

Examining The Effects Of Service Quality And Brand Image On Customer Loyalty: A Study Through The Lens Of Customer Satisfaction

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Abstract

This study aims to investigate the impact of service quality and brand image on customer loyalty mediated by customer satisfaction. The research incorporates both direct and indirect effects, considering various independent and dependent variables. The targeted population comprises customers who consistently repurchase Haus products. A purposive sampling approach was employed, resulting in a sample size of 96 respondents who received questionnaires. The collected data underwent analysis using SPSS software for validity and reliability testing. Subsequently, SmartPLS software was utilized for further data analysis. The primary objectives of this research are to ascertain the influence of service quality on customer satisfaction, the impact of brand image on customer satisfaction, the relationship between customer satisfaction and customer loyalty, the effect of service quality on customer loyalty mediated by customer satisfaction, and finally, the influence of brand image on customer loyalty mediated by customer satisfaction. The findings reveal that service quality significantly impacts customer satisfaction by 20.3%, while brand image exerts a substantial influence at 75.1%. Moreover, customer satisfaction is a significant driver of customer loyalty, accounting for 89.7%. The study also identifies a notable impact of service quality on customer loyalty through customer satisfaction (18.2%), and brand image similarly affects customer loyalty through customer satisfaction by 67.3%.

Keywords: Brand Image, Customer Satisfaction. Service Quality, Customer Loyalty

I. INTRODUCTION

In accordance with research conducted by Emarsys, the 2022 Customer Loyalty Index provides insights into the manifestation of customer loyalty within the digital-first retail sector, encompassing trading activities and an increasingly empowered customer base. This index further elucidates the impact of recent years on loyal customers and elucidates the various forms in which customer loyalty is demonstrated[1], [2].

The Emarsys survey institute categorizes customer loyalty into five distinct forms: incentivized loyalty, inherited loyalty, ethical loyalty, silent loyalty, and true loyalty. Notably, ethical loyalty emerges as a focal point of loyalty challenges, as evidenced by the data presented in Table 1 Ethical loyalty is predicated on robust emotional connections and shared values. Customers who exhibit loyalty for profound ethical reasons, such as a brand's commitment to sustainability, diversity, and equality, fall within the broader category of overall loyalty[3], [4].

Irrespective of the average Customer Loyalty Index score, it is observed that loyalty concerns predominantly surface within the ethical loyalty type. An overarching loyalty framework is established when customers demonstrate allegiance to a brand for ethical considerations, encompassing the brand's stance on sustainability, diversity, and equality. Customers cite specific key drivers as pivotal factors that contribute to their sustained loyalty to preferred brands[5]–[7].

Table 1. Global Loyalty by Type in 2022

| No | Type | Average |
|----|----------------------|---------|
| 1 | Silent Loyalty | 52.5% |
| 2 | Incentivized Loyalty | 42.0% |
| 3 | Inherited Loyalty | 24.0% |
| 4 | True Loyalty | 23.0% |
| 5 | Ethical Loyalty | 16.5% |

Sources : [8]

In the global loyalty index categorized by industry groups, non-alcoholic beverage products are positioned at the lowest index, registering at 10%. This



ranking is attributed to the susceptibility of repurchasing decisions for non-alcoholic beverage products, which are highly influenced by attitudes and situational factors[9].

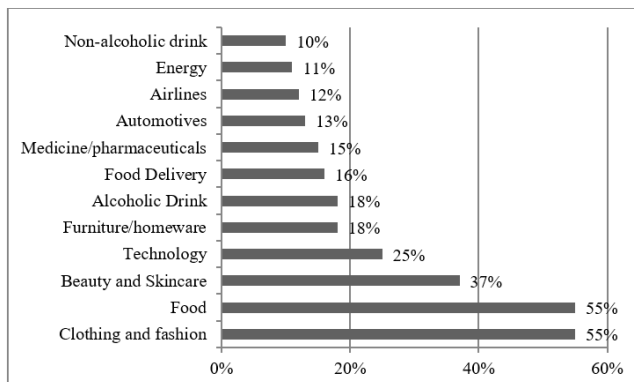


Figure 1. Global Loyalty by Industry
Sources :[8]

The non-alcoholic beverage brand with the lowest customer loyalty index in the Indonesian market is Haus, as illustrated in Figure 1 Established in June 2018, Haus positions itself as a provider of contemporary drinks, primarily targeting the middle to lower economic segments through the provision of affordable pricing for each product. Presently, Haus operates 197 outlets spanning 18 cities in Java, including one in Garut. The company offers a diverse range of contemporary drink menus, featuring options such as Red Velvet, Cotton Candy, Thai Tea, Ovaltime, among others.

