

## ABSTRACT

**Title** : **INFLUENCE OF SERVICE QUALITY AND PRODUCT INNOVATION TO CUSTOMER LOYALTY ( Case Study at Pegadaian cabang Jatingaleh, Semarang)**  
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Service quality is the factor of customer loyalty. That is mean how an organization could give more than customer's expected. Service quality is one of characteristics in every company, because it makes different from the other. To give more than customer's expected, so the company have to do product innovation. If the customer feel satisfied by the company, it is can make customer to be loyal. And of course with a good service quality and product innovation in every company. A good product innovation would damage to many customers which the products could make customer loyalty. The problem of this research is about the influences of service quality to customer loyalty, the influences of product innovation to customer loyalty, and the influences of service quality and product innovation to customer loyalty.

Research type used is research according to explanation level. Technique of data collecting by using questionnaire propagated to 105 customers of Pegadaian Jatingaleh, Semarang. Analysed data with the qualitative analysis without number and quantitative analysis by using validity test, reliability test, determination coefficient, modestly linear regretion, doubled linear regretion, T test, and F test constructively the SPSS program.

The result of analysis with SPSS program :

1. Positive influence and significant between service quality to customer loyalty, where the creation of customer loyalty is  $t_{hitung} (5,606) > t_{tabel} (1,9879)$  and have positive influence and significant between product innovation to customer loyalty where  $t_{hitung} (3,278) > t_{tabel} (1,9879)$ .
2. Positive influence and significant between service quality and product innovation to customer loyalty where  $F_{hitung} (18,816) > F_{tabel} (3,93)$ . Determination coeffisien for service quality ( $X_1$ ) and product innovation ( $X_2$ ) give amount 27,00% to create customer loyalty, and 73,00% is influenced by the other factor.

Suggestion which can be submitted the company require to increase the service quality both of phsync's service or quality service. And always doing product innovation which the customers are to be loyal to the company.

**Key Word** : *Service Quality, Product Innovation, and Customer Loyalty*

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