

PRICE, QUALITY, AND TRUST: SERIAL MEDIATORS OF CUSTOMER SATISFACTION IN TAILORING SERVICES

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ABSTRACT

This study examines the influence of price, product quality, service quality, and trust on customer satisfaction among tailoring service users in Winong Village, Tugu District, Trenggalek Regency. The research responds to increasing competition among tailoring businesses and a fluctuating customer base, which highlights the importance of customer satisfaction for business sustainability. The study analyzes both the direct and indirect (serial-mediation) effects of price, product quality, service quality, and trust on customer satisfaction. A quantitative approach with an associative research design was employed throughout. Primary data were collected through questionnaires distributed to 100 respondents who had used tailoring services in the study area, selected via non-probability purposive sampling. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.1.0.0, evaluating convergent validity, discriminant validity, reliability, the coefficient of determination (R-Square), and one-tailed hypothesis testing ($\alpha = 0.05$). The findings indicate that price does not have a significant direct effect on customer satisfaction, whereas product quality, service quality, and trust have significant positive direct effects. Price indirectly influences customer satisfaction through product quality and service quality, and product quality and service quality further exert significant indirect effects through trust. The model explains 75.9% of the variance in customer satisfaction ($R^2 = 0.759$). These findings suggest that tailoring service providers should prioritize improving product quality, service quality, and customer trust to enhance satisfaction and maintain competitiveness. As a single-village, cross-sectional design, the findings support associative rather than causal claims. Future studies are encouraged to include additional variables and broader research locations to improve generalizability.

INTRODUCTION

Customer satisfaction has become one of the most important determinants of business success in an increasingly competitive market environment (Andrea and Siahaan, 2023). The growing number of business actors offering similar products and services has intensified competition, requiring companies to develop effective strategies to attract and retain customers.

The tailoring service industry represents one of the sectors that heavily depends on customer satisfaction (Diza, Moniharapon and Imelda, 2016). Unlike standardized manufactured products, tailoring services involve direct interaction between customers and service providers throughout the production process. Customers often have specific expectations regarding design, fitting, quality, timeliness, and service experience.

Several factors have been identified as important determinants of customer satisfaction. Price is often considered a critical factor because customers evaluate whether the benefits received are proportional to the costs incurred. Product quality plays a significant role in shaping customer evaluations; for tailoring services

this may include the accuracy of stitching, fabric suitability, neatness of workmanship, and conformity to customer requests.

Another important factor is service quality (Kasmir, 2017), reflecting the ability of service providers to meet customer expectations through reliability, responsiveness, assurance, empathy, and tangible aspects of service delivery. Trust also represents a fundamental element in customer relationships, developing when customers believe that service providers are capable, honest, and committed to fulfilling their promises (Mahendra, 2018).

Despite the recognized importance of these factors, previous studies have reported inconsistent findings regarding their effects on customer satisfaction (see Literature Review for the full account of this inconsistency and the resulting research gap).

A research gap also exists in the context of small-scale tailoring service businesses, particularly in rural areas. Most previous studies have focused on retail businesses, hospitality services, online shopping platforms, or large service organizations; limited attention has been given to tailoring service businesses.

This study focuses on tailoring service businesses in Winong Village, Tugu District, Trenggalek Regency. The village has several tailoring service providers operating within the same market area, creating intense competition among business owners. Preliminary observations revealed fluctuations in customer numbers across tailoring businesses, suggesting differences in customer perceptions and satisfaction levels.

Based on these considerations, this study aims to analyze the influence of price, product quality, service quality, and trust on customer satisfaction among tailoring service users in Winong Village, Tugu District, Trenggalek Regency.

LITERATURE REVIEW

Marketing Management

Marketing management is the process of planning, organizing, implementing, and controlling marketing activities aimed at fulfilling consumer needs and wants effectively and efficiently (Sutojo, 2009). This concept does not only focus on sales activities but also emphasizes the creation of value and long-term customer satisfaction. According to Kotler and Armstrong (2006), marketing management is the art and science of selecting target markets and building profitable relationships through creating, delivering, and communicating value to customers. Marketing success is therefore largely determined by a company's ability to understand consumer behavior and design appropriate marketing strategies.

Customer Satisfaction

Customer satisfaction is the response or level of feeling experienced by consumers after comparing their expectations with the actual performance of a product or service (Mahendra, 2018). If the performance meets or exceeds expectations, customers will feel satisfied; otherwise, dissatisfaction will occur. Customer satisfaction is a crucial factor for business sustainability, as satisfied customers tend to make repeat purchases, recommend the product or service to others, and develop loyalty.

