

ABSTRACT

An Effect of Product Quality, Service Quality and Price on Customers' Satisfaction and Customers' Loyalty among Mesran Lubricant Users

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The purpose of the recent research was to investigate an effect of product quality, service quality, and price on customers' satisfaction and customers' loyalty among Mesran lubricant users in Kalimantan Timur.

The population of the research consisted of Mesran lubricant users of PT.Pertamina, including Gas Station (SPBU), auto repair shops and stores in 13 districts/cities in Kalimantan Timur province. All populations were taken as systematic sampling. The reason was that systematic sampling method was used here in order that the data collected were fairly representative of Mesran users in Kalimantan Timur. On the basis of theoretical model proposed in the research, the data were collected from 132 respondents and then tabulated using statistical tool of Statistical Product Social Solution (SPSS) version 11.0. After tabulated, the data were subject to analysis using structural equation modeling (SEM), LISREL version 8.30 for Windows and PRELIS version 2.30, a preprocessor employed to prepare data which would be processed by LISREL.

The research found that first, the product quality brought about a positive and significant effect on customers' satisfaction. Second, the service quality induced a positive and significant impact on satisfaction. Third, the product quality resulted in a positive and significant effect on price. Fourth, price didn't have an effect on customers' satisfaction. Fifth, the customers' satisfaction was positively and significantly associated with customers' loyalty. And sixth, the product quality was negatively and significantly correlated with customers' loyalty

Key words: product quality, service quality, price, customers' satisfaction, and customers' loyalty