Analysis of the Effect of Service Quality and Price on Customer Loyalty in PT. Orindo Alam Ayu (Oriflame Branch Medan) With Satisfaction as an Intervening Variable

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ABSTRACT

Customer loyalty has an important role in maintaining the survival of an increasingly competitive company so that maintaining customers means improving financial performance and maintaining the survival of the company. Many factors influence The customer loyalty such as service quality and price. High service quality will result in a high customer satisfaction and increase in customer loyalty. Price also has an important role in customer loyalty, the cheaper the price of a product it will increase customer loyalty.

The present study is a quantitative one with a correlation method that aimed to find out the relationship between two or more variables. The variables associated in this study include the variables of service quality and prices on customer loyalty (Y) with satisfaction as an intervening variable. The population of the study included all the customers of PT. Orindo Alam Ayu (Oriflame Branch Medan) during the study period of 2018 as of 2196 customers. The sampling method used a Slovin formula that there were 96 samples. The method of data collection uses questionnaires and the collected data were analyzed by using a multiple linear regression

The result of the study shown that service quality partially had a significant influence on customer loyalty. In other words, the better is the quality of service, the higher is customer loyalty. Price has a partial effect on on customer loyalty. In other words, the more affordable is the price of the product, the higher is the customer loyalty. The Service quality and price simultaneously have a significant influence on customer loyalty. Customer satisfaction has been shown to positively moderate the influence of service quality on customer loyalty. Customer satisfaction has been shown to positively moderate the effect of prices on customer loyalty. Customer satisfaction has been shown to positively moderate the influence of price service quality on customer loyalty. To the leadership of PT. Orindo Alam Ayu, it is recommended to further improve the study of the price of oriflamme products, so the prices offered on the market are truly affordable for customers. To employees of PT. Orindo Alam Ayu, it is recommended to further improve service quality so that it can increase customer loyalty in purchasing oriflamme products.

Keywords: *Service Quality, Price, Customer Loyalty and Satisfaction*

INTRODUCTION

Customer loyalty is an asset and has an important role in a company. Loyalty can provide benefits to the company because loyal customers provide many benefits for the company, among others, providing opportunities for consistent repurchase, product line expansion consumed, positive news dissemination, reduced price elasticity,

and reduced promotional costs in order to attract new customers.

Customer loyalty has an important role in maintaining the survival of an increasingly competitive company so that maintaining customers means improving financial performance and maintaining the survival of the company. Customer loyalty has a strategic value for the company, among others: 1) Reducing marketing costs where the company's applications have loyal customers that are large enough, then this can reduce marketing costs. 2) Increase the scope of trade (Trade leverage) and 3). Attract new customers (Suparno, 2015).

Customer loyalty expresses behaviors that are intended to be related to products or services for the company. Customer loyalty as a customer's mindset holds a favorable attitude towards the company, is committed to buying back the company's products or services and recommending products or services to others. The behavioral aspect of customer loyalty is the actual repeat purchase of the product or service, which includes the purchase of more of the same product or service or other alternative people from the same company, recommending the company to others and the possibility of using the product in the long term. the quality is still maintained (Tjiptono, 2013).

The advantage of having loyal customers is very significant for the development of the company. In fierce business competition, tightening the existing bond of loyalty with customers is very important than the previous one. Customer satisfaction alone cannot achieve the goal of retaining customers, because satisfaction is a passive customer condition; while loyalty is an active or proactive relationship with customers (Kotler, 2014).

Customer loyalty is an important factor in business survival and the development of a competitive environment (Bilika et al., 2016). Basically customer loyalty is needed by companies to improve service quality. Faithful customers will tend to buy more products at the same company,

not try new products, and encourage others to become customers (Lovelock, 2011).

Customer loyalty is influenced by several factors such as service quality, price and promotion. high service quality will result in high customer satisfaction and increase customer loyalty. If the quality of service provided by the company can satisfy the customer, then the customer will naturally be loyal to the company. Customer loyalty is created through services provided by organizations and producers. Organizations and producers are responsible for shareholders and employees, besides that producers must also provide the best products to customers with the lowest prices and better quality (Martinez and Bosque, 2013).

