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Holistic Approach in Naturally Dyed Batik Customer Loyalty based on Social, Environmental, Service, Price Awareness Through Customer Satisfaction

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Abstract

Customer loyalty in the natural dye batik industry is influenced by a holistic approach, based on socio-cultural factors, environmental awareness, service quality, and price. The tests were conducted to determine the relationship between these factors and their impact on customer satisfaction and loyalty. The calculated results reveal significant relationships between the variables. Environmental awareness has a strong positive effect on price perception (path coefficient = 0.696, t-statistic = 6.174), indicating that environmentally conscious customers are willing to pay higher for eco-friendly products. Service quality significantly affects customer satisfaction (path coefficient = 0.316, t-statistic = 2.213), highlighting the importance of good service in enhancing the customer experience. Pricing also has a strong positive impact on customer satisfaction (path coefficient = 0.603, t-statistic = 4.142), emphasizing that competitive and fair pricing improves customer satisfaction. Social and cultural factors influence service quality (path coefficient = 0.416, t-statistic = 2.763), improving customer perceptions of the overall service experience. Furthermore, customer satisfaction greatly influences customer loyalty (path coefficient = 0.811, t-statistic = 15.054). The holistic approach shows that customer satisfaction and loyalty to naturally dyed batik products are affected by the synergy of socio-cultural factors, environmental awareness, service quality, and pricing. The integration of these four constructs creates a comprehensive customer experience, fostering emotional relationships and sustainability values, thereby encouraging long-term loyalty.

Keywords: Customer Loyalty, Customer Satisfaction, Naturally Dyed Batik

INTRODUCTION

Naturally dyed batik is an eco-friendly type of batik that utilizes dyes derived from natural sources, such as plants (leaves, stems, flowers, bark, and roots), animals, or minerals (Rahayu, 2014). In addition to promoting environmental conservation, naturally dyed batik holds a unique appeal as it embodies traditional values rich in cultural significance (Syabana et al., 2013). However, despite these advantages, the naturally dyed batik industry faces several challenges, particularly in maintaining customer loyalty (Fatmawati & Triastity, 2017).

Customer loyalty is a critical factor for the sustainability of this industry, especially given the increasingly competitive market (Anderson & Sullivan, 1993; Parasuraman et al., 1994). Eco-

friendly batik holds significant potential to penetrate international markets due to its alignment with global sustainability strict trends, environmental regulations, and consumer preferences for highquality and ethically produced goods (Fitria et al., 2021). Factors such as the perception of higher prices (A et al., 2022; Nurhasan et al., 2022), insufficient promotion of the ecological and cultural benefits of naturally dyed batik, and inconsistent service quality remain significant obstacles that hinder its growth. Moreover, customers tend to compare naturally dyed batik with synthetic-dye batik, which is generally more affordable (Pujilestari, 2015, 2016).

Social and environmental awareness are also important factors in building customer loyalty (Lee & Kacen, 2008). Socio-cultural elements, such as values, traditions, and social norms, can influence



consumer decision-making, particularly when it comes to purchasing naturally dyed batik products (Hofstede, 2011).

Environmental awareness encourages consumers to prioritize products and services with minimal negative impact on the environment, thereby influencing their preferences for such offerings (Haryono, 2021; Pohan & Suryowati, 2019; Irwan, 2020).

Many customers appreciate naturally dyed batik for its contribution to cultural and environmental preservation. However, this appreciation alone is often not enough to foster strong loyalty without the support of excellent service quality and competitive pricing.

Given this situation, a holistic approach is needed to integrate various aspects such as social awareness, environmental awareness, service quality, and pricing to build a comprehensive customer loyalty strategy. This approach aims to create a customer experience that not only satisfies but also fosters long-term engagement with naturally dyed batik products.

The holistic approach employed in this study allows for a comprehensive understanding of how various factors are interconnected and influence consumer decision-making (Oh, 1999). By analyzing social and environmental awareness, service quality, and pricing, this study hopes to provide a deeper understanding of customer needs for naturally dyed batik products (Keisidou et al., 2013; Semente et al., 2021).

