

THE EFFECT OF SERVICE QUALITY AND SALES PROMOTION ON CUSTOMER LOYALTY MEDIATED PURCHASE DECISIONS (Case Study on Madinashop Lamongan Online Store)

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Article Info	ABSTRACT
Keyword: Service Quality, Sales Promotion, Purchase Decision, Customer Loyalty	This study aims to determine the effect of service quality and sales promotion on purchasing decisions mediated by customer loyalty at the Madinashop Lamongan online store. The sample in this study was 200 respondents. In this study, the population was 402. The data collection method in this study used the method of distributing questionnaires on Googlefoam to customers. The data analysis technique used was the first outer model analysis consisting of Convergent Validity Test, Discriminant Validity Test, Avarage Variance Extracted (AVE), Composite Reliability Test and Crombach's Alpha. The second test used an inner model analysis, namely the Determinaton Coefficient (R-Square), Path Coefficient. Based on the validity test and reliability test, the results of this study indicate that service quality has a significant positive effect on purchasing decisions, sales promotions have a significant positive effect on purchasing decisions, service quality has a significant positive effect on purchasing decisions through customer loyalty, sales promotions have a significant positive effect on purchasing decisions through customer loyalty .

INTRODUCTION

Modern company now that at the beginning doing business offline now has advanced to penetrate to online business , simultaneously with record option positive online shopping is increasingly popular in the world including Indonesia . Internet institutions now become component main in various business not except in the world of fashion. This is can seen from ministry data trade that assesses amount e-commerce users in Indonesia in 2024 will reach as much as 65.65 million people with projected transactions reached Rp. 487 trillion , the amount This has experience improvement compared to with in 2023 which has been recorded at IDR 453.57 trillion (databoks.katadata.co.id).

Various type fashion products have develop fast , and dressed Muslim has become one of the current trends Moreover, Indonesia is a country with a majority its population religious Islam so that see existence opportunity enough business good , besides That clothes is one of the need the main

human being For not only just cover part body however Can provide a sense of comfort , security , trust self moment imposed . (Nasution, 2022) .

Madinashop online store move in category distributor field (distribution) goods from manufacturer to consumers). According to experts The definition of a distributor is a series activity channeling goods or move product from manufacturer to consumer end through channel distributed at the right time . In the present all perpetrator business compete For still endure exist on social media with the more the amount competitors who market product similar because those are the perpetrators business required capable face competitor tight , marketing strategy is part from planning advanced in field marketing or what is called a social process individual or group to obtain what they need with get products that have mark use high . (Dharman, 2024)

One of form of marketing strategy is quality service , then promotion expected sales can result in decision consumer purchases so that Can make it loyal consumers towards Madinashop online store Lamongan . Quality service refers to the advantages system service A company or various services expected and offered pole seller use For fulfil desire consumers can also interpreted as effort fulfillment need consumer in accordance as expected consumers . (Fahlevi et al., 2024) quality good service what we can be certain of is will get good for continuity development company in scope public because A business that can accepted good by society Far more Good than standing Alone without support from scope around .

Promotion sale is advertisement service a company that aims to increase belief consumers to want use or wearing with method interesting customer through technique online promotion . (Fadillah, 2023)

Promotion techniques sales used every day at the store madinashop Lamongan in form upload images and videos on various social media like Whatsapp , Instagram, Shopee, Telegram Group , Tiktok as well as often online quiz promo with prizes in social media accounts Shop Madina Shop Lamongan . Promotion make it easier communication with consumer so that can match the target marker so company need set proper guidelines in run promotion sale .

Buying decision there is stage end Where consumer make option purchase , referring to the purpose or image the products they produce need , this process is stage importantin decision consumers , because decision purchase involving evaluation two or more alternative considerations others . (Hidayat, 2023) .

