

ANALYSIS OF THE EFFECT OF SERVICE QUALITY AND PRICE ON CUSTOMER LOYALTY MEDIATED BY CUSTOMER SATISFACTION AT AL-MATUQ ISLAMIC BOARDING SCHOOL LAUNDRY

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Abstraction

Customer loyalty is a crucial factor in maintaining the sustainability of any service business, including the laundry business. Al-Matuq Islamic Boarding School Laundry experienced a decline in turnover and frequency of repeated service usage during the 2023–2025 period, indicating a decline in customer loyalty. This study aims to analyze the effect of service quality and price on customer loyalty, with customer satisfaction as a mediating variable. The study used a quantitative approach with a survey method of 133 Al-Matuq Islamic Boarding School Laundry customers selected using a purposive sampling technique. Data analysis was conducted using Structural Equation Modeling (SEM) assisted by AMOS 26. The results showed that service quality has a positive and significant effect on customer satisfaction ($\beta = 0.647$; $p < 0.001$), price has a positive and significant effect on customer satisfaction ($\beta = 0.313$; $p = 0.002$), price has a positive and significant effect on customer loyalty ($\beta = 0.443$; $p < 0.001$), and customer satisfaction has a positive and significant effect on customer loyalty ($\beta = 0.197$; $p = 0.035$). In contrast, service quality does not have a significant effect on customer loyalty ($\beta = 0.077$; $p = 0.544$). These findings indicate that customer satisfaction plays an important role in increasing customer loyalty, while service quality contributes more through increasing customer satisfaction than directly to loyalty. The implications of this study emphasize the importance of consistently improving service quality and setting prices that are in accordance with the benefits received by customers to increase customer satisfaction and loyalty in a sustainable manner

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

1. INTRODUCTION

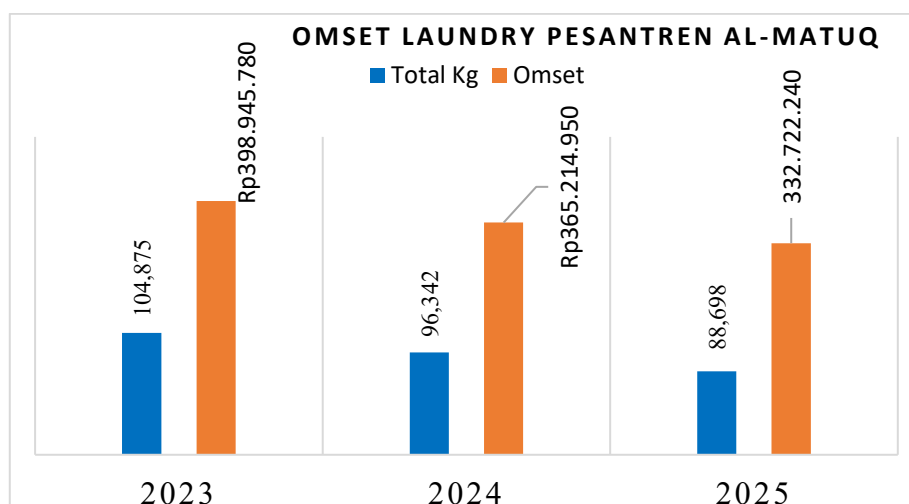
The service sector is one that continues to experience growth along with the increasing public demand for practical, fast, and high-quality services. This development encourages service companies to increase their competitiveness by providing services that meet customer expectations. In the context of service marketing, a company's success is determined not only by its ability to acquire new customers but also by its ability to retain them through building ongoing loyalty. Loyal customers are more likely to make repeat purchases, provide recommendations to other customers, and exhibit greater resistance to competitors' offers (Kotler & Keller, 2016; Zeithaml et al., 2018; Lovelock & Wirtz, 2021).

