

## ANALYSIS OF FACTORS SHAPING CUSTOMER LOYALTY AT UD. SDS IN THE CITY OF MALANG

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**Abstract:** UD. SDS is a business that offers a wide range of building material products needed for construction, renovation, and daily needs. The company was founded in 2009 and is located at Jalan Galunggung No 76, Klojen, Malang City. UD. SDS offers various product variants ranging from wall paint, wood paint, cement, iron, concrete, to plywood. The purpose of this study is to determine the factors that shape customer loyalty at UD. SDS. In this study, there are 22 variables used as factors that are assumed to form customer loyalty, so that the results can be used by UD. SDS to develop a strategic framework to shape the success of UD. SDS in Malang City. This study has a sample size of 286 respondents who are UD SDS's customers. The method in this research is quantitative, with the Exploratory Factor Analysis (EFA) analysis method using Statistical Product and Service Solution (SPSS). This research shows that the main shaping factors for UD SDS's customer loyalty is personalized customer service and its elements and the supporting shaping factor is social and environmental responsiveness and its elements. Customers feel that if customer service personalization is provided well, then customers tend to be more interested and encourage customer loyalty. Customers feel that if a store has good social and environmental responsiveness, then customers tend to feel comfort and convenience and have more intention to make purchasing decisions and have loyalty in the future.

**Keywords:** *customer loyalty, personalized customer service, social and environmental responsiveness*

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### 1. Introduction

Based on data from BPS (2022), the development industry in Malang City has increased every year and in 2021 it has decreased due to the impact of the Covid-19 pandemic, but in 2022 it began to increase which indicates that development has been carried out well in Malang City. The increasing development industry in Malang City leads to the proliferation of various businesses that provide building materials. One of the growing building material provider

businesses in Malang City is UD. SDS. UD. SDS is a business that offers a wide range of building material products needed for construction, renovation, and daily needs.

UD. SDS itself has a problem related to customer purchases, where UD. SDS tends to depend on old customers and has not been able to attract new customers widely. UD. SDS is experiencing problems related to unstable sales and has not been able to attract customers widely. This research is important to increase customer loyalty by knowing the factors that shape it. This is based on the existence of unstable sales turnover, CLI which shows an unstable loyalty index, and there are things that need to be improved based on comparison with similar businesses. In addition, based on existing research, it shows that the factors that influence loyalty are different, so this study specifically examines the factors that shape customer loyalty in a building shop business that has not been done much. The purpose of this study is to analyze what factors shape customer loyalty at UD. SDS in Malang.

The first previous research was conducted by Yang and Lee (2022). This study aims to determine the factors that influence customer experience and customer loyalty. This study shows that product quality, service quality, relatedness, commitment, trust, and recommendations can affect customer loyalty. The relationship between research conducted by Yang and Lee (2022) and this study is that they have similar research topics, namely factors that affect customer loyalty.

The second previous research was conducted by Kim and Kim (2020). This study aims to determine the factors that influence customer loyalty. This study shows that customer loyalty is influenced by service quality, trust and service quality. Meanwhile, price has no effect on customer loyalty. The relationship between research conducted by Kim and Kim (2020) and this study is that they have similar research topics, namely factors that affect customer loyalty.

This research is based on the Theory of Planned Behavior (TPB) which is a development of the Theory of Reasoned Action (TRA). TPB has a point of view that can influence individuals in taking an action (Ajzen, 1991). Loyalty is the ability to repurchase a product or service consistently in the future, loyalty can arise when attitudes towards a brand are shown in repeated purchasing behavior (Luturmas, 2023). There are three indicators of customer loyalty according to Kotler in Budiarno et al., (2022) including repeat purchases, retention, and referrals.

Product quality is the overall product features and characteristics that can or are able to satisfy and meet existing needs (Nurfauzi et al., 2023). There are eight indicators of product quality according to Anggraini et al. (2022), including performance, features, reliability, conformity to specifications, durability, serviceability, aesthetics, and views on quality. Product diversity can be defined as a collection of all goods and products offered for sale by the seller (Rozi and Khuzaini, 2021). Indicators of product diversity according to (Simamora and Fatira, 2019) include product completeness, variation in the size of a product, and the brand of a product.

