

THE INFLUENCE OF SERVICE QUALITY AND CUSTOMER VALUE ON PURCHASE DECISIONS IN GRATING SALES AT CV. CAHAYA TERANG

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ABSTRACT

This research seeks to investigate the effect of Service Quality and Customer Value on Purchase Decisions, specifically in the context of grating product sales at CV Cahaya Terang. The variables studied include Service Quality (SQ), Customer Value (CV), and Purchase Decision (PD). Service Quality has six indicators, namely responsiveness, reliability, assurance, empathy, tangibility, and physical evidence. Customer Value has four indicators, namely product quality, functional benefits, emotional benefits, and price. Purchase Decision has three indicators, namely stability in the product, buying habits, and recommendations to others. The analysis tool used is Partial Least Square (PLS). The population in this study is 80 customers of CV Cahaya Terang grating companies, with a saturated sampling technique. The results show that Service Quality has a significant effect on Purchase Decisions, with the biggest determining indicator being responsiveness. Customer Value also has a significant influence on Purchase Decisions, with the biggest determining indicator being product quality. In addition, Customer Value has been proven to mediate the influence of Service Quality on Purchase Decisions.

Keywords: Service Quality, Customer Value, Purchase Decision, Grating Sales, CV Cahaya Terang

INTRODUCTION

The construction and manufacturing industries are two key sectors in Indonesia's economic development that are interconnected and mutually reinforcing. One of the essential products supporting construction activities is grating, a metal-based material used as work platforms, drainage covers, or access covers in various infrastructure projects. As a company engaged in the grating sales sector, CV.Cahaya Terang has built a positive reputation its through consistent delivery of high-quality standard products. Although the company's products have been proven to meet quality standards, in the past three years, it has experienced unstable sales figures. This situation suggests that sales performance is not solely determined by product quality but also requires support from service quality and perceived customer value.

Field observations indicate that several customer complaints regarding slow administrative responses, unclear product information, and ambiguity in additional costs can affect customers' perception of the company. These issues are directly related to dimensions of service quality such as responsiveness, reliability, and assurance (Vierdwiyani & Syafarudin, 2020; Zakhra et al., 2023). Conversely, customers' perceptions of the benefits they receive relative to the price paid, commonly known as customer value, also play a crucial role in influencing purchase decisions. (Putri, 2020). Amid intensifying market competition, understanding these factors is crucial for retaining existing customer loyalty and attracting new consumers.

Several previous studies have examined the relationship between service quality, customer value, and purchase decision, but their results have not always been consistent. Some studies found a direct positive influence of service quality on purchase decisions (Ababil & Sari, 2022; Saputra, 2018), while others argued the influence to be indirect or even insignificant (Susanti et al., 2024; Yani & Kuswardani, 2021). Studies by Eka and Hamdani (2017) as well as Amin and Tarun (2021) indicate that perceived customer value exerts differing effects on purchase decisions depending on the dominant dimensions experienced, such as functional value, emotional value, or price-related value. This variation points to a gap in the literature, particularly within the context of business-to-business (B2B) firms like CV. Cahaya Terang, whose primary customers are construction companies.

This study aims to analyze the influence of service quality and customer value on purchase decisions and to examine the mediating role of customer value in the relationship between service quality and purchase decisions. The theoretical foundation used in this analysis is the Theory of Planned Behavior (TPB), which asserts that attitudes toward behavior, perceived social norms, and perceived behavioral control are key factors influencing intentions and actions (Ajzen, 1991; Kim & Kim, 2021). In this context, service quality and customer value can shape positive attitudes, strengthen social norms, and create a perception of ease in making purchasing decisions.

This study holds academic significance by addressing a gap in the literature on purchasing behavior within the grating industry context, while also providing practical contributions to managerial decision-making at CV. Cahaya Terang. The findings are expected to inform the development of enhanced service strategies and more effective communication of product value. By considering psychological and social aspects of customers through the TPB framework, the company can better understand not only what customers need but also how to positively and sustainably influence their purchasing decisions.

LITERATURE REVIEW

Research on service quality, customer value, and purchase decisions has become a key focus in the fields of marketing management and consumer behavior. Existing literature indicates that these three variables are interrelated in influencing consumers' purchase decision-making processes, both in B2C and B2B contexts. This study aims to understand the interrelationship among these variables in the context of grating sales, an industrial product with a specific and dynamic market. Therefore, this literature review will map out key findings from previous studies to highlight the positioning and contribution of this research to the development of current knowledge.

In general, service quality is considered a crucial factor in creating a satisfying customer experience. Parasuraman et al. (1988) proposed that service quality comprises five dimensions: tangibles, reliability, responsiveness, assurance, and empathy. Numerous studies have demonstrated that service quality directly influences customer satisfaction and loyalty and plays a significant role in shaping purchase decisions (Ababil & Sari, 2022; Saputra, 2018). However, other studies have shown that this influence can be indirect or even insignificant, depending on the industry context (Susanti et al., 2024; Yani & Kuswardani, 2021). These discrepancies indicate the need for further investigation, especially in specific industries such as grating products.

Meanwhile, customer value is defined as the customer's perception of the comparison between outputs and inputs (Kotler & Keller, 2021). This value extends beyond functional attributes and price considerations to include emotional and social benefits perceived by customers. Research by Eka and Hamdani (2017) and Amin and Tarun (2021) highlights that the customer value dimensions most strongly influencing purchase decisions differ according to product type and consumer characteristics. In the context of grating products, where purchasing decisions tend to be rational and based on technical specifications, understanding value perception is essential.

The literature further indicates that customer value frequently functions as a mediating variable in the relationship between service quality and purchase decisions. High levels of service quality enhance perceived customer value, which subsequently increases the likelihood of purchasing behavior (Harijanto & Herdinata, 2024; Saputra, 2018). However, most studies supporting this model have been conducted in the context of retail and hospitality services. Therefore, further research is still needed in the manufacturing and construction sectors to strengthen the generalizability of this model within B2B contexts.