According to Tjiptono (2013: 79) service quality is the fulfillment of customer needs and desires as well as the provision of delivery to meet customer expectations. In other words, service quality is defined as the customer's assessment of the superiority or privilege of a product or service as a whole. Optimal service quality can be used as marketers as a company strategy to retain customers. Good and optimal service quality makes customers feel comfortable and can meet customer expectations.

Service quality can be known by comparing consumers' perceptions of services that are clearly received or obtained with services that are actually expected or desired for service attributes of a company. The relationship between producers and consumers reaches far beyond the time of purchase to after-sales service, lasting forever beyond the product ownership period. The company considers consumers as the king who must be served well, considering that these consumers will benefit the company so that they can continue to live.

Service quality can affect customer loyalty which is a manifestation and continuation of customer satisfaction in using the facilities and services provided by the company, and to remain a consumer of the company. Customer loyalty can be achieved by

satisfying services in accordance with consumer expectations or even exceeding consumer expectations. Therefore, customer loyalty must be accompanied by customer satisfaction (Griffin, 2011).

Customer loyalty is also influenced by price. Price has an important role in customer loyalty, the cheaper the price of a product it will increase customer loyalty, but low prices can not guarantee the product is good quality, if there are products that are better quality but higher prices can also create customer loyalty. Wahyuni's (2008) research on the effect of price and product quality on customer loyalty proves that product quality and quality have a positive and significant effect on satisfaction, then customer satisfaction has an effect on customer loyalty. In this case the company can make policies concerning product quality, which in turn can make customers more satisfied and loyal compared to competing products.

Kotler and Armstrong (2012) further explained that sales promotion should build relationships with customers not only to make short-term sales or as temporary switching brands, but help strengthen product positioning and build long-term relationships with customers. The purpose of a promotion is loyalty from the customer itself.

Low satisfaction, can make good quality products that are not liked by consumers, and vice versa, high satisfaction can make the quality of the product preferred by consumers. This shows that satisfaction can strengthen or weaken the relationship between product quality and customer loyalty. Therefore this study uses satisfaction as a moderating variable to determine its influence whether it strengthens or weakens the relationship between product quality and customer loyalty.

Research related to satisfaction as a moderating variable in the relationship between service quality and customer loyalty has been done. Some of these studies include Taylor and Baker (in Dharmayanti, 2006) improving the relationship between service performance, customer satisfaction, and consumer purchase loyalty. The results of his research propose the theory that customer satisfaction is precisely described as a moderator variable in this relationship, while customer satisfaction become a factor that can influence and strengthen the influence of service quality (service performance) and price on customer loyalty (Bloemer, et al in Dharmayanti 2006).

The research of Dewi and Rahadhini (2013) was conducted to examine the moderating effect of consumer satisfaction on the effect of price and quality on the loyalty of purchasing Honda motorcycles. The results of the study indicate that the variable customer satisfaction moderates the price variable and service quality towards purchasing decisions, so that customer satisfaction strengthens or influences the price and quality of service on purchase loyalty.

Likewise the case with PT. Orindo Alam Ayu (Oriflame Branch Medan), which is engaged in cosmetic and beauty products. Oriflame develops its formulations and cosmetic products from natural ingredients combined with sophisticated science, its main factory is in the Republic of Ireland. Oriflame is one of the direct selling companies with Multilevel Marketing, Oriflame products are sold directly to consumers by Independent distributors not by Oriflame employees. The purpose of Oriflame using the direct selling system is to increase the number of sales by prioritizing product quality and service, so that consumers feel satisfied.

Sales of PT. Orindo Alam Ayu (Oriflame Branch Medan) conventionally involves all ranks of intermediaries to forward products from factories to consumers, where everyone takes advantage, Oriflame divides profits to distributors which should be for wholesalers, retailers and contractors, from the costs that can be saved This allows Oriflame to sell high quality products at competitive prices

Based on the results of the pre-research conducted it was proven that customer loyalty was greatly influenced by service quality and price. The lack of quality services provided by the company PT. Orindo Alam Ayu (Oriflame Branch Medan) causes customer loyalty to decline.

In other words, customer loyalty declined due to lack of service quality and the relatively high product prices which caused a decrease in sales of oriflame cosmetic products as a whole, especially during the 2016-2018 period.