Service quality is the ability possessed by employees in a company that can be carried out with full commitment to be able to provide the best service for customers, fellow employees, and company leaders (Takalamingan et al., 2022). According to Yuantari et al., (2022) there are five indicators in the service quality variable, including tangible, reliability, responsiveness, assurance, and empathy. Price is the value of money determined by the company in exchange for goods or services traded by a company to satisfy customer desires (Widhana et al., 2023). There are four price indicators according to Prasetyorini et al. (2023), including affordability price, price competitiveness, price suitability with product quality, and price suitability with benefits.

Promotion is a marketing communication activity that seeks to disseminate information, influence, remind the target market to be willing to accept, buy, and be loyal to the products offered by the company concerned (Nurmelyani et al., 2022). There are five indicators of promotion according to Putri et al., (2022), including the range of promotions, the quality of promotions, the quantity of promotions, the timing of promotions, the accuracy of promotional targets, and recommendations. Brand image is a description of consumer associations and beliefs about a particular brand (Ferhaeni et al., 2022). There are three indicators of brand image according to Munir (2023), including the superiority of brand association, the strength of brand association, and the uniqueness of brand association.

Trust can be defined as a feeling and awareness that consumers have in trusting a product and is used by companies as a tool to establish relationships with consumers over a long period of time (Masakazu et al., 2022). There are four indicators of trust according to Gayatri and Damarsiwi (2021), including dependability, honesty, competence, and likability. Location can also be understood as a company in distributing its products to target consumers related to the place and time used in taking into account consumer and environmental characteristics (Nurlisa et al., 2020). Location has several indicators according to Wasiman et al. (2020) including favorable location, supportive environment. environment as expected, access to location, and location convenience.

## **2. Research Method**

This research is a quantitative study where the data collected from the questionnaire will be analyzed statistically using factor analysis. The population in this study were UD consumers. SDS in Malang as many as 1000 people recorded who made purchases in the period October 2022 to September 2023. In this study, the sampling method used was non-probability, namely purposive sampling technique, with the following criteria: (1) Have made purchases at UD. SDS at least five purchases; (2) transactions made within one year; (3) Domiciled in Malang; (4) At least 17 years old. In this study, the sample size was determined using the Slovin formula. The sample value obtained after calculating with the Slovin formula is 285.71 or rounded up to 286 respondents so that the research gets valid and reliable data.

This study uses primary data obtained directly from UD customers. SDS to answer statements that have been compiled in a questionnaire and distributed to consumers. Furthermore, it will be analyzed with a measurement scale using a Likert scale with a scale of 1 which means strongly disagree to a scale of 5 strongly agree. The following is an operational definition of factors that explain the definition of each research variable.

**Table 1. Operational Definition Indicators**

<b>Factor</b>	<b>Operational Definition</b>	<b>Indicators</b>
Performance ( $X_1$ )	Performance is a basic characteristic of a product. The better the performance of a product, the better the product quality (Anggraini et al., 2022).	The products sold have good performance
Reliability ( $X_2$ )	Reliability is the ability of a reliable product that makes customers have a positive impression of the product or service, such as a product that is not easily damaged (Anggraini et al., 2022).	The product sold is reliable

Conformance to specifications (X <sub>3</sub> )	Kesesuaian dengan spesifikasi merupakan pemenuhan standar sebuah produk seperti standarisasi pada setiap produk yang ditawarkan (Anggraini <i>et al.</i> , 2022).	Standardization of products sold accordingly
Durability (X <sub>4</sub> )	Durability is how strong the product can withstand use (Anggraini <i>et al.</i> , 2022).	The products sold have a long durability day
Product completeness (X <sub>5</sub> )	Product completeness is the availability of a product sold by the company (Simamora and Fatira, 2019).	Provide a variety of products
Size variation of a product (X <sub>6</sub> )	The size variation of a product refers to the model, structure, shape, and physique of a product from the smallest to the largest (Simamora and Fatira, 2019).	Products provided in various sizes
Physical evidence (X <sub>7</sub> )	Physical evidence is the ability to provide the best service for customers and can be seen directly by customers (Simamora and Fatira, 2019).	Employees can provide professional services
Responsiveness (X <sub>8</sub> )	Responsiveness is the ability to provide services that are responsive to the needs and desires of customers (Simamora and Fatira, 2019).	Employees can respond to customers quickly
Guarantee (X <sub>9</sub> )	Assurance is the ability to provide services related to the certainty that customers directly get from the behavior of business actors (Simamora and Fatira, 2019).	Employees can provide product-related information to customers
Price affordability (X <sub>10</sub> )	Price affordability is that customers can reach the price set by the company (Prasetyorini <i>et al.</i> , 2023).	The price of the products sold is affordable
Price competitiveness (X <sub>11</sub> )	Price competitiveness is how well the product price competes with the price set by similar competitors (Prasetyorini <i>et al.</i> , 2023).	Selling prices can compete with similar competitors
Price suitability (X <sub>12</sub> )	Price compatibility with product quality is the extent to which the price set is in accordance with the quality of the product offered (Prasetyorini <i>et al.</i> , 2023).	The price given is in accordance with the quality of the product
Promotion range (X <sub>13</sub> )	Promotion reach is the extent to which promotional messages reach the target audience (Putri <i>et al.</i> , 2022).	Promotions carried out are spread across various media
Promotion quality (X <sub>14</sub> )	Promotional quality is how well the promotional message is conveyed to the audience involving graphic design, message, narrative, and suitability to the product (Putri <i>et al.</i> , 2022).	The information provided in the promotion is clear
Promotion Quantity (X <sub>15</sub> )	Promotion quantity is how often promotions are carried out (Putri <i>et al.</i> , 2022).	Sellers should do a lot of promotion
Brand association superiority (X <sub>16</sub> )	The superiority of brand association is consumer confidence that the attributes and benefits provided by the company can meet consumer needs (Munir, 2023).	Sellers provide products that meet customer needs