As the theoretical framework, this study adopts the Theory of Planned Behavior (TPB) by Ajzen (1991), which has been widely applied in various studies on consumer behavior. TPB posits that consumer behavior is shaped by three main factors: attitude toward the behavior, subjective norms, and perceived behavioral control. Service quality and customer value can influence customer attitudes, strengthen social norms through recommendations, and build perceptions that purchasing is easy to carry out. Studies such as those by Kim dan Kim (2021) dan Zygiaris et al. (2022) support the application of TPB in analyzing purchase behavior in B2B sectors.

Based on the literature review that has been thoroughly compiled and analyzed, a conceptual framework can be formulated by referring to relevant theories, findings from previous studies, and the interrelationships among the variables as previously described, as follows:

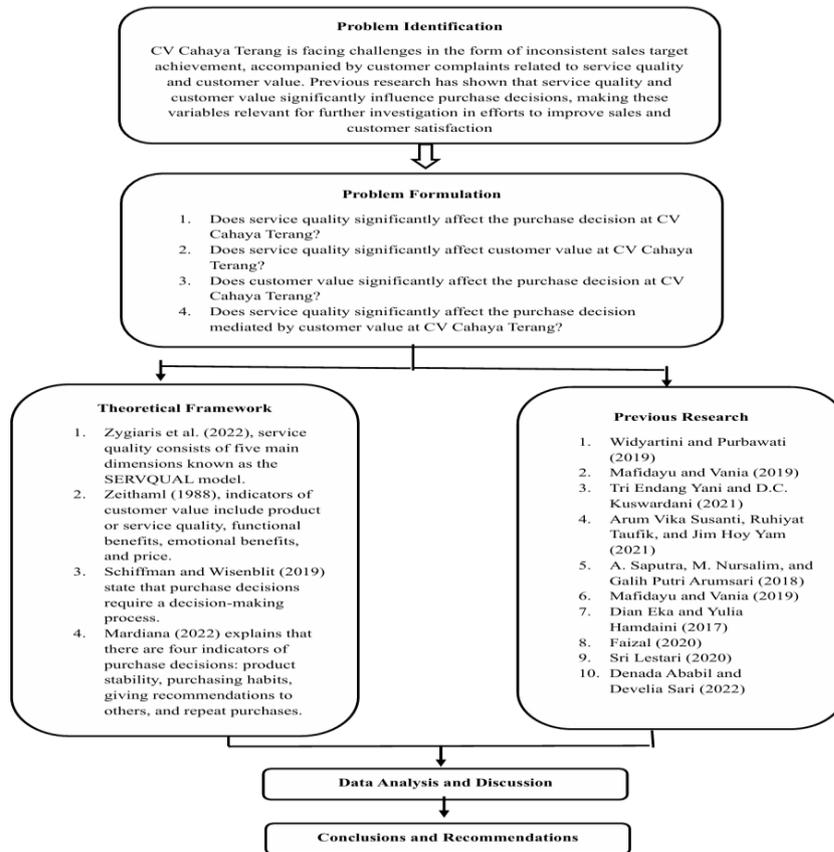


Figure 1. Design Thinking

After formulating the conceptual framework based on theories and previous research findings, the author proceeds to develop an analytical model that will serve as the basis for empirical testing in this study. The research model developed in this study is as follows:

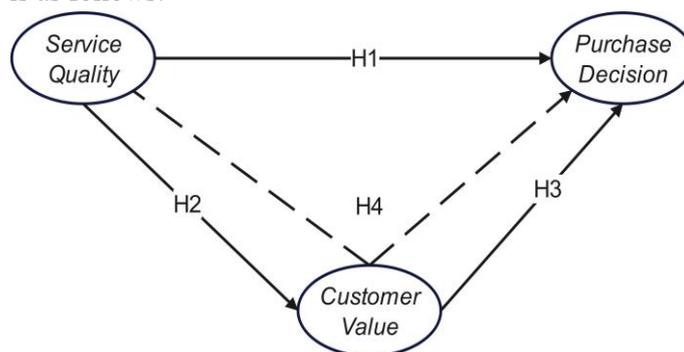


Figure 2. Analysis Model

Based on the analytical model developed, the following research hypotheses can be formulated:

H1: Service Quality has a significant effect on Purchase Decision at CV Cahaya Terang.

H2: Service Quality has a significant effect on Customer Value at CV Cahaya Terang.

H3: Customer Value has a significant effect on Purchase Decision at CV Cahaya Terang

H4: Service Quality has a significant effect on Purchase Decision through Customer Value at CV Cahaya Terang.

RESEARCH METHODS

This study employs a quantitative approach with an explanatory research design to examine and explain the causal relationships between service quality and customer value on purchase decision. This approach is considered appropriate as it enables the researcher to test the formulated hypotheses. Moreover, the quantitative approach offers a robust basis for generating numerical data suitable for statistical analysis. This methodology follows research guidelines that are widely applied in marketing and consumer behavior studies (Hair et al., 2021). The population in this study consists of all customers of CV Cahaya Terang who have made grating product transactions within the last two years. Based on internal company data, there are 80 active customers. Given the relatively small population size and its accessibility, a saturated sampling technique was used, whereby all elements of the population were included as respondents.

