

# Examining the Influence of Service Quality and Pricing Reasonableness on Customer Loyalty: The Mediation Effect of Customer Satisfaction Among Rapido users in Berhampur City, Odisha

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## ABSTRACT:

This study examines the impact of service quality and price reasonableness on customer loyalty, with customer satisfaction as an intervening mechanism among Rapido users in Berhampur City, Odisha, India. A quantitative research approach with a causal design was adopted, and data were collected from 150 respondents selected through purposive sampling. Primary data were gathered using a structured Likert-scale questionnaire and analysed using SmartPLS (version 4.1.1.4). The findings indicate that both service quality and price reasonableness significantly influence customer satisfaction and loyalty. Furthermore, customer satisfaction serves as a mediating factor in the relationship between service quality, price reasonableness, and customer loyalty. However, the study does not capture all possible determinants of customer satisfaction, suggesting the need for future research to incorporate additional variables and more comprehensive models to better explain variations in satisfaction levels.

**Keywords:** Customer Loyalty, Service Quality, Price Reasonableness, Customer Satisfaction, Rapido

## INTRODUCTION

Technological advancements across various dimensions of human life have accelerated significantly, transforming the way individuals interact with and utilise technology in their daily activities. These developments have enhanced connectivity and interaction, and their widespread adoption has been driven by globalisation. One notable area of progress is the evolution of transportation services. Innovations in transportation technology have played a pivotal role in enabling the efficient and rapid movement of goods, services, and people on a global scale (Falcocchio & Levinson, 2015). As mobility continues to increase, there is a growing demand for transportation systems that are not only fast but also safe and comfortable.

However, the intensification of competition within the transportation sector has compelled service providers to prioritise customer retention and loyalty. Loyal customers tend to continue patronising a service despite the availability of alternative options, thereby offering sustained benefits to organisations. Customer satisfaction is widely recognised as a key determinant of loyalty, and it is strongly influenced by the quality of services delivered. Consequently, organisations must continuously strive to enhance service quality to meet or exceed customer expectations, thereby fostering long-term loyalty, particularly in highly competitive markets (Kurniawan et al., 2025). In this context, understanding the role of service quality becomes essential. According to Kotler, Keller, and Chernev (2022), service quality refers to the overall features and characteristics of a service that enable it to satisfy stated and implied customer needs.

In addition to service quality, pricing also plays a crucial role in shaping customer satisfaction and loyalty. Consumers evaluate prices based on their perceptions of price reasonableness, which reflects the extent to which the price aligns with their expectations (Alderighi et al., 2022). Matzler (2007) further explains that price reasonableness is the consumer's assessment of whether a price is acceptable relative to reference prices or alternatives. Against this backdrop, the present study examines the influence of service quality and price reasonableness on customer loyalty, with customer satisfaction as a mediating mechanism, among Rapido users in Berhampur City, Odisha, India.

## Disconfirmation of Expectations Theory

This study is grounded in the Expectation–Disconfirmation Theory proposed by Richard L. Oliver (1980), which suggests that customer satisfaction arises when perceived service performance meets or exceeds prior expectations (as cited in Hsu et al., 2016). Awara and Joseph (2014) further explain that satisfaction is shaped by the disconfirmation

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process, in which consumers compare actual performance with their initial expectations, leading to either positive or negative evaluations. Moreover, Hong et al. (2019) emphasise that customer satisfaction functions as a crucial linkage between service quality, pricing perceptions, and customer loyalty. Accordingly, when the quality of service delivered aligns with or exceeds customer expectations, satisfaction levels increase, which, in turn, contributes to stronger customer loyalty.

### **Customer Loyalty**

Customer loyalty is generally understood as a strong and enduring commitment to repeatedly purchase or continue using a preferred product or service over time, despite the presence of alternative options or external influences that may encourage switching behaviour (Cuong & Khoi, 2019). Similarly, Selnes (1993), as cited in Al-Rasyid (2018), suggests that loyalty develops when customers are satisfied with the brand or the quality of service they receive, leading to an intention to maintain a long-term relationship with the provider.

In measuring customer loyalty, several key indicators have been identified in the literature. According to Ashraf and Abdul (2018), these include: (i) primary preference for a particular brand or service, (ii) consistent loyalty behaviour, (iii) willingness to recommend the service to others, and (iv) a long-term commitment to continue the relationship.

