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# THE INFLUENCE OF SERVICE CONVENIENCE AND PRICE FAIRNESS ON CUSTOMER LOYALTY: MEDIATING EFFECT OF CUSTOMER SATISFACTION

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#### **Abstract:**

The development of Indonesian apartments which have not fully recovered after the Covid pandemic is the reason for the need to increase sales. To increase sales, managers need to pay attention to Customer Loyalty from Apartment residents where Customer Loyalty is influenced by Service Convenience, Price Fairness, and Customer Satisfaction. The research objective is to analyze the effect of Service Convenience and Price Fairness on Customer Loyalty mediated by Customer Satisfaction. The population of this research is the occupants of the Tamansari Prospero Apartment in Sidoarjo as many as 200 people. The determination of the sample was carried out using the Slovin formula so that a total sample of 133 people was obtained. The research data collection technique was carried out by distributing questionnaires. While the data analysis technique uses Partial Least Square analysis. The results of the study prove that Service Convenience and Price Fairness have a significant effect on Customer Satisfaction. Customer Satisfaction has a significant effect on Customer Loyalty. In addition, Customer Satisfaction can mediate the effect of Service Convenience and Price Fairness on Customer Loyalty.

Keywords: Service Convenience; Price Fairness; Customer Satisfaction; Customer

Loyalty.

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#### 1. Introduction

The development of the apartment business in Indonesia is increasing every year. Based on data from the State Asset Management Institute (2002) stated that Real Estate Credit has experienced quite a large growth since January with an average growth of 3.2 percent where the distribution of real estate loans for flat/apartment housing in DKI Jakarta and East Java has boosted credit growth. Real Estate is up 3.1 percent (yoy), higher than January's growth of 1.9 percent (yoy). The growth value is the post-covid pandemic value which has lowered the cost of apartments. This is in line with research (Daengs & Enny, 2022) which states that the global spread of the Covid-19 pandemic has paralyzed almost all corporate and commercial activities. Even though the apartment business value has not fully recovered due to the pandemic, continued growth can be a good signal for apartment entrepreneurs. This is by what is currently

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happening in Indonesia, especially in big cities, where property products in the form of apartments and lower housing are increasingly in demand.

With these developments, entrepreneurs are required to maintain or even increase the apartment business in Indonesia by providing good service to customers. Service convenience is recognized as increasingly important for customers where convenience includes the ability to reduce consumer non-monetary costs (i.e. time, effort, and effort) when buying or using goods and services (Chang & Polonsky, 2012; Zhang & Jeong, 2023). The convenience of the services provided by the property company can form customer loyalty (Jin et al., 2019). Through customer loyalty, the company will reduce the influence of attacks from competitors from similar companies, not only competition in terms of products but also competition in terms of perception (Tarumingkeng, 2019). In addition, loyal customers can encourage the development of the company by providing ideas or suggestions to the company to improve the quality of its products.

Customer loyalty is a complex topic with many approaches; the behavioral approach is related to repeat purchases, and the attitudinal approach is related to consumer preferences and dispositions toward brands (Lewis & Soureli, 2006; Gbenga et al., 2022). If customer satisfaction is an attitude that can be determined based on purchasing behavior (Maryanto & Thomas, 2021). Customer loyalty can be shown if they recommend the product to others, use it again, and never switch to another product even if they have a problem.

Based on the results of previous research studies, it can be seen that several factors influence customer loyalty. The first factor that influences Customer Loyalty is the Service Convenience factor. Service convenience is a bit of power given by consumers in carrying out any task (Morganosky 1986; Mehmood & Arsalan 2017). Service convenience is customer perception based on time and effort. Meanwhile, Berrye et al., (2002); Mayumartiana et al., (2019) explained that they recommend five types of service convenience, namely decision convenience, ease of access, ease of transaction, ease of benefits, and post-benefit convenience.