The study was carried out by distributing a structured questionnaire developed from the indicators of each variable examined. The instrument was designed to capture respondents' perceptions of service quality, customer value, and purchase decisions using a Likert scale. The service quality indicators were adapted from the SERVQUAL framework (Parasuraman et al., 1988), which includes five key dimensions that serve as benchmarks for service quality: tangibles, reliability, responsiveness, assurance, and empathy. These dimensions were chosen because they have been proven relevant in various studies related to service and customer satisfaction. Meanwhile, customer value indicators are based on the framework proposed by Kotler dan Keller (2021), which include product quality, functional benefits, emotional benefits, and price. The purchase decision variable is measured through three indicators product stability, purchasing habits, and recommendations to others, adapted from studies by Saputra (2018) serta Eka dan Hamdani (2017).

This study utilizes the PLS-SEM (Partial Least Squares Structural Equation Modeling) technique, using SmartPLS version 4.0 software. This method was chosen because it is suitable for testing complex relationships among latent variables in exploratory and predictive models without requiring normally distributed data (Hair et al., 2021). The analysis was performed in two primary stages: evaluation of the outer model and assessment of the inner model. In addition, a mediation effect analysis was conducted using the bootstrapping method to examine whether customer value mediates the relationship between service quality and purchase decisions. This technique has been widely applied in consumer behavior research to examine indirect effects (Hair et al., 2021). All stages of the research process were designed to ensure replicability for other researchers in comparable industrial contexts. Modifications were limited to the development of the questionnaire and the selection of indicators tailored to the characteristics of grating products and the B2B business model of CV. Cahaya Terang.

RESULT AND DISCUSSION

Descriptive Statistics

The sample in this study consists of 80 respondents representing companies that are customers of CV. Cahaya Terang. The descriptive statistical results obtained are as follows:

Table 1. Deskriptive Statistics

| Engaged in | Frequency | Percentage |
|---------------|-----------|-------------|
| Distributor | 20 | 25.0% |
| Golf | 1 | 1.3% |
| Chemicals | 10 | 12.5% |
| Contractor | 38 | 47.5% |
| Manufacturing | 1 | 1.3% |
| Government | 1 | 1.3% |
| Fisheries | 2 | 2.5% |
| Real Estate | 2 | 2.5% |
| Fertilizer | 5 | 6.3% |
| Total | 80 | 100% |

The results in Table 1 indicate that the respondents in this study were predominantly contractors, with 38 respondents or 47.5%, This was followed by distributors, accounting for 20 respondents or 25.0%, and companies in the chemical sector, totaling 10 respondents or 12.5%, Additionally, both the fisheries and real estate were represented by 2 respondents or 2.5%, Lastly, the golf industry, manufacturing sector, and government institutions each contributed 1 respondent or 1.3%. These findings suggest that the majority of CV. Cahaya Terang’s customers are contractors.

Table 2. Customer Origin

| Customer Origin | Frequency | Percentage |
|-----------------|-----------|--------------|
| Non-Surabaya | 71 | 88.8 |
| Surabaya | 9 | 11.3 |
| Total | 80 | 100.0 |

Based on Table 2, it is revealed that the majority of customers of CV Cahaya Terang are from outside Surabaya, totaling 71 respondents or 88.8%, while only 9 respondents or 11.3% are from within Surabaya. This data indicates that most of CV. Cahaya Terang's customers are located outside of Surabaya.

Table 3. Service Quality

| No | Indicator | Mean | Standard deviation |
|----------------------|--|--------------|--------------------|
| SQ1 | CV. Cahaya Terang is willing to respond to complaints and requests from customers. | 3.775 | 1.000 |
| SQ2 | CV Cahaya Terang provides services in a timely manner. | 3.725 | 1.129 |
| SQ3 | CV Cahaya Terang has extensive knowledge in answering various customer inquiries. | 3.837 | 1.018 |
| SQ4 | CV Cahaya Terang is polite and courteous in delivering services. | 3.812 | 0.923 |
| SQ5 | CV Cahaya Terang has adequate and comfortable service facilities. | 3.825 | 1.022 |
| SQ6 | The appearance of CV Cahaya Terang employees is neat. | 3.975 | 0.974 |
| Average Score | | 3.825 | |

The results from Table 3 show that the overall average score for the Service Quality variable is 3.825, indicating that most respondents moderately agreed with the statements related to this variable. The highest mean score is found in indicator SQ6 (3.975), which states “The appearance of CV Cahaya Terang employees is neat.” This suggests that neat employee appearance is the most appreciated aspect of service quality among respondents. Conversely, the lowest mean score is observed in SQ2 (3.725), “CV Cahaya Terang provides services in a timely manner,” indicating that service speed still requires improvement to better meet customer expectations. The highest standard deviation is recorded in SQ2 (1.129), reflecting that responses to this indicator were relatively varied, while the lowest standard deviation appears in SQ4 (0.923), suggesting that responses regarding employee politeness and courtesy were relatively consistent. These results suggest that while respondents are generally satisfied with the company’s service quality, improvements in service timeliness are necessary to create a more consistent and satisfying customer experience.

Table 4. Customer Value

| No | Indicator | Mean | Standard deviation |
|-----|---|-------|--------------------|
| CV1 | The technology offered by CV. Cahaya Terang supports customers' operational efficiency, such as durability, ease of installation, or minimal maintenance. | 3.938 | 1.004 |
| CV2 | CV. Cahaya Terang ensures that the delivery and installation process of grating does not interfere with customers’ operational schedules. | 3.987 | 1.090 |

| | | | |
|----------------------|---|--------------|-------|
| CV3 | CV. Cahaya Terang manages coordination with third parties, such as raw material suppliers or logistics partners, to ensure supply chain continuity. | 3.938 | 1.053 |
| CV4 | CV. Cahaya Terang explains the technical specifications of the grating products to customers. | 4.088 | 1.051 |
| Average Score | | 3.988 | |