Haus Indonesia secured funding amounting to IDR 30 billion from BRI Venture in 2020, earmarked for intensive expansion, particularly focusing on regions such as Java and Bali. The brand's rapid growth is attributed to strategic choices, including the selection of easily recognizable and popular brands, a concentration on the middle and low-end market segments, targeting millennials, offering competitive pricing, continuous innovation in the introduction of new flavor variants, and maintaining a committed and competent team (comprising partners and employees). Notably, Haus adopts a hands-on approach, with the owner directly overseeing outlet operations[10]–[12].

Despite creative distribution and advertising efforts, Thirst, a product under the Haus brand, holds the lowest position among other drinks. This suggests a potential perception of inadequate service quality entrenched in consumers' minds. Despite the creative promotional endeavors, Haus remains the fifth choice among various drink options and has not secured the

top spot in terms of public and customer preference[13], [14].

The escalating number of beverage outlets in Indonesia has intensified business competition. In response to this heightened competition, companies are actively striving to enhance satisfaction levels and service quality, aiming to cultivate loyal customers amidst the expanding market landscape[15].

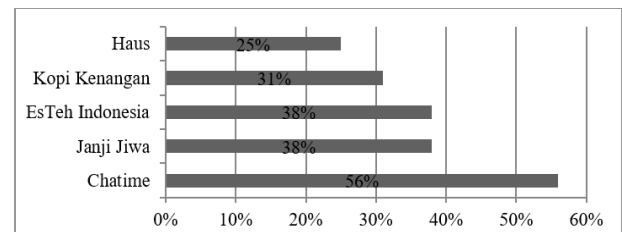


Figure 2. Consumption Levels of Non-Alcoholic Drinks in Indonesian Society[16]

The prevailing circumstances demand strategic preparedness from business entities to influence and navigate customer attitudes and situations effectively, particularly in the context of repurchasing beverage products. A well-formulated strategy holds the potential to provide customers with a positive experience, fostering loyalty and ensuring repeat consumption. Initiating a business may be accessible, but sustaining it amidst fierce competition requires ongoing innovation to keep customers engaged and prevent monotony[17]–[19].

Customer reviews on the Haus brand non-alcoholic drinks highlight certain weaknesses, including inadequately prepared and non-conductive workers, along with suboptimal service quality from employees[20]. Recognizing the paramount importance of service quality, customers often base their purchasing decisions on this factor. Quality service acts as a motivational force for customers, fostering a strong bond with the company[21], [22]. This connection enables companies to comprehend customer expectations, enhance service quality, and ultimately cultivate customer loyalty. This principle is equally applicable in the digital realm, emphasizing the need for Haus, operating both offline and online, to enhance electronic service quality to secure and maintain customer loyalty[6].

The brand image serves as a foundational element guiding customer purchasing decisions. A positive brand image allows customers to recognize, assess the quality, and derive experiential value from a product, which, in turn, may lead to recommendations to others[23]. The Haus brand of non-alcoholic beverage

products has diligently developed a positive brand image, portraying itself as a provider of high-quality beverage products.

Customer satisfaction emerges as a critical determinant influencing customer loyalty[24]. Satisfied customers tend to exhibit higher levels of loyalty to a product. In highly competitive markets, customer satisfaction, while vital, is considered a weak predictor of customer retention. Monitoring and elevating customer satisfaction levels are imperative for sustained success. Attention to customer complaints alone may be insufficient, as some customers may perceive the process as cumbersome or lack knowledge on how to communicate grievances, potentially leading to discontinued purchases[25]. Given the lowest loyalty rating of the Haus brand of non-alcoholic beverage products, proactive measures are required to address predictor factors, including service quality, brand image, and customer satisfaction[26]–[28].