The second factor that influences Customer Loyalty is the Price Fairness factor. Price Fairness is customer perceptions and emotions related to them how fair, acceptable, and reasonable the difference between two prices is (Xia et al., 2004; Malc et al., 2016). According to Heussler et al., (2009); Chavanne et al., (2022) express a photo-induced emotional state in finding that smaller price increases are viewed as less fair than larger price increases, and the effect of emotion on price fairness becomes less impactful than larger price increases. Price Fairness set by producers must adjust to the purchasing power of consumers so that a sale and purchase agreement can be made.

The existence of Service Convenience and Price Fairness factors can lead to Customer Satisfaction where if the customer is always satisfied with the services provided it will lead to Customer Loyalty. Customer satisfaction is a person's feeling of pleasure or disappointment that arises after comparing the performance of product thinking with the expected performance results (Kotler & Keller, 2020). Most research on customer satisfaction is carried out using the survey method, either by post, telephone, email, website, or face-to-face interviews (Herman, 2022). Through the survey, the company will get responses and feedback directly from customers and also give a positive impression that the company pays attention to its customers.

According to Widayati et al., (2022) stated that Service Convenience has a significant effect on Customer Satisfaction. Research by Jin et al. (2019) also states that service convenience has a significant effect on customer satisfaction. Meanwhile, Shamsi et al. (2023) proved that service convenience has no significant effect on customer satisfaction. Research by Reynaldo et al., (2020) also states that service convenience does not have any effect on

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customer satisfaction. In addition, Price Fairness also influences Customer Satisfaction. Research by Putra & Ekawati (2020) Price Fairness has a significant influence on Customer Satisfaction. According to Konuk (2019), Price Fairness has a significant effect on Customer Satisfaction.

To reach loyal customers, companies must be able to offer products or services that can satisfy customer satisfaction and please their feelings so that customers want to make purchases (Segoro et al., 2020). According to Zhang & Jeong (2023), customer loyalty is determined by satisfaction, while satisfaction itself is influenced by functional, emotional, and epistemological. Qiu et al., (2015) state that customer satisfaction has a significant positive effect on customer loyalty. Research by Yacob et al., (2016) also states that customer satisfaction affects customer loyalty. However, Smith (2020) states that satisfaction is not a direct driver of loyalty in a business where cellular service loyalty is achieved when service providers simultaneously focus on customer satisfaction and their attitude towards the brand.

Based on the background of the problems above, it can be seen that in improving the apartment business, customer loyalty must be considered. Where Customer Loyalty is influenced by Service Convenience, Price Fairness, and Customer Satisfaction factors. Therefore, researchers will conduct a study entitled "The Influence of Service Convenience and Price Fairness on Customer Loyalty: The Mediating Effect of Customer Satisfaction".

#### 2. Literature Review

#### 2.1. Service Convenience

Service convenience is an individual's perception of time and energy related to the purchase or use of goods and services offered Reynaldo et al., (2020). Service convenience is a bit of power given by consumers in carrying out any task (Morganosky 1986; Mehmood & Arsalan 2017). Service convenience is an important determinant of customer behavior as a result of the significant changes in customers' socio-economic profile, rise in dual income families, and a hypercompetitive marketplace (Seiders et al., 2007; Roy et al., 2018).

Previous research have examined the Relationship between Service Convenience and Customer Satisfaction. Widayati et al., (2022) stated that Service Convenience has a significant effect on Customer Satisfaction. Research by Jin et al. (2019) also states that service convenience has a significant effect on customer satisfaction. So the better Service Covenience will increase Customer Loyalty. Meanwhile, Shamsi et al. (2023) proved that service convenience has no significant effect on customer satisfaction. Besides that, Purnama (2019) research states that service convenience has a significant effect on customer loyalty mediated by customer satisfaction. Based on this explanation, the following hypothesis is developed that is:

 $H_1$ : Service Convenience has a significant positive effect on Customer Loyalty.

**H<sub>4</sub>:** Service convenience has a significant positive effect on customer loyalty mediated by customer satisfaction.