The results in Table 4 indicate that the overall average score for the Customer Value variable is 3.988, showing that the majority of respondents agree with the statements related to this variable. The highest mean score is found in indicator CV4 (4.088), which states, “CV. Cahaya Terang explains the technical specifications of the grating products to customers,” highlighting that the company's ability to clearly deliver technical information is the most valued aspect by respondents. Conversely, the lowest mean scores are recorded in indicators CV1 and CV3, both at 3.938, corresponding to the statements “The technology offered by CV Cahaya Terang supports customers’ operational efficiency” and “CV Cahaya Terang manages coordination with third parties to ensure supply chain continuity,” respectively. While both aspects are rated fairly well, there remains room for improvement in delivering additional value to customers. The highest standard deviation is observed in CV2 (1.090), which states, “CV Cahaya Terang ensures that the delivery and installation process does not disrupt customers’ operational schedules,” indicating that responses were relatively diverse. In contrast, the lowest standard deviation is found in CV1 (1.004), reflecting more consistent responses regarding the technology offered. Based on Table 4, it can be concluded that while respondents are generally satisfied with the value provided by CV Cahaya Terang, the company needs to improve consistency in its delivery and installation processes to create a more optimal customer experience.

Table 5. Purchase Decision

| No | Indicator | Mean | Standard deviation |
|----------------------|--|--------------|--------------------|
| PD1 | I purchase products from CV Cahaya Terang because of the stability of the products they produce. | 4.225 | 1.000 |
| PD2 | I purchase products from CV Cahaya Terang because the products meet my needs. | 4.325 | 0.848 |
| PD3 | I purchase products from CV Cahaya Terang based on recommendations from others. | 4.188 | 1.026 |
| Average Score | | 4.246 | |

Based on Table 5, the overall average score for the Purchase Decision variable is 4.246, indicating that the majority of respondents strongly agreed with the statements related to this variable. The highest mean score is found in indicator PD2 (4.325), which states, “I purchase products from CV Cahaya Terang because the products meet my needs,” suggesting that product suitability is the most valued aspect by the respondents. Conversely, the lowest mean score is observed in indicator PD3 (4.188), “I purchase products from CV Cahaya Terang based on recommendations from others,” indicating that although peer recommendations have a notable influence, their impact is slightly lower compared to other factors. The highest standard deviation is recorded in PD3 (1.026), reflecting greater variability in responses, while the lowest is in PD2 (0.848), showing that responses regarding product suitability were relatively consistent. Based on Table 5, it can be concluded that respondents hold a very positive view of the value provided by CV Cahaya Terang, particularly in terms of product alignment with customer needs. However, the company should consider enhancing recommendation-based marketing strategies to expand its customer base and further improve customer satisfaction.

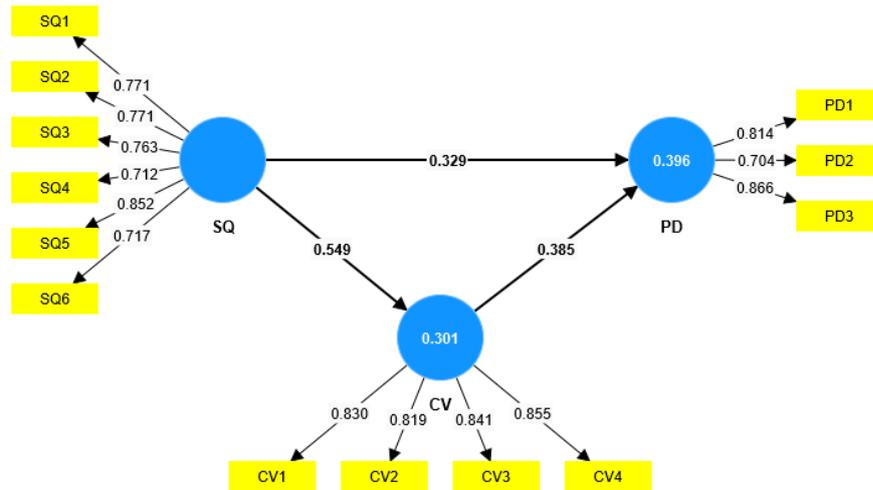


Figure 3. Outer Model

Validity Test

The validity test is used to evaluate the extent to which a measurement instrument accurately represents the concept it is intended to measure (Beckett et al., 2017). In this study, validity was tested through two types of assessments: convergent validity and discriminant validity. An item or indicator is considered valid if the significance value of the correlation coefficient test is < 0.05, indicating that the indicator is suitable for use in this study (Hair et al., 2021).

Table 6. Convergent Validity

| Variable | Indicator | Outer Loading | AVE |
|--------------------------|-----------|---------------|-------|
| <i>Service Quality</i> | SQ1 | 0.771 | 0.586 |
| | SQ2 | 0.771 | |
| | SQ3 | 0.763 | |
| | SQ4 | 0.712 | |
| | SQ5 | 0.852 | |
| | SQ6 | 0.717 | |
| <i>Customer Value</i> | CV1 | 0.830 | 0.699 |
| | CV2 | 0.819 | |
| | CV3 | 0.841 | |
| | CV4 | 0.855 | |
| <i>Purchase Decision</i> | PD1 | 0.814 | 0.636 |
| | PD2 | 0.704 | |
| | PD3 | 0.866 | |

Based on Table 6, all indicators for each variable show outer loading values > 0.7 and AVE > 0.5, indicating that each construct has met the requirements for convergent validity. Thus, these indicators consistently represent the constructs being measured. Furthermore, the highest outer loading is recorded for indicator PD3, reflecting the most significant contribution in measuring its respective variable. Conversely, the lowest outer loading is found in indicator SQ6, which, although still meeting the required threshold, has relatively less influence compared to other indicators within the Service Quality variable.

In terms of AVE, the Customer Value variable records the highest score, suggesting that this construct has the greatest clarity and consistency in explaining its latent variable. In contrast, the Service Quality variable records the lowest AVE, though still above the 0.5 threshold, ensuring that its validity remains acceptable. These findings provide strong evidence that all constructs used in the study have been appropriately validated through this analysis.