LITERATURE REVIEW Socio-Cultural Factors

The growing public awareness environmental issues and cultural preservation reflects the socio-cultural influence on the intention to purchase eco-friendly batik (Ikhwana & Dewi, 2021; Faiza, 2012). Social norms and the "go green" trend encourage consumers to choose batik products that are sustainably produced (Astutiningsih, 2015; Hussain & Huang, 2022). Consumers tend to select batik that not only reflects tradition but is also environmentally friendly, driven by community support, a deep appreciation for cultural heritage, and environmental consciousness. Consumer decisions are shaped by social norms, cultural values, education, media, and fashion trends (Abdullah et al., 2017). A positive attitude toward cultural products is associated with a higher purchase intention (Xing & Jin, 2023).

Environmental Awareness

Environmental awareness encourages consumers to choose eco-friendly batik, as it aligns with sustainability values (Junaedi, 2005). Consumers prefer batik produced using natural materials and processes that minimize waste, while also supporting cultural and environmental

preservation (Pujilestari, 2015). Furthermore, purchasing environmentally friendly products reflects a positive self-image as individuals who care about the environment. Educational campaigns about the impact of the textile industry also increase preferences for sustainable batik (Pringgenies et al., 2013). With increased awareness, consumers are more likely to choose products that are not only aesthetically pleasing but also environmentally responsible (Syabana et al., 2013).

Service Quality

A key factor influencing customer satisfaction is service quality, which reflects how well the service meets or exceeds customer expectations (Parasuraman et al., 1994). Factors such as assurance, trust, responsiveness, reliability, and empathy are very important. Consistent, prompt service that focuses on customer needs improves the customer experience, loyalty, and satisfaction (Carman, 1990). Poor service can diminish customer satisfaction and harm the company's image, while good service makes customers feel valued and more likely to return (Pandey et al., 2020; Sao et al., 2017).

Pricing

Competitive pricing creates a balance between the cost paid and the perceived benefits, allowing consumers to view the product as a worthwhile investment (Razak et al., 2016). When the price is too high without clear benefits, consumers are likely to perceive the product as lacking value. On the other hand, competitive pricing combined with adequate quality enhances the product's appeal (Li et al., 2024; Shirai, 2015; "Takko: Low Price, High Quality," 2007). For products such as eco-friendly batik, pricing that reflects sustainability and the authenticity of the materials can strengthen purchase decisions and foster positive perceptions (Utama et al., 2024).

Customer Satisfaction

Customer satisfaction promotes loyalty by fostering trust, positive experiences, and emotional fulfillment (Al-Dmour et al., 2019). Customers who are satisfied with the quality, authenticity, and sustainability commitment of eco-friendly batik are more likely to make repeat purchases and recommend the products (Handayani et al., 2018; Paramita et al., 2021). Satisfaction also strengthens customer loyalty, even in the presence of alternatives in the market, thus reinforcing long-term relationships with the brand (Fred Wali et al., 2015; Thi et al., 2017).

Customer Loyalty

Customer loyalty to eco-friendly, naturally dyed batik is developed through satisfaction with its quality, sustainability, and cultural value, which drive repeat purchases and recommendations (Kusumastuti et al., 2023). Loyalty encourages the continued

purchase of eco-friendly batik, thereby supporting business sustainability through a loyal customer base (Sunarjo et al., 2021; Mahendrayanti & Wardana, 2021; Paramita et al., 2021).

Holistic Approach

A holistic approach in studying customer loyalty toward naturally dyed batik involves analyzing various dimensions that collectively influence customer behavior. This approach emphasizes the interconnections between social, environmental, service, and pricing factors. The key dimensions explored include:

- a. Socio-Cultural: How cultural values influence customer preferences.
- Environmental Awareness: Customer concern for sustainability.
- Service Quality: The level of service provided to customers.
- d. Pricing: Customer perceptions of price fairness and product value.
- e. Customer Satisfaction: The overall experience of the customer.
- f. Customer Loyalty: Repeat purchases, recommendations, and emotional commitment to the product.

The conceptual holistic model illustrates the relationships between socio-cultural factors, pricing, service, environmental awareness, satisfaction, and customer loyalty.

The Connection Between Socio-Cultural Factors and Customer Satisfaction

Customers of naturally dyed batik typically value the cultural authenticity, traditions, and artistic essences embedded in the product. Service providers who understand the significance of socio-cultural factors can offer services that highlight the local uniqueness and traditional aspects of batik (Ogunnaike et al., 2022).

Service quality that reflects an appreciation for cultural values, such as educating customers by providing historical and philosophical information about batik, can enhance customer satisfaction. When service quality aligns with the socio-cultural values of customers, they are more likely to feel valued, which strengthens their perception of service quality (Setyaningrum, 2021; Hur et al., 2013).