# 2.2. Price Fairness

Bolton et al. (2003); Zietsman et al., (2019) defined fairness as a judgment of whether an outcome (or the process to reach an outcome) is reasonable, acceptable or just. Price Fairness is customer perceptions and emotions related to them how fair, acceptable, and reasonable the difference between two prices is (Xia et al., 2004; Malc et al., 2016). According to Heussler et al., (2009); Chavanne et al., (2022) express a photo-induced emotional state in finding that

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smaller price increases are viewed as less fair than larger price increases, and the effect of emotion on price fairness becomes less impactful than larger price increases.

According to Putra & Ekawati (2020) research, Price Fairness has a significant influence on Customer Satisfaction. Konuk (2019) states Price Fairness has a significant effect on Customer Satisfaction. Apart from that, the indirect relationship also has a relationship that can be seen from Wilson (2022) research which states that customer satisfaction can significantly mediate the effect of price fairness on customer loyalty. In addition, research by Dhisasmito & Kumar (2020) also states that customer loyalty is affected by price fairness mediated by customer satisfaction. Based on this information, the following hypothesis is formed that is:

H<sub>2</sub>: Price Fairness has a significant positive effect on Customer Loyalty.

**H**<sub>5</sub>: Price Fairness has a significant positive effect on Customer Loyalty mediated by Customer Satisfaction.

#### 2.3. Customer Satisfaction

Customer satisfaction is a person's feeling of pleasure or disappointment that arises after comparing the performance (results) of product thinking with the expected performance results (Kotler & Keller, 2020). Customer Satisfaction as a form of customer evaluation of product service (Aprilia & Suryani, 2020). Customer satisfaction can be interpreted as an overall evaluation of customers on the offering performance from seller to recent date (Johnson & Fornell, 1991; Harahap et al., 2019)

According to Qiu et al., (2015) state that customer satisfaction has a significant positive effect on customer loyalty. Research by Yacob et al., (2016) also states that customer satisfaction affects customer loyalty. However, Smith (2020) states that satisfaction is not a direct driver of loyalty in a business where cellular service loyalty is achieved when service providers simultaneously focus on customer satisfaction and their attitude towards the brand. Based on previous research, the following hypothesis is formed that is:

H<sub>3</sub>: Customer Satisfaction has a significant positive effect on Customer Loyalty.

#### 2.4. Customer Loyalty

Customer loyalty is a customer's longing to continue to be loyal to an organization and continue patronage from time to time (Setiawan & Sayuti, 2017; Mayanga et al., 2022). Gbenga et al., 2022). Customer loyalty is a customer's longing to continue to be loyal to an organization and continue patronage from time to time (Setiawan & Sayuti, 2017; Mayanga et al., 2022). If customer satisfaction is an attitude that can be determined based on purchasing behavior (Maryanto & Thomas, 2021).

# 3. Research method

This research is a type of quantitative research that explains the relationship between research variables from data analysis in the form of numbers. The population of this research is the occupants of the Tamansari Prospero Sidoarjo Apartment with a total of 200 people. The determination of the sample was carried out using the Slovin formula so that a total sample of 133 people was obtained. Research data collection techniques were carried out by distributing questionnaires to respondents. The research questionnaire uses a Likert scale.

The research data analysis technique uses Partial Least Square (PLS) which will test the Outer Model, Inner Model, and Hypothesis testing. The Partial Least Square (PLS) software used is version 3. According to Shamsi et al., (2023), indicators of service convenience are access convenience, search convenience, evaluation convenience, order convenience, and

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logistics/reverse logistics convenience. According to Bernardo, indicators of Price Fairness are affordable service prices, service prices according to benefits, reasonable service prices, fair service prices, and acceptable service prices. According to Kim et al., (2020), indicators of customer satisfaction are higher satisfaction compared to other products/services, satisfaction after using the product/service, economical purchases, and the pleasure of product comparisons. Meanwhile, indicators of Customer Loyalty according to Shamsi et al., (2023) are satisfaction with using services/products, pleasure from services/products, and pleasure from the buying experience.

