

**THE EFFECT OF PRICE, PRODUCT QUALITY, SERVICE QUALITY, AND
PROMOTION ON CUSTOMER LOYALTY OF SNOWWHITE SKINCARE GRAND
DEVINA BEAUTY CLINIC
MALANG REGENCY**

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Abstract

Background:

Physical beauty has become a critical aspect for many women, driven by global trends and cultural influences. The demand for high-quality beauty services has led to increased competition among beauty clinics. Understanding factors that influence customer loyalty is crucial for clinics to maintain competitiveness.

Aims:

This study investigates the impact of price, product quality, service quality, and promotion on customer loyalty at Snowwhite Skincare Clinic in Grand Devina, Malang.

Research Method:

A quantitative approach was used with a sample of 80 respondents selected from a total population of 100 Snowwhite Skincare customers in Malang during October and November 2023. Data were collected using questionnaires, and secondary data were sourced from company records and industry analyses. Validity, reliability, and classical assumption tests were performed, followed by descriptive and verification analyses using multiple correlation techniques to examine the relationships between independent variables (price, product quality, service quality, promotion) and the dependent variable (customer loyalty).

Results and Conclusion:

The study found that price, product quality, service quality, and promotion significantly and positively affect customer loyalty. Improvements in these areas are linked to increased customer loyalty. Among the variables, product quality had the highest impact on loyalty. The findings suggest that Snowwhite Skincare should enhance all four factors to boost customer satisfaction and loyalty effectively.

Contribution:

This research provides valuable insights for beauty clinic managers in designing effective marketing strategies to improve customer retention and clinic competitiveness.

Keywords: Price, Product Quality, Service Quality, Promotion, Customer Loyalty

Introduction

In this modern era, physical beauty has become one of the important aspects that many women pay attention to. The desire to always appear beautiful and attractive on various occasions has driven them to make various efforts to achieve their desired appearance. Globalization and the influence of foreign cultures have accelerated the spread of information about aesthetics, leading to changes in beauty standards. Women tend to follow global beauty trends that are considered ideal by society, which often influences their perception of beauty (Basir et al., 2022).

In response to the increasing demand for beauty, aesthetic experts, both general practitioners and dermatologists, are competing to provide advanced beauty facilities and services. Modern beauty clinics offer services that not only emphasize aesthetic results but also maintain health aspects and affordable prices. As noted by Sukarnadi & Raharjo (2019), beauty clinics play a crucial role in meeting the aesthetic needs of society by offering a variety of medical services equipped with advanced equipment and supported by certified professionals.

In the context of marketing beauty clinic services, the application of the marketing mix becomes a very important strategy. Kotler and Armstrong (2018) argue that the marketing mix consists of a combination of product, price, place, and promotion elements that must be optimally designed to achieve the desired response from the target market. Meanwhile, Buchari Alma (2018) adds that a good marketing strategy should be able to combine various marketing activities to achieve the most satisfying results. Therefore, beauty clinics need to pay attention to various elements of the marketing mix to attract and retain customers.

Previous research has shown that service quality plays a key role in increasing customer loyalty. Dennisa (2016) found that service quality has a positive and significant impact on customer loyalty at Popular Clinical Laboratory Yogyakarta. This finding aligns with other research that mentions that the higher the quality of service provided, the higher the level of customer satisfaction and loyalty (Merita Cahya Eka Safitri, 2016). In the context of beauty

clinics, good service quality not only includes friendly and polite attitudes from employees but also adequate and modern facilities that can enhance the customer experience.

However, although service and product quality are important factors, price is also a major consideration for customers. Preliminary studies at Snowwhite Skincare Clinic Grand Devina Malang show that although the prices of their services and products are not always cheaper than other clinics, customers remain attracted due to the quality of services provided (Haryoso & Ayuningtyas, 2019). This indicates that even if the price is higher, quality factors can influence customers' decisions to continue choosing services from the clinic.

Based on the background and findings of previous research, further analysis is needed on the influence of price, product quality, service quality, and promotion on customer loyalty at Snowwhite Skincare Clinic Grand Devina Malang. This research is expected to provide deeper insights for beauty clinic managers in formulating effective marketing strategies, thereby increasing customer loyalty and the clinic's competitiveness in the face of increasingly fierce competition.

Research Method

This study was conducted at Snowwhite Skincare, a beauty clinic located in Sawojajar 2, Grand Devina housing complex, No. 3A, Malang. The research employs a quantitative method with a deductive-inductive approach to examine the impact of variables such as price, product quality, service quality, and promotion on customer loyalty. Primary data were collected from respondents directly related to these variables, while secondary data were obtained from company archives, government publications, and industry analyses. The study population consists of all customers of Snowwhite Skin Care in Malang during October and November 2023, totaling 100 individuals. A sample of 80 respondents was selected, with a 5% margin of error. Data processing involved validity, reliability, and classical assumption tests. Descriptive analysis was used to describe the current conditions, while verification analysis tested the relationships between the independent variables (price, product quality, service quality, promotion) and the dependent variable (customer loyalty) through multiple correlations.