### **Service Quality**

Quality is broadly conceptualised as the overall set of features and characteristics of a product or service that determine its ability to fulfil both explicit and implicit customer needs (Kotler, Keller, & Chernev, 2022). In the context of services, Zeithaml, Bitner, and Gremler (2018) define service quality as a customer-oriented evaluation that reflects perceptions of key dimensions such as reliability, assurance, responsiveness, empathy, and tangible aspects of service delivery.

To operationalise service quality, several indicators have been identified in prior research. Ashraf and Abdul (2018) suggest that service quality can be assessed through: (i) the perceived level of quality offered, (ii) the consistency of service performance over time, and (iii) the presence of distinctive or value-added features that differentiate the service from competitors.

### **Price Reasonableness**

Price is the monetary value customers must pay for a product or service (Pioh & Amelia, 2021). In this context, price reasonableness refers to customers' evaluation of whether a price is justified relative to similar offerings in the market, where differences in pricing across providers influence perceptions of fairness and acceptability (Konuk, 2019).

Understanding customer price perceptions is essential for organisations, as it enables them to establish pricing strategies that are both competitive and aligned with consumer expectations in a dynamic market environment (Katyal et al., 2019). This understanding helps marketers manage pricing decisions effectively, particularly when adjustments such as price increases or reductions are necessary, ensuring that these changes are perceived as reasonable by customers.

To measure price perceptions, several indicators have been identified in prior studies. According to Ashraf and Abdul (2018), these include: (i) perceived price fairness, (ii) ethical considerations in pricing, (iii) customer acceptance of price levels, and (iv) overall price reasonableness.

### **Customer Satisfaction**

Customer satisfaction can be understood as a consumer's overall evaluation of a product or service based on the extent to which it fulfils their needs and expectations (Zeithaml, Bitner, & Gremler, 2018). Similarly, Halim et al. (2021) define customer satisfaction as the outcome of a product or service's distinctiveness and its ability to effectively address consumer requirements.

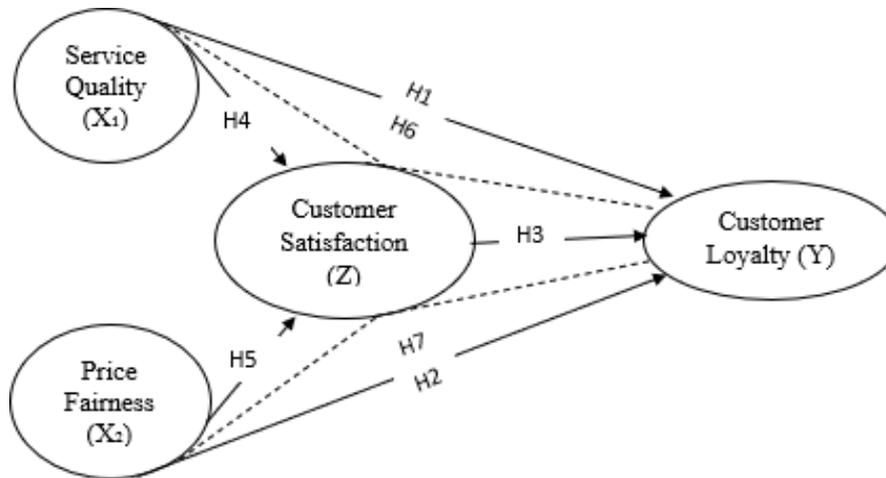
To assess customer satisfaction, several indicators have been identified in the literature. According to Ashraf and Abdul (2018), these include: (i) overall satisfaction with the product or service, (ii) satisfaction reflected in purchase decisions, (iii) the degree to which customer needs are fulfilled, and (iv) the development of emotional attachment towards the service provider.

### **Conceptual Framework**

A conceptual framework represents a structured model that illustrates and explains the relationships among the key variables under investigation, including independent, dependent, and mediating constructs, based on the study's

background and research problem (Hair et al., 2019). It provides a logical foundation for analysing how these variables interact within a given context. In the present study, the conceptual framework is designed to examine the relationships between service quality and price reasonableness as independent variables, customer loyalty as the dependent variable, and customer satisfaction as a mediating construct among Rapido users in Berhampur City, Odisha.