Table 1. Decreasing Loyalty Cause Decrease in Sales Growth Rate PT. Orindo Alam Ayu (Oriflame Branch Medan) 2016-2018 period

No	Types of Products	Sales		
		2016	2017	2018
1	*Skin care*	6,058,036,000	5,088,750,240	2,423,214,400
2	*Mass cosmetics*	7,269,643,200	6,785,000,320	4,119,464,480
3	*Beauty and personal care*	10,904,464,800	12,116,072,000	9,450,536,160
4	*Colour cosmetics*	7,269,643,200	6,058,036,000	3,392,500,160
5	*Deodorant*	8,481,250,400	7,269,643,200	4,652,571,648
6	*Hair care*	9,692,857,600	8,481,250,400	5,815,714,560

Source: PT. Orindo Alam Ayu (Oriflame Branch Medan), 2018

Table 1 shows that of the 6 Oriflame cosmetic products, almost all experienced a decrease in sales turnover due to a decrease in customer loyalty (customers), while beauty and personal care products increased from 45% in 2016 to 50% in 2017, and only products bath and shower (30%) and suncare (25%) which survived during the 2016-2018 period.

Decrease in customer loyalty is also seen from the number of consumers who switch to other products so that the number of active members of PT. Orindo Alam Ayu (Orflame Medan Branch 2016-2018 Period as shown in the following table:

Table 2. Decreasing the Number of Active Members of PT. Orindo Alam Ayu Oriflame Branch Medan Period 2016-2018

Year	Number of Members	Percentage Decrease
2016	2597	-
2017	2374	17.14%
2018	2196	12.61%

Source: PT. Orindo Alam Ayu (Oriflame Branch Medan), 2018

Table 2 shows that the number of consumers (active members) in 2016 was 2597 consumers decreased to 2373 consumers in 2017 or experienced a decrease in percentage of 17.09%. Whereas in 2018, the number of active members again declined to 2196 or around 12.61%. The decrease in active members is closely related to the reason that consumers often feel disappointed, especially because of the length of time the product is ordered, the

lack of empathy among employees if consumers submit complaints about products that have been received.

Consumer loyalty to buy Oriflame products also decreased due to the influence of price factors. In carrying out the sales process, PT. Orindo Alam Ayu (Medan Oriflame Branch) must increase prices due to the trend of increasing purchase costs (handling fee) from Rp. 7,500 to Rp. 17,500 which is imposed on each total purchase of less than Rp. 350,000. As a result of the implementation of handling fees, consumers feel unfairly disadvantaged so that interest in repurchasing decreases. This condition caused the sales volume of Oriflame products to decline.

The lack of promotion of Oriflame cosmetics products also influences consumer recognition, especially on new products. As a result, there has been a decrease in consumer loyalty which has an impact on the decline in the growth rate of sales of cosmetic products of PT. Orindo Alam Ayu (Oriflame Branch Medan).

The research gap in this study is that there are still some that show inconsistent results in previous studies including research conducted by Amryyanti and Sukaatmadja (2012) and Sutrisni (2010) that the quality of research services from those that show the results that service quality affects loyalty customer. While the research

by Nurhayati (2011) and Sutrisni (2010) shows that prices have a significant effect on customer loyalty, in contrast to research from Wardhani (2012) and Amryyanti and Sukaatmadja (2012) that prices have no significant effect on customer loyalty.

Based on previous studies there are still some that show inconsistent results where some research states that service quality, price and promotion have a significant influence on customer loyalty but there are also those that state that service quality, price and promotion have no significant effect, so it needs to be investigated repeated and developed in conditions, time, and place which is certainly different considering the many factors that also influence customer loyalty.