The laundry industry is one of the service sectors experiencing rapid growth in Indonesia, a consequence of changing lifestyles that increasingly prioritize time efficiency. Increasing competition requires every laundry service provider to deliver superior service

quality and set prices that reflect the benefits received by customers. In the service industry, service quality and price are two key factors influencing customer satisfaction and ultimately customer loyalty (Lovelock & Wirtz, 2021; Tjiptono, 2022).

To strengthen the research phenomenon, the researcher conducted initial observations on the development of the Al-Matuq Islamic Boarding School Laundry business through data on turnover and the number of laundry for the last three years, namely 2023-2025. The data was used to observe the condition of the laundry business development and describe the problem phenomena that occurred in the research object. Based on the observation results, it was found that the development of the Al-Matuq Islamic Boarding School Laundry business experienced a gradual decline, both in terms of the number of kilograms of laundry and the total business turnover. This condition indicates a business challenge that needs to be considered by the company in retaining customers amidst increasingly competitive laundry business competition.

Figure 1. Annual Turnover of Al-Matuq Islamic Boarding School Laundry Services 2023-2025



Source: Data Processed, 2026

Based on the table and graph of the development of the Al-Matuq Islamic Boarding School Laundry business in 2023-2025, it can be seen that the total kilograms of laundry and business turnover have decreased every year. In 2023, the total laundry service reached 104,875 kg with a total turnover of Rp398,945,780. Furthermore, in 2024 the number of laundry services decreased to 96,342 kg with a total turnover of Rp365,214,950. The decline occurred again in 2025 with a total service of 88,698 kg and a total turnover of Rp332,722,240. The business development graph shows a fairly consistent downward trend over the past three years. This downward phenomenon indicates problems in the development of the Al-Matuq Islamic Boarding School Laundry business. The decline in the number of customers and business turnover can be influenced by increasing competition in the laundry business in the Sukabumi area, changes in customer behavior, and increasing customer expectations regarding the quality of service and prices offered by service companies. Today's laundry customers tend to be more selective in choosing services that offer fast service, good laundry results, reasonable prices, and a satisfying service

experience. If a company fails to meet customer expectations, they are likely to switch to competitors who are perceived to provide better service.

Al-Matuq Islamic Boarding School Laundry is a business unit that serves the laundry needs of students in the Al-Matuq Islamic Boarding School environment in Sukabumi. As a service provider operating within the Islamic boarding school environment, Al-Matuq Islamic Boarding School Laundry has a relatively homogeneous customer base, namely students who use laundry services regularly. However, based on internal data from the Al-Matuq Islamic Boarding School Laundry management, there has been a decline in turnover and a decrease in the number of customers who use laundry services repeatedly during the period 2023–2025. This condition indicates a decline in customer loyalty that requires attention because loyalty is an important indicator in maintaining the sustainability of a service business (Oliver, 2015; Tjiptono, 2022).

Theoretically, customer loyalty is influenced by various factors, including service quality, price, and customer satisfaction. Service quality that meets or exceeds customer expectations will create a positive experience, thereby increasing customer satisfaction. Furthermore, a price perceived as fair and commensurate with the benefits received will increase customer perceptions of value. The satisfaction generated from these experiences then encourages customers to continue using the same service in the long term (Kotler & Keller, 2016; Lovelock & Wirtz, 2021).

Various empirical studies have shown that service quality has a positive influence on customer satisfaction. Research by Khair et al. (2023) demonstrated that service quality significantly impacts customer satisfaction in the laundry industry in Medan. Similar results were found by Dewi et al. (2021), who stated that service quality can increase customer satisfaction and loyalty in the service sector. Furthermore, Nurcholisa and Wibisono (2024) found that service quality positively impacts customer loyalty through customer satisfaction in laundry businesses. These findings demonstrate that service quality is a crucial factor in building long-term relationships between service companies and customers.

Besides service quality, price is also a key consideration for customers when choosing a service provider. Research by Ayuningtiyas and Ismail (2025) shows that affordable prices commensurate with service benefits have a positive impact on customer satisfaction. These results are supported by Kusuma and Putri (2023), who state that price is a key determinant in increasing customer satisfaction in laundry businesses. Meanwhile, Khair et al. (2023) demonstrate that price not only increases customer satisfaction but also directly builds customer loyalty.