The hypothesis explaining the relationship between socio-cultural factors and customer satisfaction is as follows:

H₁: Socio-Cultural Factors have a positive impact on Service Quality

Environmental Awareness and Customer Satisfaction

Environmental awareness, as an attitudinal factor, influences customer satisfaction with ecofriendly products, as customers who are concerned about sustainability are more likely to be satisfied with products that reflect these values (Rahadi et al., 2020; Kusumastuti et al., 2023). This leads to the following hypothesis:

H₂: Environmental awareness has a positive impact on customer satisfaction, where environmentally conscious customers are more satisfied with the eco-friendly products they choose.

Socio-Cultural Factors and Environmental Awareness Affect Customer Satisfaction through Service Quality and Pricing

Socio-cultural factors such as local norms, traditional values, and cultural preferences for ecofriendly products positively influence customers' perceptions of the pricing of naturally dyed batik products. Customers tend to value products more highly when they align with their cultural relevance and uniqueness, reflecting their social values (Li et al., 2024).

Customers are more satisfied when services reflect socio-cultural values and environmental awareness, as these services are perceived as relevant, meaningful, and aligned with their personal principles and preferences (Rahadi et al., 2020; Zeithaml et al., 2018).

Based on this, the following two hypotheses are proposed:

- H₃: Socio-cultural factors have a positive impact on the perception of the price of naturally dyed batik products.
- H₄: Customers are more satisfied when the service provided reflects socio-cultural values and environmental awareness.

Pricing That Reflects Cultural Values and Environmental Sustainability Positively Influences Customer Satisfaction with The Product

By aligning product pricing with cultural values and sustainability, the price of the product impacts the relationship between socio-cultural factors, environmental awareness, and customer satisfaction (Ikhwana & Dewi, 2021; Permata Sari, 2021). Fair price and good quality enhance the younger generation's appreciation for environmental issues, strengthening their attachment to cultural values and environmental preservation (Yue et al., 2020). This leads to the following two additional hypotheses:

- H₅: Pricing that aligns with cultural norms and environmental awareness enhances customer satisfaction.
- H₆: Customers are more satisfied when the price reflects cultural values and environmental sustainability.

Customer Satisfaction as a Driver of Loyalty

Customer satisfaction promotes loyalty by fostering emotional connections, increasing

retention, and encouraging repeat purchases. Satisfied customers are more likely to consistently choose the same brand (Oliver Richard L, 2010). Satisfaction with the quality and environmental benefits of naturally dyed batik positively influences customer loyalty, leading to repeat purchases. This leads to the following hypothesis:

H₇: Customers who are satisfied with naturally dyed batik are likely to be loyal, resulting in repeat purchases.

The research model illustrating customer loyalty based on customer satisfaction with naturally dyed batik products is shown in Figure 1.

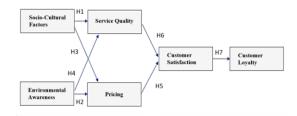


Figure 1. Model of Customer Loyalty Based on Customer Satisfaction

METHOD

Primary data were collected through an online survey, which included responses to a structured questionnaire. The research variables were measured using a Likert scale (Joshi et al., 2015). The target population of this study consisted of buyers of naturally dyed batik in specific regions, such as consumers in Indonesia. A subset of the population selected for the survey represents the sample (Taherdoost, 2018). The subjects of this study are from three regions in Central Java: Semarang City, Kendal, and Semarang Regency. Sample size determination is the process of determining the number of respondents that are representative enough to ensure the validity and reliability of the data in line with the research objectives and the target population being studied (Leavy, 2017). Random sampling was employed to ensure that all individuals have the same characteristics for classification (Taherdoost, 2018).

Data will be collected through an online questionnaire distributed to respondents via platforms such as email, social media, and other relevant channels targeting the specific population. The questionnaire will consist of questions related to the factors influencing customer satisfaction and loyalty towards naturally dyed batik products. A 5-point Likert scale will be used to measure research variables (Taherdoost, 2018; Mumu et al., 2022). The collected data will be analyzed using SmartPLS to conduct partial least squares path modeling (PLS-PM) and assess the influence of independent variables on dependent variables, as well as intervening variables (Gio, 2022; Harahap, 2020).

Measurement

Based on the demographic characteristics of the respondents, Table 1 shows that the majority of naturally dyed batik users fall within the productive age group.

