

ANALYSIS OF THE EFFECT OF PRICE AND PRODUCT QUALITY ON CONSUMER LOYALTY: A LITERATURE REVIEW

Indah Anggraeni Purnama Sari

Master of Management, Insan Pembangunan Indonesia University, Indonesia

*Corresponding Email: indahanggraenips20@gmail.com

Abstract

Keywords:

Price,
Product Quality,
Consumer Loyalty,
Consumer Behavior,
Marketing

This study aims to comprehensively examine the relationship between price and product quality on consumer loyalty through an analysis of various previous studies. The approach used is a literature study with a descriptive qualitative method that utilizes secondary data from scientific articles and academic journals relevant to the research topic. The data collection process was carried out through literature searches and selection based on variable suitability, topic relevance, and source credibility. Next, various research findings were analyzed by comparing, interpreting, and synthesizing the research results to identify patterns of relationships between variables. The results of the study indicate that consumer loyalty is influenced by the perception of value formed from the match between the price paid and the benefits received. Price plays a rational consideration in repurchase decisions, but its influence tends to depend on price stability and suitability to consumer expectations. On the other hand, product quality plays a more consistent role in building customer trust and satisfaction, thus encouraging long-term commitment to a brand. These findings indicate that the creation of consumer loyalty is not only determined by economic aspects, but also by the company's ability to provide product quality that can meet consumer needs and expectations in a sustainable manner.

This is an open access article under the [CC BY-NC-SA 4.0](https://creativecommons.org/licenses/by-nc-sa/4.0/) license



INTRODUCTION

Increasingly fierce business competition is pushing companies to focus not only on attracting new customers but also on retaining existing ones by building loyalty.

Customer loyalty is a crucial asset for companies because loyal customers are more likely to make repeat purchases, provide positive recommendations, and have a higher tolerance for price changes. Therefore, understanding the factors influencing customer loyalty is crucial to any marketing strategy.

Price and product quality are the two most frequently studied factors in relation to consumer loyalty. Price acts as an indicator of perceived value, where a price that is perceived as commensurate with a product's benefits can increase satisfaction and trust. Meanwhile, product quality reflects a product's ability to meet consumer needs and expectations, ultimately contributing to repeat purchase decisions and long-term loyalty. The combination of competitive pricing and good product quality is believed to foster a lasting relationship between consumers and companies.

Various previous studies have examined the influence of price and product quality on consumer loyalty, with varying results. Some studies indicate that product quality has a more dominant influence than price, while others find that price sensitivity remains a key factor in shaping loyalty, especially among certain consumer segments. These differences in research results are influenced by variations in the research context, such as industry type, consumer characteristics, and the methodological approach used. However, there is limited research that comprehensively compares and synthesizes these findings to obtain a more comprehensive picture of the relationship between price, product quality, and consumer loyalty.

Based on various previous studies, it is known that price and product quality are factors frequently studied in relation to consumer loyalty. However, each study shows different results depending on the object, market conditions, and consumer characteristics studied. Therefore, this study aims to review and analyze the results of various previous studies regarding the effect of price and product quality on consumer loyalty. Through this study, it is hoped that a clearer picture of the relationship between price, product quality, and consumer loyalty can be obtained, thereby providing a more comprehensive understanding for the development of marketing studies and serving as a reference for further research.

RESEARCH METHODOLOGY

This research employs a qualitative approach with a literature review. This method was used to examine, analyze, and synthesize various previous research findings related to the influence of price and product quality on consumer loyalty. Through this approach, researchers sought to gain a more comprehensive understanding of the relationships between the variables studied, based on empirical findings from various previous studies.

The data sources used in this study are secondary data obtained from various scientific publications, such as accredited national journals, scientific articles, and other academic references relevant to the research topic. The articles used were selected based on their relevance to the research theme, namely research addressing the variables of price, product quality, and consumer loyalty.

Data collection techniques were conducted through documentation studies, namely by searching, identifying, and collecting various literature related to the research topic through scientific journal databases such as Google Scholar and other academic sources. The obtained literature was then selected based on topic relevance, year of publication, and suitability to the variables being studied.

Next, the data analysis technique used was qualitative descriptive analysis, which involved reviewing, comparing, and interpreting the results of previous studies related to the influence of price and product quality on consumer loyalty. The results of these various studies were then analyzed to identify patterns of relationships, similarities, and differences in the findings, thereby providing a more comprehensive picture of the factors influencing consumer loyalty.

Through this method, research is expected to provide a more systematic understanding of the relationship between price, product quality, and consumer loyalty based on a synthesis of various studies that have been conducted previously.