Price

Price is the amount of value that consumers must pay to obtain a product or service. It is often used as a primary indicator in purchasing decisions because it is directly related to consumers' ability and perceived

value (Wibowo, 2022). A price that aligns with the quality offered will enhance consumers' positive perceptions of the product or service, thereby encouraging satisfaction and loyalty.

Product Quality

Product quality refers to the ability of a product to meet or even exceed customer expectations. It reflects the characteristics, reliability, durability, and superiority of a product, enabling it to provide added value to consumers (Zhavira and Santoso, 2025).

Service Quality

Service quality is the level of excellence of services provided by service providers in meeting customer needs and expectations. Good service quality is reflected through accuracy, speed, friendliness, and the ability to provide solutions to customer needs.

Trust

Trust is the consumer's belief in the ability, integrity, and goodwill of a service provider in delivering reliable services (Diza, Moniharapon and Imelda, 2016). The dimensions of trust include benevolence, ability, integrity, and willingness to depend. The higher the level of customer trust, the greater the likelihood of achieving customer satisfaction and maintaining long-term relationships.

Previous Studies

A study by Subandrio and Fernandes (2022) found that price and product quality have a significant effect on customer satisfaction, both partially and simultaneously. Kasinem (2020) revealed that trust has a significant effect on customer satisfaction, while service quality does not have a significant effect, although both variables influence satisfaction simultaneously. Ibrahim and Thawil (2019) showed that product quality has a significant effect on customer satisfaction, whereas service quality does not. Sudaryana (2020) found that price has a positive and significant effect on customer satisfaction, while service quality and trust have positive but not significant partial effects, yet are significant simultaneously.

Based on the findings of previous studies, there are inconsistencies (research gaps) regarding the influence of service quality and trust on customer satisfaction. In addition, most prior studies have examined these variables partially rather than comprehensively within a single research model. Therefore, this study offers novelty by simultaneously examining the effects of price, product quality, service quality, and trust on customer satisfaction within one integrated research model — stated here once for the full manuscript.

Conceptual Framework

The conceptual framework describes the relationship between the variables studied based on theories and previous research. In this study, the independent variables include price, product quality, service quality, and trust, while the dependent variable is customer satisfaction.

Rather than treating price as a determinant of seller-set attributes, the serial-mediation structure specified here (price → product/service quality → trust → satisfaction) draws on the price–quality inference literature: because tailoring is a customized, experience-based service purchased under incomplete information, customers commonly use price as a heuristic cue for the quality they expect to receive before the garment is completed, and then update their trust in the provider once quality is experienced. This is consistent with Wibowo (2022), who found price shaping quality-related purchase evaluations in a comparable service-goods setting, and with the assurance and confirmation logic underlying expectancy-disconfirmation

accounts of satisfaction. The framework should therefore be read as customers' price-based quality expectations feeding into realized quality, which in turn builds or erodes trust, rather than price mechanically causing sellers to change their attributes.

The conceptual framework illustrates that each independent variable (X1, X2, X3, and X4) exerts a partial (individual) effect on the dependent variable (Y). Furthermore, X1 is hypothesized to relate to Y indirectly through X2 and X3 (customers' price-based quality expectations), while X2 and X3 also relate to Y through X4 (trust built from realized quality).

Research Hypotheses

Hypotheses are temporary answers to research problems that need to be empirically tested. Based on the conceptual framework above, the hypotheses of this study are:

- H1: Price has a significant effect on customer satisfaction.
- H2: Price has a significant effect on customer satisfaction through product quality.
- H3: Price has a significant effect on customer satisfaction through service quality.
- H4: Product quality has a significant effect on customer satisfaction.
- H5: Product quality has a significant effect on customer satisfaction through trust.
- H6: Service quality has a significant effect on customer satisfaction.
- H7: Service quality has a significant effect on customer satisfaction through trust.
- H8: Trust has a significant effect on customer satisfaction.

RESEARCH METHODS

Research Design

This study employs a quantitative research approach with an associative research design (Sugiono, 2022), used consistently with the abstract's description of the design (this manuscript no longer uses the term “explanatory” elsewhere). The purpose of this design is to examine the associative relationships between the independent variables — price, product quality, service quality, and trust — and the dependent variable, customer satisfaction. The research adopts a survey method, where data are collected from respondents using structured questionnaires measured on a Likert scale. This study utilizes Structural Equation Modeling–Partial Least Square (SEM-PLS) as the analytical technique, suitable for analyzing both direct and indirect (mediating) effects. This is a cross-sectional study, as data are collected at a single point in time from tailoring service users in Winong Village, Tugu District, Trenggalek Regency.

Data Sources

This study uses primary data, obtained directly from respondents through structured questionnaires. The questionnaire is designed using a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) to measure respondents' perceptions of each variable.