Table 1. Demographics of 100 Respondents Across 3 Sample Regions

Variable	Item	Frequency Percentage		
Gender	Female	52	52 %	
	Male	48	48 %	
Age	20 - 24	3	3 %	
•	25 - 29	4	4 %	
	30 - 34	6	6 %	
	35 - 39	11	11 %	
	40 - 44	24	24 %	
	45 - 49	21	21 %	
	>50	31	31 %	
Residence	Semarang City	51	51 %	
	Kendal	26	26 %	
	Semarang Regency	23	23 %	
Education Level	Junior High School	21	21 %	
	Senior High/Vocational	46	46 %	
	Bachelor's Degree	18	18 %	
	Diploma	15	15%	

Table 2 shows the constructs or questionnaire items with coding for the questions, and Table 3 presents the results of the t-test analysis.

Table 2. Constructs or Questionnaire Items

Table 2. Constructs or Questionnaire Items	
Constructs or Questionnaire Items	Code
Socio-Cultural (SBD) (Tekin & Tekdogan, 2015; Yuli Ardianto et al., 2020)	SBD
To what extent do you consider the support of traditional cultural preservation important when purchasing naturally dyed batik?	SBD1
 How strongly do you agree that buying naturally dyed batik contributes to supporting local artisans in maintaining cultural heritage? 	SBD2
• How significant is the influence of local cultural values on your decision to purchase naturally dyed batik?	SBD3
Environmental Awareness (KNI)	KNI
 (Kencanasari et al., 2019) To what extent do you understand that naturally dyed batik products use environmentally friendly materials? 	KNI1
How strongly do you agree that purchasing naturally dyed batik is a form of support for environmental preservation?	KNI2
How often do you choose naturally dyed batik due to its positive environmental impact?	KNI3
Service Quality (KLI) (Gogoi, 2020; Mosahab	KLI
et al., 2010) • To what extent do you feel confident in the safety of the natural dyes used in this product?	KLI1
How quickly do producers or sellers of naturally dyed batik respond to your inquiries or requests?	KLI2

Constructs or Questionnaire Items	Code
 Do you feel valued as a customer when interacting with the sellers or producers of naturally dyed batik? 	KLI3
Pricing (HRG) (Razak et al., 2016)	HRG
• To what extent do you feel that the price of naturally dyed batik products is aligned with the quality provided?	HRG1
How strongly do you agree that the price of naturally dyed batik products reflects cultural value and sustainability?	HRG2
To what extent does the price of naturally dyed batik products influence your decision to purchase?	HRG3
Customer Satisfaction (KPG) (Aswin Rahadi et al., 2020; Shaw, 2000)	KPG
 Are you satisfied with the quality of materials used in the naturally dyed batik products you purchased? 	KPG1
 Are you satisfied with the alignment between the price and the quality of the naturally dyed batik products? 	KPG2
Did the service you received during the purchase of the naturally dyed batik products enhance your satisfaction?	KPG3
Customer Loyalty (LPG) (Faisal A. Kadasah, 2022)	LPG
 How likely are you to repurchase naturally dyed batik in the future? 	LPG1
How proud do you feel owning naturally dyed batik as part of cultural and environmental preservation?	LPG2
Are you willing to help promote naturally dyed batik within your community?	LPG3