This conclusion lays a solid foundation for proceeding to the structural analysis stage to evaluate the relationships among the latent variables in the research model.

Table 7. Fornell-Larcker Criterion

| Indicator | SQ | CV | PD |
|-----------|--------------|--------------|--------------|
| SQ | 0.766 | | |
| CV | 0.549 | 0.836 | |
| PD | 0.540 | 0.566 | 0.798 |

As shown in Table 7, based on the Fornell-Larcker criterion, each construct has a square root of AVE that is greater than the correlations with other constructs, indicating that the requirement for discriminant validity is met. This result demonstrates that each construct possesses adequate discriminant validity and can be considered valid within the research model. Additionally, a cross-loading test was conducted to ensure that the indicators of each construct have higher correlations with their respective constructs than with others. The results of the cross-loading analysis provide detailed insights into the relationship between each indicator and its corresponding construct, and a more in-depth interpretation of these results will be presented in the following section.

Table 8. Cross Loading

| | SQ | CV | PD |
|-----|--------------|--------------|--------------|
| SQ1 | 0.771 | 0.398 | 0.401 |
| SQ2 | 0.771 | 0.382 | 0.319 |
| SQ3 | 0.763 | 0.461 | 0.481 |
| SQ4 | 0.712 | 0.479 | 0.422 |
| SQ5 | 0.852 | 0.445 | 0.455 |
| SQ6 | 0.717 | 0.321 | 0.370 |
| CV1 | 0.384 | 0.830 | 0.464 |
| CV2 | 0.493 | 0.819 | 0.444 |
| CV3 | 0.446 | 0.841 | 0.493 |
| CV4 | 0.504 | 0.855 | 0.491 |
| PD1 | 0.414 | 0.394 | 0.814 |
| PD2 | 0.290 | 0.305 | 0.704 |
| PD3 | 0.534 | 0.587 | 0.866 |

As shown in Table 8, each indicator demonstrates a stronger correlation with its associated construct than with other constructs. This finding indicates that all indicators effectively measure their intended constructs, thereby confirming that discriminant validity has been achieved for all variables. This validity ensures that the constructs measured in the model do not significantly overlap with one another.

With the fulfillment of discriminant validity criteria, the measurement model can be considered to have a solid foundation for further analysis, such as evaluating the relationships among latent variables in the structural model. These results also support the reliability of the research instrument used, providing confidence that the data collected can be appropriately used to answer the research questions.

Reliability Test

According Hair et al. (2021), the reliability test is used to determine the extent to which a measurement instrument can consistently differentiate between valid and invalid values. This test ensures that items or instruments remain consistent and produce similar results even when the study is repeated multiple times. Reliability is assessed only after the instrument's validity has been confirmed. The assessment of reliability is conducted by examining the Composite Reliability (CR) and Cronbach's Alpha (CA) values, where both should exceed 0.70 (Hair et al., 2021). The results of the reliability testing in this study are as follows:

Table 9. Reliability Test

| Variable | CA | CR |
|----------|-------|-------|
| SQ | 0.858 | 0.864 |
| CV | 0.857 | 0.859 |
| PD | 0.724 | 0.789 |

Based on the data presented in Table 9, the Cronbach’s Alpha (CA) and Composite Reliability (CR) values for the Service Quality (SQ) variable are 0.858 and 0.864, respectively. These values indicate that the Service Quality variable demonstrates a very high level of reliability. For the Customer Value (CV) variable, the CA value is 0.857 and the CR value is 0.858. These values also confirm that the Customer Value variable meets and exceeds the minimum thresholds required to be considered reliable.

Therefore, the results of the reliability analysis indicate that all variables in this study have fulfilled the required reliability standards. These findings provide a strong foundation for proceeding to the next stage of analysis, as the research instruments have been proven to be consistent and dependable in measuring the intended latent variables.

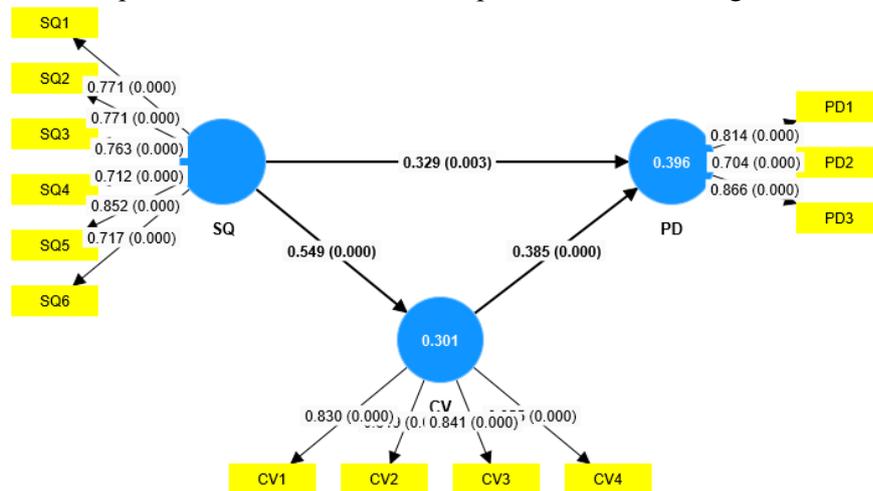


Figure 4. Inner Model

R Square

Hair et al. (2021) state that the evaluation of a structural model can be assessed through the R square value of the endogenous constructs, which indicates the extent to which the independent variables can explain the variability of the dependent variables. The R square values obtained from this study are presented as follows:

Table 10. R Square

| Variable | R Square | Adj. R Square |
|----------|----------|---------------|
| CV | 0.301 | 0.292 |
| PD | 0.396 | 0.380 |

Based on Table 10, the Adjusted R-square value for the Customer Value (CV) variable is 0.292, indicating that 29.2% of the variation in CV can be explained by the independent variables in the model. According to the established criteria, this value falls within the weak category, as it is greater than 0.25 but less than 0.50. Meanwhile, the Adjusted R-square value for the Purchase Decision (PD) variable is 0.380, meaning that 38.0% of the variation in PD can be explained by the independent variables in the model. Similar to CV, this value also falls into the weak category, since it exceeds 0.25 but does not reach 0.50.