**Figure 1. Conceptual Framework**



Source: Formed based on research by Ahmed et.al. (2022)

**Hypothesis**

Based on the research background, theoretical foundations, and conceptual framework, the following hypotheses are proposed:

- H<sub>1</sub>:** Service quality has a positive and significant impact on customer loyalty.
- H<sub>2</sub>:** Price reasonableness has a positive and significant impact on customer loyalty.
- H<sub>3</sub>:** Customer satisfaction has a positive and significant impact on customer loyalty.
- H<sub>4</sub>:** Service quality has a positive and significant impact on customer satisfaction.
- H<sub>5</sub>:** Price reasonableness has a positive and significant impact on customer satisfaction.
- H<sub>6</sub>:** Service quality positively and significantly influences customer loyalty through the mediating role of customer satisfaction.
- H<sub>7</sub>:** Price reasonableness positively and significantly influences customer loyalty through the mediating role of customer satisfaction.

**METHOD**

This study adopts a quantitative research approach to test theoretical relationships and examine the influence among variables (Kasmir, 2022). A causal research design is employed to investigate the cause-and-effect relationships between the independent, mediating, and dependent variables.

Primary data are utilised in this study and are collected directly from respondents through a structured questionnaire (Sugiyono, 2019). The target population comprises residents of Berhampur who have used Rapido services via the mobile application. A non-probability purposive sampling technique is used to select respondents based on specific criteria aligned with the study's objectives (Kasmir, 2022).

For data analysis, Structural Equation Modelling (SEM) is employed using SmartPLS (version 4.1.1.4) to evaluate both the measurement model and the structural relationships among the constructs.

**RESULTS AND DISCUSSION**

**Respondent Characteristics**

Data for this study were collected via an online questionnaire distributed via Google Forms to 150 respondents who met the predefined selection criteria. The respondents were characterised based on key demographic variables, including gender, age, educational background, occupation, and income level.

**Table 1. Respondent Characteristics**

Characteristics	Category	Number of People	Percentage
Gender	Man	30	20%
	Woman	120	80%
Age	17 – 23 years	103	69%
	24 – 30 years	39	26%
	31 – 37 years	7	5%
	38 – 44 years	1	1%
	45 – 50 years	0	0%
Educational background	High school	35	23%
	Diploma	7	5%
	Bachelor degree	107	71%
	Master’s /Doctoral degree	1	1%
Occupation	Student	94	63%
	Employee	32	21%
	Civil servant	6	4%
	Entrepreneur	6	4%
	Housewife	1	1%
	Others	11	7%
Income	Less than Rs 15,000	75	50%
	Rs. 15,000 – Rs. 35,000	37	25%
	Rs. 35,000 – Rs. 75,000	30	20%
	More than Rs. 75,000	8	5%

Source: Primary Data, 2025

**Measurement Model (Outer Model)**

Convergent validity is a key criterion in assessing the adequacy of measurement models in Partial Least Squares Structural Equation Modelling (PLS-SEM). It evaluates the extent to which multiple indicators of a construct are consistent in their representation of the same underlying concept. According to Hair et al. (2017), convergent validity is established when the Average Variance Extracted (AVE) exceeds 0.50, and the indicator loadings exceed 0.70, indicating that the construct explains a substantial portion of the variance in its indicators. In addition to convergent validity, discriminant validity is assessed to ensure that each construct is empirically distinct from other constructs in the model. This can be evaluated using criteria such as the Fornell–Larcker criterion and the Heterotrait–Monotrait (HTMT) ratio, where acceptable threshold values confirm that the constructs are sufficiently different from one another.

Convergent validity is a key criterion in assessing the adequacy of measurement models in Partial Least Squares Structural Equation Modelling (PLS-SEM). It evaluates the extent to which multiple indicators of a construct are consistent in their representation of the same underlying concept. According to Hair et al. (2017), convergent validity is established when the Average Variance Extracted (AVE) exceeds 0.50, and the indicator loadings exceed 0.70, indicating that the construct explains a substantial portion of the variance in its indicators. In addition to convergent validity, discriminant validity is assessed to ensure that each construct is empirically distinct from other constructs in the model. This can be evaluated using criteria such as the Fornell–Larcker criterion and the Heterotrait–Monotrait (HTMT) ratio, where acceptable threshold values confirm that the constructs are sufficiently different from one another.