Strength of brand association (X <sub>17</sub> )	The strength of brand associations is how information enters consumers' memories and how the process persists as part of the brand image (Munir, 2023).	Customers can remember the products sold
Honesty(X <sub>18</sub> )	Honesty is the honesty inherent in company resources in providing services and information needed by consumers (Gayatri and Damarsiwi, 2021).	Sellers are honest in providing information
Favorable location (X <sub>19</sub> )	Favorable locations are locations that are easy to see from normal viewing distances (Wasiman et al., 2020).	Signage that is easily seen by customers
Environment as expected (X <sub>20</sub> )	The environment as expected is a location that has a large, safe, and comfortable parking lot environment (Wasiman et al., 2020).	The store has a large parking lot
Access to location (X <sub>21</sub> )	Access to the location is a location that is easily accessible by public transportation or is often traversed by transportation routes (Wasiman et al., 2020).	The area around the store is convenient to walk around
Recommendation (X <sub>22</sub> )	A form of communication as well as indirect promotion carried out by customers who have purchased products who then share their various experiences related to these products (Handojo and Santoso, 2022).	Customers talk about experiences related to in-store purchases to others

Source: Data processed (2023)

The method used in analyzing the data in this study is to use explanatory factor analysis. Explanatory factor analysis in this study uses the SPSS application.

### **3. Results and Discussion**

#### **3.1. Results**

##### **Validity Test**

The validity test in this study was carried out using the bivariate analysis method. Testing is done using SPSS and items will be declared valid if  $r\text{-count} > r\text{-table}$  (0.1971). Based on the data processing obtained using the SPSS application, it is found that all items of each variable have an sg (2-tailed) value smaller than 0.05 so it can be said that each statement item is valid.

##### **Reliability Test**

The reliability test in this study was carried out using Cronbach's alpha. This test was carried out using the SPSS program, where the instrument was declared reliable or consistent if it had a Cronbach's alpha value  $> 0.6$ . Based on data processing obtained using the SPSS application, it is found that the variable has a Cronbach's alpha value greater than 0.6 so that the variable is declared reliable or consistent.

##### **Explanatory Factor Analysis (EFA)**

Explanatory Factor Analysis (EFA) is an interdependent technique used in explaining the relationship or correlation between various independent indicators that are observed. Thus, the EFA approach is carried out with the aim of finding a number of indicators that form a common factor without any prior theoretical basis, so it is carried out to build a theory. After all the

variables that are proposed to be factors that form UD customer satisfaction. SDS has been valid and reliable, it will continue with the following stages:

#### **Compiling a Correlation Matrix**

To test the adequacy of the sample in this study, the Kaiser-Meyer Olkin (KMO) test will be used where the value must be  $> 0.50$  and the significance value of Bartlett's Test of Sphericity  $< 0.05$ .