Table 3. t-test Analysis Results

Socio-Cultural (SBD) SBD1	Constructs/Overtion naime Items	Maan	Standard
SBD1 4.350 0.638 SBD2 4.210 0.725 SBD3 4.110 0.904 Environmental Awareness (KNI) 4.300 0.866 KNI1 4.360 0.686 KNI2 4.360 0.686 KNI3 4.200 0.721 Service Quality (KLI) KLI1 4.350 0.638 KLI2 4.290 0.621 KLI3 4.280 0.665 Pricing (HRG) HRG1 4.360 0.686 HRG2 4.160 0.784 HRG3 4.180 0.753 Customer Satisfaction (KPG) KPG1 4.070 0.951 KPG2 4.310 0.674 KPG3 4.270 0.786 Customer Loyalty (LPG) 0.786	Constructs/Questionnaire Items	Mean	Deviation
SBD2 4.210 0.725 SBD3 4.110 0.904 Environmental Awareness (KNI) 4.300 0.866 KNI1 4.360 0.686 KNI2 4.360 0.686 KNI3 4.200 0.721 Service Quality (KLI) 4.350 0.638 KLI1 4.350 0.621 KLI3 4.280 0.665 Pricing (HRG) 4.360 0.686 HRG1 4.360 0.784 HRG3 4.180 0.753 Customer Satisfaction (KPG) KPG1 4.070 0.951 KPG2 4.310 0.674 KPG3 4.270 0.786 Customer Loyalty (LPG) 0.786	Socio-Cultural (SBD)		
SBD3 4.110 0.904 Environmental Awareness (KNI) 4.300 0.866 KNI1 4.360 0.686 KNI2 4.360 0.721 Service Quality (KLI) 4.200 0.721 KLI1 4.350 0.638 KLI2 4.290 0.621 KLI3 4.280 0.665 Pricing (HRG) 4.360 0.686 HRG1 4.360 0.784 HRG3 4.180 0.753 Customer Satisfaction (KPG) KPG1 4.070 0.951 KPG2 4.310 0.674 KPG3 4.270 0.786 Customer Loyalty (LPG) 0.786 0.786	SBD1	4.350	0.638
Environmental Awareness (KNI) KNI1	SBD2	4.210	0.725
KNII 4.300 0.866 KNI2 4.360 0.686 KNI3 4.200 0.721 Service Quality (KLI) KLII 4.350 0.638 KLI2 4.290 0.621 KLI3 4.280 0.665 Pricing (HRG) HRG1 4.360 0.686 HRG2 4.160 0.784 HRG3 4.180 0.753 Customer Satisfaction (KPG) KPG1 4.070 0.951 KPG2 4.310 0.674 KPG3 4.270 0.786 Customer Loyalty (LPG)	SBD3	4.110	0.904
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KNI3 4.200 0.721 Service Quality (KLI) KLI1 4.350 0.638 KLI2 4.290 0.621 KLI3 4.280 0.665 Pricing (HRG) HRG1 4.360 0.686 HRG2 4.160 0.784 HRG3 4.180 0.753 Customer Satisfaction (KPG) KPG1 4.070 0.951 KPG2 4.310 0.674 KPG3 4.270 0.786 Customer Loyalty (LPG)	KNI1	4.300	0.866
Service Quality (KLI) 4.350 0.638 KLI1 4.290 0.621 KLI2 4.280 0.665 Pricing (HRG) 4.360 0.686 HRG1 4.360 0.784 HRG3 4.180 0.753 Customer Satisfaction (KPG) KPG1 4.070 0.951 KPG2 4.310 0.674 KPG3 4.270 0.786 Customer Loyalty (LPG)	KNI2	4.360	0.686
KLI1 4.350 0.638 KLI2 4.290 0.621 KLI3 4.280 0.665 Pricing (HRG) 4.360 0.686 HRG1 4.360 0.784 HRG3 4.160 0.784 HRG3 4.180 0.753 Customer Satisfaction (KPG) 4.070 0.951 KPG2 4.310 0.674 KPG3 4.270 0.786 Customer Loyalty (LPG)	KNI3	4.200	0.721
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KLI3 4.280 0.665 Pricing (HRG) 0.686 HRG1 4.360 0.686 HRG2 4.160 0.784 HRG3 4.180 0.753 Customer Satisfaction (KPG) 4.070 0.951 KPG1 4.070 0.674 KPG3 4.270 0.786 Customer Loyalty (LPG)	KLI1	4.350	0.638
Pricing (HRG) HRG1 4.360 0.686 HRG2 4.160 0.784 HRG3 4.180 0.753 Customer Satisfaction (KPG) KPG1 4.070 0.951 KPG2 4.310 0.674 KPG3 4.270 0.786 Customer Loyalty (LPG)	KLI2	4.290	0.621
HRG1 4.360 0.686 HRG2 4.160 0.784 HRG3 4.180 0.753 Customer Satisfaction (KPG) KPG1 4.070 0.951 KPG2 4.310 0.674 KPG3 4.270 0.786 Customer Loyalty (LPG)	KLI3	4.280	0.665
HRG2 4.160 0.784 HRG3 4.180 0.753 Customer Satisfaction (KPG) KPG1 4.070 0.951 KPG2 4.310 0.674 KPG3 4.270 0.786 Customer Loyalty (LPG)	Pricing (HRG)		
HRG3 4.180 0.753 Customer Satisfaction (KPG) KPG1 4.070 0.951 KPG2 4.310 0.674 KPG3 4.270 0.786 Customer Loyalty (LPG)	HRG1	4.360	0.686
Customer Satisfaction (KPG) 4.070 0.951 KPG1 4.070 0.951 KPG2 4.310 0.674 KPG3 4.270 0.786 Customer Loyalty (LPG)	HRG2	4.160	0.784
KPG1 4.070 0.951 KPG2 4.310 0.674 KPG3 4.270 0.786 Customer Loyalty (LPG)	HRG3	4.180	0.753
KPG2 4.310 0.674 KPG3 4.270 0.786 Customer Loyalty (LPG)	Customer Satisfaction (KPG)		
KPG3 4.270 0.786 Customer Loyalty (LPG)	KPG1	4.070	0.951
Customer Loyalty (LPG)	KPG2	4.310	0.674
	KPG3	4.270	0.786
	Customer Loyalty (LPG)		
LPG1 4.350 0.638	LPG1	4.350	0.638
LPG2 4.210 0.725	LPG2	4.210	0.725
LPG3 4.110 0.904	LPG3	4.110	0.904