#### 4. Results and Discussion

#### 4.1. Results

# **Outer Model Testing**

# **Convergent Validity**

Validity testing aims to test the validity of the research questionnaire. Criteria for testing the validity of the research: 1) if r count > r table, then it fulfills the validity requirements; 2) if r count < r table, then it does not meet the validity requirements (Amalia & Achmad, 2023). An indicator is declared to meet convergent validity if it has a loading factor value > 0.50. The following is the overall loading factor value of the indicator:

**Table 1. Validity Test (Convergent Validity)** 

Variable	Item	original sample	P-Values	Note
Service Convenience (X1)	X1.1	0,783		Valid
	X1.2	0,800		
	X1.3	0,824	0,000	
	X1.4	0,737	_	
	X1.5	0,714	-	
Price Fairness (X2)	X2.1	0,817	_	Valid
	X2.2	0,856		
	X2.3	0,855	0,000	
	X2.4	0,851		
	X2.5	0,777	-	
Customer Satisfaction (Z)	<b>Z</b> 1	0,873		Valid
	<b>Z2</b>	0,828	0.000	
	<b>Z3</b>	0,845	0,000	
	<b>Z</b> 4	0,819	-	
Customer Loyalty (Y)	Y1	0,794		Valid
	<b>Y2</b>	0,896	0,000	
	<b>Y3</b>	0,861	-	

Source: Research Processed Data (2023)

Based on the convergent validity test shown in Table 1 above, it is known that all indicators have a convergent validity value of > 0.5. so that all indicators are valid to use

#### **Discriminant Validity**

Cross-loading comparisons have been suggested to assess discriminant validity (Roemer et al., 2021). An indicator is declared to meet discriminant validity if the value of the cross-loading indicator on this variable is the largest compared to other variables.

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**Table 2. Discriminant Validity (Cross Loading)** 

Comics Convenience Dries Esimons Customer Setisfaction Customer Levelty					
Item	Service Convenience (X1)	Price Fairness (X2)	Customer Satisfaction (X3)	Customer Loyalty (Y)	
V1 1	·				
X1.1	0,783	0,629	0,460	0,605	
X1.2	0,800	0,545	0,574	0,607	
X1.3	0,824	0,533	0,480	0,484	
X1.4	0,737	0,374	0,384	0,359	
X1.5	0,714	0,423	0,335	0,315	
X2.1	0,586	0,817	0,502	0,572	
X2.2	0,512	0,856	0,570	0,656	
X2.3	0,586	0,855	0,595	0,659	
X2.4	0,569	0,851	0,577	0,737	
X2.5	0,485	0,777	0,518	0,532	
<b>Z</b> 1	0,569	0,581	0,873	0,641	
<b>Z</b> 2	0,415	0,397	0,828	0,576	
<b>Z</b> 3	0,480	0,511	0,845	0,570	
<b>Z</b> 4	0,515	0,707	0,819	0,637	
<u>Y1</u>	0,377	0,559	0,504	0,794	
<b>Y2</b>	0,535	0,655	0,672	0,896	
Y3	0,678	0,721	0,653	0,861	

Source: Research Processed Data (2023)

The cross-loading value in Table 2 above can be seen that each indicator on the research variable has the largest cross-loading value on the variable it forms compared to the cross-loading value on other variables. So, it can be stated that the indicators used in this study have good discriminant validity in compiling their respective variables.

If the average extracted variance (AVE), the root value of the average variance value is higher than the correlation between the latent variables, the construct is considered original where the constructed value must be at least 0.50 (Belawati et al., 2023). The AVE value is declared satisfactory if > 0.5. The results of the AVE test are shown in Table 3 as follows:

Table 3. Average Extracted Variance (AVE)

Tubic controlage Englaced variance (11 v E)		
AVE		
0,597		
0,692		
0,708		
0,725		

Source: Research Processed Data (2023)

The results of the AVE values for the indicator blocks that measure constructs can be stated to have good discriminant validity values because the AVE value is > 0.5. Then all construct variables are declared to have good Discriminant Validity.