**Table 2. Indicator Correlation**

<b>KMO and Bartlett's Test</b>		
<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</b>		.936
<b>Bartlett's Test of Sphericity</b>	<i>Approx. Chi-Square</i>	5460.081
	df	231
	Sig.	.000

Source: Data processed (2023)

Based on the data in Table 2, the KMO value is 0.936 which is greater than 0.50. While the significance value of Bartlett's Test of Sphericity shows a value of 0.000 where the value is not greater than 0.50 and has met the requirements. Furthermore, an assumption test will be carried out using the Measure of Sampling Adequacy (MSA) which can be seen from the anti-image correlation to see whether each indicator can be used in factor analysis in this study. MSA values smaller than 0.50 cannot be used in the next factor analysis process.

**Table 3. Anti Image Metrice**

<b>Factor</b>	<b>Anti Image Value</b>	<b>Criteria</b>
X1	0,976	$>0,50$
X2	0,965	$>0,50$
X3	0,963	$>0,50$
X4	0,969	$>0,50$
X5	0,973	$>0,50$
X6	0,969	$>0,50$
X7	0,975	$>0,50$
X8	0,977	$>0,50$
X9	0,968	$>0,50$
X10	0,964	$>0,50$
X11	0,969	$>0,50$
X12	0,978	$>0,50$
X13	0,962	$>0,50$
X14	0,970	$>0,50$
X15	0,969	$>0,50$
X16	0,975	$>0,50$
X17	0,974	$>0,50$
X18	0,972	$>0,50$
X19	0,956	$>0,50$
X20	0,823	$>0,50$
X21	0,841	$>0,50$
X22	0,877	$>0,50$

Source: Data processed (2023)



Based on the data in Table 3, it is known that all research indicators used have MSA values or numbers greater than 0.50. This shows that all indicators have a strong correlation or relationship and can be used in factor analysis in this study.

### Factor Extraction

Factor extraction is used to show that factors can explain the variables studied, if the extraction value on communalities is more than 0.5, it is considered to be able to explain the factors.

**Table 4. Communalities Value**

Communalities		
	Initial	Extraction
X1	1.000	0,671
X2	1.000	0,622
X3	1.000	0,681
X4	1.000	0,600
X5	1.000	0,628
X6	1.000	0,683
X7	1.000	0,680
X8	1.000	0,689
X9	1.000	0,653
X10	1.000	0,603
X11	1.000	0,691
X12	1.000	0,687
X13	1.000	0,649
X14	1.000	0,690
X15	1.000	0,641
X16	1.000	0,682
X17	1.000	0,687
X18	1.000	0,602
X19	1.000	0,502
X20	1.000	0,828
X21	1.000	0,814
X22	1.000	0,808

Source: Data processed (2023)

Based on the data in Table 4, all research indicators have extraction values above 0.5. This indicates that all indicators can be used to explain the factors. Furthermore, to determine the number of factors in this study, it can be seen through eigenvalues which must have a value above 1.

**Table 5. Factor Extraction**

Total Variance Explained						
Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
X1	12,650	57,500	57,500	11,867	53,940	53,940
X2	2,139	9,722	67,221	2,922	13,281	67,221
X3	0,969	4,403	71,624			
X4	0,796	3,616	75,240			
X5	0,643	2,925	78,165			
X6	0,515	2,341	80,506			
X7	0,428	1,945	82,451			
X8	0,365	1,660	84,111			
X9	0,349	1,588	85,698			
X10	0,327	1,486	87,185			
X11	0,316	1,439	88,623			
X12	0,291	1,325	89,948			
X13	0,283	1,288	91,236			
X14	0,269	1,223	92,459			
X15	0,258	1,172	93,631			
X16	0,235	1,070	94,701			
X17	0,225	1,023	95,724			
X18	0,212	0,962	96,686			
X19	0,204	0,927	97,613			
X20	0,189	0,861	98,473			
X21	0,178	0,811	99,284			
X22	0,157	0,716	100,000			

Source: Data processed (2023)

Based on the data in Table 5, there are two indicators or factors that have eigenvalues > 1, namely the first factor with eigenvalues of 12.650 and the second factor with eigenvalues of 2.139. Thus, from the total number of indicators or factors of 22, there are two factors resulting from the extraction where the two factors as a whole are able to explain 67.22% of the variation.

### Factor Rotation

Factor rotation in this study uses the varimax factor rotation method by looking at the results of the varimax rotated component table which shows one or more sets of new factors containing the initial factors. According to Ghozali (2021), a factor loading value of > 0.5 is considered strong enough to explain the construct, if there is a factor loading value < 0.5, it must be eliminated from the construct.