Previous research still shows inconsistencies regarding the direct influence of service quality on customer loyalty. Some studies conclude that service quality directly increases customer loyalty, while others show that the effect is stronger when mediated by customer satisfaction. These differing results indicate an empirical gap that requires further study, particularly in the context of Islamic boarding school-based laundry businesses, which have different customer characteristics than commercial laundries.

Based on the description, this study aims to analyze the influence of service quality and price on customer loyalty through customer satisfaction at the Al-Matuq Islamic Boarding School Laundry. This study is expected to contribute to the development of service marketing literature, especially regarding the formation of customer loyalty in Islamic

boarding school-based service businesses, as well as being a basis for the management of the Al-Matuq Islamic Boarding School Laundry in formulating strategies for improving service quality, pricing, and managing customer satisfaction on an ongoing basis.

2. RESEARCH METHOD

Research Design

This study uses a quantitative approach with a causal explanatory research design that aims to examine the causal relationship between service quality, price, customer satisfaction, and customer loyalty at the Al-Matuq Islamic Boarding School Laundry. The quantitative approach was chosen because it can objectively explain the relationship between variables through hypothesis testing based on empirical data obtained from respondents (Sekaran & Bougie, 2020).

Population and Sample

The population in this study were all customers of the Al-Matuq Islamic Boarding School Laundry who were registered as active service users, totaling 902 customers. The sample size was determined using the Slovin formula with an error tolerance of 8%, resulting in 133 respondents. The sampling technique used purposive sampling, which is a sampling technique based on certain criteria that are in accordance with the research objectives (Sugiyono, 2023). The respondent criteria include: (1) customers of the Al-Matuq Islamic Boarding School Laundry, (2) have used the laundry service at least four times in the last six months, and (3) are willing to fill out the questionnaire voluntarily.

Method of collecting data

This study uses primary and secondary data. Primary data were obtained through questionnaires distributed to respondents using a five-point Likert scale, with a response range of 1 = strongly disagree to 5 = strongly agree. Meanwhile, secondary data were obtained from internal documents of the Al-Matuq Islamic Boarding School Laundry, books, scientific journals, and various references relevant to the research topic. The research instrument consisted of four variables: service quality, price, customer satisfaction, and customer loyalty. The service quality variable was measured using five indicators, the price variable using four indicators, the customer satisfaction variable using five indicators, while the customer loyalty variable was measured using four indicators developed based on previous theories and research.

Data Analysis Techniques

Data analysis was conducted using the Structural Equation Modeling (SEM) method with the assistance of IBM SPSS AMOS software version 26. The analysis stage began with descriptive statistical analysis to describe the characteristics of respondents and respondents' responses to the research variables. Next, Confirmatory Factor Analysis (CFA) was conducted to test construct validity through standardized loading factor values, Construct Reliability (CR), and Average Variance Extracted (AVE). Model feasibility was evaluated using several Goodness of Fit indicators, namely Chi-square, Probability, CMIN/DF, Goodness of Fit Index (GFI), Adjusted Goodness of Fit Index (AGFI), Tucker-Lewis Index (TLI), Comparative Fit Index (CFI), and Root Mean Square Error of Approximation (RMSEA). Hypothesis testing was conducted based on the Critical Ratio (CR) and probability (p-value). The hypothesis was declared accepted if the CR value > 1.96 and p-value < 0.05 (Hair et al., 2022).