Loyalty customer according to Kolter & Keller (2016) is commitment customer in choose product or services of interest in the future although in a way Details in something else happened in the future can cause customer switch . (Oktavia et al., 2022)

Efforts in maintain loyalty customers are also done by the Store Madina Shop Lamongan , the following advantages and benefits become part from Shop Madina Shop Lamongan :

Advantages and Benefits Shopping at Madinashop	• Payment can be made in 3 installments with Dp Light 30% • Free Shipping All over East Java With Min Order 2pcs • There is a Price for Quality Proven With Many Testimonials On Social Media Madina Shop • Dozens of Famous and Quality Brands Available With Us • PO Amanah, Trusted , Guaranteed 100% Return If There Are Goods Which Defective / Damaged • Friendly Service Fast Response 12 Hours • Many Discounts and Interesting Promos (T&Cs Apply) • Purchase Above 50pcs Get Cashback Up to 100 thousand
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Profit Become a Madinashop Team	• Every Purchase of Uniforms More Than 30pcs Get Free Special Gift From Us • Accept Complaints and Returns Goods With Proven Unboxing Video • Can Deliver COD items , via courier , Gojek Or With Various Type Cargo Expedition Or Which Normal Like Jnt , Jne , Id, Tiki, Post, Lion, Wahana , Ncs , Baraka, Kib , Index, Jayabaya , • Special Order Link Available For Make it easy Customer Purchases Online
	• Get Invitation Gethring Every Annual On Site Famous And The Best For Resellers & Agents Active Madina Shop • Get Rewards Everytime The Year For Resellers & Agents Active Madina Shop In the form of Metal Noble , Various Type Jewellery Gold , Equipment Electronic For example Fan , Iron Etc. And Kitchen Tools For example Stove , Teflon, Blender, Coper Up to Earn Hundreds of Rupiah Thousand Rupiah In In the form of Purchase Cashback Most Every Year • Get Discount Special for Agent Team , Reseller and Joiner Group Catalog Madinashop PO Products For Free Without Picked up Cost A penny • Have a chance Get a Special Gift For Active Reseller Agent Madinashop From The Main Gamis Brands At The Moment Gethring Annual • Shop Madina Shop Selling approximately 180++ famous clothing brands until There is bags , shoes , sandals, accessories , mukena , watches etc. with price my affordable from which class intermediate down until class intermediate to the top all available

It is known even though with a series business such that However Still happen there is a decline sales in store Madinashop is enough significant every the month matter This Still Not yet known reason main in phenomenon mentioned , the following sales data shop Madina Shop Lamongan on six month First 2024 :

Table 1.1 1 Shop Madina Shop

Period 2024	Number of items sold	Nominal
January	2,504 pcs	Rp. 47,795,875
February	893 pcs	Rp. 22,554,505
March	322 pcs	Rp. 5,535,565
April	1,229 pcs	Rp. 28,810,530
May	2,835 pcs	Rp. 55,311,555
June	991 pcs	Rp. 16,246,370

Data source : Madinashop Lamongan Store

Based on sales data results in 6 months final This show level decline sales in store Madina Shop Lamongan which resulted in decrease profit company , overcome phenomenon This need analysis deep For understand cause variations and develop effective strategies in maintain as well as add amount customer new .

Based on description background back on top so the conclusion writer to argue that factors like quality service , promotion sale own influence to decision purchase which is key success in increase loyalty customer to shop Madina Shop Lamongan , so that writer interested For do research entitled " The Influence of Quality Services and Promotions Sale On Purchasing Decisions Mediated Loyalty Customer (Study case in Madinashop online store (Lamongan)".

RESEARCH METHODS

The form of research method used in this study is quantitative research method. Data analysis technique using SME-PLS 3 with data analysis method used is *Outer Model Convergent Validity Test*, *Discriminant Validity*, *Reliability Test*. *Inner Model Determination Coefficient (R-Square)*, *Path Coefficient* , *Hypothesis Test*, *Mediation Test*. The population in this study used *pure positive sampling technique* obtained by 402 consumers and using the *slovin formula* obtained the following sample values:

$$n = \frac{N}{1+N(e)^2}$$

$$n = \frac{402}{1+402 (0,05)^2}$$

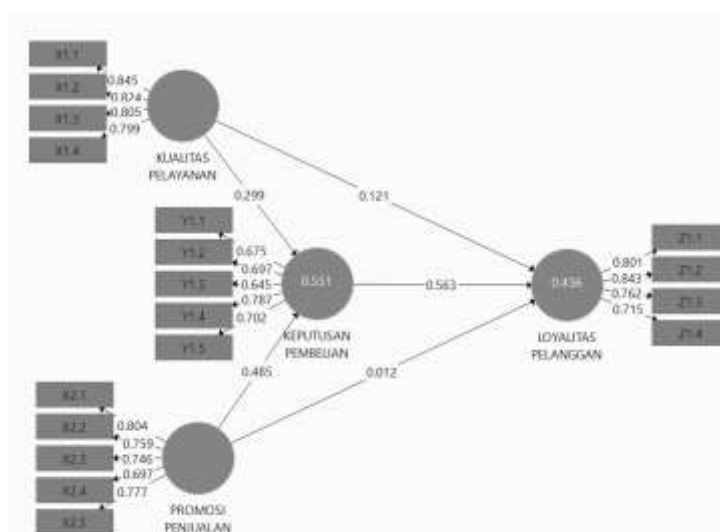
$$n = \frac{402}{2,005}$$

$$n = 200.4$$

From the calculation results above, the sample obtained was 200.4 which was rounded up to 200 respondents.

RESULTS AND DISCUSSION

Figure 1 PLS Diagram



Processed data source, SmartPls 2025

Based on the diagram above, it can be interpreted that there is a complex relationship between the independent variables and the dependent variables and analyzing the indicators of each variable that the researcher studied regarding the influence of service quality variables, sales promotion variables on purchasing decisions mediated by customer loyalty at the Madinahsop Lamongan store.

1.1. Measurement Model (Outer Model)

a. Validity Test

Convergent Validity

Table 1
Convergent Validity Test Results

Variables	Indicator	Loading Factor	Rule of Thumb	Conclusion
Quality of Service	X1.1	0.845	0.700	Valid
	X1.2	0.824	0.700	Valid
	X1.3	0.805	0.700	Valid
	X1.4	0.799	0.700	Valid
Sales Promotion	X2.1	0.805	0.700	Valid
	X2.2	0.784	0.700	Valid
	X2.3	0.773	0.700	Valid
	X2.5	0.777	0.700	Valid
Buying decision	Y1.4	0.787	0.700	Valid
	Y1.5	0.702	0.700	Valid
Customer Loyalty	Z1.1	0.801	0.700	Valid
	Z1.2	0.843	0.700	Valid
	Z1.3	0.762	0.700	Valid
	Z1.4	0.715	0.700	Valid

Data source processed, SmartPls 2025

Based on the results of the validity test above, after eliminating invalid items, it has produced valid indicator items, namely those that meet the criteria > 0.700 as in the results of the calculation of the factor loading table above .

b. Discriminant Validity (Discriminant Validity)

In conducting this test, 2 methods are used, namely looking at the *Average Variant Extracted* (AVE) value and the *Cross Loading value*. Here are the results of the SmartPls 03 test:

Table 2
Average Variant Extraced (AVE) Value

Variables	AVE Value
Service quality (X1)	0.670
Sales Promotion (X2)	0.612
Purchase Decision (Y)	0.777
Sales Loyalty (Z)	0.611

Data source processed, Smartpls 2025

The cross loading value is seen by comparing the AVE value on each variable with the correlation between variables. The square root of a good AVE value is 0.05 or greater as in the results of table 1.1 above which states that all variable constructs.

Table 3
Discriminant Validity

	X1	X2	Y	Z
X1	0.881			
X2	0.494	0.818		
Y	0.643	0.511	0.782	
Z	0.511	0.797	0.523	0.782

Processed data source, SmartPls 2025

The results of the calculation of the cross loading factor values in table 1.2 above produce valid values because they have HTMT values <0.9 so that it can be concluded that all of the latent variables are stated to have good *discriminant validity*.

c. Reliability Test

Reliability testing based on SmartPls calculations can be checked through the results of the Cronbach Alpha value and composite Reliability to measure the actual value of each variable. It is stated that the respondent's answer to the questionnaire is reliable or not if the composite reliability value is > 0.700.