Starting from the phenomenon of decreasing consumer loyalty due to declining service quality, rising prices due to the trend of increasing sales costs (handling fees) and lack of promotion which caused a decline in the growth rate of sales of cosmetic products, the authors are interested in conducting similar research with the title "The Effect Of Service Quality And Prices On Customer Loyalty In PT. Orindo Alam Ayu (Oriflame Branch Medan) With Satisfaction As An Intervening Variable".
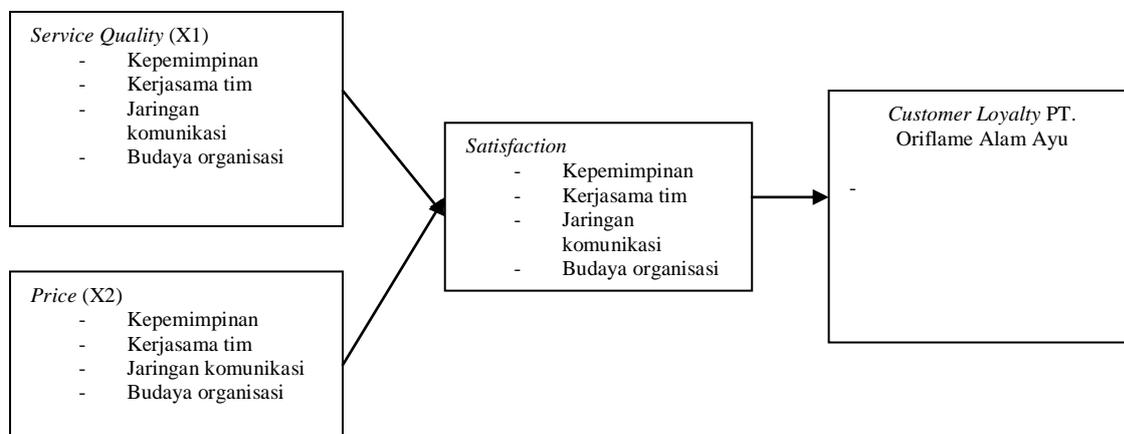
Figure 1. Research Concept Framework

Hypothesis

The research hypotheses are as follows:

1. There is a direct influence on the quality of service to customer satisfaction PT. Orindo Alam Ayu (Oriflame Branch Medan).
2. There is a direct effect of prices on customer satisfaction PT. Orindo Alam Ayu (Oriflame Branch Medan).
3. There is a direct influence on service quality and price on customer satisfaction PT. Orindo Alam Ayu (Oriflame Branch Medan).
4. There is an indirect effect of service quality and price on customer loyalty of PT. Orindo Alam Ayu (Oriflame Branch Medan) with satisfaction as an intervening variable.

MATERIALS AND METHODS

This research is a quantitative research with a correlation method that aims to find out the relationship between two or more variables (Sekaran, 2011). The variables associated in this study are service quality variables and prices on customer loyalty (Y) with satisfaction as an intervening variable.

The populations in this study were all customers of PT. Orindo Alam Ayu (Oriflame Branch Medan) counted during the research period of 2018 as many as 2196 consumers. Given the relatively large population of 2196, the sample determination in this study used the Slovin formula. So the number of research samples is 96 people.

Data Collection Method by distributing questionnaires in the form of a list of written questions, especially those related to research variables such as service quality, price and promotion. Documentation and observation (observation) of all company operational activities including the company's efforts in increasing customer loyalty through improving service quality.

The types and sources of data collected in this study are primary data, namely data directly obtained from respondents. Primary data sources are: interviews, questionnaires and observations and secondary data, namely data that supports primary data obtained from documents such as a brief history of the company, organizational structure, number of personnel and efforts made to increase customer loyalty.

RESULTS AND DISCUSSION
Results of Classical Assumption Analysis
Normality Test Results

Variable normality testing is used to determine whether the research data is normally distributed or not good by using the normality test or with a graph approach with the following results:

Table 3: Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		96
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	2.22671817
Most Extreme Differences	Absolute	.124
	Positive	.074
	Negative	-.124
Kolmogorov-Smirnov Z		1.214
Asymp. Sig. (2-tailed)		.105

a. Test distribution is Normal.

b. Calculated from data.