3. RESULTS AND DISCUSSION

Brief Profile of Research Object

The object of this research is the Al-Matuq Islamic Boarding School Laundry located in Al-Matuq Islamic Boarding School, Sukabumi Regency, West Java. Al-Matuq Islamic Boarding School Laundry is a service business unit that provides laundry services for Islamic boarding school students with the aim of meeting the need for practical, clean, and timely laundry services. In its operations, this business unit serves the process of washing, drying, ironing, and packaging clothes by prioritizing service quality, timeliness, and safety of customer clothes. The selection of Al-Matuq Islamic Boarding School Laundry as the object of research is based on its business characteristics that are relevant to the research objective, namely to examine the effect of service quality and price on customer loyalty through customer satisfaction. In addition, based on internal company data, Al-Matuq Islamic Boarding School Laundry experienced a decline in turnover, laundry volume, and frequency of service reuse during the 2023–2025 period. This condition indicates a decline in customer loyalty, so an evaluation of the factors that influence customer satisfaction and loyalty is needed as a basis for developing strategies to improve service quality and business competitiveness.

Respondent Characteristics

Respondent characteristics in this study included gender, education level, and frequency of use of the Al-Matuq Islamic Boarding School Laundry service. The description of respondent characteristics aims to provide an overview of the customer profile of the research respondents. The respondent characteristics are presented in Table 1.

Table 1. Respondent Characteristics

Characteristics	Category	Frequency	Percentage (%)
Gender	Man	60	45.11
	Woman	73	54.89
Level of education	MTs	60	45.11
	MA	73	54.89
Frequency of Laundry Service Use	4-5 times	34	25.56
	6–7 times	45	33.83
	≥ 8 times	54	40.60
Amount		133	100.00

Source: Processed primary data (2026).

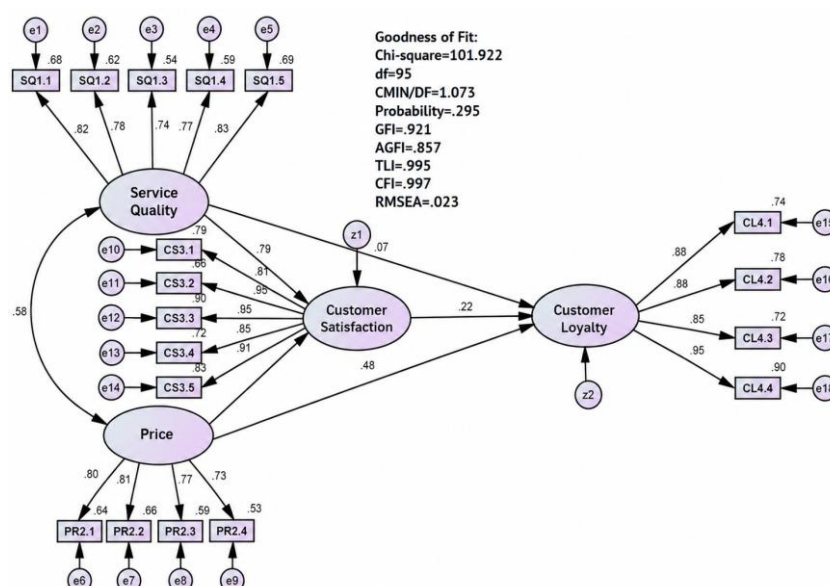
Based on Table 1, the research respondents were dominated by women as many as 73 people (54.89%), while male respondents numbered 60 people (45.11%). Based on education level, most of the respondents were students of Madrasah Aliyah (MA) as many as 73 people (54.89%), while respondents from Madrasah Tsanawiyah (MTs) level as many as 60 people (45.11%). Judging from the frequency of service use, the majority of respondents had used the services of Al-Matuq Islamic Boarding School Laundry ≥8 times, namely 54 people (40.60%), followed by respondents who used the services 6-7 times as many as 45 people (33.83%), and 4-5 times as many as 34 people (25.56%). This shows that most of the respondents are customers who have had sufficient experience in using the

services of Al-Matuq Islamic Boarding School Laundry, so that the assessment given on service quality, price, satisfaction, and customer loyalty can represent the actual conditions.

Structural Equation Modeling (SEM) Analysis

A full-model Structural Equation Modeling (SEM) analysis was conducted to test the feasibility of the overall research model, which integrates the exogenous variables of service quality and price, the mediating variable of customer satisfaction, and the dependent variable of customer loyalty. This analysis aims to determine whether the constructed structural model is in accordance with the empirical data and is suitable for testing causal relationships between variables and testing research hypotheses.