II. LITERATURE REVIEW

Customer Loyalty

Customer loyalty refers to the steadfast belief among consumers to consistently repurchase goods or services, even in the face of threats and competitive influences that may prompt customers to switch providers[29]. It signifies an individual's unwavering commitment to a specific product, encompassing both goods and services. Customer loyalty is an extension of satisfaction derived from utilizing the facilities and services provided by a company, culminating in the continued patronage of the company [30]. Alternatively, it can be defined as a customer's inclination to consistently choose and utilize a company's product or service with a high degree of regularity. The frequency of service usage in specific categories, relative to the total services available, reflects consumer behavior in the form of customer loyalty[4].

Several factors contribute to the level of customer loyalty, each necessitating positive appraisal from customers. Customer commitment to a business, product, or brand is challenging without achieving these positive values. Influential factors include customer satisfaction, product or service quality, brand image, perceived value, trust, customer relationships, switching costs, and dependability[31], [32]. Indicators employed to measure customer loyalty as a dependent variable encompass repeat purchases,

retention, and referrals[33]. Repeat purchases involve customers buying Haus products to replace previously purchased similar items. Retention signifies long-term, steadfast relationships, rendering customers less susceptible to the allure of competing products. Referrals involve customers recommending Haus products to potential buyers of the same product.

Customer Satisfaction

Customer satisfaction denotes a condition achieved when a product meets or surpasses customer needs or expectations and is devoid of deficiencies[34], [35]. It represents an individual's level of contentment after evaluating the performance or outcomes relative to their expectations[36]. Customer satisfaction results from the proportional assessment of pre-purchase expectations and post-purchase outcomes. It can be conceptualized as the stimulation of personal aspirations to attain contentment, where consumers compare desired and received services to gauge service quality. Consequently, customer satisfaction is the emotional response following the comparison of customer expectations and actual experiences, holding a crucial role in business success. It reflects the reaction or response to a product that fulfills customer demands and expectations, aligning with the assessment of product or service quality and satisfying user consumption needs[9], [37].

The indicators employed to gauge the dependent mediator variable of customer satisfaction include conformity to expectations, interest in revisiting, and willingness to recommend[38]. Conformity to expectations assesses the alignment between a product's performance and customer expectations. Interest in revisiting reflects a customer's inclination to repurchase a product, with loyalty ensuing when customers find the product aligning with their preferences. Willingness to recommend focuses on customers who genuinely appreciate the product or service, as they are likely to earnestly recommend it to their acquaintances. These indicators were selected based on their high validity values[39].

Service Quality

Service quality denotes the level of excellence expected to promptly fulfill customer desires through entrepreneurial efforts. Ensuring a competitive edge over service competitors is achievable through high-quality service, enabling entrepreneurs to retain their customer base[40]. Integrated services that meet customer expectations define service quality, with



effectiveness measured by the ability to deliver goods or services according to customer wishes and expectations[41]. It encompasses efforts to fulfill customer needs for both products and services accurately, aligning with customer expectations. Service quality is thus the realization of customer needs through excellent products and services, meeting expectations to fulfill customer desires[42]. Given its significance, service quality is a crucial element considered by customers when making purchasing decisions.

This research employs five indicators to measure the independent variables of service quality: tangibles, reliability, responsiveness, assurance, and empathy[43]. Tangibles focus on the appearance of physical facilities, equipment, employees, design, layout, and communication materials within the Haus company. Reliability assesses the company's ability to convincingly and accurately deliver promised services to Haus customers. Responsiveness evaluates employees' willingness to assist customers, respond promptly, and provide quick services to Haus product customers to garner positive responses. Assurance centers on the knowledge, politeness, and ability of Haus employees to instill trust and confidence in customers. Finally, empathy gauges employees' willingness to deeply attend to Haus customers.

Brand Image

A brand is a name, term, symbol, or design aimed at distinguishing goods and services from competitors. Brand image, on the other hand, represents a set of consumer beliefs towards a specific brand[44], [45]. A positive brand image fosters customer preference for a brand, encouraging repeated purchases and fostering consistency and loyalty[46]. Customers associate a positive brand image with product quality, influencing their purchase decisions. Brand image is the perception and belief held by customers, manifested in associations stored in customer memory[47].