**Table 6. Component Matrix**

Rotated Component Matrix		
	Component	
	1	2
X1	0,819	0,009
X2	0,788	-0,013
X3	0,815	-0,126
X4	0,770	-0,082
X5	0,787	-0,094



<b>Rotated Component Matrix</b>		
	<b>Component</b>	
	<b>1</b>	<b>2</b>
X6	0,823	0,075
X7	0,820	-0,090
X8	0,829	-0,031
X9	0,802	0,097
X10	0,774	-0,061
X11	0,825	-0,101
X12	0,827	-0,062
X13	0,798	-0,110
X14	0,816	-0,157
X15	0,794	-0,104
X16	0,820	-0,098
X17	0,822	-0,108
X18	0,768	-0,106
X19	0,708	-0,035
X20	0,361	0,835
X21	0,398	0,810
X22	0,420	0,794

Source: Data processed (2023)

Based on the data in Table 6, it can be seen that the extraction results of 22 indicators or factors have turned into two new sets of factors, each of which contains the initial factors or indicators. However, these results have not been able to explain which factors or indicators are included in one of the new sets of factors so that further factor axis rotation analysis is needed.

**Table 7. Factor Rotation**

<b>Rotated Component Matrix</b>		
	<b>Component</b>	
	<b>1</b>	<b>2</b>
X1	0,786	0,232
X2	0,762	0,202
X3	0,819	0,101
X4	0,763	0,132
X5	0,783	0,124
X6	0,771	0,297
X7	0,813	0,137
X8	0,806	0,197
X9	0,745	0,312
X10	0,761	0,152
X11	0,821	0,128
X12	0,812	0,166
X13	0,798	0,112
X14	0,828	0,071
X15	0,792	0,116
X16	0,815	0,129
X17	0,820	0,120

Rotated Component Matrix		
	Component	
	1	2
X18	0,768	0,108
X19	0,690	0,160
X20	0,120	0,902
X21	0,162	0,888
X22	0,188	0,879

Source: Data processed (2023)

Based on the data in Table 7, it can be seen that all indicators or factors have factor loading values above 0.5. So, it can be concluded that all indicators or factors X1 to X22 are valid. Factors X1 to X19 are included in the first factor, while X20 to X22 are included in the second factor.

### Naming Factor

The results of the factor rotation show that the sub-variables are mixed in two different factors, so it is necessary to give a new name or identity to each of the factor formers according to their characteristics. By looking at the component transformation matrix which shows whether the set of factors has been formed correctly because it has a high correlation.

**Table 8. Component Transformation Result**

Component Transformation Matrix		
Component	1	2
1	0,962	0,273
2	-0,273	0,962

Source: Data processed (2023)

Based on the data in Table 8, it can be seen that both components have a value greater than 0.5 with the value of each component being 0.962 for the first component and 0.962 for the second component. This shows that the two sets of factors have been formed correctly because they have a high correlation.

**Table 9. Factor Grouping**

Factor	Code	Variable Name	Factor Loading	Variance
PERSONALIZATION CUSTOMER SERVICE	X1	Performance (X <sub>1</sub> )	0,786	53,94%
	X2	Reliability (X <sub>2</sub> )	0,762	
	X3	Conformance to specifications (X <sub>3</sub> )	0,819	
	X4	Durability (X <sub>4</sub> )	0,763	
	X5	Product completeness (X <sub>5</sub> )	0,783	
	X6	Size variation of a product (X <sub>6</sub> )	0,771	
	X7	Physical evidence (X <sub>7</sub> )	0,813	
	X8	Responsiveness (X <sub>8</sub> )	0,806	
	X9	Guarantee (X <sub>9</sub> )	0,745	
	X10	Price affordability (X <sub>10</sub> )	0,761	
	X11	Price competitiveness (X <sub>11</sub> )	0,821	
	X12	Price suitability (X <sub>12</sub> )	0,812	
	X13	Promotion range (X <sub>13</sub> )	0,798	
	X14	Promotion quality (X <sub>14</sub> )	0,828	

