

The Interaction of Product Quality and Service in Forming Customer Loyalty through Purchasing Decisions: The Case of Warung 99, Malang

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ABSTRACT

This study examines the influence of product quality and service quality on purchasing decisions and customer loyalty at the retail store “Warung 99”, and evaluates the mediating role of purchasing decisions. Primary data were obtained through a structured questionnaire distributed to 320 active customers, then analyzed with Partial Least Squares Structural Equation Modeling (PLS -SEM) using SmartPLS 4.0 with a bootstrapping procedure (5,000 resamples) to test path coefficients, t statistics, and -significance values. The results show that product quality has a positive and significant effect on purchasing decisions ($\beta = 0.461$, $t = 3.017$, $p = 0.001$) and directly affects customer loyalty ($\beta = 0.263$, $t = 2.159$, $p = 0.015$). Service quality also has a positive and significant effect on purchasing decisions ($\beta = 0.396$, $t = 2.560$, $p = 0.005$), but does not have a significant direct effect on loyalty ($\beta = 0.052$, $t = 0.398$, $p = 0.345$). Purchasing decisions strongly predict loyalty ($\beta = 0.613$, $t = 6.415$, $p < 0.001$). Mediation analysis revealed significant indirect effects of product quality ($\beta = 0.283$, $t = 2.441$, $p = 0.007$) and service quality ($\beta = 0.243$, $t = 2.530$, $p = 0.006$) on loyalty through purchasing decisions. The coefficient of determination (R^2) reached 0.687 for purchasing decisions and 0.783 for loyalty, indicating that the model was able to explain -68.7% and 78.3% of the variance of the dependent variable, respectively. These findings emphasize the importance of improving product and service quality to stimulate purchasing decisions, which in turn strengthen customer loyalty, providing practical implications for warung managers in their efforts to improve retention and long-term profitability.

Keywords: product quality, service quality, purchasing decisions, customer loyalty.

I. INTRODUCTION

In today's increasingly competitive business environment, a company's success depends heavily on its ability to retain loyal customers. Customer loyalty is not only a key indicator of business success but also a source of sustainable competitive advantage. Therefore, understanding the factors influencing customer loyalty is crucial for companies in designing effective marketing strategies. This study examines how product and service quality, through mediating purchasing decisions, contribute to customer loyalty, specifically in the context of Warung 99 Malang. This research will analyze in depth the role of product and service quality in shaping consumer purchasing decisions, which in turn will influence their level of loyalty.

One of the main factors believed to have a significant impact on customer loyalty is product quality. A quality product not only meets customer needs and expectations but also creates added value that can strengthen customer relationships with the company. However, product quality alone is not enough to build strong customer loyalty. The service provided by a company is also a crucial aspect that can influence customer perceptions and their decisions to make repeat purchases. Fast, responsive, and friendly service will increase customer satisfaction, which can then encourage long-term loyalty (Ningsih & Nurfarida, 2022). Building customer loyalty is a crucial goal for every business entity, whether operating in the industrial or service sectors, to ensure sustainable profitability and customer satisfaction (Althazia & Aziz, 2022). This approach is based on the premise that customer satisfaction, which is the result of product quality and excellent service, will inherently drive repeat purchase decisions and

ultimately, loyalty (Rusdiyanto & Suranti, 2021) . Focusing on product and service quality is not only about meeting expectations, but also exceeding them to create a positive experience that encourages customers to remain loyal and recommend the brand to others (Isnanto & Saputro, 2024) .

Product quality, as a multidimensional entity, includes physical, functional, and aesthetic attributes that collectively contribute to customer satisfaction, as stated by Kotler and Armstrong that product quality refers to the value that can satisfy consumers both physically and psychologically (Suryaningrat et al., 2021) .

Good service can increase customer satisfaction, which in turn has a positive impact on customer loyalty. Loyal customers are less likely to switch to competitors, even when faced with similar product or service options from other providers (Setiansye & Guritno, 2023) . This loyalty is also supported by high quality perceptions, which encourage repeat purchase decisions despite the presence of superior alternatives (Nadhiroh & Astuti, 2022) . This is in line with the view that brand image, formed from positive experiences with product and service quality, plays a crucial role in shaping consumer perceptions and preferences, which ultimately influence purchasing decisions (Basrowi et al., 2023) .