A compelling brand image attracts consumers, influencing their decisions and transactions. It leaves a lasting impression in the memory of customers, impacting their choices and preferences[2]. Affordable product pricing can also play a role in encouraging consumer purchases, as consumers often prioritize relatively inexpensive products.

Moving forward, the Useful-Not indicator evaluates the practical utility of Haus products. It goes beyond visual appeal, examining whether customers perceive the brand as functionally beneficial. The Popular-Unpopular indicator explores the level of

familiarity the brand enjoys among customers, contributing to positive associations and potentially influencing purchase decisions. The Gentle-Harsh indicator focuses on the tactile aspect, emphasizing a smooth product texture to enhance the overall sensory experience. Lastly, the Artificial-Natural indicator assesses the authenticity of supporting components, aiming to convey a natural and genuine brand image[48], [49].

Identify three key variables crucial for measuring the brand image of Haus products. The first variable, Strength, delves into the depth of the relationship between customers' memory and information related to consumed Haus products. It aims to assess how strongly the brand's impression is retained in the customer's mind. The second variable, Uniqueness, focuses on differentiating Haus products from similar offerings. It emphasizes meaningful distinctions that contribute to the brand's uniqueness and overall appeal[50], [51].

The third variable, Excellence, is centered on instilling trust and convincing customers of the positive assessment of the Haus brand. It reflects the brand's commitment to consistently deliver high-quality products and services, fostering customer trust and favorable perceptions. These three variables were specifically chosen based on their high validity values, underlining their significance in shaping and evaluating the brand image of Haus products.

III. METHODS

This study adopts a quantitative approach employing a non-experimental survey research design, specifically utilizing a correlational research type. The chosen statistical method for analysis is descriptive statistics, aiming to collect and present data informatively. This approach facilitates an assessment of research variable criteria based on respondents' scores, revealing the range of data measurement criteria as per their responses[52].

The research maintains a 95% level of confidence with a significance level or tolerance set at 5%. The selection of a 5% tolerance level is deliberate, as it enhances the research's reliability by ensuring a 95% confidence level. The significance level, denoted by α , is expressed as a percentage. A lower tolerance level increases the research's reliability, contributing to a 95% confidence in the outcomes.

For data analysis, the study employs structural equation modeling (SEM) with a Partial Least Squares (PLS) approach. The analysis is conducted using SmartPLS software version 3.2.8. PLS is chosen for its



robust analytical capabilities and is often referred to as "soft modeling" due to its ability to eliminate assumptions associated with Ordinary Least Squares (OLS) regression. Notably, PLS does not necessitate normal distribution in a multivariate manner, and it mitigates issues related to multicollinearity between exogenous variables. This choice ensures a comprehensive and reliable analysis of the research variables and their interrelationships.

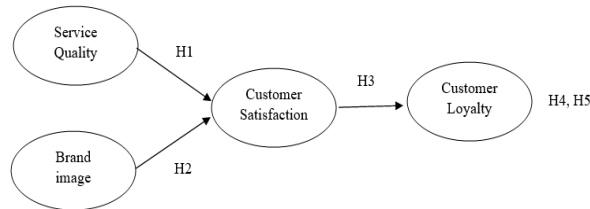


Figure 3. Research Model

The correlation results between constructs are evaluated based on path coefficients and levels of significance, and these results are compared against the research hypotheses. The hypotheses formulated for this research are as follows:

1. Service Quality and Customer Satisfaction:

- Null Hypothesis (H0): $\beta = 0$, indicating that the service quality variable has no significant effect on customer satisfaction.
- Alternative Hypothesis (Ha): $\beta \neq 0$, suggesting that the service quality variable has a significant effect on the customer satisfaction variable.

2. Brand Image and Customer Satisfaction:

- Null Hypothesis (H0): $\beta = 0$, indicating that the brand image variable has no significant effect on the customer satisfaction variable.
- Alternative Hypothesis (Ha): $\beta \neq 0$, suggesting that the brand image variable has a significant effect on the customer satisfaction variable.

3. Customer Satisfaction and Customer Loyalty:

- Null Hypothesis (H0): $\beta = 0$, indicating that the customer satisfaction variable has no significant effect on the customer loyalty variable.
- Alternative Hypothesis (Ha):** $\beta \neq 0$, suggesting that the customer satisfaction variable has a significant effect on the customer loyalty variable.