Table 4
Composite Reliability

Variables	Cronbach's Alpha	Composite Reliability (rho_A)	Composite Reliability (rho_C)	Conclusion
Service quality (X1)	0.836	0.837	0.890	Reliable
Sales promotion (X2)	0.789	0.790	0.863	Reliable
Purchase decision (Y)	0.713	0.714	0.874	Reliable
Purchase loyalty (Z)	0.786	0.790	0.862	Reliable

Data source processed, SmartPls 2025

From the results in table 5 above, it is stated that the variables of service quality (X1), Sales Promotion (X2), Purchase Decision (Y), Customer Loyalty (Z) have a value > 0.700, meaning that all variables in this study are reliable.

1.2 Structural Model (Inner Model)

a. Coefficient of Determination (R-Square)

It is a measurement method to assess the magnitude of endogenous constructs seen from the value of exogenous constructs. The benchmark value of R^2 is grouped into three, namely 0.67 (Weak), 0.33 (Moderate), 0.19 (Strong).

Table 5
R-Square

Variables	R Square	Information
Buying decision	0.282	Weak
Customer Loyalty	0.472	Moderate

Processed data source, SmartPls 2025

It can be seen from the table above, it means that the Purchase Decision variable (Y) has a value of 0.282 which is included in "Weak" so that in order to maintain and increase satisfaction, the independent variable must be improved even better until it enters the "Strong" category. Then the Customer Loyalty variable with a value of 0.472 which is included in "Moderate" this is better than before but still needs improvement to maintain satisfaction, so the independent variable must be maintained even better until it enters the "Strong" category.

b. Path Coefficient

Path coefficient is a test to see the value of each variable relationship to determine the direction of the relationship is positive or negative without going through the intervening variable. The path coefficient has a value range of -1 to 1, the following calculation results via SmartPls 03

Table 6
Calculation of Value After Bootstarping

	Original Sample (O)	Sample Average	Standard Deviation	T Statistics	P Values
PURCHASE DECISION -> CUSTOMER LOYALTY	0.492	0.497	0.062	7.92	0.000
SERVICE QUALITY -> PURCHASE DECISION	0.239	0.253	0.104	2.3	0.022
SERVICE QUALITY -> CUSTOMER LOYALTY	0.142	0.135	0.097	1.46	0.144
SALES PROMOTION -> PURCHASE DECISION	0.32	0.309	0.12	2.67	0.008
SALES PROMOTION -> CUSTOMER LOYALTY	0.159	0.167	0.085	1.86	0.064

Data source processed, SmartPls 2025

The calculation results in table 7 above show that service quality (X1) has a significant effect on purchasing decisions (Y) with a P-Value of 0.022, so H_a is accepted. H_0 is rejected, meaning it has a significant positive effect. Service quality (X1) has no significant effect on customer loyalty (Z) with a P-Value of 0.144, so H_a is rejected, H_0 is accepted, meaning it does not have a significant positive effect. Sales promotion (X2) has a significant effect on purchasing decisions (Y) with a P-Value of 0.008, so H_a is accepted, H_0 is rejected, meaning it has a significant positive effect. Sales promotion (X2) on customer loyalty (Z) has no significant effect with a P-Value of 0.064, so H_a is rejected, H_0 is accepted, so it is not significant. Purchasing decisions (Y) on customer loyalty (Z) have a significant

effect, it is known that the P-Value is 0.000, so H_a is accepted, H_0 is rejected, meaning it has a significant positive effect, so the hypothesis is accepted.

c. Fit Model

Model fit is a test of the model's alignment with the data, this test uses statistical indicators, one of which is SRMR with a benchmark value of <0.10 or 0.08 , then the model is considered suitable to meet the criteria.