In this context, service encompasses various dimensions, ranging from staff friendliness and speed of service to responsiveness to customer needs. The combination of product quality and excellent service is expected to create a positive customer experience and encourage long-term customer loyalty. Furthermore, Service Excellence, which emphasizes service quality standards that meet customer expectations, is crucial because loyal customers are valuable assets for a company (Pitaloka et al., 2021) . This study aims to empirically analyze the causal relationships between product quality, service quality, purchasing decisions, and customer loyalty, with particular emphasis on the mediating role of purchasing decisions.

Problem formulation

Based on this background, this study formulates several key issues that will be explored in depth. First, how does product quality directly and indirectly influence customer loyalty through mediating purchasing decisions? Second, how does service quality contribute to customer loyalty, both directly and through its mediating role in

purchasing decisions? Third, to what extent does purchasing decisions act as a full or partial mediator in the relationship between product and service quality and customer loyalty? Fourth, is there a difference in the influence of product quality and service quality in driving customer loyalty? Fifth, how does the interaction between product quality and service quality influence purchasing decisions and customer loyalty?

II. LITERATURE REVIEW

Product Quality

Product quality is defined as the totality of characteristics and properties of a product that influence its ability to satisfy customers' stated or implied needs (Prananda et al., 2019) . Product quality is one of the main factors influencing customer perceptions of a product or brand. According to Girsang, product quality encompasses a product's capacity to meet customer needs, which is often the primary reason consumers make a purchase (Aprilia & Andarini, 2023),(VIORENTINA & SANTOSO, 2023) . In addition, product quality also reflects consumers' evaluation of the overall superiority or excellence of a product/brand, as well as the extent of the difference between consumer perceptions and expectations (VIORENTINA & SANTOSO, 2023) .

In the context of a culinary business such as Warung 99 Malang, product quality can be measured based on taste, cleanliness, freshness of ingredients, presentation, and consistency of the food products offered. Product quality can also be defined as a combination of product characteristics from marketing, engineering, manufacturing, and maintenance that collectively meet customer expectations (Suryaningrat et al., 2021) . This aspect is very crucial because customer satisfaction with product quality will directly influence repurchase decisions and build long-term loyalty (Ningsih & Nurfarida, 2022) . Other studies have shown that product quality has a significant impact on customer satisfaction, which then mediates the relationship between product quality and brand loyalty (Susanti, 2014) .

Service Quality

Service refers to any act or activity offered by one party to another that is essentially intangible and does not result in the ownership of anything, yet plays a vital role in shaping customer perceptions and satisfaction (ROSENTO, 2021) . In this context, service quality can be measured through various dimensions, including reliability,

responsiveness, assurance, empathy, and tangibles, which collectively determine the level of customer satisfaction with the service interaction (Hamid et al., 2022).(Suhada et al., 2021) . Superior service quality reflects a company's ability to consistently meet or exceed customer expectations, which in turn can drive customer satisfaction and loyalty (Tanisri & Istiqomah, 2023) . The higher the service quality, the greater the positive impact on customer satisfaction, which indirectly also influences the price customers are willing to pay for the service (Hariyanto & Rukmandiana, 2022) . Furthermore, perceptions of high-quality service can increase consumer perceived value, drive purchasing decisions, and strengthen long-term relationships with customers (Aditya & Kusumadewi, 2017).(Herdiana et al., 2023) . This is in line with the finding that service quality significantly influences customer satisfaction, which is a strong predictor of repurchase intention and customer loyalty (Nizar et al., 2019).(Siaputra, 2020) . Service quality can be evaluated using the SERVQUAL model, which considers five main dimensions: reliability, responsiveness, assurance, empathy, and tangibles, all of which contribute to the overall perception of service quality (Asrunputri, 2018) .