Table 3 shows that the residual probability value (asymp. sig. 2-tailed) is 0.105, greater than sig-α (0.05), so it can be concluded that the research data is normally distributed. The same is also confirmed by the following normality P-P graph:
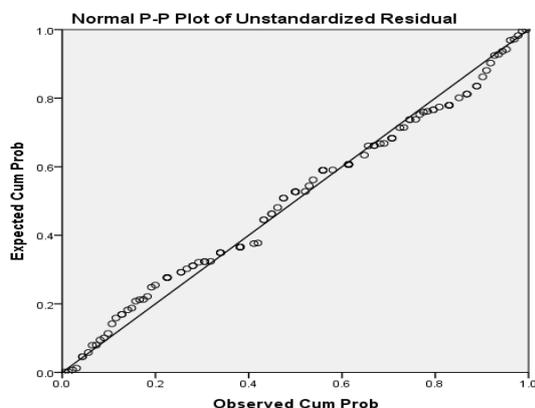

Figure 2. Graph of Research Data Normality PP
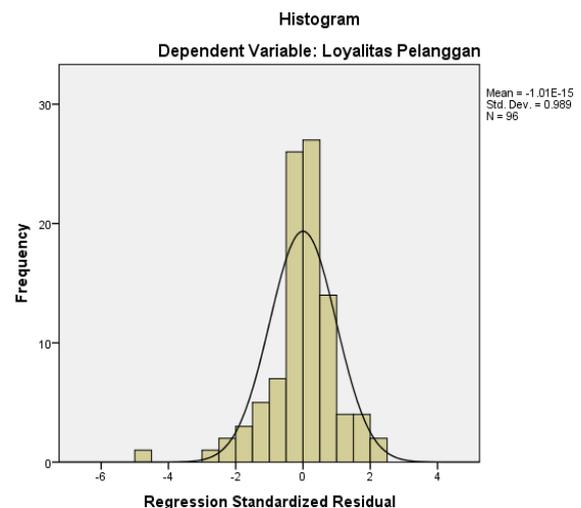
Graph 2 shows that the data points are scattered along the diagonal lines forming symmetrical left and right. This indicates

that the research data is normally distributed.

Multicollinearity Test Results

The multicollinearity test performed shows the results as in the following table:

Table 4 Multicollinearity Test Results

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	Kualitas pelayanan	.701	1.426
	Harga	.701	1.426

a. Dependent Variable: Loyalitas Pelanggan

Table 4 shows that the tolerance values of the two variables are respectively 0.701 less

than 1, and the VIF values of the two variables are 1,426 respectively, both of which are smaller than 10 so that the research data does not contain the symptoms of multicollinearity.

Heteroscedasticity Test Results

Heteroscedasticity test aims to test whether in the regression model variance from residual inequality occurs one observation to another observation. If the variance from the residual one observation to another observation remains, then it is called homoscedasticity, otherwise if different it is called heteroscedasticity with the following results:

Table 5 Heteroscedasticity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.504	2.732		3.112	.002
	Kualitas pelayanan	-.087	.080	-.129	-1.080	.283
	Harga	-.110	.076	-.174	-1.458	.148

a. Dependent Variable: ABS_RES_1

Table 5 shows that the value of asymp.sig (2-sided) for each variable is 0.283 and 0.148, where both the independent variable coefficient values are greater than 0.05, so the results of this calculation meet the test requirements for the symptoms of heteroscedasticity. Thus it can be concluded that the data of this study do not contain symptoms of heteroscedasticity. In other words, there is no strong correlation between the independent variables in this study. The same can be shown by the following heteroscedasticity graph:
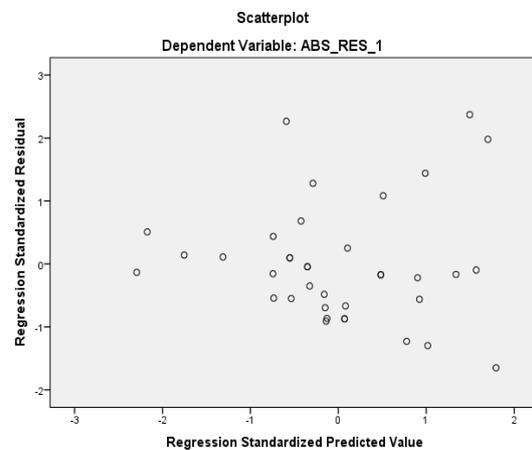
Figure 3. Heteroscedasticity graph

Hypothesis Test Results

Hypothesis 1 Test Results: Direct Effect of Service Quality on Customer Loyalty

Table 6. Effect of Service Quality on Customer Loyalty

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.184	4.826		2.939	.004
	Kualitas pelayanan	.813	.123	.564	6.623	.000

a. Dependent Variable: Loyalitas Pelanggan

Table 7. Determination R Test Results
Effect of Service Quality on Customer Loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.564[a]	.318	.311	2.79907

a. Predictors: (Constant), Kualitas pelayanan

Table 6 and Table 7 show that the value of t-count X1 (service quality) is 6,623 with a significance value of p = 0.000, where (p <0.05) so that it can be concluded that service quality directly has a significant effect on customer loyalty with R-square value = 0.318.