RESULTS AND DISCUSSION

Previous research that is relevant to the research title, namely as follows:

Table 1. Previous Research

NO	AUTHOR (YEAR)	RESEARCH RESULTS	EQUALITY	DIFFERENCE
1	Yulian, Prahmadisti, Maharani, & Arafah (2022)	Service Quality (X1), Price (X2), and Promotion (X3) have a positive and significant effect on Consumer Loyalty (Y)	Price (X2) has a positive effect on Consumer Loyalty (Y)	Service Quality (X1) and Promotion (X3) have a positive influence on Consumer Loyalty (Y)
2	Zufriah & Sarjita (2024)	Price (X1) and Promotion (X2) have a positive and significant effect on Consumer Loyalty (Y)	Price (X1) has a positive effect on Consumer Loyalty (Y)	Promotion (X2) has a positive effect on Consumer Loyalty (Y)
3	Andika & Purnamasari (2024)	Product Variation (X1), Promotion (X2) and Price (X3) have a positive and significant effect on Consumer Loyalty (Y)	Price (X3) has a positive effect on Consumer Loyalty (Y)	Product Variation (X1) and Promotion (X2) have a positive effect on Consumer Loyalty (Y)
4	Febryanti, Hadi, & Listyorini (2024)	Product Quality (X1) and Service Quality (X2) have a positive and significant effect on	Product Quality (X1) has a positive effect on Consumer Loyalty (Y)	Service Quality (X2) has a positive effect on Consumer Loyalty (Y)

		Consumer Loyalty (Y)		
5	Rozzaqi & Santoso (2025)	Product Quality (X1) and Service Quality (X2) have a positive and significant effect on Consumer Loyalty (Y)	Product Quality (X1) has a positive effect on Consumer Loyalty (Y)	Service Quality (X2) has a positive effect on Consumer Loyalty (Y)
6	Azizah & Indra (2024)	Promotion (X1) and Product Quality (X2) have a positive and significant effect on Consumer Loyalty (Y)	Product Quality (X2) has a positive effect on Consumer Loyalty (Y)	Promotion (X1) has a positive effect on Consumer Loyalty (Y)

The Influence of Price on Consumer Loyalty

Research by Rizikia, Megasari, & Zaman (2024) found that the more competitive the price offered, the more likely customers are to remain loyal to the company. Consequently, an appropriate pricing strategy is necessary to satisfy customers and maintain their loyalty.

Research from Sukron, Tulhusnah, & Pramesthi (2025) stated that consumers do not want price changes that are significantly different from their expectations, which would certainly disrupt market prices. Consumers' habit of considering prices before making a transaction can be a factor in fostering consumer loyalty to a company. Unstable prices will not foster consumer loyalty. Therefore, price only has a positive but not significant impact on consumer loyalty.

Based on these two studies, price plays a significant role in shaping consumer loyalty, but its influence depends on the company's pricing strategy and stability. Competitive pricing that aligns with consumer expectations tends to increase customer loyalty. However, unstable price changes or price changes that deviate from consumer expectations can weaken loyalty. Therefore, even if price has a positive effect, its impact is not always significant.

The Influence of Price on Consumer Loyalty has been widely studied by Wiguna & Padmanty (2023), Pratama & Lestari (2025), and Pratama, Susanti, & Purwaningrat (2021).

The Influence of Product Quality on Consumer Loyalty

Research by Fitriani, Yusup, Nurhikmat, & Risuna (2022), product quality is closely related to customer loyalty, because product quality is a characteristic of a product given to customers and loyalty is a strong customer commitment to ensure that customers buy the product again.

Research by Nasrifah (2022) defines product quality as a characteristic of a product that depends on its ability to satisfy stated or realized customer needs. If a company offers a high-quality product that satisfies its customers, it will influence the

likelihood of repurchasing the product, thus fostering customer loyalty. Consumer loyalty is the tendency of customers to purchase a product or use a service provided by a company with a high level of consistency.

Based on the research results, it can be concluded that product quality has a significant and strong influence on customer loyalty. Products with quality that meet and satisfy customer needs will encourage consistent repeat purchases. The satisfaction generated by product quality strengthens customers' commitment to continue using or purchasing the same product, thus fostering long-term customer loyalty.

The influence of product quality on consumer loyalty has been widely studied by Girsang & Situmeang (2025), Rafi & Hutomo (2024), and Wiyasa, GS, Dewi, Zuhro, & Wasesa (2025).

CONCLUSION

Conclusion

Based on a synthesis of various previous studies, it is understood that consumer loyalty is formed through the perception of value consumers receive from a product. Price acts as a rational consideration that influences consumers' decisions to maintain a relationship with a brand, especially when the price is perceived as commensurate with the benefits obtained. Meanwhile, product quality functions as a factor that strengthens the consumption experience and increases consumer confidence in the product's performance. Findings from various studies indicate that product quality tends to contribute more consistently to loyalty formation, while the influence of price can vary depending on market characteristics and consumer sensitivity. Thus, consumer loyalty is not only influenced by economic aspects alone, but also by the company's ability to provide product value that can meet consumer expectations sustainably.

Suggestion

Further research is recommended to expand the study by including other variables that have the potential to mediate or moderate the relationship between price, product quality, and consumer loyalty, such as customer satisfaction, perceived value, trust, and brand image. Furthermore, empirical research across various industrial sectors and with different consumer characteristics is also needed to obtain a more comprehensive picture of the dynamics of consumer loyalty formation in various market contexts.