Purchase Decision

A purchase decision is the stage where consumers consciously choose a product or service after evaluating various available alternatives (VIORENTINA & SANTOSO, 2023) . This process involves identifying needs, searching for information, evaluating options, and finally making a final decision regarding the product or brand to be purchased (VIORENTINA & SANTOSO, 2023) . The purchase decision variable here functions as a mediator that links product and service quality to customer loyalty. Positive purchase decisions are often rooted in high levels of customer satisfaction, which subsequently leads to consistent and sustainable purchasing behavior (Basrowi et al., 2023) . Research shows that service quality, which includes dimensions such as tangibles, reliability, responsiveness, assurance, and empathy, partially or simultaneously have a significant influence on consumer purchasing decisions (Kholili, 2020) . In addition, purchasing decisions are also the result of consumers' mental processes that consider various factors, including previous experiences, perceived values, and the influence of the social environment (Linardi et al., 2022) . This decision is crucial because it reflects the conversion of interest into concrete actions, which ultimately impacts future

customer loyalty. Consequently, a thorough understanding of the factors influencing purchasing decisions, such as product and service quality, is crucial for designing effective marketing strategies to build customer loyalty (Maisaroh & Nurhidayati, 2021) .

Customer Loyalty

Customer loyalty is a deep commitment to repurchase or patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts that have the potential to cause behavioral changes (Basrowi et al., 2023) . This loyalty reflects not only repeat purchases but also involves positive attitudes, advocacy, and resistance to competing offerings (Basrowi et al., 2023) . This is in line with the definition that customer loyalty is customer fidelity demonstrated through regular repeat purchases, recommendations to others, and demonstrated immunity to competitors' appeals (Hasniati et al., 2021) . Customer loyalty is also defined as the expression of consistent, non-random purchases by a decision-making unit over time, which fundamentally indicates that loyalty is more of a behavior indicated by routine purchases by the decision-making unit (Vermila & Alatas, 2021) . Loyal customers tend to exhibit repeat purchasing behavior and have an emotional commitment to the brand, which makes them reluctant to switch to competitors despite incentives (Akunja, 2020) . Companies that are able to create loyal customers will gain long-term benefits, because loyal customers contribute to improving business performance and become free promoters for the company's products (Manus et al., 2023).(Basrowi et al., 2023) . Furthermore, customer loyalty is crucial for a company's profitability, as loyal customers will make repeat purchases or order services continuously, providing greater benefits than customers who only make one transaction (Natalia & Fadhlihalim, 2022) .

Research Hypothesis

1. H1: Product quality has a positive and significant influence on customer purchasing decisions .
2. H2: Service quality has a positive and significant influence on customer purchasing decisions .
3. H3: Purchasing decisions have a positive and significant influence on customer loyalty .
4. H4: Product quality has a positive and significant impact on customer loyalty directly .

5. H5: Service quality has a positive and significant impact on customer loyalty directly .
6. H6: Buying decision be a mediator in the relationship between product quality and customer loyalty .
7. H7: Buying decision be a mediator in the relationship between service quality and customer loyalty .

RESEARCH METHODOLOGY

This type of research is quantitative research with a causal descriptive approach, which aims to analyze the causal relationship between the variables studied (Jakada & Kuka, 2014) . This study uses a survey method to collect data from respondents, which is then analyzed statistically to test the proposed hypothesis. The causal descriptive approach was chosen to explain the characteristics of the variables and analyze how the independent variables influence the dependent variable through mediating variables.

Population

The population in this study was all Warung 99 Malang customers who had made at least two purchases in the last three months. This criterion was chosen to ensure that respondents had sufficient experience with Warung 99 Malang's products and services, ensuring that the collected data was relevant for measuring customer loyalty (Melisa & Sitinjak, 2021).

