

ABSTRACT

This study was conducted in June 2024 at the PTPN IV Tea Business Unit, Sidamanik District, Simalungun Regency. PTPN IV must be able to produce standard-quality products that are able to compete with competitors. In addition to product quality, price can also have an impact on customer loyalty. This means that the better the price, the better the customer loyalty. This shows that the prices offered by the company are able to persuade customers to keep their tea subscriptions in the company. Therefore, it is important that this research is conducted in relation to the influence of product quality and price on customer loyalty. The aim of this study is to analyze the influence of product quality and price on customer loyalty of tea in the PTPN IV Tea Business Unit, Sidamanik District, Simalungun Regency, North Sumatra. In this study, multinomial logistic regression analysis is used. The results of this study show that the *Nagelkerke value* is 0.459. This value indicates that the independent variables product quality and price influence customer retention by 45.9%, while 54.1% and the rest are influenced by other variables outside the model. Product quality and price influence the likelihood of customer loyalty, with consumers choosing moderate or very loyal with a significant score of $p < 0.05$. Product quality influences the likelihood of customer loyalty, with consumers choosing a lower person than a very loyal person with a significant score of $p < 0.05$. Price affects the likelihood of customer loyalty, with consumers choosing loyalty lower than very loyal and insignificant with a $p > 0.05$ score.

Keywords: tea, product quality, price, customer loyalty, multinomial logistics regression analysis