#### **Composite Reliability**

A variable is declared to meet composite reliability if it has a composite reliability value > 0.70. The more reliable an instrument is, the better it is for researchers to use in their research

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(Syardiansah et al., 2022). The following is the composite reliability value of each variable used in this study:

Table 4. Composite Reliability

Variable Composite Rel		
Service Convenience (X1)	0,881	
Price Fairness (X2)	0,918	
<b>Customer Satisfaction (X3)</b>	0,906	
Customer Loyalty (Y)	0,887	

Source: Research Processed Data (2023)

Based on the data presented in Table 4 above, it can be seen that the composite reliability value of all research variables is > 0.70. So, each variable meets composite reliability so that all variables are adequate in measuring latent variables/constructs and can be used in subsequent analysis.

#### Cronbach Alpha

In the Cronbach Alpha test, a reliable value must be greater than 0.70 (Belawati et al., 2023). The following is the Cronbach alpha value of each variable:

Table 5. Cronbach Alpha			
Variable	Cronbach Alpha		
Service Convenience (X1)	0,834		
Price Fairness (X2)	0,888		
<b>Customer Satisfaction (X3)</b>	0,863		
<b>Customer Loyalty (Y)</b>	0,811		

Source: Research Processed Data (2023)

Based on the test results in the table above, it can be seen that the Cronbach alpha value for each research variable is > 0.60. Then each research variable fulfilled the Cronbach alpha value requirements.

#### **Inner Model Test**

In this study, to test the research hypothesis, Partial Least Square (PLS) analysis was used with the SmartPLS program. The Inner Model displays the relationship between the constructs being evaluated (Hair et al., 2014). The following is a picture of the proposed PLS model.

X1.1 0.783 0.800 **←** 0.824 \_0.737 0.714 0.828 0.845 0.819 0.873 Service 0.274 Convenience (X1) 0.486 X2.1 -0.896 0.817 0.486 ~0.856 Customer Loyalty **4**—0.855 Satisfaction (Y) .0.851 0.777 Price Fairness

Figure 1. PLS Model Measurement

Source: Research Processed Data (2023)

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The results of the Inner Weight values in Figure 1 above show that the Customer Satisfaction (Z) variable is influenced by the Service Convenience (X1) and Price Fairness (X2) variables. While the Customer Loyalty variable is influenced by the Customer Satisfaction variable which can be described in the structural equation below:

$$Z = 0.274 X1 + 0.486 X2$$
  
 $Y = 0.724 Z$ 

# R<sup>2</sup> Testing

The R2 classification aims to estimate parameters in a complex model consisting of several equations (Rönkkö & Antonakis, 2022). Assessing the model with PLS starts by looking at the R-square for each dependent latent variable. Changes in the R-square value can be used to assess the effect of certain independent latent variables on the dependent latent variable and whether it has a substantive effect. For endogenous latent variables in a structural model that has an R2 of 0.75 indicating a "strong" model, an R2 of 0.50 indicates a "Moderate" model and an R2 of 0.25 indicates a "weak" model (Ghozali, 2016). PLS output as described below:

Table 6. R-Square Value

	R Square
Customer Satisfaction (Z)	0,486
Customer Loyalty (Y)	0,524

Source: Research Processed Data (2023)

Based on the results of testing the R-square value above, it can be interpreted that: Service Convenience and Price Fairness variables affect the Customer Satisfaction variable in the structural model with an R2 value of 0.486 indicating that the model is "Weak". While the Customer Satisfaction variable affects the Customer Loyalty variable on a structural basis, it has an R2 value of 0.524 which indicates that the model is "Moderate".