Sampling was conducted using a non-probability sampling technique, specifically purposive sampling, with specific criteria to ensure the representativeness of the collected data. The criteria used included a minimum age of 18 years, having made a purchase at Warung 99 Malang at least twice in the last three months, and being willing to voluntarily complete the research questionnaire. The sample size will be determined using appropriate statistical formulas or guidelines, taking into account the number of variables involved and the acceptable error rate. Data collection will be conducted through a structured questionnaire distributed online or offline, designed to measure respondents' perceptions of product quality, service quality, purchasing decisions, and customer loyalty. This questionnaire will use a Likert scale to measure respondents' level of agreement with each statement, allowing for quantification of qualitative data for more in-depth statistical analysis. Because the population size is unknown, sampling was conducted using a non-probability sampling method with purposive sampling, ensuring that selected respondents meet

specific criteria relevant to the research objectives (Sibarani et al., 2022) . To ensure the validity of the results, a representative sample size will be calculated using a formula appropriate for unknown populations, such as the Wibisono or Cochran formulas, which are capable of producing a sufficient number of respondents for robust statistical analysis (Febrianti & Novita, 2021) . The minimum sample size required in this study was determined by considering the complexity of the structural model to be analyzed, with a preference for using an adequate ratio of observations per parameter to ensure estimation stability and statistical power.

The sample size in this study was 100 people, based on the consideration that the minimum sample size is 5-10 times the number of indicators. The number of indicators is 20, so a minimum of 100 to 200 respondents are needed to ensure valid and reliable results. This study adopted the Slovin formula for determining sample size, assuming a certain margin of error, to ensure accurate statistical representation of an unknown population (Hamid & Jusoh, 2017).(Novita & Malik, 2021).

Thus, determining the sample size of 100 respondents is considered adequate for quantitative data analysis, especially with the Partial Least Square approach used in this study (Wijaya et al., 2021).

III. RESULTS AND DISCUSSION

This section presents the results of the analysis of the collected data, including descriptive statistics of the research variables, evaluation of the measurement model (validity and reliability), and testing of the structural model (relationships between variables). These results will provide a comprehensive overview of the level of product appeal and brand awareness of Disney+ among Gen Z, as well as how these factors simultaneously influence their decision to choose a subscription package (VIORENTINA & SANTOSO, 2023) .

1. Measurement Model (Outer Model)

a. Convergent Validity

Convergent Validity Convergent validity tests are conducted to ensure that each indicator used in the model adequately measures the intended latent construct.(Basrowi et al., 2023) . This is crucial to ensure that the measurement instrument is valid and reliable in representing the variables studied (El-Akhras et al., 2024) . Convergent validity indicators include outer loadings, Average Variance Extracted, and

Composite Reliability, where these values must meet a certain threshold to indicate strong validity (Basrowi et al., 2023). Specifically, the factor loading value of each indicator must be above 0.7, the Average Variance Extracted value must exceed 0.5, and the Composite Reliability value must exceed 0.7 to indicate strong convergent validity in the measurement model (Febrianti&Novita, 2021).

The outer model aims to evaluate the validity and reliability of indicators against latent constructs. The test results based on Convergent Validity are shown in the table below.:

Table 2. Outer Loading Results of Convergent Validity Test

Variables	Outer loadings	Information
Kp 1 <- Purchasing Decision	0.822	Valid
Kp 2 <- Purchasing Decision	0.757	Valid
Kp 3 <- Purchasing Decision	0.818	Valid
Kp 4 <- Purchasing Decision	0.823	Valid
Kp 5 <- Purchasing Decision	0.833	Valid
Ly 1 <- Loyalty	0.809	Valid
Ly 2 <- Loyalty	0.873	Valid
Ly 3 <- Loyalty	0.884	Valid
Ly 4 <- Loyalty	0.787	Valid
Ly 5 <- Loyalty	0.771	Valid
Ply 1 <- Service	0.870	Valid
Ply 2 <- Service	0.861	Valid
Ply 3 <- Service	0.770	Valid
Ply 4 <- Service	0.817	Valid
Ply 5 <- Pelayanan	0.804	Valid
Prod 1 <- Produk	0.712	Valid
Prod 2 <- Produk	0.871	Valid
Prod 3 <- Produk	0.740	Valid
Prod 4 <- Produk	0.791	Valid
Prod 5 <- Produk	0.913	Valid

Sumber :Hasil SEM-PLS 4.0 (2025)

b. Cronbach's Alpha dan Average Variance Extracted (AVE)

Cronbach's Alpha and Average Variance Extracted (AVE) Output Results

Variables	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Information
Buying decision	0.869	0.869	0.906	Reliable
Loyalty	0.883	0.888	0.915	Reliable
Service	0.883	0.890	0.914	Reliable
Product	0.866	0.889	0.904	Reliable