Hypothesis 2 Test Results: The Effect of Direct Prices on Customer Loyalty

Table 8. Price Influence against Customer Loyalty

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.533	3.116		4.664	.000
	Harga	.983	.097	.723	10.160	.000

a. Dependent Variable: Loyalitas Pelanggan

Table 9. Determination R Test Results Price Influence Against Customer Loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.723[a]	.523	.518	2.34026

a. Predictors: (Constant), Harga

Table 8 shows that the value of t-count X2 (price) is 10.160 with a significance value of p = 0.000, smaller than 0.05, so it can be concluded that directly the price has a significant effect on customer loyalty with R-square = 0.523.

Hypothesis 3: The Direct Effect of Service Quality and Price on Customer Loyalty

Table 10. Partial Influence of Service Quality and Price Against Customer Loyalty

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.665	4.017		1.659	.100
	Kualitas pelayanan	.347	.118	.240	2.940	.004
	Harga	.804	.111	.592	7.239	.000

a. Dependent Variable: Loyalitas Pelanggan

Table 11. Simultaneous Effect of Service Quality and Price Against Customer Loyalty

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	609.120	2	304.560	60.131	.000[a]
	Residual	471.036	93	5.065		
	Total	1080.156	95			

a. Predictors: (Constant), Harga, Kualitas pelayanan

b. Dependent Variable: Loyalitas Pelanggan

Table 12. Determination R Test Results Simultaneous Effect of Service Quality and Price Against Customer Loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.751[a]	.564	.555	2.25053

a. Predictors: (Constant), Harga, Kualitas pelayanan

Table 12 shows that the value of t-count X1 = 2.940 with sip-p = 0.004 and the value of t-count X2 (price) = 7.239 with sig-p = 0.000, where both significance values X1 and X2 are smaller than 0.05 so it can be concluded that both X1 (service quality) and X2 (price) partially affect customer loyalty with the adjusted R-square value = 0.555.

Test Results Hypothesis 4: Indirect Effects of Service Quality on Customer Loyalty

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.627	3.628		3.480	.001
	Kualitas pelayanan	.412	.103	.286	3.991	.000
	Kepuasan Pelanggan	.687	.080	.616	8.589	.000

a. Dependent Variable: Loyalitas Pelanggan

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.787[a]	.620	.612	2.10141

a. Predictors: (Constant), Kepuasan Pelanggan, Kualitas pelayanan

Comparison of Hypothesis -1 with hypothesis -4

	Koefisien	P	R-square
Hypothesis 1 Effect of Quality of service on customer loyalty	0.813	0.000	0.318
Hypothesis 4 The influence of service quality on customer loyalty which is moderated by satisfaction	0.412 0.687	0.000	0.612

In hypothesis 1 (the effect of service quality without mdoerating variables), the value of r-square = 0.318, while in the 4th hypothesis (with customer satisfaction as a moderting variable), the value of r-square = 0.612. In other words, there is an increase in r-square value after mediating customer satisfaction. This means customer satisfaction is proven to positively mediate the influence of service quality on customer loyalty.

Test Results of The Fifth Hypothesis

Mediation Customer Satisfaction Over The Influence Of Prices On Customer Loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.826[a]	.682	.676	1.92052

a. Predictors: (Constant), Kepuasan Pelanggan, Harga

Comparison between -2 Hypotheses and Hypothesis -5

	Koefisien	P	R-square
Hypothesis 2 The Influence Of Prices On Customer Loyalty	0.983	0.000	0.523
Hypothesis 5 The Effect Of Price On Customer Loyalty Which Is Moderated By Customer Satisfaction	0.597 0.547	0.000	0.676

In hypothesis 2 (the effect of prices without moderating variables), the r-square value = 0.444, while in the 5th hypothesis (with customer satisfaction as a moderating variable), the r-square value = 0.676. In other words, there is an increase in r-square value after mediating customer satisfaction. This means that true customer satisfaction is proven to positively mediate the effect of prices on customer loyalty.