F Square

F-Square is an important element in research because it plays a role in determining the feasibility of research to be taken into account (Hair et al., 2021). This analysis helps readers evaluate the stability of results based on the entire sample and research design, as well as providing an overview of the strength of effects that may influence future results (Wilkinson, 1999). The F Square results in this study are as follows:

Table 11. F Square

| Variabel | F Square |
|----------|----------|
| CV → PD | 0.171 |
| SQ → CV | 0.431 |
| SQ → PD | 0.125 |

Based on Table 11, the F-square value for Customer Value (CV) to Purchase Decision (PD) is 0.171, which falls within the range of 0.15 to 0.35. According to the established criteria, this is categorized as a medium effect size, indicating that the influence of CV on PD has a moderate impact within the model.

In contrast, the F-square value for Service Quality (SQ) to Customer Value (CV) is 0.431, which exceeds the 0.35 threshold. This places it in the large effect size category, suggesting that the influence of SQ on CV is highly significant and makes a strong contribution to the model.

Meanwhile, the F-square value for Service Quality (SQ) to Purchase Decision (PD) is 0.125, which lies between 0.02 and 0.15. This is considered a small effect size, meaning that the influence of SQ on PD has a relatively low impact in the model.

Q Square

The purpose of this analysis is to evaluate the predictive relevance of a construct model. As part of model quality assessment, the Q-square value is used to measure predictive relevance, where a positive value (greater than 0) indicates that the model is capable of producing relevant predictions. The Q-square values in this study are as follows:

Table 12. Q Square

| Variables | SSO | SSE | Q ² |
|-----------|---------|---------|----------------|
| SQ | 480.000 | 480.000 | 0.000 |
| CV | 320.000 | 255.209 | 0.202 |
| PD | 240.000 | 188,703 | 0.214 |

Based on Table 12, the Q-square value for the Customer Value (CV) variable is 0.202, indicating that the model has low to moderate predictive relevance for this variable. The independent variables in the model are able to predict approximately 20.2% of the variation in CV, suggesting that the model performs reasonably well in predicting this construct. The Q-square value for the Purchase Decision (PD) variable is 0.214, also indicating low to moderate predictive relevance. The independent variables in the model can predict approximately 21.4% of the variation in PD, supporting the model's adequacy in forecasting this outcome.

Hypothesis Testing

Partial analysis refers to the testing of direct relationships between two variables. This stage evaluates the direct effects of Service Quality and Customer Value on Purchase Decision. The results of the direct effect analysis in this study are presented as follows:

Table 13. Path Coefficient

| Hypothesis | Original sample | Sample mean | Standard deviation | T Statistics | P Values |
|------------|-----------------|-------------|--------------------|--------------|----------|
|------------|-----------------|-------------|--------------------|--------------|----------|

| | | | | | |
|-------------|-------|-------|-------|-------|-------|
| H1: SQ → PD | 0.329 | 0.331 | 0.109 | 3.008 | 0.003 |
| H2: SQ → CV | 0.549 | 0.559 | 0.083 | 6.582 | 0.000 |
| H3: CV → PD | 0.385 | 0.394 | 0.106 | 3.629 | 0.000 |

Based on the results presented in Table 13, the following conclusions can be drawn:

1. For Hypothesis 1, the T-statistic value is 3.008 > 1.990 and the p-value is 0.003 < 0.05, indicating that H1 is accepted, meaning that Service Quality has a significant effect on Purchase Decision.
2. For Hypothesis 2, the T-statistic value is 6.582 > 1.990 and the p-value is 0.000 < 0.05, indicating that H2 is accepted, meaning that Service Quality has a significant effect on Customer Value.
3. For Hypothesis 3, the T-statistic value is 3.629 > 1.990 and the p-value is 0.000 < 0.05, indicating that H3 is accepted, meaning that Customer Value has a significant effect on Purchase Decision.

Table 14. Path Coefficient Indicator

| Hypothesis | Original sample | Sample mean | Standard deviation | T statistics | P values |
|------------|-----------------|-------------|--------------------|--------------|----------|
| SQ1 ← SQ | 0.771 | 0.772 | 0.043 | 17.980 | 0.000 |
| SQ2 ← SQ | 0.771 | 0.769 | 0.042 | 18.359 | 0.000 |
| SQ3 ← SQ | 0.763 | 0.762 | 0.056 | 13.672 | 0.000 |
| SQ4 ← SQ | 0.712 | 0.707 | 0.075 | 9.552 | 0.000 |
| SQ5 ← SQ | 0.852 | 0.851 | 0.036 | 23.462 | 0.000 |
| SQ6 ← SQ | 0.717 | 0.715 | 0.077 | 9.351 | 0.000 |
| CV1 ← CV | 0.830 | 0.822 | 0.054 | 15.245 | 0.000 |
| CV2 ← CV | 0.819 | 0.820 | 0.043 | 19.172 | 0.000 |
| CV3 ← CV | 0.841 | 0.839 | 0.039 | 21.726 | 0.000 |
| CV4 ← CV | 0.855 | 0.852 | 0.044 | 19.552 | 0.000 |
| PD1 ← PD | 0.814 | 0.813 | 0.049 | 16.669 | 0.000 |
| PD2 ← PD | 0.704 | 0.692 | 0.108 | 6.510 | 0.000 |
| PD3 ← PD | 0.866 | 0.864 | 0.038 | 22.920 | 0.000 |