**Table 2. Convergent Validity**

Variables	Indicator	Outer Loading	AVE
Service Quality (X <sub>1</sub> )	SQ <sub>1</sub>	0.914	0.734
	SQ <sub>2</sub>	0.729	
	SQ <sub>3</sub>	0.897	
Price Reasonableness (X <sub>2</sub> )	PF <sub>1</sub>	0.971	0.745
	PF <sub>2</sub>	0.713	
	PF <sub>3</sub>	0.925	
	PF <sub>4</sub>	0.935	
Customer Loyalty (Y)	CL <sub>1</sub>	0.857	0.792
	CL <sub>2</sub>	0.838	
	CL <sub>3</sub>	0.901	
	CL <sub>4</sub>	0.923	
	CL <sub>5</sub>	0.896	
	CL <sub>6</sub>	0.925	
Customer Satisfaction (Z)	CS <sub>1</sub>	0.820	0.695
	CS <sub>2</sub>	0.881	
	CS <sub>3</sub>	0.840	
	CS <sub>4</sub>	0.792	

Source: Primary Data, 2025

**Composite Reliability and Cronbach’s Alpha**

Composite Reliability assesses the internal consistency of a construct by evaluating how well the observed variables reflect the underlying latent variable. In contrast, Cronbach’s Alpha provides a more conservative estimate of reliability by assuming equal indicator loadings. According to Hair et al. (2019), both Composite Reliability and Cronbach’s Alpha should ideally exceed the threshold of 0.70 to indicate satisfactory reliability; however, values above 0.60 may still be considered acceptable in exploratory research contexts.

**Table 3. Composite Reliability and Cronbach’s Alpha**

Parameter	Cronbach’s alpha	Composite reliability
SQ (X <sub>1</sub> )	0.876	0.882
PF (X <sub>2</sub> )	0.885	0.940
CL (Y)	0.947	0.948
CS (Z)	0.855	0.882

Source: Primary Data, 2025

It can be concluded that the Composite Reliability and Cronbach's Alpha values for all variables are above 0.7, indicating that the data are valid.

**R-Square**

The coefficient of determination (R<sup>2</sup>) is used to assess the explanatory power of the structural model, indicating the extent to which the variance in the dependent variable is explained by the independent variables. According to Ghazali and Latan (2015), as cited in Hamid and Suhardi (2019), R<sup>2</sup> values of 0.75, 0.50, and 0.25 can be interpreted as substantial, moderate, and weak, respectively.

In addition to R<sup>2</sup>, the predictive relevance of the model can be evaluated using the Q<sup>2</sup> statistic. The Q<sup>2</sup> value reflects the model’s capability to predict endogenous constructs, typically assessed through a blindfolding procedure in PLS-SEM. A Q<sup>2</sup> value greater than zero indicates that the model has adequate predictive relevance, whereas a value less than zero suggests a lack of predictive capability.

**Table 4. R-Square**

Parameter	R-square	R-square adjusted
CL (Y)	0.614	0.606
CS (Z)	0.242	0.231

**Source: Primary Data, 2025**

The results indicate that the  $R^2$  value for customer loyalty is 0.614, suggesting a moderate to substantial level of explanatory power, indicating that the model accounts for a considerable proportion of the variance in customer loyalty. In contrast, the  $R^2$  value for customer satisfaction is 0.242, which is considered weak. However, this level of explanatory power remains acceptable in behavioural and service-related research contexts, where customer satisfaction is often influenced by a wide range of external and unobserved factors that may not be fully captured within the model.

**Mediation Analysis (Path Coefficient and Specific Indirect Effect)**

Hypothesis testing in this study was conducted using SmartPLS (version 4.1.1.4), with results evaluated based on the inner (structural) model. A significance level of 5% ( $\alpha = 0.05$ ) was adopted for hypothesis testing. The statistical significance of the path coefficients was assessed using bootstrapping procedures, where the  $t$ -statistic and  $p$ -value were examined.

A hypothesis is accepted when the  $t$ -statistic exceeds the critical value of 1.96, indicating statistical significance at the 5% level. Similarly, based on probability values, a hypothesis is considered significant when the  $p$ -value is less than 0.05 (Hair et al., 2019). Conversely, if the  $t$ -statistic is less than 1.96 or the  $p$ -value exceeds 0.05, the hypothesis is not supported.