4. Service Quality, Customer Satisfaction, and Customer Loyalty:

- Null Hypothesis (H0): $\beta = 0$, indicating that the service quality variable has no significant effect on the customer loyalty variable through customer satisfaction.
- Alternative Hypothesis (Ha): $\beta \neq 0$, suggesting that the service quality variable has a significant effect on the customer loyalty variable through customer satisfaction.

5. Brand Image, Customer Satisfaction, and Customer Loyalty:**

- Null Hypothesis (H0): $\beta = 0$, indicating that the brand image variable has no significant effect on the customer loyalty variable through customer satisfaction.
- Alternative Hypothesis (Ha):** $\beta \neq 0$, suggesting that the brand image variable has a significant effect on the customer loyalty variable through customer satisfaction.

It's crucial to conduct statistical tests to determine whether the observed results support or reject these hypotheses, providing insights into the relationships between the variables in the study.

IV. RESULTS AND DISCUSSION

Discussion of the Effect of Service Quality on Customer Satisfaction

The analysis of the influence of service quality on customer satisfaction at Haus yielded a result of 20.3%, placing it in the moderate category. This finding is based on the Cronbach's alpha interval level for the service quality variable, which is greater than 0.20, specifically at 0.203. The moderate reliability range is defined as $0.20 < V \leq 0.40$. Therefore, the result of 0.203 falls within this range, indicating a moderate level of reliability. This suggests that variations in customer satisfaction are moderately explained by variations in other constructs.

Moving forward, the inner model of service quality on customer satisfaction was evaluated using the Coefficient Determination (R^2). This measure assesses the goodness of fit and hypothesis testing of service quality on customer satisfaction, providing insights into whether a hypothesis is accepted or rejected. The results of the bootstrapping process will further illuminate the robustness of these findings.

This moderate level of influence suggests that while service quality plays a significant role in shaping customer satisfaction at Haus, there are other factors contributing to the variations observed. Further examination, particularly through bootstrapping, will enhance the understanding of the relationships within the model and help validate the statistical significance of these findings. This nuanced perspective is essential for refining strategies to enhance service quality and, consequently, customer satisfaction at Haus.

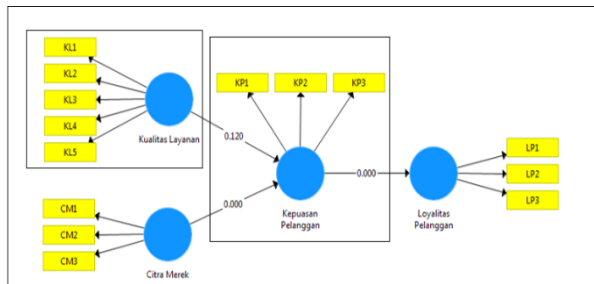


Figure 4. Bootstrapping

The next step in the analysis involves the use of the t test to evaluate the hypotheses formulated in this research. The primary objective of hypothesis testing is to ascertain whether each hypothesis is accepted or rejected based on the obtained results. The outcomes of this testing process are derived from the results of bootstrapping.

Bootstrapping is a resampling technique that involves generating multiple samples from the dataset to obtain robust and reliable estimates. In the context of this research, bootstrapping is crucial for assessing the statistical significance of the relationships and effects observed in the model. The t test results obtained through bootstrapping will provide insights into the acceptance or rejection of each hypothesis. The significance levels associated with these tests will help determine the strength and reliability of the relationships between variables. These findings will contribute to a comprehensive understanding of the factors influencing customer satisfaction and loyalty at Haus.

Further discussion and interpretation of the t test results will shed light on the implications for Haus and provide actionable insights for enhancing service quality, brand image, and overall customer satisfaction. The meticulous examination of these statistical tests is pivotal for making informed decisions and refining strategies to optimize customer loyalty in the context of the studied variables.