Based on the data in Table 14, the indicator with the highest contribution to the Service Quality (SQ) variable is SQ5, with a coefficient of 0.852. This indicates that physical facilities play a significant role in shaping the perception of service quality. Other indicators, such as SQ2 and SQ1, which relate to service speed and responsiveness to complaints, also show strong contributions, each with a coefficient of 0.771. For the Customer Value (CV) variable, the highest indicator is CV4 (0.855), highlighting the importance of technical explanations of grating products to customers. This is followed by CV3 (0.841) and CV1 (0.830), which emphasize smooth operational coordination and efficiency in the supply chain, respectively. Meanwhile, in the Purchase Decision (PD) variable, PD3 has the greatest influence with a coefficient of 0.866, indicating that recommendations from others strongly affect purchasing decisions. PD1 is also significant with a value of 0.814, indicating the importance of product stability in consumer decision making.

Mediation analysis examines whether the mediating variable (Customer Value) mediates the relationship between two other variables, namely Service Quality and Purchase Decision. In this case, Customer Value acts as a mediator between Service Quality and Purchase Decision. The purpose is to determine whether the effect of Service Quality on Purchase Decision occurs directly or through the mediation of Customer Value. The results of the indirect effect analysis in this study are as follows:

Table 15. Indirect Effect

| Hypothesis | Original sample | Sample mean | Standard deviation | T Statistics | P Values |
|------------------|-----------------|-------------|--------------------|--------------|----------|
| H4: SQ → CV → PD | 0.211 | 0.222 | 0.075 | 2.804 | 0.005 |

Based on the results presented in Table 15, the T-statistic value is $2.804 > 1.990$ and the p-value is $0.005 < 0.05$, leading to the conclusion that H4 is accepted, meaning that Customer Value mediates the effect of Service Quality on Purchase Decision.

Discussion

The Effect of Service Quality on Purchase Decision

The results of data analysis indicate that the Service Quality variable has a significant influence on Purchase Decision. This finding supports the acceptance of the hypothesis. In the context of the phenomenon described in the introduction, namely, customer complaints regarding slow responses, lack of clear information, and ambiguity of additional charges, this result highlights the importance of improving service quality to address such challenges. The impact of these complaints extends beyond customer satisfaction levels and directly influences their purchasing choices, including their decision to use the products or services of CV. Cahaya Terang over other market alternatives. Therefore, CV Cahaya Terang must pay close attention to service quality indicators to consistently enhance customer service quality. Improving service quality can help the company strengthen its purchase decisions and competitive market position.

This study is strongly aligned with the research conducted by Setyowati and Suryoko (2020) as well as Halim (2024), both of which found that service quality is positively and significantly related to purchase decision. High service quality often results in greater customer satisfaction, which in turn increases the likelihood of repeat purchases. In the case of CV. Cahaya Terang, the implementation of improved Service Quality dimensions may help reduce the complaints presented earlier in the introduction, such as slow admin response times and unclear information. The findings also support the theoretical framework used in this study, namely the Theory of Planned Behavior (TPB). According to Ajzen (2005), attitudes toward behavior are a key factor influencing an individual's intention to act. In this context, customers' positive evaluation of the quality of service received can enhance their intention to make a purchase. Additional research by Kotler dan Keller (2020) and Zeithaml et al. (2020) also supports this finding, showing that superior service quality not only increases the perceived value for customers but also reinforces their purchase decisions and encourages them to recommend the company to others. This aligns with CV. Cahaya Terang need to reinforce purchase decisions in response to the intense competition in the industry.

CV. Cahaya Terang can implement several strategic actions to improve service quality based on the SERVQUAL model dimensions (Zygiaris et al., 2022). Under the reliability dimension, the company should ensure accuracy and consistency in service by closely monitoring all processes and selecting trustworthy partners. In the responsiveness dimension, the company could provide training for the sales team to enhance their ability to quickly respond to customer needs, especially since one of the primary complaints is the delay in responses. In the assurance dimension, the company should foster trust through knowledgeable and friendly employee behavior. Additionally, improving empathy by offering personalized attention and enhancing tangibles such as facility conditions, service area comfort, and employees' professional appearance will help improve overall service perception. Through these measures, CV. Cahaya Terang can not only boost purchase decisions but also improve its corporate image in the eyes of customers, ultimately enhancing its market competitiveness and significantly increasing customer purchase decisions.

The Effect of Service Quality on Customer Value

The results of data analysis indicate that the Service Quality variable has a significant effect on Customer Value. This finding supports the acceptance of the hypothesis. It demonstrates that service quality plays a crucial role in determining customer value for grating buyers at CV. Cahaya Terang. This is especially relevant in the context of customer complaints regarding slow response times, lack of clear information, and ambiguous additional costs. By improving Service Quality dimensions such as Reliability, Responsiveness, Assurance, Empathy, and Tangibility

the company can address these complaints, enhance customer perceptions of received value, and strengthen its competitiveness within the industry.

This study is consistent with findings from research conducted by Suratno et al. (2016), which also found that service quality has a positive and direct relationship with customer value. This relationship is based on the understanding that improved service quality can lead to higher customer satisfaction, which in turn increases the perceived value of the product or service. These results are also aligned with the underlying theoretical framework, the Theory of Planned Behavior (TPB). According to TPB, attitudes toward specific behaviors are influenced by beliefs about the outcomes of those behaviors. In this context, positive perceptions of service quality can strengthen customers' beliefs that they are receiving greater value from the products or services they use (Ajzen, 2005). In a highly competitive industry environment, CV. Cahaya Terang can leverage high service quality to reinforce positive customer attitudes toward the company and significantly enhance customer value. Investing in service quality improvements is an effective strategy for increasing customer value and strengthening long-term customer relationships, ultimately providing a more solid foundation for purchasing decisions and overall satisfaction.