Factor	Code	Variable Name	Factor Loading	Variance
	X15	Promotion Quantity (X <sub>15</sub> )	0,792	
	X16	Brand association superiority (X <sub>16</sub> )	0,815	
	X17	Strength of brand association (X <sub>17</sub> )	0,820	
	X18	Honesty(X <sub>18</sub> )	0,768	
	X19	Favorable location (X <sub>19</sub> )	0,690	
<b>SOCIAL AND ENVIRONMENTAL RESPONSIVENESS</b>	X20	Environment as expected (X <sub>20</sub> )	0,902	13,28%
	X21	Access to location (X <sub>21</sub> )	0,888	
	X22	Recommendation (X <sub>22</sub> )	0,879	

Source: Data processed (2023)

Based on the data in Table 9, it can be seen that the variance value of the first factor, namely 53.94%, has a value greater than the variance value of the second factor, namely 13.28%. So that the first factor becomes the main shaping factor of UD customer loyalty. SDS in Malang City. Meanwhile, the second factor is a supporting factor that forms UD customer loyalty. SDS in Malang City.

### 3.2. Discussion

#### The First Factor and Its Elements

Based on the results of factor testing, it can be seen that the first factor consists of performance, reliability, conformity to specifications, durability, product completeness, variation in the size of a product, physical evidence, responsiveness, assurance, price affordability, price competitiveness, price suitability, promotion range, promotion quality, promotion quantity, brand association superiority, brand association strength, honesty, and profitable location. Looking at the components that make up this factor, it can be said that the first factor has a meaning related to the personalization of customer service provided by a business that can affect customer loyalty. The main factor is named personalized customer service where UD. SDS itself strives to provide product quality, service quality, product variety, affordable product prices, attractive promotions, and honesty, as well as profitable locations to customers in order to increase customer loyalty.

The results of this study are also supported by previous research conducted by Yang and Lee (2022) which states that personalization of customer services such as product quality, service quality, linkage, commitment, and trust have an influence on the formation of customer loyalty. This means that if UD. SDS is able to improve customer service personalization can affect customer loyalty. The results of this study are also supported by previous research conducted by Kim and Kim (2020) which states that customer service personalization has an influence on customer loyalty where when a product is sold with good quality, has good service quality, affordable prices, promotions that are carried out attractively, and profitable locations, customers tend to have loyalty and make future repurchases.

This is consistent and in line with this research where when a business can have good customer service personalization, it can be a factor in shaping customer loyalty. In the phenomenon experienced by UD. SDS when UD. SDS has high quality products, has products that are different from competitors, are not easily damaged, has product standardization, product durability, has a price that is in accordance with product quality, has attractive promotions and is carried out regularly, has honesty towards customers, strong brand association strength, and a profitable location, then customers tend to have loyalty with UD.

SDS compared to products owned by similar businesses. A business that has good customer service personalization tends to be able to increase customer loyalty compared to businesses that have poor customer service personalization.

In the phenomenon that occurs at UD.SDS when customers feel the personalization of customer service provided properly, customers tend to be more interested and encourage customer loyalty. Furthermore, customer service personalization such as products with good performance, products that match specifications, products with good durability, products that are sold in full, products that have a lot of variety, responsive employees, products at affordable prices and in accordance with prices, products that have attractive promotions and often carry out promotions, have brand advantages, are honest in serving, and have a profitable location, then customers will prefer and feel a sense of confidence in the business and increase customer loyalty. This is related to respondents who have characteristics aged > 35-45 years who tend to prioritize personalized customer service to a business when purchasing a product, especially in building materials.

### **The Second Factor and Its Elements**

Based on the results of factor testing, it can be seen that the second factor consists of the environment as expected, access to location, and recommendations. Looking at the components that make up this factor, it can be said that the second factor has a meaning related to the social and environmental responsiveness provided by a business that can affect customer loyalty. The second factor is named social and environmental responsiveness where UD. SDS itself strives to provide an environment and location that is easily accessible to customers in order to increase customer loyalty.

The results of this research are also supported by previous research conducted by Yang and Lee (2022) which stated that social and environmental responsiveness has an influence in forming customer loyalty. This means that if UD. SDS has social and environmental responsiveness such as a location that meets expectations and access to easily accessible locations can influence customer loyalty. The results of this research are also supported by previous research conducted by Hartono and Purba (2022) which states that social and environmental responsiveness, such as an environment that meets expectations and access to the location, has an influence on customer loyalty, where a location that is comfortable and easy to find can influence customer loyalty. . When a business has a strategic and convenient location, customers tend to make repeat purchases and this can increase customer loyalty.

