on Customer Satisfaction.
- f. The mediation path test of Price Fairness $\rightarrow$ Customer Satisfaction $\rightarrow$ Customer Loyalty shows a p-value of 0.159 (> 0.05), so H6 is rejected. Thus, there is no significant indirect effect through Customer Satisfaction.
- g. The path of Service Quality $\rightarrow$ Customer Satisfaction $\rightarrow$ Customer Loyalty has a p-value of 0.117 (> 0.05), so H7 is rejected. This means that the indirect effect through Customer Satisfaction is not significant.

4. Goodness of Fit Test

Table 4.7 Good of Fit Results		
	Average variance extracted (AVE)	R-square
Customer Loyalty	0,82	0,533
Customer Satisfaction	0,774	0,558
Price Fairness	0,778	
Service Quality	0,672	
Average	0,761	0,545

Source: PLS Output (2025)

Based on the Goodness of Fit test results, the Average Variance Extracted (AVE) value for the Customer Loyalty construct is 0.82, Customer Satisfaction is 0.774, Price Fairness is 0.778, and Service Quality is 0.672, with an average AVE of 0.761. This indicates that all constructs have good convergent validity as the AVE values are above 0.5. This signifies that the indicators used are capable of adequately explaining the construct variance. Meanwhile, the R-square value for Customer Loyalty is 0.533 and Customer Satisfaction is 0.558, with an average of 0.545, indicating that the model is able to explain the variance of the dependent variables by approximately 54.5%, which means the model has a reasonably good explanatory power. The R-square value is not available for Price Fairness and Service Quality, likely because both constructs serve as independent variables or mediators in the model.

Overall, these results indicate that the research model possesses strong validity and the capability to explain the relationships between variables adequately, making it suitable for this research analysis.

$$\text{GoF Value} = \sqrt{\text{Mean AVE} \times \text{Mean R Square}}$$

$$\text{GoF Value} = \sqrt{0,761 \times 0,545}$$

$$\text{GoF Value} = 0,738$$

Based on the parameters (0.1 = small GoF, 0.25 = moderate GoF, 0.36 = large GoF) sourced from (Hayono, 2016;384), the assessment results yielded a Goodness of Fit (GoF) value of 0.738, which indicates that the overall performance of the model, both structurally (inner model) and measurement-wise, is classified in the high or large GoF category.

Based on the results of the hypothesis test analysis, there is a positive and significant relationship between service quality and customer satisfaction, with a path coefficient of 0.465, a T-statistic value of 4.644, and a P-value of 0.000. This indicates that an improvement in service quality will be followed by a significant increase in customer satisfaction. A T-statistic value significantly higher than 1.96 and a very small P-value strengthens the conclusion that the influence of service quality on customer satisfaction is not merely coincidental, but a real and statistically significant relationship.

The Relationship Between Price Fairness and Customer Satisfaction

The results of the hypothesis test analysis show that price fairness has a positive and significant effect on customer satisfaction, with a coefficient value of 0.369, a T-statistic of 3.825, and a P-value of 0.000. This indicates that the higher the customer's perception of price fairness, the higher the level of satisfaction felt. The perception of price fairness is an important factor because customers tend to feel satisfied when the price paid is commensurate with the value received. Price fairness contributes indirectly to customer loyalty through increased satisfaction.

The Relationship Between Service Quality and Customer Loyalty

Based on the results of the hypothesis test analysis, the relationship between service quality and customer loyalty shows interesting results. Directly, the influence of service quality on customer loyalty is not significant, with a path coefficient of 0.058, a T-statistic of 0.474, and a P-value of 0.635, which means that an increase in service quality does not necessarily directly increase customer loyalty. However, service quality has a significant effect on customer satisfaction with a coefficient of 0.465 and a P-value of 0.000, indicating that good service quality is capable of significantly increasing customer satisfaction. Thus, the indirect influence of service quality on customer loyalty through customer satisfaction is also not significant (coefficient 0.106, P-value 0.117).

The Relationship Between Price Fairness and Customer Loyalty

Based on the results of the hypothesis test analysis, price fairness has a positive and significant direct influence on customer loyalty with a path coefficient of 0.519, a T-statistic of 5.366, and a P-value of 0.000. This shows that the more customers perceive the offered price as fair, the higher their level of loyalty to the product or service will be. However, the indirect influence of price fairness on customer loyalty through customer satisfaction as a mediator is not significant, as indicated by a coefficient of 0.084, a T-statistic of 1.408, and a P-value of 0.159. Thus, Customer Satisfaction does not play a significant role in mediating the relationship between price fairness and customer loyalty.

The Relationship Between Customer Satisfaction and Customer Loyalty

Based on the results of the hypothesis test analysis, the relationship shows a positive coefficient of 0.229 with a T-statistic value of 1.636 and a P-value of 0.102, which means the relationship is not yet statistically significant at the 5% significance level. This indicates that although customer satisfaction tends to increase customer loyalty, the empirical evidence is not strong enough to state that the relationship is definitely significant.

The Relationship of Customer Satisfaction with Service Quality, Price Fairness, and Customer Loyalty

Based on the path analysis results obtained regarding the relationship between customer satisfaction, service quality, price fairness, and customer loyalty, service quality is proven to have a positive and significant effect on customer satisfaction. Price fairness is also important in forming customer satisfaction. The test results show that customer perception of prices that are in accordance with the value of the product received strongly influences their level of satisfaction. Prices considered fair make customers feel they are getting equal value, thereby increasing overall satisfaction.

However, when looking at the influence of customer satisfaction on customer loyalty, the analysis results show that the influence is positive but not statistically significant. This means that although customer satisfaction tends to increase loyalty, this factor is not strong enough to guarantee that customers will be loyal to the company. This indicates that customer loyalty is influenced by other factors besides satisfaction. On the other hand, price fairness has a strong and significant direct influence on customer loyalty. Customers who feel the price they pay is fair and appropriate tend to be more loyal to the product.

Furthermore, the indirect impact of service quality and price fairness on customer loyalty through customer satisfaction is also not significant in this study. This indicates that although service quality and price fairness are able to increase satisfaction, the mediation path of satisfaction in forming loyalty is not yet strong enough.

CONCLUSION

Based on the research conducted regarding the influence of service quality and price fairness on customer loyalty through customer satisfaction at McDonald's in Samarinda, it can be concluded that the customer's perception of price fairness is the most dominant factor in shaping loyalty. Price fairness not only directly influences customer loyalty but also significantly affects the level of customer satisfaction. Meanwhile, service quality is proven to significantly increase customer satisfaction, yet it does not directly influence customer loyalty. These findings indicate that even if customers are satisfied with the service provided, that satisfaction is not yet strong enough to create long-term loyalty.

Suggestions

In this study, customer satisfaction does not play a significant role as a mediator between service quality or price fairness and customer loyalty. This indicates that the loyalty of McDonald's customers in Samarinda is not solely determined by their level of satisfaction but is also influenced by rational considerations such as price fairness and the direct benefits received. The main supporting factor for this activity is the positive customer perception of prices, considered fair and appropriate, as well as the ease of access to McDonald's services, which are distributed across several strategic locations in the city. However, there are also several hindering factors that emerged during the research process; one of them is the limited role of customer satisfaction as a mediator, which demonstrates that in a local context, loyalty is not always formed through emotional paths such as satisfaction but is instead more pragmatic and based on the value of benefits.

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