Table 2. Hypothesis testing of the influence of service quality on customer satisfaction.

| | Original Sample | Sample Mean | Standard Deviation | T Statistic | P Values |
|---|-----------------|-------------|--------------------|-------------|----------|
| Service Quality → Customer Satisfaction | 0.203 | 0.216 | 0.130 | 1.556 | 0.120 |

The bootstrap analysis yields an efficiency test estimate of 0.216 for the impact of service quality on customer satisfaction, with a standard deviation of 0.130. The calculated T-statistics value is 1.556, which is less than the critical value of 1.96, and the associated P-value is 0.120, exceeding the commonly used significance level of 0.05. Consequently, the results lead to the acceptance of the null hypothesis (H_0) and the rejection of the alternative hypothesis (H_a). In practical terms, this implies that, according to the bootstrap analysis, the service quality variable does not have a significant effect on customer satisfaction.

However, it's essential to contextualize these results by considering the original sample result of 0.203. This suggests a weak influence of service quality on customer satisfaction. The analysis emphasizes that, through indicators like reliability, responsiveness, empathy, and assurance, the current quality of service at Haus outlets does not significantly impact customer satisfaction.

The need for improvement is highlighted, particularly in addressing customer complaints regarding the quality of service provided by Haus outlet employees. The identified weaknesses underscore the importance of enhancing various dimensions of service quality. While the bootstrap analysis indicates statistical insignificance, the original sample result suggests a room for improvement to strengthen the relationship between service quality and customer satisfaction at Haus.

Discussion of Brand Image Influence on Customer Satisfaction

The test results indicate a substantial 75.1% influence of brand image on Haus customer satisfaction, categorized as high. The Coefficient of Determination (R^2) was employed to assess the inner model, confirming the significant impact of brand image on customer satisfaction. These findings, backed by bootstrapping, emphasize the crucial role of a positive brand image in shaping customer satisfaction at Haus. Leveraging and enhancing this positive perception can foster continued customer satisfaction and loyalty.

The subsequent analysis aims to examine the results of the T-test for hypothesis testing in this research, specifically regarding the impact of brand image on customer satisfaction. These outcomes can be observed through the results obtained from the bootstrapping process.

Table 3. Hypothesis testing of the influence of Brand Image on customer satisfaction.

| | Original Sample | Sample Mean | Standard Deviation | T Statistic | P Values |
|-------------------------------------|-----------------|-------------|--------------------|-------------|----------|
| Brand Image → Customer Satisfaction | 0.751 | 0.736 | 0.126 | 5.949 | 0.000 |

A higher value in brand image corresponds to an increase in customer satisfaction. Elevating brand image units results in a substantial 75.1% increase in customer satisfaction. Bootstrap analysis, with an estimated coefficient test result of 0.736 and a standard deviation of 0.126, indicates statistical significance. The T-statistics value of 5.949 surpasses the critical value of 1.96, with a p-value of 0.000 (<0.05), leading to the rejection of H_0 and acceptance of H_a . This signifies that brand image significantly influences customer satisfaction.

Utilizing PLS version 3 software for data processing further supports this conclusion. The test satisfies the requirements, with a T-statistics value exceeding the coefficient value ($5.949 > 1.96$) and a significant p-value ($0.000 < 0.05$), affirming the significance. Consequently, brand image has a noteworthy and direct impact on customer satisfaction.

The positive reputation of the Haus outlet's brand image emerges as a key factor, contributing to heightened customer satisfaction. Thus, it becomes imperative for Haus to diligently uphold its reputation to foster positive customer perceptions and enhance overall satisfaction.

Discussion on the Influence of Customer Satisfaction on Customer Loyalty

The test results indicate a substantial 89.7% influence of customer satisfaction on customer loyalty for Haus, categorized as very high. Subsequently, an inner model assessing customer satisfaction's impact on customer loyalty was conducted using the Coefficient of Determination (R^2). The goodness of fit and hypothesis testing, determining the acceptance or rejection of a hypothesis, can be gleaned from the results obtained through the bootstrapping process.

The subsequent examination involves scrutinizing the results of the T-test for hypothesis testing on the variable of customer satisfaction concerning customer loyalty. These outcomes can be observed through the results obtained from the bootstrapping process.

Table 4. Hypothesis testing of the influence of Customer Satisfaction on Customer Loyalty.

| | Original Sample | Sample Mean | Standard Deviation | T Statistic | P Values |
|--|-----------------|-------------|--------------------|-------------|----------|
| Customer Satisfaction → Customer Loyalty | 0.897 | 0.898 | 0.020 | 44.130 | 0.000 |

The parameter efficiency for customer satisfaction and customer loyalty is determined to be 0.897, illustrating a robust relationship. The higher the Z value, the more Y, representing customer loyalty, will increase. The analysis indicates that an increase in satisfaction results in an impressive 89.7% enhancement in customer loyalty.