Results and Discussion

A. Hypothesis Testing Results

Hypothesis testing is used to determine whether Price, Product Quality, Service Quality, and Promotion have an influence on Customer Loyalty at Snowwhite Skincare Beauty Clinic, Grand Devina, Malang Regency, or not. In this study, there are two types of hypotheses: partial hypothesis testing for hypotheses 1 to 4, and simultaneous testing for hypothesis 5.

Tabel Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	3.380	1.921		1.759	.083		
Harga	.209	.082	.233	2.552	.013	.586	1.707
Kualitas Produk	.334	.124	.302	2.697	.009	.390	2.563
Kualitas Layanan	.259	.124	.228	2.095	.040	.411	2.431
Promosi	.207	.139	.188	2.485	.042	.305	3.280

a. Dependent Variable: Customer Loyalty

Hypothesis testing uses the t-test, where the calculated t-value is compared with the t-table value of 1.98 ($df = n - k - 1 = 79 - 4 - 1 = 74$). Additionally, it can be done by comparing the p-value (sig) with 0.05 (significance level $\alpha = 5\%$). The testing criteria used are: a. If the p-value > 0.05 or if the calculated t-value $<$ t-table value, then H_0 is accepted. b. If the p-value < 0.05 or if the calculated t-value $>$ t-table value, then H_0 is rejected.

1. The Effect of Price on Customer Loyalty

The statistical hypothesis used to test the effect of price on customer loyalty at Snowwhite Skincare Beauty Clinic, Grand Devina, Malang Regency, is as follows:

- $H_{01}: \rho = 0$: There is no significant effect of price on customer loyalty.
- $H_{a1}: \rho \neq 0$: There is a significant effect of price on customer loyalty.

Based on the regression output, the p-value is 0.013, which is less than the significance level of 0.05 ($p\text{-value} < \alpha = 0.05$), and the t-value is greater than the critical t-value of 1.98. Therefore, H01 is rejected, and Ha1 is accepted, indicating a significant effect of price on customer loyalty. This finding aligns with customer satisfaction theory, which suggests that a fair price enhances customer satisfaction, leading to increased loyalty. This result is consistent with previous research by Lonan et al. (2023), who found that "pricing strategies play a crucial role in retaining customers, especially when customers perceive the value offered as commensurate with the cost. Similarly, Jennifer & Buntu Laulita (2023) observed that "a competitive pricing strategy that considers customer expectations can significantly boost customer loyalty.

2. The Effect of Product Quality on Customer Loyalty

The statistical hypothesis used to test the effect of product quality on customer loyalty at Snowwhite Skincare Beauty Clinic, Grand Devina, Malang Regency, is as follows:

- H02: $\rho = 0$: There is no significant effect of product quality on customer loyalty.
- Ha2: $\rho \neq 0$: There is a significant effect of product quality on customer loyalty.

The regression output shows a p-value of 0.009, which is less than 0.05 ($p\text{-value} < \alpha = 0.05$), and the t-value exceeds 1.98. Thus, H02 is rejected, and Ha2 is accepted, indicating a significant effect of product quality on customer loyalty. This finding is consistent with theories of customer satisfaction and loyalty, which posit that high product quality enhances satisfaction, fostering loyalty. As noted by Sholikhah & Hadita (2023), "high product quality is directly correlated with customer satisfaction and the likelihood of repeat purchases. Citra et al. (2024) also emphasized that "consistent product quality is a key determinant in retaining loyal customers, as it fulfills their expectations and needs.

3. The Effect of Service Quality on Customer Loyalty

The statistical hypothesis used to test the effect of service quality on customer loyalty at Snowwhite Skincare Beauty Clinic, Grand Devina, Malang Regency, is as follows:

- H03: $\rho = 0$: There is no significant effect of service quality on customer loyalty.
- Ha3: $\rho \neq 0$: There is a significant effect of service quality on customer loyalty.

The regression output indicates a p-value of 0.040, which is less than 0.05 ($p\text{-value} < \alpha = 0.05$), and the t-value is greater than 1.98. Therefore, H03 is rejected, and Ha3 is accepted, suggesting a significant effect of service quality on customer loyalty. This finding is supported by the customer satisfaction and value perception theories, which suggest that

high service quality enhances satisfaction and loyalty. According to Sholikhah & Hadita (2023), "excellent service quality not only meets but exceeds customer expectations, creating a strong bond and loyalty towards the service provider. Similarly, Nuari & Riyanto (2023) found that "the personalization of services, when perceived positively by customers, significantly contributes to their loyalty.

4. The Effect of Promotion on Customer Loyalty

The statistical hypothesis used to test the effect of promotion on customer loyalty at Snowwhite Skincare Beauty Clinic, Grand Devina, Malang Regency, is as follows:

- H04: $\rho = 0$: There is no significant effect of promotion on customer loyalty.
- Ha4: $\rho \neq 0$: There is a significant effect of promotion on customer loyalty.