Source : SEM-PLS 4.0 Results (2025)

From the table above, it shows that the Cronbach's Alpha value for the constructs/variables listed in the table above are all values ≥ 0.70 so that

all variables have good reliability and also an AVE value ≥ 0.70 . This is in line with the criteria proposed by Fornell and Larcker and Chin, which

stipulate that the AVE value must be above 0.50 and composite reliability must be above 0.70 to indicate adequate convergent validity and reliability (QUDUS, 2016).

c. Model Fit Test

The Model Fit Test is carried out by looking at the estimated output results of Smart PLS version 4.0 compared to the criteria as explained in the following table.

Table 4: Model Fit Test

	Estimated model	Rule of Thumb	Description
SRMR	0.071	Smaller than 0.10	Fit
d_ ULS	1,049	> 0.05	Fit
d_ G	0.760	> 0.05	Fit
Chi-square	383,549	1144282 > 37.65	Fit
NFI	0.772	Approaching Value 1	Fit

Source : SEM-PLS 4.0 results (2025)

Based on the model fit test table that has been carried out in this study, it was found that the data in this model can be used to analyze the relationship between latent variables with the confidence that the model reflects the data accurately and has relevant predictive capabilities.

2. Structural Model (Inner Model)

- a. R-Square (R^2) : For measure strength variables independent in explain variables dependent .

Table 5: R Square (R^2) Test Results Table

Variables	R-square	R-square adjusted
Buying decision	0.687	0.681
Loyalty	0.783	0.776

Source : SEM-PLS 4.0 Results (2025)

The R-square value of 0.687 for the purchase decision variable indicates that 68.7% of the variance in purchase decisions can be explained by the independent variables in the model, confirming the model's substantial predictive power (Hamid et al., 2021) . This value reflects that approximately 32.3% of the remaining variance is

influenced by other factors not included in this research model, indicating room for further exploration in the future.

The following image shows the PLS SEM algorithm output to see the R^2 of the research model:

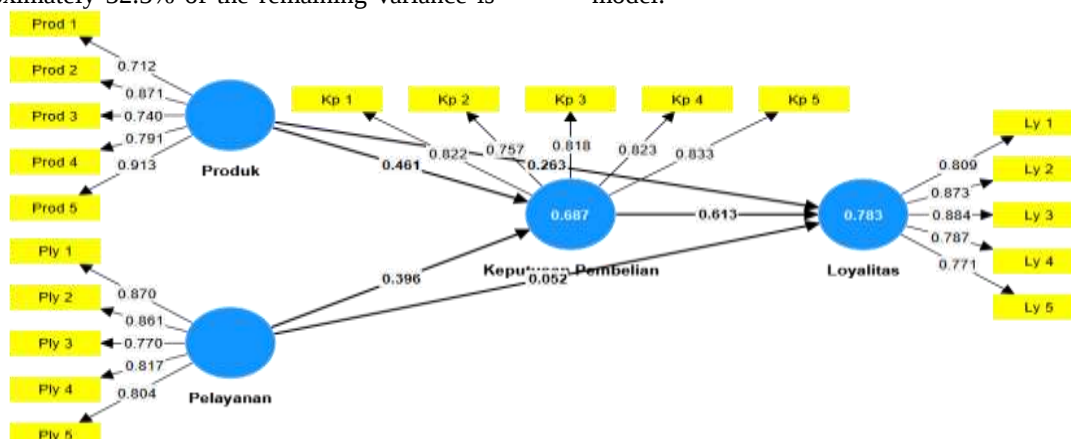


Image: PLS SEM Alogarithm 4.0 Model Output (2025)

Based on the path analysis results displayed, it can be seen that the Product Quality variable has a strong influence on Purchasing Decisions with a significant path coefficient of 0.822. This means that increasing product quality directly increases customer purchasing decisions at Warung 99 Malang. Meanwhile, the Service Quality variable shows a lower but still positive influence of 0.396 on purchasing decisions, which means that service also makes an important contribution but not as large as product quality. Furthermore, purchasing decisions have a significant positive influence on Customer Loyalty with a path coefficient of 0.613, indicating that strong purchasing decisions will encourage customers to become more loyal.