Table 7
Fit model

	<i>Saturated Model</i>	<i>Estimated Model</i>
SRMR	0.077	0.077

Data source processed, Smartpls 2025

According to the calculation results, table 8 shows an SRMR value of 0.077, which means it is smaller than the value of 0.08, so it is concluded that it has a match according to the criteria.

1.3 Hypothesis Testing

Hypothesis testing is carried out to determine the criteria of variables that can be stated to have a significant influence either directly or indirectly on the independent variable to the dependent variable. The provisions of the hypothesis test value are based on the results of the t-statistic value > 1.98 and the P-value <0.05 (5%) then the influence of the relationship is stated to be significant.

Table 8
Hypothesis Testing

Latent Variables	T-Statistic	P Value	Conclusion
X1 vs Y	2.299	0.022	Significant Positive
X2 vs Y	2,669	0.008	Significant Positive
X1 against Y through Z	2.023	0.044	Significant Positive
X2 against Y through Z	2,063	0.009	Significant Positive

Data source processed, SmartPls 2025

The results of the calculation of table 9 of the hypothesis test can be concluded that the variable Service Quality (X1) on Purchasing Decision (Y) with a t-statistic value of 2.299 and a P-Value value of 0.022 is stated to have a significant positive effect. Sales Promotion (X2) on Purchasing Decision (Y) with a t-statistic value of 2.669 and a P-Value value of 0.008 so it is interpreted to have a significant positive effect. Service Quality (X1) on Purchasing Decision (Y) through Customer Loyalty (Z) with a t-statistic value of 2.023 and a P-Value of 0.044 is stated to have a significant positive effect. Sales Promotion (X2) on Purchasing Decision (Y) through Customer Loyalty (Z) with a t-statistic value of 2.063 and a P-Value of 0.009 is stated to have a significant positive effect.

1.4 Mediation Test

In the mediation test, it is used to find out the relationship between independent variables and dependent variables to the mediation variable. The mediating variable or connecting variable in this study is customer loyalty.

Table 9
Mediation test

Variables	T-statistic	P-Value	Information
X1 against Y through Z	2.023	0.044	Significant Positive
X2 against Y through Z	2,063	0.009	Significant Positive

Data source processed, SmartPls 2025

Based on the results of table 10 above, it can be drawn the following outline: Service quality (X1) on purchasing decisions (Y) through customer loyalty (Z) with a t-statistic value of $2.023 > 1.98$ and a P-Value of $0.044 < 0.05$, meaning it has a significant positive effect. Sales promotion (X2) on purchasing decisions (Z) through customer loyalty (Z) with a t-statistic value of $2.063 > 1.98$ and a P-Value of $0.009 < 0.5$, meaning it has a significant positive effect.

CONCLUSION

Based on the results of the research data reviewed with the help of PLS (Patriarchal Least Square) using SmartPls 0.3 software entitled "The Influence of Service Quality and Sales Promotion on Purchasing Decisions Mediated by Customer Loyalty" it can be concluded that:

1. H1: Service quality (X1) has a significant positive effect on purchasing decisions (Y) because it has a t-statistic value of $2.299 > 1.98$ and a P-Value of $0.022 < 0.05$, which means it has a significant positive effect.
2. H2: Sales Promotion (X2) has a significant positive effect on purchasing decisions (Y) because it has a t-statistic value of $2.699 > 1.98$ and a P-Value of $0.008 < 0.05$, so it is stated to have a significant positive effect.
3. H3: Service Quality (X1) has a significant positive effect on Purchasing Decisions (Y) mediated by Customer Loyalty (Z) because it has a t-statistic value of $2.023 > 1.98$ and a P-Value of $0.044 < 0.05$ so it has a significant positive effect.
4. H4: Sales Promotion (X2) has a significant positive effect on Purchasing Decisions (Y) mediated by Customer Loyalty (Z) because it has a t-statistic value of $2.063 > 1.98$ and a P-Value of $0.009 < 0.05$, so it is stated to have a significant positive effect.

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