Hypothesis Test Results 6: Indirect Effects of Service Quality and Prices on Customer Loyalty

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	754.074	3	251.358	70.917	.000[a]
	Residual	326.082	92	3.544		
	Total	1080.156	95			

a. Predictors : (Constant), Kepuasan Pelanggan, Kualitas pelayanan , Harga

b. Dependent Variable: Loyalitas Pelanggan

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.278	3.370		2.457	.016
	Kualitas pelayanan	.220	.101	.153	2.186	.031
	Harga	.508	.104	.374	4.886	.000
	Kepuasan Pelanggan	.512	.080	.459	6.395	.000

a. Dependent Variable: Loyalitas Pelanggan

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.836[a]	.698	.688	1.88265

a. Predictors: (Constant), Kepuasan Pelanggan, Kualitas pelayanan , Harga

Comparison of Hypotheses 3 and 6

	Koefisien	P	R-square
Hypothesis 3	0.347 0.804	0.000	0.555
Hypothesis 6	0.220 0.508 0.512	0.000	0.688

In hypothesis 3 (simultaneous cultural influence and price without moderating variable), the r-square value = 0.555, while in the 6th hypothesis (the effect of service quality and price with customer satisfaction as a moderating variable), the r-square value = 0.688. In other words, there is an increase in r-square value after mediating customer satisfaction. This means customer satisfaction is proven to positively mediate the simultaneous influence of service quality and price on customer loyalty.

DISCUSSION

Effect of Service Quality on Customer Loyalty

The results of the descriptive analysis show that the majority of respondents stated the service quality of the company PT. Orindo Alam Ayu is good, namely as many as 56 people (58.3%) and the majority of respondents say customers are loyal, as many as 48 people (50.0%). This indicates that there is a linear relationship between service quality and customer loyalty. In other words, the better the quality of service, the higher customer loyalty. The same thing is also confirmed by the results of quantitative analysis with partial linear regression that service quality has a significant influence on customer loyalty.

The results of this study are in line with Padma's research, 2014, Effect of Service Quality, Prices and Promotions on Customer Loyalty Through Customer Satisfaction PT. Matahari Silverindo Jaya Semarang where the results of the study show that there is a positive and significant

influence between the quality of service on satisfaction, there is a positive and significant influence between price and satisfaction, there is a positive and significant influence between promotion and satisfaction, there is a positive and significant influence on service quality, price and promotion of satisfaction together, there is a positive and significant influence between service quality on loyalty, there is a positive and significant influence between price to loyalty, there is a positive and significant influence between promotion to loyalty, there is a positive and significant influence between service quality, price and promotion of loyalty, there is an influence of satisfaction with loyalty

Maintaining and maintaining customer loyalty is not an easy job, the key to being able to maintain an attitude of loyalty is with the company's ability to be able to provide satisfaction to customers on an ongoing basis. Customer satisfaction is the customer's response to the evolution of discinfirmation felt between previous expectations and the actual performance of the product which is felt that in this increasingly fierce competition, more and more producers are involved in meeting the needs and desires of consumers so that each business entity must place orientation to customer satisfaction as the main goal.

The same thing was stated by Tjiptono (2013) that service quality affects customer loyalty, where the creation of satisfaction through service coalitions can provide several benefits, including, the relationship between the company and its customers is harmonious, provides a good basis for repurchase, can encourage loyalty customers, form a recommendation from word of mouth that is profitable for the company.

Price Effect on Customer Loyalty

The results of the descriptive analysis show that the majority of respondents stated the price of the products of PT. Orindo Alam Ayu is affordable (53.1%) and the majority of respondents' state that customers are loyal, as many as 48

people (50.0%). This indicates that there is a linear relationship between price and customer loyalty. In other words, the better the quality of service, the higher customer loyalty. The same thing is also confirmed by the results of quantitative analysis with partial linear regression that prices have a significant influence on customer loyalty.