Figure 2. Full Model SEM Test



Source: Data Processed, 2026

Table 2. Full SEM Model Loading Values

Variables	Indicator	Loading Factor	Criteria	Information
Service Quality (X1)	X1.1	0.824	≥ 0.50	Valid
	X1.2	0.785	≥ 0.50	Valid
	X1.3	0.736	≥ 0.50	Valid
	X1.4	0.766	≥ 0.50	Valid
	X1.5	0.833	≥ 0.50	Valid
Price (X2)	X2.1	0.798	≥ 0.50	Valid
	X2.2	0.813	≥ 0.50	Valid
	X2.3	0.769	≥ 0.50	Valid
	X2.4	0.725	≥ 0.50	Valid
Customer Satisfaction (Z)	Z1.1	0.875	≥ 0.50	Valid
	Z1.2	0.888	≥ 0.50	Valid
	Z1.3	0.954	≥ 0.50	Valid

	Z1.4	0.851	≥ 0.50	Valid
	Z1.5	0.911	≥ 0.50	Valid
Customer Loyalty (Y)	Y1	0.862	≥ 0.50	Valid
	Y2	0.882	≥ 0.50	Valid
	Y3	0.846	≥ 0.50	Valid
	Y4	0.951	≥ 0.50	Valid

Source: AMOS Calculation Results, 2026

Based on the results of the Full Structural Model in Table 2, it is known that all indicators in the variables of Service Quality, Price, Customer Satisfaction, and Customer Loyalty have standardized loading factor values above 0.50, so that all indicators are declared valid as forming research constructs. In the Service Quality variable, indicator X1.1 has a loading factor value of 0.824, X1.2 of 0.785, X1.3 of 0.736, X1.4 of 0.766, and X1.5 of 0.833. Furthermore, in the Price variable, indicator X2.1 has a loading factor value of 0.798, X2.2 of 0.813, X2.3 of 0.769, and X2.4 of 0.725. In the Customer Satisfaction variable, indicator Z1.1 has a loading factor value of 0.875, Z1.2 is 0.888, Z1.3 is 0.954, Z1.4 is 0.851, and Z1.5 is 0.911. Meanwhile, in the Customer Loyalty variable, indicator Y1 has a loading factor value of 0.862, Y2 is 0.882, Y3 is 0.846, and Y4 is 0.951. These values indicate that all indicators have a good ability to reflect each latent construct.

The results of the Goodness of fit test for the full model analysis are summarized and presented below.

Table 3. SEM Model Path Diagram Fit Test

Goodness of Fit Index	Cut-off Value	Results	Information
Chi-Square	Expected to be small	101,922	Fit
Degree of Freedom (df)	< 0.05 ; 12.21	95	Fit
Probability	≥ 0.05	0.295	Fit
CMIN/DF	≤ 2.00	1,073	Fit
GFI	≥ 0.90	0.921	Fit
AGFI	≥ 0.90	0.857	Marginal Fit
TLI	≥ 0.95	0.995	Fit
CFI	≥ 0.95	0.997	Fit
RMSEA	≤ 0.08	0.023	Fit

Source: AMOS Calculation Results, 2026

Based on the Goodness of Fit test results in Table 4.16, the structural model shows a good level of suitability (model fit). This is indicated by the Chi-Square value of 101.922, Probability of 0.295, CMIN/DF of 1.073, GFI of 0.921, TLI of 0.995, CFI of 0.997, and RMSEA of 0.023, all of which have met the recommended cut-off value. Meanwhile, the AGFI value of 0.857 is slightly below the cut-off value of ≥ 0.90 and is therefore included in the marginal fit category. However, because most of the goodness of fit indices have met

the criteria, the structural model as a whole is declared fit and can be used for testing research hypotheses.