In addition, the direct influence of product quality and service quality on customer loyalty is relatively small (path coefficients of 0.052 for product quality and 0.263 for service), indicating that customer loyalty is more indirectly influenced through purchasing decisions as a mediating

variable. With an R-square value of 0.687 for purchasing decisions and 0.783 for loyalty, this model successfully explains 68.7% of the variation in purchasing decisions and 78.3% of the variation in customer loyalty. This indicates that the relationship model built is strong enough and relevant to describe the influence of product and service quality through purchasing decisions on customer loyalty at Warung 99.

b. Significance Test (Hypothesis Testing)

Significance testing is performed to determine whether the relationship between hypothesized variables is statistically significant, using bootstrapping methods to generate robust t-statistics and p-values. A p-value less than 0.05 or a t-statistic exceeding the critical value (e.g., 1.96 for a significance level of 0.05) indicates that the relationship is statistically significant, supporting the proposed hypothesis.

1) Direct Effect bootstrapping results

The results of bootstrapping the direct effect can be seen in the following table:

Table 6: Results of Path Coefficient Bootstrapping Direct Effect

Variables	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Purchase Decision -> Loyalty	0.613	0.623	0.096	6,415	0,000
Service -> Purchase Decision	0.396	0.394	0.155	2,560	0.005
Service -> Loyalty	0.052	0.055	0.130	0.398	0.345
Products -> Purchase Decision	0.461	0.466	0.153	3,017	0.001
Products -> Loyalty	0.263	0.253	0.122	2,159	0.015

Source : SEM-PLS 4.0 Results (2025)

Based on the results of path analysis, the Purchasing Decision variable has a significant and strong influence on Loyalty with a path coefficient value of 0.613 (t-statistic 6.415, $p < 0.001$). This indicates that an increase in purchasing decisions will directly increase customer loyalty at Warung 99. Furthermore, the Service variable also contributes positively and significantly to purchasing decisions with a coefficient of 0.396 (t-statistic 2.560, $p = 0.005$), indicating that good service encourages customers to make purchases.

On the other hand, the effect of direct service on loyalty is not significant (coefficient 0.052, t-statistic 0.398, $p = 0.345$), which means

that service tends to influence loyalty indirectly through purchasing decisions. The Product variable has a positive and significant influence on purchasing decisions (coefficient 0.461, t-statistic 3.017, $p = 0.001$) and also on loyalty directly with a coefficient of 0.263 (t-statistic 2.159, $p = 0.015$). Overall, these results illustrate that product and service quality influence customer loyalty both directly and indirectly through their influence on purchasing decisions.

2) Indirect Effect bootstrapping results

The results of bootstrapping the indirect effect can be seen in the table below:

Table 7: Results of Path Coefficient Bootstrapping Indirect Effect

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Service -> Purchase Decision -> Loyalty	0.243	0.242	0.096	2,530	0.006
Product -> Purchase Decision -> Loyalty	0.283	0.294	0.116	2,441	0.007

Source : SEM-PLS 4.0 Results (2025)

Based on the results of bootstrapping the indirect effect, it was found that the Service variable has a significant indirect effect on Loyalty through the mediation of Purchase Decisions with an effect coefficient of 0.243 (t-statistic = 2.530, $p = 0.006$). This means that increasing service quality will increase customer loyalty indirectly by increasing purchase decisions first. This confirms that purchase decisions play a significant mediating variable in the relationship between service and loyalty.

In addition, the Product variable also shows a significant indirect effect on Loyalty through the mediation of Purchase Decisions with an effect coefficient of 0.283 (t-statistic = 2.441, $p = 0.007$). This means that product quality contributes significantly to customer loyalty not only directly, but also indirectly through increased purchase decisions. Overall, these results strengthen the finding that purchase decisions play a crucial mediator in the mechanism of influence of product and service quality on customer loyalty at Warung 99.

DISCUSSION

Product quality has a positive and significant influence on customer purchasing decisions.