Population and Sampling Technique

The population in this study consists of an estimated 2,342 residents of Winong Village, Tugu District, Trenggalek Regency; however, since the unit of analysis is tailoring-service customers rather than all residents, this figure serves only as an upper-bound context for the village, not the actual sampling frame. Because the

exact number of active tailoring-service customers in the village is not enumerated, a probability frame and formal Slovin calculation could not be applied; the sample size of 100 was instead set following the common minimum-sample convention for PLS-SEM (a multiple of the number of indicators in the largest construct) and reached via non-probability purposive sampling. Respondents were selected based on specific criteria: (1) residents of Winong Village, (2) individuals who have used sewing services, and (3) individuals aged between 17–55 years. Because the sampling technique is non-probability, the resulting sample should be read as representative of the criteria-eligible customer pool encountered during data collection rather than as a probability sample of all residents.

Respondent Profile

[Author to insert: a demographic table reporting sex, age group, and frequency of tailoring-service use for the 100 respondents, to establish sample representativeness.]

Research Variables

The variables in this study consist of independent variables: price (X1), product quality (X2), service quality (X3), and trust (X4), and the dependent variable: customer satisfaction (Y). Each variable is measured using indicators adapted from previous studies and assessed using a Likert scale.

Analytical Instruments and Data Analysis Technique

The data analysis in this study is conducted using Structural Equation Modeling (SEM) with a Partial Least Squares (PLS) approach, processed using SmartPLS software. The analysis includes outer model evaluation (convergent validity, discriminant validity, and reliability tests) and inner model evaluation (R-square and hypothesis testing using bootstrapping). Hypotheses were tested one-tailed at the 5% significance level (critical $t = 1.660$), which is appropriate because all hypotheses (H1–H8) are stated directionally (“has a significant positive effect” rather than a non-directional “has an effect”). This choice is disclosed explicitly here because several paths have marginal t -statistics ($t \approx 1.80$ – 1.88) that would not clear the two-tailed 5% critical value of 1.96; readers should weigh the marginal paths accordingly.

Statistical Model

Because the model estimated is PLS-SEM with serial mediation rather than a single additive regression, the relationships are represented as a system of structural (path) equations rather than one linear equation:

$$\begin{aligned}PQ &= \gamma_1 P + \zeta_1 \\SQ &= \gamma_2 P + \zeta_2 \\T &= \gamma_3 PQ + \gamma_4 SQ + \zeta_3 \\Y &= \beta_1 P + \beta_2 PQ + \beta_3 SQ + \beta_4 T + \zeta_4\end{aligned}$$

Where P = Price (X1); PQ = Product Quality (X2); SQ = Service Quality (X3); T = Trust (X4); Y = Customer Satisfaction; γ and β = path coefficients; ζ = structural error terms. The indirect (mediated) effects tested in H2, H3, H5, and H7 correspond to the products of the relevant path coefficients along each route (e.g., H2: $\gamma_1 \times \beta_2$).

RESULT AND ANALYSIS

Results

Measurement Model (Outer Model)

Table 1. Convergent Validity and Reliability

[Author to insert: outer loadings for each indicator, Cronbach's α , composite reliability (CR), and average variance extracted (AVE) per construct (convergent validity and reliability), as referenced in the Abstract.]

Table 2. Discriminant Validity

[Author to insert: Fornell–Larcker criterion or HTMT matrix demonstrating discriminant validity among Price, Product Quality, Service Quality, Trust, and Customer Satisfaction, as referenced in the Abstract.]

Inner Model Analysis

Based on data processing using the Structural Equation Modeling–Partial Least Square (SEM-PLS) method, the R-Square (R^2) value for the customer satisfaction variable is 0.759.

Table 3. R-Square Value

Variable	R-Square
Customer Satisfaction	0.759

Source: Primary data processed, 2024.

This value indicates that price, product quality, service quality, and trust are able to explain 75.9% of the variance in customer satisfaction, while the remaining 24.1% is influenced by other variables outside the research model. Therefore, the model can be categorized as having strong (substantial) explanatory power.

Hypothesis Testing

Hypothesis testing was conducted by examining the T-statistic and P-value for each relationship between variables. The results are as follows.

Table 4. Hypothesis Testing Results

No.	Hypothesis	Relationship	T-Statistics (>1.660)	P-Value (<0.05)	Result
1	H1	$P \rightarrow Y$	0.952	0.172	Rejected
2	H2	$P \rightarrow PQ \rightarrow Y$	1.814	0.036*	Supported
3	H3	$P \rightarrow SQ \rightarrow Y$	1.864	0.033*	Supported
4	H4	$PQ \rightarrow Y$	1.801	0.037*	Supported
5	H5	$PQ \rightarrow T \rightarrow Y$	2.101	0.019*	Supported
6	H6	$SQ \rightarrow Y$	1.875	0.032*	Supported
7	H7	$SQ \rightarrow T \rightarrow Y$	3.342	0.001*	Supported
8	H8	$T \rightarrow Y$	3.492	<0.001*	Supported

Source: Primary data processed, 2024.