Calculation using bootstrap analysis reveals the estimated coefficient of customer satisfaction on customer loyalty to be 0.898, with a standard deviation of 0.020. The T-statistics value of 44.130 surpasses the critical value of 1.96, and the p-value of 0.000 (<0.05) leads to the rejection of H_0 and acceptance of H_a . This signifies a clear influence of customer satisfaction on customer loyalty. Meeting the requisite criteria, with a T-statistics value greater than the coefficient value, emphasizes the significance of this relationship. Therefore, customer satisfaction significantly and directly impacts customer loyalty, as demonstrated in Table 4. Satisfied customers with Haus products tend to become loyal advocates, recommending them to others. Consequently, the felt satisfaction contributes significantly to fostering high customer loyalty for the product.

Analysis of the Influence of Brand Image on Customer Loyalty through Customer Satisfaction

The test results indicate a substantial 67.3% influence of brand image on customer loyalty, categorized as moderately high. Subsequently, an inner model assessing the relationship between brand image and customer loyalty through customer satisfaction was conducted using the Coefficient of Determination (R^2). The evaluation of this research can be observed through the results obtained from the bootstrapping process.



The next step involves examining the results of the T-test for hypothesis testing in this study. The purpose of hypothesis testing is to determine whether a hypothesis is accepted or rejected. These outcomes can be observed through the results obtained from the bootstrapping process.

Table 5. Hypothesis testing of the influence of Brand Image on Customer Loyalty.

| | Original Sample | Sample Mean | Standard Deviation | T Statistic | P Values |
|--------------------------------|-----------------|-------------|--------------------|-------------|----------|
| Brand Image → Customer Loyalty | 0.673 | 0.662 | 0.115 | 5.846 | 0.000 |

The parameter efficiency for brand image on customer loyalty through customer satisfaction is determined to be 0.673, indicating a substantial relationship. Calculations using bootstrap analysis reveal the estimated coefficient of brand image on customer loyalty through customer satisfaction to be 0.662, with a standard deviation of 0.115. The T-statistics value of 5.846 surpasses the critical value of 1.96, and the p-value of 0.000 (<0.05) leads to the rejection of H_0 and acceptance of H_a . This signifies that customer satisfaction acts as a mediator in the relationship between brand image and customer loyalty.

Meeting the stipulated criteria, with the T-statistics value greater than the coefficient value and a significant p-value, supports the conclusion that customer satisfaction mediates the influence of brand image on customer loyalty. The accepted hypothesis underscores the significant impact of brand image on customer loyalty through the mediation of customer satisfaction. This influence is profound as Haus maintains a favorable reputation in customers' minds, fostering loyalty and satisfaction among its customer base.

V. CONCLUSION AND SUGGESTION

In conclusion, our findings reveal that service quality alone does not significantly impact customer satisfaction, though a nuanced influence is observed in the original sample. On the other hand, brand image emerges as a substantial driver of customer satisfaction, emphasizing the critical role of a positive brand image in enhancing satisfaction with Haus products. Furthermore, our study affirms the positive and significant link between customer satisfaction and loyalty, highlighting the pivotal role of customer contentment in fostering sustained loyalty.

Despite the lack of direct influence, service quality does not mediate customer loyalty through satisfaction, implying that service quality does not play a substantial role in influencing customer loyalty for Haus products. In contrast, brand image stands out as a robust determinant of both customer satisfaction and loyalty, with satisfaction serving as a mediating factor in the relationship between service quality and loyalty.

Based on these findings, we offer actionable suggestions for companies aiming to fortify their market position. It is imperative for companies to focus on maintaining and elevating service quality, recognizing its subtle impact on customer satisfaction. Simultaneously, strategic efforts should be directed towards cultivating and safeguarding a positive brand image, given its pronounced influence on both customer satisfaction and loyalty. Continuous endeavors to enhance product quality and uphold a favorable brand image are paramount, ensuring enduring customer acceptance and loyalty in the dynamic market landscape.

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