The regression output reveals a p-value of 0.040, which is less than 0.05 ($p\text{-value} < \alpha = 0.05$), and the t-value is greater than 1.98. Thus, H04 is rejected, and Ha4 is accepted, indicating a significant effect of promotion on customer loyalty. The positive influence of promotions aligns with marketing theories that emphasize the role of promotions in attracting and retaining customers. Prominent studies, such as that by Adelia & Wijaya (2023), highlight that "promotional activities, when targeted effectively, can significantly enhance customer engagement and loyalty. In a similar vein, research by Akbar & Meutia (2023) supports that "well-executed promotional campaigns can create lasting impressions that drive customer loyalty.

5. Simultaneous Effect of Price, Product Quality, Service Quality, and Promotion on Customer Loyalty

The final hypothesis tested the simultaneous effect of price, product quality, service quality, and promotion on customer loyalty at Snowwhite Skincare Beauty Clinic, Grand Devina, Malang Regency:

- H05: $\rho = 0$: There is no significant effect of price, product quality, service quality, and promotion on customer loyalty simultaneously.
- Ha5: $\rho \neq 0$: There is a significant effect of price, product quality, service quality, and promotion on customer loyalty simultaneously.

The F-test results show a p-value of 0.000, which is less than 0.05 ($p\text{-value} < \alpha = 0.05$), and the calculated F-value exceeds the critical F-value of 3.15. Therefore, H05 is rejected, and Ha5 is accepted, indicating that price, product quality, service quality, and promotion collectively have a significant effect on customer loyalty. This finding underscores the

importance of a holistic approach to enhancing customer loyalty, where multiple factors contribute to a customer's decision to remain loyal. As supported by research from Budiman & Sari (2023), "a combined approach, addressing all key factors, is essential to sustain and build customer loyalty in competitive markets.

B. Discussion

1. **Price** The descriptive analysis shows that the average perception of price among respondents is moderate, with some areas for improvement. While most customers believe the price is fair given the quality received, some respondents feel that prices could be more competitive. This suggests that Snowwhite Skincare should continuously evaluate its pricing strategy to ensure it remains aligned with customer expectations and market conditions. As noted by Lonan et al. (2023), "ongoing assessment of pricing strategies is necessary to remain competitive while maintaining customer satisfaction" .
2. **Product Quality** Respondents generally perceive product quality as satisfactory, particularly valuing the comfort and effectiveness of the products. However, there is room for improvement in the visual appeal of the products, which could enhance the overall perception of quality. Enhancing the aesthetic aspects of products could help strengthen the brand's appeal and customer loyalty. Sholikhah & Hadita (2023) emphasize that "product quality, beyond functionality, includes the aesthetic and sensory aspects, which play a critical role in customer loyalty" .
3. **Service Quality** Service quality is highly valued, particularly the knowledge and expertise of staff. However, there is a need for improvement in the friendliness of interactions between staff and customers. Snowwhite Skincare could focus on training staff to enhance their interpersonal skills, ensuring that customers not only receive expert service but also feel warmly welcomed and valued. As stated by Nuari & Riyanto (2023), "the interpersonal aspect of service delivery is as crucial as the technical quality, impacting overall customer satisfaction and loyalty" .
4. **Promotion** Promotions, particularly discounts, are well-received by customers, contributing positively to their perception of value. However, there is a need to improve direct marketing efforts by staff. Encouraging staff to actively promote products and services could enhance

the effectiveness of promotional strategies, leading to increased customer engagement and loyalty. Akbar & Meutia (2023) argue that "effective promotional strategies, when combined with active staff engagement, can significantly amplify customer loyalty".

5. **Customer Loyalty** Overall, customer loyalty is moderately strong, driven by satisfaction with service and product quality. However, there is a need to enhance customers' willingness to purchase additional products, which could be achieved through targeted marketing and improving the perceived value of other offerings. As noted by Budiman & Sari (2023), "customer loyalty can be further solidified by ensuring consistent value across all product and service offerings

Conclusion

This study, which surveyed 80 customers of Snowwhite Skincare clinic in Malang, provides several key insights into customer perceptions and loyalty. Descriptive analysis reveals that respondents have a moderate perception of price, product quality, service quality, and promotion. Specifically, while the price is generally considered affordable, the lowest scores were associated with perceptions of price affordability and comparability to other clinics. Product quality was also rated moderately, with particular concern over the visual appeal of physical products. Service quality received a moderate rating, with the lowest score related to the clinic's response to and handling of complaints. Promotion, while perceived as adequate, had the lowest score concerning the active marketing of products to consumers. Customer loyalty, overall, was moderate, with the lowest score related to the willingness to purchase additional products.

The analysis demonstrates that price, product quality, service quality, and promotion all significantly and positively affect customer loyalty. Specifically, improvements in any of these areas are linked to increased loyalty among customers of Snowwhite Skincare. Furthermore, the combined effect of these variables is significant, indicating that simultaneous improvements in price, product quality, service quality, and promotion are crucial for enhancing customer loyalty. Among these factors, product quality emerged as the most influential, showing the highest regression coefficient. This suggests that, of the variables studied, product quality has the most substantial impact on fostering customer loyalty. These findings emphasize the need for Snowwhite Skincare to focus on improving all four areas to boost customer satisfaction and loyalty effectively.

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