Structural Equating Model Assumption Test

Data Normality Test

This test is used to ensure that the data used in SEM analysis has a normal distribution. Normality is crucial in SEM because most estimates, such as parameter estimation and significance testing, assume normally distributed data. The normality test can be performed using skewness and kurtosis values, with the requirement of $-2.58 < cr < 2.58$ (Ghozali, 2022). This is presented below.

Table 4. Normality Test Results

Variable	min	max	skew	cr	kurtosis	cr
Z1.5	1,000	5,000	-,434	-2,042	-,257	-,604
Y4	1,000	5,000	-,332	-1,563	,227	,534
Y3	1,000	5,000	-,378	-1,778	,415	,978
Z1.4	1,000	5,000	-,294	-1,384	,136	,319
X2.4	1,000	5,000	-,178	-,839	-,310	-,729
X2.3	1,000	5,000	-,420	-1,977	-,018	-,041
X1.5	2,000	5,000	-,533	-2,510	,005	,012
Y2	1,000	5,000	-,353	-1,664	,515	1,212
Y1	1,000	5,000	-,392	-1,844	,308	,724
X1.4	2,000	5,000	-,302	-1,423	-,723	-1,701
X1.3	2,000	5,000	-,287	-1,349	-,433	-1,020
X1.2	2,000	5,000	-,360	-1,696	-,194	-,456
X1.1	2,000	5,000	-,402	-1,890	-,377	-,887
Z1.1	1,000	5,000	-,263	-1,239	-,771	-1,815
Z1.2	1,000	5,000	-,413	-1,943	-,373	-,878
Z1.3	1,000	5,000	-,384	-1,809	-,137	-,321
X2.2	1,000	5,000	-,397	-1,867	-,264	-,621
X2.1	1,000	5,000	-,476	-2,242	,201	,474
Multivariate					5,547	1,192

Source: AMOS Calculation Results, 2026

Based on the results of univariate and multivariate normality tests, it can be seen that all indicators in this study have critical ratio (cr) values for skewness and kurtosis that are in the range of ± 2.58 , thus indicating no significant deviation in data distribution at the univariate level. In addition, the results of the multivariate normality test show a cr value of 1.192, which is also still within the tolerance limit of ± 2.58 . This finding indicates that the research data has met the assumption of normality both univariately and multivariately, so the data is suitable for use in covariance-based Structural Equation Modeling (SEM) analysis without requiring data transformation or the use of alternative estimation methods.

Discussion

The Influence of Service Quality on Customer Satisfaction

The results of the study indicate that service quality has a positive and significant effect on customer satisfaction ($\beta = 0.647$; $p < 0.001$). This finding indicates that improving the quality of service provided by the Al-Matuq Islamic Boarding School Laundry can increase customer satisfaction levels. Service quality is manifested through adequate facilities, timely laundry completion, staff responsiveness, guaranteed clothing safety, and attention to customer needs, creating a positive service experience so that customers feel satisfied after using the laundry service.

Theoretically, the results of this study support the concept of Expectation Confirmation Theory, which explains that customer satisfaction is formed when service performance meets or exceeds customer expectations. In the service context, customers evaluate their experience based on the match between their pre-service expectations and the service performance they receive. The higher the perception of service quality, the higher the resulting level of customer satisfaction.

The findings of this study also reinforce the SERVQUAL perspective, which states that tangibles, reliability, responsiveness, assurance, and empathy are the primary determinants in shaping perceptions of service quality. At the Al-Matuq Islamic Boarding School Laundry, customers not only assess the final results of their laundry but also consider the timeliness of completion, cleanliness of clothes, security of goods, friendliness of staff, and ease of access to service. This explains why service quality has the greatest influence on customer satisfaction compared to other variables.

The results of this study are consistent with various previous studies that concluded that service quality is a key factor in increasing customer satisfaction in the service sector. Research by Khair et al. (2023) showed that service quality positively influences customer satisfaction in the laundry industry. Similar findings were also reported by Dewi et al. (2021), who stated that improving service quality can increase customer satisfaction while strengthening long-term relationships between customers and service companies. Furthermore, Nurcholisa and Wibisono (2024) found that service quality significantly influences customer satisfaction in laundry businesses because customers value fast, accurate, and reliable service.