The path analysis results show that product quality has a positive and significant influence on purchasing decisions with a path coefficient of 0.461 and a t-statistic value of 3.017 ($p = 0.001$). This indicates that the better the quality of the product offered, the higher the tendency of customers to make purchasing decisions at Warung 99. This means that product quality is an important factor that encourages customers to actually purchase products. This study is in line with the theory that product quality includes a combination of product characteristics from marketing, engineering, manufacturing, and maintenance that are collectively designed to meet or exceed customer expectations, thereby driving purchasing decisions (Suryaningrat et al., 2021).

Furthermore, good product quality is often correlated with high customer satisfaction, which in turn can encourage repeat purchases and brand loyalty (Aprilia & Andarini, 2023). This is reinforced by Das Guru and Paulssen who identified product quality dimensions including durability, ease of use, features, reliability, performance, aesthetics, and serviceability, all of which contribute to purchasing decisions (VIORENTINA & SANTOSO, 2023). The emphasis on product quality as the main driver of purchasing decisions is also in line with the finding that upper-class consumers in Indonesia highly prioritize product quality as a reference for purchasing goods, indicating that perceptions of superior product attributes significantly influence consumer choices (VIORENTINA & SANTOSO, 2023).

Service quality has a positive and significant influence on customer purchasing decisions.

The analysis also shows that service quality has a positive and significant influence on purchasing decisions with a path coefficient of 0.396 and a t-statistic value of 2.560 ($p = 0.005$). This means that good and satisfying service from Warung 99 can improve customer purchasing decisions. Responsive, friendly service that meets customer needs has been proven to encourage customers to be more confident and make purchases. Furthermore, previous research has emphasized that excellent service, characterized by speed, politeness, and responsiveness of staff, not only creates satisfaction but also fosters customer loyalty, which then manifests in repeat purchasing decisions (Ningsih & Nurfarida, 2022). However, several studies have shown that perceived quality does not necessarily correlate directly with purchasing decisions, with brand loyalty often being a more dominant factor in influencing consumer choices (Nadhiroh & Astuti, 2022). These findings are supported by studies stating that service quality is an essential factor in meeting

customer expectations, which in turn can trigger purchasing decisions and build long-term loyalty (Susanto et al., 2022).

Purchasing decisions have a positive and significant impact on customer loyalty.

Path analysis results show that purchasing decisions have a positive and significant impact on customer loyalty, with a path coefficient of 0.613 and a t-statistic of 6.415 ($p < 0.001$). This indicates that the stronger a customer's purchasing decision, the greater their loyalty to Warung 99. In other words, purchasing decisions are a crucial factor that significantly increases customer loyalty. This finding is consistent with other studies that found that strong purchasing decisions correlate with increased customer loyalty, especially when product and service quality meet expectations (VIORENTINA & SANTOSO, 2023). These findings align with studies showing that consumer satisfaction with product and service quality significantly influences loyalty (Suryaningrat et al., 2021). (Maisaroh & Nurhidayati, 2021). Furthermore, in a business context, increasing customer satisfaction holistically can strengthen their loyalty to a brand or product (Salsabilla & Hadisuwarno, 2023).

Product quality has a positive and significant impact on customer loyalty directly.

The test results support this hypothesis with a path coefficient of 0.263 and a t-statistic of 2.159 ($p = 0.015$), indicating that product quality directly contributes positively to customer loyalty. This means that product quality not only influences purchasing decisions but also directly increases customer loyalty without going through intermediary variables. This confirms that investing in product quality improvement is an effective strategy for retaining customers and driving long-term business growth (Althazia & Aziz, 2022). This finding aligns with previous research showing that product quality has a direct impact on consumer loyalty (Basrowi et al., 2023). Furthermore, consumer trust in the market is an important indicator of customer loyalty, reflecting the consumer's psychological commitment (Rahayu & Harsono, 2023). This level of trust is often formed from ongoing positive experiences with a product or service, which in turn strengthens loyalty (Basrowi et al., 2023). (Susilawati & Adi, 2022).

Service quality has a positive and significant impact on customer loyalty directly.