**Table 5. Path Coefficient**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistic (O/STDEV)	P Values	Result
SQ (X <sub>1</sub> ) → CL (Y)	0.381	0.383	0.048	7.919	0.000	Accepted
PF (X <sub>2</sub> ) → CL (Y)	0.306	0.308	0.061	5.012	0.000	Accepted
SQ (X <sub>1</sub> ) → CS (Z)	0.283	0.290	0.079	3.558	0.000	Accepted
PF (X <sub>2</sub> ) → CS (Z)	0.334	0.337	0.082	4.103	0.000	Accepted
CS (Z) → CL (Y)	0.351	0.354	0.065	5.437	0.000	Accepted

**Source: Primary Data, 2025**

**Table 6. Specific Indirect Effect**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistic (O/STDEV)	P Values	Result
SQ (X <sub>1</sub> ) → CS (Z) → CL (Y)	0.099	0.120	0.040	2.952	0.004	Accepted
PF (X <sub>2</sub> ) → CS (Z) → CL (Y)	0.118	0.103	0.036	2.726	0.006	Accepted

**Source: Primary Data, 2025**

The results in Table 5 demonstrate that service quality has a statistically significant, positive influence on customer loyalty. This is supported by a  $t$ -statistic of 7.919, which exceeds the critical value of 1.96, along with a  $p$ -value of 0.000 ( $p < 0.05$ ) and a path coefficient of 0.383. Accordingly, the first hypothesis, proposing a significant positive relationship between service quality and customer loyalty, is accepted.

Similarly, the findings indicate that price reasonableness has a significant and positive impact on customer loyalty. The  $t$ -statistic of 5.012 exceeds the threshold of 1.96, and the  $p$ -value of 0.000 ( $p < 0.05$ ), along with a coefficient of 0.308, confirm the strength and significance of this relationship. Therefore, the second hypothesis, which posits a significant positive effect of price reasonableness on customer loyalty, is also accepted.

The results reported in Table 5 indicate that service quality has a significant and positive effect on customer satisfaction. This is evidenced by a t-statistic of 3.558, which exceeds the critical value of 1.96, along with a p-value of 0.000 ( $p < 0.05$ ) and a coefficient value of 0.283. These results confirm the relationship's statistical significance and positive direction. Therefore, the third hypothesis, which proposes that service quality positively influences customer satisfaction, is accepted.

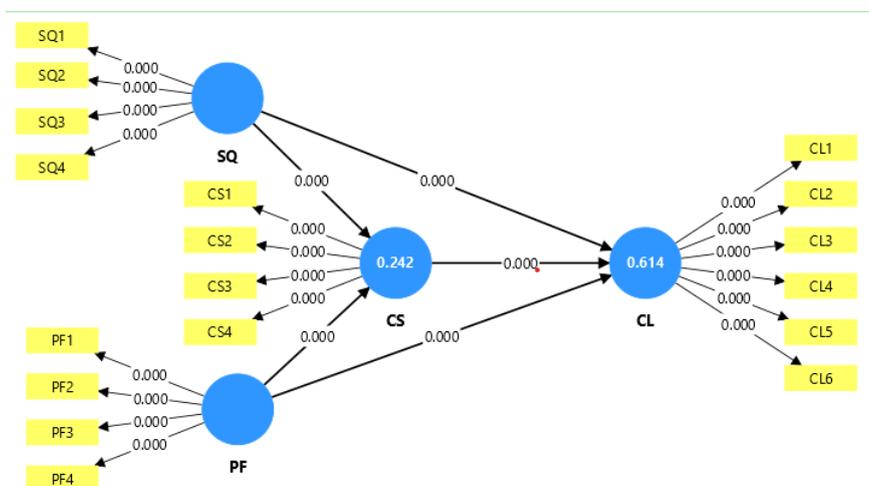
The results in Table 5 indicate that price reasonableness has a statistically significant, positive impact on customer satisfaction. This is demonstrated by a t-statistic of 4.103, which exceeds the critical value of 1.96, along with a p-value of 0.000 ( $p < 0.05$ ) and a coefficient of 0.337. These results confirm that the fourth hypothesis, proposing a positive relationship between price reasonableness and customer satisfaction, is accepted.