The Effect of Price on Customer Satisfaction

The results of the study indicate that price has a positive and significant effect on customer satisfaction ($\beta = 0.313$; $p = 0.002$). This finding indicates that customers of Al-Matuq Islamic Boarding School Laundry consider the suitability of price with the service benefits received as an important factor in determining the level of satisfaction. From the perspective of perceived value theory, customers do not solely evaluate prices based on the amount of costs incurred, but based on the balance between the sacrifices made and the benefits received. Prices that are considered reasonable, affordable, and commensurate with the quality of service will increase the perception of value, thereby encouraging the formation of customer satisfaction.

The predominantly Islamic boarding school student clientele of Al-Matuq Laundry makes it more price-sensitive than commercial laundry customers. Most customers have limited budgets, so an affordable pricing policy provides a sense of security in repeat laundry

use. This explains why price significantly impacts customer satisfaction, although its impact is smaller than service quality.

The results of this study align with those of Ayuningtiyas and Ismail (2025), which showed that prices commensurate with service benefits positively impact customer satisfaction. Kusuma and Putri's (2023) study also found that price affordability increases customer perceptions of value, thereby strengthening customer satisfaction in laundry businesses. Similar findings were reported by Khair et al. (2023), who stated that customers tend to be satisfied when the price paid is commensurate with the quality of service received.

Based on these results, the management of Al-Matuq Islamic Boarding School Laundry needs to maintain a competitive and transparent pricing policy. Price adjustments should still take into account customer purchasing power and the quality of service provided, ensuring that customers receive a balance between the benefits and the costs. This strategy will increase customer satisfaction and strengthen Al-Matuq Islamic Boarding School Laundry's competitiveness amidst the growing laundry business in Sukabumi Regency.

The Influence of Service Quality on Customer Loyalty

The results showed that service quality did not significantly influence customer loyalty ($\beta = 0.077$; $p = 0.544$). This finding indicates that improving service quality has not been able to directly increase customer loyalty at Al-Matuq Islamic Boarding School Laundry. In other words, although customers assess the service quality as good, this is not enough to encourage them to reuse the laundry service consistently or recommend it to other customers.

Theoretically, customer loyalty is a long-term behavior influenced not only by service quality but also by the overall customer experience, satisfaction, trust, perceived value, and commitment to the service provider (Oliver, 2015; Lovelock & Wirtz, 2021). Therefore, service quality plays a more important role as an initial factor shaping customer perceptions before developing into satisfaction and loyalty.

The insignificant direct effect of service quality on customer loyalty can be explained by the characteristics of the study respondents, who were students at the Al-Matuq Islamic Boarding School. Students' decisions to use laundry services were influenced not only by service quality but also by other factors such as limited pocket money, Islamic boarding school policies, the habit of doing their own laundry, and recommendations from friends. These conditions mean that service quality is not yet a primary factor directly determining customer loyalty.

The results of this study differ from those of Khair et al. (2023), who found that service quality directly influences customer loyalty in the laundry industry. Conversely, the findings of this study support the research of Nurcholisa and Wibisono (2024), which showed that the influence of service quality on loyalty is stronger when customer satisfaction is used as a mediating variable. Similar findings were also presented by Dewi et al. (2021), who explained that customer loyalty in the service sector is more influenced by satisfaction derived from service experiences than by direct service quality.

The Influence of Price on Customer Loyalty

The results of the study indicate that price has a positive and significant effect on customer loyalty ($\beta = 0.443$; $p < 0.001$). This finding indicates that customer perceptions of price affordability, price suitability to service quality, price competitiveness, and benefits received are important factors in shaping customer loyalty at Al-Matuq Islamic Boarding School Laundry. From a service marketing perspective, price not only functions as a

transaction tool but also as an indicator of the value received by customers. When customers assess that the price paid is commensurate with the benefits received, they tend to maintain relationships with service providers and reuse them. Conversely, if customers feel that the price does not match the benefits of the service, loyalty will decrease even if the service quality is considered good.