RESULTS AND DISCUSSIONS Reliability and Validity Testing of the Measurement Model

All constructs, as illustrated in Figure 2, exhibit high reliability and validity, as shown in Table 4. Cronbach's Alpha confirms the consistency of components within each construct, while Composite Reliability indicates good overall reliability.

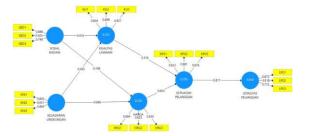


Figure 2. Estimasi Paramater Model

The high Average Variance Extracted (AVE) values demonstrate strong convergent validity, indicating that the constructs accurately meet their intended objectives. An AVE value exceeding 0.5 suggests that the variance explained by the construct is more significant than the measurement error.

Table 4. Reliability and Validity of Constructs

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Construct	Cronbach 's Alpha	rho_A	Composite Reliability	AVE
Pricing (HRG)	0.817	0.817	0.891	0.732
Customer Satisfaction (KPG) Environmental Awarness (KNI)	0.825 0.857	0.836 0.860	0.895 0.913	0.740 0.779
Service Quality (KLI)	0.814	0.819	0.890	0.729
Customer Loyalty (LPG) Socio-Cultural (SBD)	0.815 0.815	0.822 0.839	0.891 0.891	0.733 0.733

Model Parameter Estimation

The model parameter estimation (Figure 2) was performed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) algorithm, based on the Ordinary Least Squares (OLS) method.

Table 5 presents the PLS model structure with path coefficients that illustrate the relationships between the research variables, providing an estimation analysis for the relationships among the six constructs.

Table 5. Path Coefficients and Model Parameter Estimation.

Estimation.		
Socio-Cultural -	S	Service Quality
Path coefficient	:	0.416
Analysis	:	This value falls within the
		moderate-high category, meaning
		that the contribution of socio-
		cultural factors to service quality is
		significant, although not dominant.

Environmental Awareness → Pricing

Path coefficient : 0.696

Analysis : This indicates a strong positive

influence. Customers with high environmental awareness tend to value eco-friendly products, making them willing to pay a higher price. This reflects sustainability as an important factor in price perception, especially for products like naturally dyed batik.

Service Quality → Customer Satisfaction

Path coefficient : 0.316

Analysis : A moderate (weak) positive

relationship exists. Quality service, such as friendliness, responsiveness, and consistency, enhances customer satisfaction. In the context of naturally dyed batik, service quality reflects cultural values and sustainability, strengthening the overall customer experience, though it is not the only

dominant factor.

Pricing → Customer Satisfaction

Path coefficient: 0.603

Analysis : It shows a strong positive

relationship; fair pricing enhances satisfaction, especially when it reflects cultural values and

sustainability.

Environmental Awareness → Service Quality

Path coefficient : 0.455

Analysis : It shows a moderate positive

relationship; eco-friendly service enhances quality perception, particularly relevant for customers who are concerned with

sustainability.

Socio-Cultural → Pricing Path coefficient : 0.198

Analysis : It shows a weak positive

relationship. Socio-cultural factors influence price perception as a symbol of quality or status, but the impact is limited. In the context of naturally dyed batik, cultural values may increase willingness to pay, although it is not the dominant

factor.

Customer Satisfaction → Customer Loyalty

Path coefficient: 0.811

Analysis : It shows a very strong positive

relationship. High satisfaction drives customer loyalty, encourages product recommendations, and leads to repeat purchases. In the context of naturally dyed batik, a satisfying experience related to quality, price, and cultural value strengthens the emotional connection, fostering

long-term loyalty.