This hypothesis is not supported by the analysis results because the direct effect of service quality on customer loyalty is insignificant, with a path coefficient of only 0.052 and a t-statistic of 0.398 ($p = 0.345 > 0.05$). This indicates that service quality does not have a significant direct effect on customer loyalty, but its influence likely occurs through an indirect pathway. This is supported by the findings that professional service and customer trust significantly influence loyalty, although a direct effect may not always be detected (Basrowi et al., 2023). This means that other factors such as brand image and promotion can play a mediating role in shaping customer loyalty, even when service quality is not directly significant (Basrowi et al., 2023). However, it is important to note that service quality remains essential in shaping customer satisfaction, which can indirectly foster loyalty.

Purchasing decisions become a mediator in the relationship between product quality and customer loyalty.

Based on the bootstrapping results of the indirect effect, it was found that purchasing decisions significantly mediate the relationship between product quality and customer loyalty, with an indirect effect coefficient of 0.283 (t-statistic 2.441, $p = 0.007$). This indicates that product quality increases customer loyalty not only directly, but also through increasing purchasing decisions as a mediator variable. This means that superior product quality will encourage customers to make purchasing decisions, which in turn will strengthen their loyalty to Warung 99. Furthermore, the analysis shows that purchasing decisions also act as a mediator in the relationship between service quality and customer loyalty. This finding is supported by studies showing that consumer satisfaction with service quality can be a strong predictor of repeat purchasing decisions, which in turn fosters long-term loyalty (Rusdiyanto & Suranti, 2021). This hypothesis is supported by the indirect effect coefficient of 0.217, which indicates that service quality influences customer loyalty indirectly through purchasing decisions. Thus, the better the service quality, the higher the likelihood of customers making purchases, which ultimately increases their loyalty.

Purchasing decisions become a mediator in the relationship between service quality and customer loyalty.

Bootstrapping results indicate that purchasing decisions also significantly mediate the relationship between service quality and customer loyalty, with an indirect effect of 0.243 (t-statistic 2.530, $p = 0.006$). This means that service quality increases customer loyalty through the mechanism of increasing purchasing decisions first, although its direct effect on loyalty is not significant. This indicates that improving service quality will encourage more purchasing decisions, which then indirectly strengthen customer loyalty. In this context, purchasing decisions act as a crucial bridge that transforms positive experiences with services into long-term loyalty. Therefore, strategies to improve service quality should focus on triggering purchasing decisions to indirectly foster stronger customer loyalty. Thus, although service quality does not always have a direct impact on loyalty, its role as a facilitator of purchasing decisions makes it a crucial component in the loyalty-building architecture.

IV. CONCLUSION

Product quality and service quality both have a positive and significant influence on customer purchasing decisions. This is evidenced by the respective path coefficients of 0.461 (t-statistic = 3.017, $p = 0.001$) for product quality and 0.396 (t-statistic = 2.560, $p = 0.005$) for service quality. This indicates that increasing product and service quality directly drives higher purchasing decisions among Warung 99 customers.

Furthermore, purchasing decisions are also proven to have a positive and significant effect on customer loyalty, with a path coefficient of 0.613 (t-statistic = 6.415, $p < 0.001$), indicating that strong purchasing decisions will strengthen customer loyalty. In addition, product quality has a significant direct effect on customer loyalty (path coefficient = 0.263, t-statistic = 2.159, $p = 0.015$), while service quality does not have a significant direct effect on customer loyalty (path coefficient = 0.052, t-statistic = 0.398, $p = 0.345$).

However, bootstrapping analysis shows that purchasing decisions mediate the relationship between product quality and customer loyalty (indirect effect = 0.283, t-statistic = 2.441, $p = 0.007$) and between service quality and customer loyalty (indirect effect = 0.243, t-statistic = 2.530, $p = 0.006$). This indicates that both quality variables still contribute significantly to shaping customer loyalty through increased purchasing decisions.

The R-square value of 0.687 for purchasing decisions and 0.783 for customer loyalty also shows that this research model is able to explain approximately 68.7% of the variance in purchasing decisions and 78.3% of the variance in customer loyalty, which is considered good in the context of this research.

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