Furthermore, Table 5 shows that customer satisfaction significantly and positively influences customer loyalty. The t-statistic of 5.437 exceeds the threshold of 1.96, and the p-value of 0.000 ( $p < 0.05$ ), along with a coefficient of 0.354, indicate a strong and significant relationship. Therefore, the fifth hypothesis, which posits that customer satisfaction positively affects customer loyalty, is also accepted.

The findings in Table 6 further reveal that service quality has a significant positive indirect effect on customer loyalty through customer satisfaction. This is evidenced by a t-statistic of 2.952, exceeding the critical value of 1.96, and a p-value of 0.004 ( $p < 0.05$ ), with an indirect effect coefficient of 0.099. These results support the sixth hypothesis, confirming that customer satisfaction mediates the relationship between service quality and customer loyalty.

Similarly, Table 6 indicates that price reasonableness has a significant positive indirect effect on customer loyalty through customer satisfaction. The t-statistic of 2.726 surpasses the critical value of 1.96, while the p-value of 0.006 ( $p < 0.05$ ) and the coefficient of 0.118 confirm the significance of this mediated relationship. Hence, the seventh hypothesis, which proposes that customer satisfaction mediates the relationship between price reasonableness and customer loyalty, is accepted.

**Figure 2. SmartPLS 4.1.1.4 Final Output Model**



Source: Primary Data, 2025

### Assessing the Relationship Between Service Quality and Customer Loyalty

The findings of this study reveal that service quality has a significant, positive influence on customer loyalty. This is evidenced by a t-statistic of 7.918, which exceeds the critical value of 1.96, and a p-value of 0.000 ( $p < 0.05$ ), confirming the relationship's statistical significance. These results indicate that improvements in service quality are likely to enhance customer loyalty.

The present findings are consistent with prior research. For instance, Miranda et al. (2018) highlighted that service quality is closely linked to key customer-related outcomes such as satisfaction, loyalty, and repeat purchase behaviour. Similarly, Hadi et al. (2019) reported that service quality has a positive and statistically significant impact on user loyalty. In addition, Bapat (2017) identified a strong association between service quality and customer loyalty, further reinforcing the current study's results.

### **Assessing the Relationship Between Price Reasonableness and Customer Loyalty**

The findings of this study demonstrate that price reasonableness has a significant and positive effect on customer loyalty. This is supported by a t-statistic of 5.010, which exceeds the critical value of 1.96, and a p-value of 0.000 ( $p < 0.05$ ), confirming the relationship's statistical significance. These results suggest that greater perceptions of price reasonableness are associated with higher levels of customer loyalty.

The results are consistent with previous studies. Jin et al. (2019) reported that increased perceptions of price reasonableness enhance both customer satisfaction and loyalty. Similarly, Jeaheng et al. (2020) found that fair pricing positively influences consumer trust, which in turn strengthens their intention to revisit or remain loyal to a service provider. Moreover, Opata et al. (2019) emphasised that price reasonableness is a critical determinant of customer satisfaction and loyalty, as it shapes consumers' purchasing decisions.

### **Assessing the Relationship Between Service Quality and Customer Satisfaction**

The findings of this study reveal that service quality has a significant and positive effect on customer satisfaction. This is evidenced by a t-statistic of 3.556, which exceeds the critical value of 1.96, and a p-value of 0.000 ( $p < 0.05$ ), confirming the relationship's statistical significance. These results indicate that improvements in service quality can meaningfully enhance customer satisfaction.

These findings are consistent with previous research. Namin (2017) emphasized that ongoing improvements in service quality help businesses attract new customers while retaining existing ones. Similarly, Thielemann et al. (2018) found a positive correlation between perceived service quality and perceived value, with perceived value significantly impacting consumer satisfaction. Additionally, Konuk (2019) reported a strong positive relationship between service quality and consumer satisfaction, further supporting this study's results.

### **Assessing the Relationship Between Price Reasonableness and Customer Satisfaction**

The findings of this study indicate that price reasonableness has a significant and positive effect on customer satisfaction. This is supported by a t-statistic of 4.101, which exceeds the critical value of 1.96, and a p-value of 0.000 ( $p < 0.05$ ), confirming the relationship's statistical significance. These results suggest that fair pricing plays an important role in enhancing customer satisfaction, whereas perceptions of unfair pricing may lead to dissatisfaction.