The results of this study are in line with the research of Saut Batubara, 2016, The Effect of Service Quality and Price on Raya Futsal Customer Loyalty (Study in Raya Futsal Field) where the results of the study prove that service quality and price have a significant effect on customer loyalty.

The results of this study are also in line with the research of Katon, 2017, Analysis of the Influence of Service Quality and Prices on Customer Loyalty in Terbace Cafe Yogyakarta where the results of the study prove that service quality and prices have a significant effect on customer loyalty.

Effect of Service Quality on Customer Loyalty with Satisfaction as a Moderating Variable

The results of the analysis of the direct effect of perceived service quality on customer loyalty indicate that (without satisfaction as a moderting variable), service quality has a significant effect on customer loyalty with the R-square value (X1) = 0.318. But with satisfaction as a moderating variable, the results of the analysis show that the r-square value (X1) = 0.612. This shows that there is an increase in r-square value after mediating customer satisfaction. In other words, customer satisfaction has been shown to positively moderate the influence of service quality on customer loyalty.

Price Influence on Customer Loyalty with Satisfaction as a Moderating Variable

The results of the analysis of the direct effect of prices on customer loyalty indicate that (without satisfaction as a moderating variable), prices have a

significant effect on customer loyalty with the R-square value = 0.523.

But with satisfaction as a moderating variable, the results of the analysis show that there is an increase in the r-square value to 0.676. This is that customer satisfaction has been shown to positively moderate the effect of prices on customer loyalty.

Indirect Effects of Service Quality and Price on Customer Loyalty

The results of the analysis of the direct effect of service quality and price on customer loyalty service quality and price have a significant effect on customer loyalty with the adjusted R-square value = 0.555. However, with satisfaction as a moderating variable, the results of the analysis show that the adjusted R-square value increases to 0.688. This means that customer satisfaction has been shown to positively moderate the effect of price service quality on customer loyalty.

Managerial Implementation

Service quality and price are very strategic aspects and determine the success of marketing products including oriflame products. Although oriflamme products are in great demand by many people, companies must still pay attention to aspects of service quality in order to achieve customer satisfaction. With increasing customer satisfaction, customer loyalty in making purchases will also increase.

In terms of prices, the company must also prioritize the affordability aspects of prices, so the prices that apply in the market really give satisfaction to the customers. Customers must also be able to feel the balance between the benefits of the product in accordance with the prices offered so that it can give satisfaction to customers.

Consumers who get satisfaction with the products they buy tend to repurchase the same product. One important factor that can make consumers satisfied is quality. This can be used by marketers to develop brand loyalty from their customers. Marketers who lack or do not pay attention to the quality of the products offered will run the risk of consumer disloyalty. Product quality is a

value of a product or service, where the value of a product or service is in accordance with what is expected or exceeds what is expected so that the product or service can meet the needs of the user Good quality of a product will produce customer satisfaction. A product can be said to be of quality if the product can fulfill the desires and needs in accordance with what is expected or exceeds what consumers want.

CONCLUSIONS AND RECOMMENDATIONS
Conclusion
1. Service quality partially has a significant influence on customer loyalty. In other words, the better the quality of service, the higher customer loyalty.
2. Prices give partially a significant effect on customer loyalty. In other words, the more affordable the price of the product, the higher the customer loyalty.
3. Service quality and price simultaneously have a significant influence on customer loyalty.
4. Customer satisfaction has been shown to positively moderate the influence of service quality on customer loyalty.
5. Customer satisfaction has been shown to positively moderate the effect of prices on customer loyalty.
6. Customer satisfaction has been shown to positively moderate the influence of price service quality on customer loyalty.

Recommendations
1. To the leadership of PT. Orindo Alam Ayu, it is recommended to further improve the study of the price of oriflamme products, so that the prices offered on the market are truly affordable for customers.
2. To employees of PT. Orindo Alam Ayu, it is recommended to further improve service quality so that it can increase customer loyalty in purchasing oriflamme products.

3. To other researchers, it is suggested that conducting similar research with a broader scale of research, so that more accurate research results are obtained.

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