Implications

The results of this study provide managerial implications that companies need to integrate pricing strategies with efforts to improve product quality in order to create perceived value for consumers. Companies are not only required to offer competitive prices, but also ensure that product quality is consistently maintained so that consumers have a strong reason to maintain their preference for a brand. In addition, the findings of this study also provide academic implications that the relationship between price, product quality, and consumer loyalty can be used as a basis for developing marketing research models, particularly those related to consumer behavior and customer retention strategies.

BIBLIOGRAPHY

Andika, S., & Purnamasari, P. (2024). The effect of product variation, promotion, and price on customer loyalty. *Scientific Journal of Management, Economics, & Accounting (Mea)*, 8 (2), 1539-1552. <https://doi.org/10.31955/mea.v8i2.4189>

- Azizah, SN, & Indra, N. (2024). The influence of promotions and product quality on customer loyalty at Shopee. *Magister Manajemen* , 2 (3), 35–46. <https://doi.org/10.59603/masman.v2i3.436>
- Febryanti, AA, Hadi, SP, & Listyorini, S. (2024). The influence of product quality and service quality on customer loyalty (a study of Dak Nalgae Tembalang consumers in Semarang City). *Journal of Business Administration* , 13 (1), 30-39. <https://doi.org/10.14710/jiab.2024.40011>
- Fitriani, E., Yusup, AM, Nurhikmat, A., & Risuna, I. (2022). Determination of customer satisfaction and customer loyalty with price and product quality: a literature review. *KarismaPro* , 13 (2), 75-86. <https://doi.org/10.53675/karismapro.v13i2.1050>
- Girsang, LR, & Situmeang, IV (2025). The effect of Starbucks coffee product quality and service quality on consumer loyalty. *Ikraith-Ekonomika* , 8 (1), 338-348. <https://journals.upi-yai.ac.id/index.php/IKRAITH-EKONOMIKA/article/view/4552>
- Nasrifah, M. (2022). Increasing consumer loyalty based on product quality. *Jekobis : Journal of Economics and Business* , 1 (2), 139-142. https://ejournal.ubibanyuwangi.ac.id/index.php/jurnal_jekobis/article/view/123
- Primary, IGA, Susanti, PH, & Purwaningrat, PA (2021). The influence of service quality, price, and location on customer loyalty: a study at PT. Sejahtera Indobali Trada Benoa. *WidyaAmrita: Journal of Management, Entrepreneurship and Tourism* , 1 (4), 1388-1397. <https://doi.org/10.32795/vol4wamrtno1th24>
- Pratama, J., & Lestari, RB (2025). The effect of price on customer loyalty through customer satisfaction at Urban Laundry Palembang. *In MDP Student Conference* , 4 (2), 731-737. <https://doi.org/10.35957/mdp-sc.v4i2.11039>
- Rafi, AR, & Hutomo, M. (2024). The influence of Mixue product quality and perceived value on customer loyalty. *Jurnal Masharif Al-Syariah : Jurnal Ekonomi dan Perbankan Syariah* , 9 (3). <https://doi.org/10.30651/jms.v9i3.22810>
- Rizikia, AQ, Megasari, AD, & Zaman, K. (2024). The effect of price and product quality on consumer loyalty at Delovely Beauty Expert Surabaya. *Ekoma: Journal of Economics, Management, and Accounting* , 3 (6), 2110–2121. <https://doi.org/10.56799/ekoma.v3i6.5259>
- Rozzaqi, DB, & Santoso, RP (2025). The effect of product quality and service quality on consumer loyalty at Artugo Kediri Branch. *Bima: Journal of Business Management and Innovation* , 7 (2), 261–271. <https://doi.org/10.33752/bima.v7i2.7462>
- Sukron, M., Tulhusnah, L., & Pramesthi, RA (2025). The influence of facilities and prices on consumer loyalty at Akbar Futsal Situbondo with consumer satisfaction as an intervening variable. *Jurnal Mahasiswa Entrepreneurship (Jme)* , 2 (6), 1284-1298. <https://doi.org/10.36841/jme.v2i6.3548>
- Wiguna, MA, & Padmantlyo, S. (2023). The effect of service quality and price on customer loyalty mediated by customer satisfaction. *Jurnal Lentera Bisnis* , 12 (2), 379-394. <https://doi.org/10.34127/jrlab.v12i2.766>

- Wiyasa, IG, GS, AD, Dewi, R., Zuhro, D., & Wasesa, T. (2025). The impact of product quality, service quality, and customer trust on customer loyalty: a study on Evanur Cards Surabaya. *Journal of Management and Accounting Students* , 4 (1), 122–147. <https://doi.org/10.30640/jumma45.v4i1.4090>
- Yulian, EA, Prahmadisti, MS, Maharani, TY, & Arafah, W. (2022). The influence of service quality, price, and promotion on customer loyalty among Go-Food app users in Jakarta. *Dewantara Management* , 6 (1), 35–44. <https://doi.org/10.26460/md.v6i1.12008>
- Zufriah, D., & Sarjita, S. (2024). The effect of price and promotion on consumer loyalty of Grab-Food app users in Yogyakarta. *Journal of Business, Management, and Accounting* , 11 (2), 70-81. <https://doi.org/10.54131/jbma.v11i2.195>