These findings are consistent with prior research. Jin et al. (2019) highlighted that greater acceptance of price reasonableness is associated with higher customer satisfaction and loyalty. Konuk (2019) also emphasised that price reasonableness positively influences customer satisfaction. Additionally, Malik et al. (2020) reported a positive correlation between perceived price reasonableness and customer satisfaction, further supporting the current study's results.

### **Assessing the Relationship Between Customer Satisfaction and Customer Loyalty**

The findings of this study demonstrate that customer satisfaction has a significant and positive effect on customer loyalty. This is evidenced by a t-statistic of 5.439, which exceeds the critical value of 1.96, and a p-value of 0.000 ( $p < 0.05$ ), confirming the relationship's statistical significance. These results indicate that higher customer satisfaction is associated with greater customer loyalty.

These results are consistent with previous research. Cakici et al. (2019) emphasised that customer satisfaction is vital for business growth, as satisfied customers tend to share positive experiences, reinforcing their intention to return, whereas dissatisfied customers may pose a significant threat to the company. Similarly, Opata et al. (2019) noted that higher satisfaction with service quality leads to greater customer loyalty. In addition, Singh et al. (2021) confirmed a positive relationship between customer satisfaction and loyalty, supporting the findings of the present study.

### **Assessing the Indirect Effect of Service Quality on Customer Loyalty via Customer Satisfaction**

The findings of this study reveal that service quality has a significant, positive effect on customer loyalty, with customer satisfaction as a mediating variable. This is supported by a t-statistic of 2.950, which exceeds the critical value of 1.96, and a p-value of 0.003 ( $p < 0.05$ ), confirming the significance of the mediated relationship. These results suggest that improvements in service quality enhance customer loyalty indirectly by increasing customer satisfaction.

These findings are consistent with prior research. Haron et al. (2020) highlighted a strong relationship among service quality, customer satisfaction, and loyalty. Similarly, Izogo and Ogba (2015) found that higher service quality leads to greater customer satisfaction, which, in turn, fosters customer loyalty. Furthermore, Su et al. (2021) emphasised that perceived service quality not only directly influences customer satisfaction but also indirectly affects loyalty through satisfaction, thereby supporting the results of the present study.

## Assessing the Indirect Effect of Price Reasonableness on Customer Loyalty via Customer Satisfaction

The findings of this study indicate that price reasonableness has a significant and positive effect on customer loyalty, mediated by customer satisfaction. This is evidenced by a t-statistic of 2.725, which exceeds the critical value of 1.96, and a p-value of 0.006 ( $p < 0.05$ ), confirming the significance of the mediated relationship. These results suggest that fair pricing enhances customer loyalty indirectly by increasing customer satisfaction.

These results are consistent with previous research. Han et al. (2020) emphasised that price is a key determinant of customer satisfaction, reflecting the perceived value of a service. Similarly, Malik et al. (2020) highlighted that customers' perceptions of price influence both satisfaction and loyalty. Erjavec et al. (2016) found that reasonable and justified pricing in the service industry positively affects customer satisfaction and loyalty. Additionally, Han and Hyun (2015) noted that maintaining fair pricing helps the service industry retain satisfied customers, thereby fostering greater loyalty.

## CONCLUSION

Based on the findings of this study, it can be concluded that service quality has a significant and positive effect on customer loyalty, and price fairness similarly exerts a positive and significant influence on customer loyalty. Additionally, both service quality and price fairness positively and significantly impact customer satisfaction. Customer satisfaction itself has a significant, positive effect on customer loyalty and also serves as a mediating variable, strengthening the relationships between service quality and customer loyalty and between price fairness and customer loyalty.

The analysis also shows that the  $R^2$  value for customer satisfaction among Rapido users in Berhampur City, Odisha, India, is relatively low at 0.242, indicating that 24.2% of the variation in customer satisfaction is explained by service quality and price fairness. The remaining 75.8% is influenced by other factors not included in the current model. Future research could adopt a more comprehensive model by incorporating additional determinants such as brand image, trust, and prior experience to better explain user satisfaction.

Finally, since customer satisfaction has been demonstrated to mediate the effects of service quality and price fairness on loyalty, it should be emphasised as a central focus in future business strategies aimed at enhancing Rapido user loyalty in Berhampur City, Odisha, India.

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