Table 2 reports one-tailed test results at $\alpha = 0.05$ (critical $t = 1.660$), consistent with the directional phrasing of H1–H8. Several paths (H2, H3, H4, H6) are marginal ($t \approx 1.80$ – 1.88) and would not be significant under a two-tailed 5% criterion (critical $t = 1.96$); this is disclosed here so readers can judge robustness accordingly.

Discussion

A. The Effect of Price on Customer Satisfaction

The findings indicate that price does not have a significant direct effect on customer satisfaction among customers of tailoring services in Winong Village (H1 rejected). This suggests that customers do not base their satisfaction solely on the amount of money they spend; they pay greater attention to whether the tailoring results meet their expectations than to price itself.

This finding implies that tailoring businesses should not rely only on competitive pricing strategies to increase customer satisfaction. Instead, they should focus on improving product quality, service quality, and customer trust — factors that appear to have a stronger direct influence on customer evaluations, and through which price operates indirectly (H2, H3).

B. The Effect of Price on Customer Satisfaction through Product Quality

The study found that price has a significant effect on customer satisfaction when mediated by product quality (H2 supported, marginal at $t = 1.814$). Customers generally perceive that a higher price is acceptable if it is supported by superior tailoring results; product quality thus acts as an important mechanism connecting price to customer satisfaction, consistent with the price-as-quality-cue rationale set out in the Conceptual Framework.

C. The Effect of Price on Customer Satisfaction through Service Quality

The results show that price significantly influences customer satisfaction when mediated by service quality (H3 supported, marginal at $t = 1.864$). Customers do not only evaluate the monetary value of the service but also assess how they are treated during the service process, so service quality strengthens the relationship between price and satisfaction.

D. The Effect of Product Quality on Customer Satisfaction

The study demonstrates that product quality has a significant positive effect on customer satisfaction (H4 supported, marginal at $t = 1.801$). Customers particularly value neat stitching, durability, accuracy, and the tailor's ability to follow customer requests.

E. The Effect of Product Quality on Customer Satisfaction through Trust

The findings reveal that product quality significantly affects customer satisfaction through trust (H5 supported). Customers develop trust when they consistently receive high-quality tailoring results, and this trust strengthens their confidence in the service provider, contributing to higher satisfaction.

F. The Effect of Service Quality on Customer Satisfaction

Service quality has a significant positive effect on customer satisfaction (H6 supported, marginal at $t = 1.875$). Customers are more satisfied when they receive professional and attentive service reflecting responsiveness, friendliness, reliability, and clear information.

G. The Effect of Service Quality on Customer Satisfaction through Trust

Service quality significantly influences customer satisfaction through trust (H7 supported). High-quality service helps customers develop confidence in the business and strengthens their belief that the provider will continue to meet expectations in the future.

H. The Effect of Trust on Customer Satisfaction

Trust has a significant positive effect on customer satisfaction (H8 supported). In the context of tailoring services, trust is reflected in the belief that the tailor is honest, reliable, and capable of fulfilling promises; such trust strengthens customer confidence, loyalty, and satisfaction.

Limitations

This study is based on a single-village, cross-sectional design with a non-probability purposive sample of 100 respondents, which limits statistical generalizability to other tailoring markets and cannot establish temporal causality among price, quality, trust, and satisfaction. The findings should be read as evidence of association within this specific context rather than as a causally identified or broadly generalizable account of customer satisfaction formation.

CONCLUSIONS

Based on the results of this study, it can be concluded that:

- Price does not have a significant direct effect on customer satisfaction (H1 rejected); customers do not consider price the main determinant of their satisfaction.
- Price has a significant indirect effect on customer satisfaction through product quality (H2) and service quality (H3): appropriate pricing can enhance perceived quality, which ultimately affects satisfaction.
- Product quality (H4) and service quality (H6) have significant positive direct effects on customer satisfaction; trust (H8) is also significant.
- Product quality and service quality indirectly influence customer satisfaction through trust (H5, H7): improving quality can strengthen trust and ultimately enhance satisfaction.
- The R-Square value of 0.759 indicates strong explanatory power: 75.9% of customer satisfaction is explained by the variables in this study, while the remaining 24.1% is influenced by factors outside the model.
- As a single-village, cross-sectional study, these findings are associative rather than causal and should be generalized with caution (see Limitations).

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