This is appropriate and in line with this research, where when a business is socially and environmentally responsive, such as a location that is easy for customers to find and easy to navigate, then this can encourage customers to make purchases and increase loyalty. In the phenomenon experienced by UD. SDS when UD. SDS has a location that is easy to reach, has a large parking area, the environment meets expectations, and the roads are comfortable to walk on, so customers tend to have customer loyalty with UD businesses. SDS compared with similar businesses. A business that has a location that is easy to find and easy to reach tends to have higher customer loyalty than a business that has a location that is difficult to reach.

In the phenomenon that occurred at UD. SDS: When customers feel that a shop has good social and environmental responsiveness, customers tend to feel comfort and convenience and have more intention to make purchasing decisions and have loyalty in the future. Furthermore, if customers feel that there is a location that is easy to find and easy to see, then customers will find it easier to reach the store and have higher loyalty and are willing to make recommendations to other customers. This is related to respondents whose characteristics are

>35-45 years old who tend to prioritize social and environmental responsiveness such as locations that are easy to reach and easy to find as well as recommendations that come from other customers when they want to purchase a product.

#### **4. Conclusion**

Based on the analysis and discussion that has been carried out, it can be concluded that of the 22 indicators or factors tested using factor analysis, there were 22 indicators that met the final results. Of the 22 indicators that met and could be used to explain the factors in this research, two new factors were formed, namely the customer service personalization factor and the social and environmental responsiveness factor. Based on these two factors it can be explained as follows:

- 1) The first factor is personalization of customer service which consists of, among other things: customers assessing the quality of the products sold by UD. SDS, product standardization, product durability, product diversity, product size variations, service quality by employees, responses given by employees, information provided by employees, how customers assess selling prices by UD. SDS such as how the price matches the product and how UD. SDS has price competitiveness with other similar businesses, promotions carried out by UD. SDS such as information provided during promotions, quantity of promotions, how customers assess the suitability of the product to their needs, how customers remember the information provided by UD. SDS and how customers rate the clarity of UD nameplates. SDS. Customers feel that if personalized customer service is provided well, customers tend to be more interested and encourage customer loyalty. Furthermore, personalize customer service such as products with good performance, products that meet specifications, products with good durability, products that are sold in full, products that have many variations, responsive employees, products at affordable prices and according to price. , a product that has attractive promotions and is frequently promoted, has a superior brand, is honest in service, and has a favorable location, customers will prefer and feel confidence in the business and increase customer loyalty. This is related to respondents whose characteristics are >35-45 years old who tend to prioritize personalized customer service for a business when they want to purchase a product, especially building materials.
- 2) The second factor is social and environmental responsiveness which consists of, among others: an environment that meets expectations, access to locations, and recommendations that can influence customers to make repeat purchases. Customers feel that if a shop has good social and environmental responsiveness, customers tend to feel comfort and convenience and have more intention to make purchasing decisions and have loyalty in the future. Furthermore, if customers feel that there is a location that is easy to find and easy to see, then customers will find it easier to reach the store and have higher loyalty and are willing to make recommendations to other customers. This is related to respondents whose characteristics are >35-45 years old who tend to prioritize social and environmental responsiveness such as locations that are easy to reach and easy to find as well as recommendations that come from other customers when they want to purchase a product.

Suggestions that can be given to UD. SDS is add product variations with various types of brands with a minimum of three brand variations to give customers more choices. Check and standardize products to ensure each product meets certain standards to increase customer confidence. Increase the guarantee or return policy to increase customer confidence in product quality. Conduct regular price surveys by evaluating product prices from similar businesses so



that you can set prices that are competitive but still profitable. Conduct training for employees related to products, service quality, and how to communicate with customers, especially to provide product-related information to customers and provide product recommendations.

Then, provide consulting services to assist customers in choosing products that suit customer needs. Plan a regular promotional schedule by improving the quality of promotional content by using images, customer reviews or testimonials to attract customer attention. Create a product catalog that is attractive and easy for customers to understand and utilize social media to promote products and provide direct links to the online catalog. Apart from that, we also proactively conduct questions and answers related to customer questions or comments. Determine a special parking area for customers and ensure the arrangement is neat and efficient. In addition, clearly mark the parking area and consider the use of parking signage. Carry out routine cleaning activities including waste management and maintenance of parks or green areas around the shop and ensuring the cleanliness of the area around the shop. Place easily visible signage in strategic places, such as shop entrances or busy street corners. Then, ensure that the text and color of the signage contrast with the background so that customers are easy to recognize.

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