Structural Model Analysis Evaluation

The evaluation of the structural model analysis, as shown in Figure 3, and the results of the t-statistic analysis, are presented in Table 6.

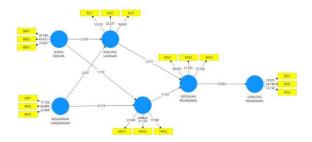


Figure 3. Evaluasi Analisis Model Struktural

Table 6. t-statistics of the Structural Equation Modeling (SEM) Model

Socio-Cultural → Service Quality

t-statistic : 2.763

Analysis : It shows that this relationship is

statistically significant. The impact of socio-cultural factors on service quality is strong and scientifically valid, supporting the hypothesis that socio-cultural elements influence service quality, with a t-statistic value greater

than 1.96.

Environmental Awareness → Pricing

t-statistic : 6.174

Analysis : It demonstrates a highly significant statistical relationship. The t-statistic

value far exceeds the 1.96 threshold, indicating that environmental awareness strongly influences price perception, especially for eco-friendly

products such as naturally dyed batik.

Service Quality → Customer Satisfaction

t-statistic : 2.213

Analysis : It demonstrates a significant

relationship with a t-statistic value greater than 1.96, indicating that service quality significantly contributes to customer satisfaction and reinforces the idea that good service enhances the

customer experience.

Pricing → Customer Satisfaction

t-statistic : 4.142

Analysis : It shows a highly significant relationship. The t-statistic value, far

above 1.96, indicates that price plays a strong role in influencing customer satisfaction, particularly when the price is perceived as fair in relation to the quality and value of the product, such as

naturally dyed batik.

Customer Satisfaction → Customer Loyalty

t-statistic : 15.054

Analysis : It shows a highly significant influence.

The t-statistic value, well above 1.96, indicates that customer satisfaction has a very strong impact on customer loyalty, with a high level of confidence

in the relationship model.

Hypothesis Testing Results

The results of the hypothesis testing using the SEM model, as presented in Table 7, indicate that socio-cultural factors have a significant impact on service quality, which, in turn, positively influences customer satisfaction. This suggests that socio-cultural values may shape consumers' perceptions of the service quality they receive. Additionally, environmental awareness appears to affect price perceptions, which subsequently impacts customer satisfaction.

Table 7. Hypothesis Testing

Table 7. Hypot	nesis re	oung			
	Original	Sample	Standard	Т.	
	Sample	Mean	Deviation (STDEV)	Ctatiatia	P Values
	(O)	(M)	(STDEV)	Staustic	
Pricing→					
Customer					
Satisfaction	0.603	0.583	0.153	3.940	0.000
Customer					
Satisfaction →					
Customer Loyalty	0.811	0.803	0.057	14.147	0.000
Environmental					
Awareness →					
Pricing	0.696	0.681	0.111	6.249	0.000
Environmental					
Awareness →					
Service Quality	0.455	0.462	0.137	3.319	0.001
Service Quality →					
Customer					
Satisfaction	0.316	0.336	0.147	2.144	0.033
Socio-Cultural →					
Pricing	0.198	0.202	0.114	1.738	0.083
Socio-Cultural →					
Service Quality	0.416	0.398	0.150	2.768	0.006

Conclusion

Based on the results of the model measurement, the parameter estimation reveals significant relationships between the variables tested, with t-statistics exceeding the threshold of 1.96 for most relationships. Environmental awareness has a strong impact on pricing (t-statistic = 6.174), showing that environmentally conscious customers are more likely to accept higher prices for ecofriendly products. The relationship between service quality and customer satisfaction (t-statistic = 2.213) is also significant, indicating that good service contributes to customer satisfaction. Furthermore, pricing significantly affects customer satisfaction (tstatistic = 4.142), demonstrating that a price aligned with product quality enhances satisfaction.

The results of the model measurement indicate that socio-cultural factors, environmental awareness, service quality, and pricing have a significant influence on both customer satisfaction and loyalty. The strongest relationship was found between customer satisfaction and loyalty (t-statistic = 15.054), confirming the importance of service quality and fair pricing in fostering satisfaction and loyalty. Additionally, environmental awareness and socio-cultural factors play a crucial role in shaping perceptions of price and service quality, especially

for products such as naturally dyed batik, which emphasize cultural values and sustainability.

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