CV. Cahaya Terang can take several strategic steps to enhance customer value through improved service quality. The company can ensure reliability by reinforcing oversight of product delivery and ensuring that product specifications meet customer demands. The responsiveness dimension can be improved by providing prompt responses to customer complaints or requests, thereby minimizing issues related to delayed responses. For empathy, the company can offer personalized attention to customer needs, while assurance can be strengthened through employee training to instill a sense of trust and security among customers. Lastly, tangibility can be improved by maintaining comfortable facilities, adequate equipment, and professional staff appearance. Through these strategies, CV. Cahaya Terang can create a more positive customer experience, increase purchasing decisions through enhanced Customer Value, and solidify its competitive position in the market.

The Effect of Customer Value on Purchase Decision

The results of the data analysis show that the Customer Value variable has a significant effect on Purchase Decision. This finding indicates that customers' perception of value is crucial in influencing their purchasing decisions. The higher the perceived value, the more likely customers are to make purchases and recommend the product to others. In relation to complaints about unclear additional costs and ineffective communication, this result emphasizes the need for strategic management of customer value to improve purchasing decisions. Furthermore, the increasing competition in the industry requires a value-based approach that can differentiate CV Cahaya Terang from its competitors.

This study closely correlates with the findings of Hedwika et al. (2021), who highlighted the importance of personal value dimensions as key determinants of consumer purchase decisions. Their findings show that consumers are more inclined to make purchases when the perceived value aligns with their personal needs and preferences. This is further supported by studies conducted by Sharma (2020) and Gumilar et al. (2021), both of which found that perceived customer value not only enhances consumer trust in a brand but also significantly drives their purchase intention. This trust has wide-ranging implications, extending beyond individual purchasing decisions to influence social and collective contexts, as seen in online group purchasing behavior. In such contexts, the perception of collective value offered by a product or service can be a key factor influencing group purchasing decisions. The connection between perceived personal value and social trust underscores the importance of managing and enhancing customer value to facilitate more effective purchasing decisions and increase overall purchase behavior.

CV. Cahaya Terang can optimize customer value through a holistic and strategic approach. This optimization may involve creating value that exceeds customer expectations—for example, by offering high-quality grating products tailored to specific project needs, providing personalized technical consultations, and maintaining effective communication throughout the transaction process. By addressing complaints related to unclear information and additional costs, the company can significantly improve the customer experience. With such strategies, CV. Cahaya Terang can not only increase customer satisfaction but also build strong purchase decisions and encourage brand

advocacy through positive word-of-mouth from satisfied customers. This value-based approach will help the company strengthen its competitiveness and ensure sustainable customer engagement in the competitive grating market.

The Effect of Service Quality on Purchase Decision Mediated by Customer Value

The results of the data analysis indicate that Service Quality has a significant effect on Purchase Decision, with Customer Value acting as a mediating variable in this relationship. This finding confirms that services that meet or exceed customer expectations directly enhance the perceived value. This perceived value, in turn, drives customers to make purchasing decisions. In light of customer complaints regarding unclear information and additional charges, and considering the intense competition in the grating industry, these results emphasize the need to improve service quality to create greater customer value and effectively encourage purchasing decisions.

This study is in line with findings by Tanjaya (2016), which revealed that perceived service quality significantly impacts customer satisfaction through enhanced perceived value. Furthermore, research by Simanjuntak (2024) supports this conclusion by showing that Customer Value serves as a crucial mediator in the relationship between e-Service Quality and customer satisfaction, ultimately leading to increased purchase interest and decisions. These findings underscore that Customer Value is not only an outcome of the received service quality but also acts as a critical bridge connecting service quality with customer purchase decisions. Thus, this study highlights the importance of delivering high-quality services as a means of creating greater customer value, which in turn fosters purchase decisions. These factors reinforce the argument that improving service quality not only increases direct customer satisfaction but also influences their purchase decisions through enhanced perceived value.

CV Cahaya Terang can leverage these findings by integrating service quality improvement strategies that are customer value-focused. These efforts may include accuracy in fulfilling product specifications, on-time delivery, and quick, solution-oriented responses to customer needs. By delivering a superior service experience, CV Cahaya Terang can strengthen customer value perceptions, increase purchase decisions, and build long-term, mutually beneficial relationships. This strategy centered on service quality and customer value provides a significant competitive advantage and ensures the company's sustainability in the highly competitive grating market.

CONCLUSIONS AND PRACTICAL IMPLICATIONS

This study demonstrates that in the context of the B2B grating industry, customers perceptions of service quality and customer value play a crucial role in shaping purchase decisions. A key finding of this research is that customer value not only serves as an independent factor but also acts as a bridge that strengthens the influence of service quality on purchase decisions. In other words, high-quality service is more effective in driving purchasing behavior when it is translated into real and perceived value for the customer. By applying the TPB framework, this study also provides deeper psychological insight into how attitudes, social norms, and perceived behavioral control influence purchasing behavior in industrial settings.

Theoretically, this research expands the literature on consumer behavior in the B2B sector by positioning customer value as a crucial mediating variable in the relational model. The practical implication of these findings is that companies such as CV. Cahaya Terang should not only focus on the technical aspects of product quality, but also build a responsive, informative, and transparent service system, while creating a strong perception of added value in the minds of customers. An integrated service improvement strategy combined with relevant value communication can be the key to building customer loyalty and enhancing competitiveness in a dynamic market. Moreover, this research opens avenues for future studies to test similar models in different industrial contexts or through a longitudinal approach to capture the evolving dynamics of customer behavior over time.

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