#### **Hypothesis Testing**

Hypothesis testing is an important feature that is common with almost every management research (Subudhi, 2019). To answer the research problem formulation, t-statistics can be seen in Table 7 below:

Table 7. Hypothesis testing

Table 1. Hypothesis testing				
Variable Relations	Original Sample	T Statisti cs	P Valu es	Note
Service Convenience (X1) -> Customer Satisfaction (Z)	0,274	2,904	0,00 4	Signific ance
Price Fairness (X2) -> Customer Satisfaction (Z)	0,486	4,956	0,00	Signific ance
Customer Satisfaction (Z) -> Customer Loyalty (Y)	0,724	12,958	0,00	Signific ance
Service Convenience (X1) -> Customer Satisfaction (Z) -> Customer Loyalty (Y)	0,198	2,806	0,00	Signific ance
Price Fairness (X2) -> Customer Satisfaction (Z) -> Customer Loyalty (Y)	0,351	4,225	0,00	Signific ance

Source: Research Processed Data (2023)

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Based on the results of hypothesis testing shown in the table above, it states that:

- a. Service Convenience (X1) has a significant positive effect on Customer Satisfaction (Z). This is evidenced by the statistical T value of 2.904 which is greater than 1.96 with a P value of 0.004 which is less than 0.050. In addition, the Original Sample value was positive 0.274 indicating a positive relationship.
- b. Price Fairness (X2) has a significant positive effect on Customer Satisfaction (Z). This is evidenced by the statistical T value of 4.956 which is greater than 1.96 with a P value of 0.000 which is less than 0.050. In addition, the Original Sample value was positive 0.486 indicating a positive relationship.
- c. Customer Satisfaction (Z) has a significant positive effect on Customer Loyalty (Y). This is evidenced by the statistical T value of 12.958 which is greater than 1.96 with a P value of 0.000 which is less than 0.050. In addition, the Original Sample value was positive 0.724 indicating a positive relationship.
- d. Service Convenience (X1) has a significant positive effect on Customer Loyalty (Y) mediated by Customer Satisfaction (Z). This is evidenced by the statistical T value of 2.806 which is greater than 1.96 with a P value of 0.005 which is less than 0.050. In addition, the Original Sample value was positive 0.198 indicating a positive relationship.
- e. Price Fairness (X2) has a significant positive effect on Customer Loyalty (Y) mediated by Customer Satisfaction (Z). This is evidenced by the statistical T value of 4.225 which is greater than 1.96 with a P value of 0.000 which is less than 0.050. In addition, the Original Sample value was positive 0.351 indicating a positive relationship.

#### 4.2. Discussion

#### The Effect of Service Convenience on Customer Satisfaction

The results of the study show that Service Convenience has a significant effect on Customer Satisfaction. This can be seen from the t-statistic value of 2.904 which is greater than 1.96 so it can be interpreted that Service Convenience can be a factor that influences Customer Satisfaction. Based on the direction of the relationship, Service Convenience and Customer Satisfaction have a positive relationship with a positive Original Sample value of 0.274 so the variable relationship has a unidirectional direction and means that the better Service Convenience provided by Tamansari Prospero Sidoarjo Apartments will increase Customer Satisfaction of Apartment residents. The results of the research are in line with the research of Widayati et al., (2022) which states that service convenience has a significant effect on customer satisfaction. Research by Jin et al., (2019) also strengthens the results of the study by stating that service convenience has a significant effect on customer satisfaction. However, the results of this study are not in line with the research of Shamsi et al., (2023) which proves that service convenience has no significant effect on customer satisfaction. Likewise, the research of Reynaldo et al., (2020) states that service convenience does not have any effect on customer satisfaction.

# The Effect of Price Fairness on Customer Satisfaction

The results of the study show that Price Fairness has a significant effect on Customer Satisfaction. This can be seen from the t-statistic value of 4.956 which is greater than 1.96 so it can be interpreted that Price Fairness can be a factor that influences Customer Satisfaction. Based on the direction of the relationship, Price Fairness and Customer Satisfaction have a positive relationship with a positive Original Sample value of 0.486 so the variable relationship has a unidirectional direction and means that the better the Price Fairness offered by the

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Tamansari Prospero Sidoarjo Apartment will increase the Customer Satisfaction of Apartment residents. The results of the research are in line with the research of Putra & Ekawati., (2020) which states that price fairness has a significant effect on customer satisfaction. In addition, according to Konuk (2019), Price Fairness has a significant effect on Customer Satisfaction