The predominantly Islamic boarding school student (santri) customer base at Al-Matuq Islamic Boarding School Laundry results in a relatively high price sensitivity. Most customers have limited budgets, so their decision to use laundry services is influenced by their ability to pay and their perception of price fairness. Therefore, an affordable and consistent pricing policy is a key factor encouraging customers to continue using Al-Matuq Islamic Boarding School Laundry.

The results of this study align with those of Khair et al. (2023), which demonstrated that price positively impacts customer loyalty in laundry businesses by increasing perceived customer value. Research by Ayuningtiyas and Ismail (2025) also demonstrated that competitive pricing can increase customer trust and loyalty towards service providers. Furthermore, Kusuma and Putri (2023) stated that customers tend to maintain relationships with a company if the price offered matches the quality of service received.

The Influence of Customer Satisfaction on Customer Loyalty

The results of the study indicate that customer satisfaction has a positive and significant effect on customer loyalty ($\beta = 0.197$; $p = 0.035$). These results indicate that the higher the level of customer satisfaction after using the Al-Matuq Islamic Boarding School Laundry service, the higher the tendency of customers to reuse the service, recommend it to others, and maintain relationships with the service provider. Customer satisfaction is the result of customer evaluation of the experience gained while using a service. Satisfied customers will have a positive perception of the company and are therefore more willing to make repeat purchases rather than looking for alternative service providers. In the service industry, satisfaction is often seen as a key factor that bridges the relationship between service quality and customer loyalty.

In the context of the Al-Matuq Islamic Boarding School Laundry, customer satisfaction is achieved through a combination of quality laundry results, timely completion, reasonable pricing, and friendly service. These positive experiences encourage customers to continue using the laundry service despite the availability of alternative providers in Sukabumi Regency.

The results of this study reinforce the research of Dewi et al. (2021), which stated that customer satisfaction is the primary determinant of customer loyalty in the service sector. Similar findings were also presented by Khair et al. (2023), who showed that customer satisfaction significantly contributes to customer loyalty in laundry businesses. Furthermore, Nurcholisa and Wibisono (2024) explained that satisfied customers tend to make repeat purchases and provide positive recommendations to other potential customers. These findings confirm that customer satisfaction is a strategic asset for the Al-Matuq Islamic Boarding School Laundry. Therefore, management needs to maintain service quality and pricing policies that meet customer expectations to maintain high levels of satisfaction. Consistently maintained satisfaction will strengthen customer loyalty and support long-term business sustainability.

4. CONCLUSION

The results of the study indicate that service quality and price have a positive and significant effect on customer satisfaction. Furthermore, price and customer satisfaction have a positive and significant effect on customer loyalty. Conversely, service quality does not directly influence customer loyalty. These findings indicate that customer satisfaction plays a crucial role in bridging the relationship between service quality and customer loyalty. Therefore, improving service quality needs to be accompanied by efforts to create experiences that enhance customer satisfaction. This study provides an empirical contribution to the development of service marketing literature by demonstrating that in the context of an Islamic boarding school-based laundry business, customer loyalty is influenced not only by service quality but also by perceptions of price and the level of customer satisfaction. These findings enrich the study of customer behavior in the service sector, which has relatively homogeneous customer characteristics, namely Islamic boarding school students who use the service regularly. The management of the Al-Matuq Islamic Boarding School Laundry is advised to maintain service quality by improving service timeliness, consistency of washing results, and responsiveness to customer needs. Furthermore, a competitive pricing policy that is in line with service benefits needs to be maintained to increase satisfaction and encourage long-term customer loyalty. Further research is recommended to develop the research model by adding variables such as customer trust, customer value, brand image, or relationship quality, as well as testing the model on various types of service businesses so that the research results have a broader level of generalization.

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