# The Effect of Customer Satisfaction on Customer Loyalty

The results of the study show that Customer Satisfaction has a significant effect on Customer Loyalty. This can be seen from the t-statistic value of 12.958 which is greater than 1.96 so it can be interpreted that Customer Satisfaction can be a factor that influences Customer Loyalty. Based on the direction of the relationship, Customer Satisfaction and Customer Loyalty have a positive relationship with a positive Original Sample value of 0.724 so the variable relationship has a unidirectional direction which means that better Customer Satisfaction will increase the Customer Loyalty of Tamansari Prospero Sidoarjo Apartment Residents. The results of the research are in line with Zhang & Jeong (2023) which proves customer loyalty is determined by satisfaction, while satisfaction itself is influenced by functional, emotional, and epistemological. Qiu et al (2015) state that customer satisfaction has a significant positive effect on customer loyalty. Research by Yacob et al., (2016) also states that customer satisfaction affects customer loyalty. However, it is different from Smith (2020) who states that satisfaction is not a direct driver of loyalty in business whereas cellular service loyalty is achieved when service providers simultaneously focus on customer satisfaction and their attitude towards the brand.

# The effect of Service Convenience on Customer Loyalty is mediated by Customer Satisfaction

The results of the study show that Service Convenience has a significant effect on Customer Loyalty mediated by Customer Satisfaction. This can be seen from the t-statistic value of 2.806 which is greater than 1.96 so it can be interpreted that Service Convenience can be a factor influencing Customer Loyalty which is supported by Customer Satisfaction. Based on the direction of the relationship, Service Convenience and Customer Loyalty through the mediation of Customer Satisfaction have a positive relationship with a positive Original Sample value of 0.198 so the variable relationship has a unidirectional direction and means that the better Service Convenience provided by Tamansari Prospero Sidoarjo Apartments will increase Customer Loyalty of Apartment residents with the influence Customer Satisfaction mediation. The research results are in line with Purnama (2019) which states that service convenience has a significant effect on customer loyalty mediated by customer satisfaction.

# The effect of Price Fairness on Customer Loyalty is mediated by Customer Satisfaction

The results of the study show that Price Fairness has a significant effect on Customer Loyalty mediated by Customer Satisfaction. This can be seen from the t-statistic value of 4.225 which is greater than 1.96 so it can be interpreted that Price Fairness can be a factor influencing Customer Loyalty which is supported by Customer Satisfaction. Based on the direction of the relationship, Price Fairness and Customer Loyalty through the mediation of Customer Satisfaction have a positive relationship with a positive Original Sample value of 0.351 so the variable relationship has a unidirectional direction and means that the better Price Fairness offered by the Tamansari Prospero Sidoarjo Apartment will increase the Customer Loyalty of Apartment residents with the influence Customer Satisfaction mediation. The results of the research are in line with Wilson (2022) which states that customer satisfaction can significantly

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mediate the effect of price fairness on customer loyalty. In addition, research by Dhisasmito & Kumar (2020) also states that customer loyalty is affected by price fairness mediated by customer satisfaction. Therefore, price fairness plays an important role in determining extrinsic customer satisfaction for defining the quality of products or services sold by stores (Kaura, 2015).

#### 5. Conclusion

Based on the results of data analysis and discussion that has been done, it can be concluded that there is a significant positive influence of Service Convenience and Price Fairness on Customer Satisfaction. In addition, there is also a significant positive effect of Customer Satisfaction on Customer Loyalty. For Indirect effects, it can be concluded that Customer Satisfaction can mediate the effect of Service Convenience and Price Fairness on Customer Loyalty. So it can be concluded that in forming Customer Loyalty, one must pay attention to the Customer Satisfaction factor. Meanwhile, to form Customer Satisfaction, one must pay attention to Service Convenience and Price Fairness. Improving Service Convenience can be done by improving the quality of service by conducting training for the employees of the Tamansari Prospero Sidoarjo apartment. To increase Price Fairness, the manager of the Tamansari Prospero Sidoarjo apartment can compare prices with market values so that the prices offered to prospective apartment residents can be commensurate with reasonable.

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