Influence Of Promotion, Service Quality, Brand Image On Indomaret Customer Satisfaction And Loyalty

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Abstract.

The supermarket sector in Indonesia has shown significant growth over the past few years and is predicted to continue to grow in the future. The purpose of this study was to determine how promotion, service quality, and brand image impact customer satisfaction and customer loyalty, especially Indomaret customers in west Jakarta Indonesia. This study involved the use of quantitative techniques. The population to be studied was Indomaret customers in west Jakarta Indonesia in year 2024 to 2025. Furthermore, for sampling, a nonprobability sampling method with a purposive sampling technique was used. The research sample was 130 people. Smart PLS software was used to perform data analysis with the Structural Partial Least Square Equation Model (SEM-PLS). The results of this study indicated that promotion, service quality, and brand image have an impact on customer satisfaction. In addition, service quality and brand image had a positive impact on customer loyalty. The level of customer satisfaction positively influences customer loyalty. This study was expected to help Indomaret to improve customer satisfaction and customer loyalty. Furthermore, this study can serve as a reference for future research on promotion, service quality, brand image, customer satisfaction, and customer loyalty.

Keywords: Brand image; customer loyalty; customer satisfaction; promotion and servqual.

I. INTRODUCTION

The supermarket sector in Indonesia has shown significant growth over the past few years and is predicted to continue to grow in the future[1]. However, this growth has triggered increasingly fierce competition between supermarkets. To deal with this, supermarkets need to maximize company performance by understanding and fulfilling customer desires and needs so that they can create customer loyalty[2]. This is in line with companies that have a high level of customer loyalty, which will increase the company's revenue and market share. One of the factors that influences customer loyalty is customer satisfaction[3]. Customer satisfaction is the main factor in building and maintaining customer loyalty. When customers are satisfied with the products, services, and services provided by the supermarket, they will return to the shop and recommend the supermarket to others[4]. Service quality is a fundamental element in influencing customer satisfaction.

This is emphasized by those who state that service quality that is in accordance with customer needs has been proven to be able to increase customer satisfaction. Good service quality includes factors such as product availability, store cleanliness, shopping comfort, friendly service, and the quality of the products sold[5]. Brand image not only plays a role in attracting new customers but also maintains and deepens relationships with existing customers. Several previous studies conducted to show that promotion has a positive impact on customer satisfaction[6]. The object of this research is Indomaret customers in West Jakarta Indonesia[7]. Based on the background above, this study aims to determine how promotion, service quality and brand image affect customer satisfaction and customer loyalty, especially Indomaret customers in the West Jakarta area. This research is expected to help Indomaret to increase customer satisfaction and customer loyalty[8].

II. METHODS

The research design used an associative research design by explaining causal relationships that are cause and effect. The variables in the study consisted of independent variables (influencing) which were promotion, service quality and brand image, there was another mediating variable, which was customer

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satisfaction, and dependent variables (influenced) which was customer loyalty. Furthermore, the researcher applied a quantitative approach. For measurement, this research used a Likert scale of 1 - 5, with each answer having its score. The alternative responses included Strongly Disagree (STS), Disagree (TS), Neutral (N), Agree (S), and Strongly Agree (SS). Indomaret customers in West Jakarta were the population to be studied. Furthermore, for sampling, a non-probability sampling method with a purposive sampling technique[9].

The sample criteria were Indomaret customers, aged 17 to 25 years, and domiciled in West Jakarta. Data collection was carried out by and distributing questionnaires online. Data Analysis, with a limited number of samples, the researcher used the Structural Equation Model Partial Least Square (SEM-PLS). Furthermore, the data was processed using SmartPLS. Smart PLS consisted of two models, namely the outer model and the inner model[10]. The outer model used convergent validity (loading factor) > 0.7, Average Variance Extracted (AVE) with an expected value > 0.50, and composite reliability and Cronbach's alpha with a value > 0.7. The inner model used the path coefficient value, Adjusted R Square (R2) Value, Predictive Relevance Q2, Partial effect size (f square / f2). Hypothesis testing used the bootstrapping resampling method with the t-test. Significant testing was carried out using the t-table value of 1.65 and p-value <0.05. If the t-statistics were greater than the t-table (1.65) and p-value <0.05, then the hypothesis was accepted. If the t-statistics were smaller than the t-table (1.65) p-value < 0.05, then the hypothesis was rejected.

III. RESULT AND DISCUSSION

Based on the results of the distribution of online questionnaires conducted from May 2024 to April 2025, 130 respondents were obtained who met the research criteria. Data analysis showed that most respondents were female (69.2% or 90 people), followed by male (30.8% or 40 people). In terms of age, respondents aged 23-25 years dominated (46.9% or 61 people), followed by the age group 20-22 years (43.8% or 57 people) and 17-19 years (9.3% or 12 people). The frequency of purchases also showed an interesting pattern, where 69.2% or 90 respondents reported having made purchases more than 30 times. As many as 20% or 26 respondents made purchases 21-30 times, and the rest (10.8% or 14 people) made purchases 10-20 times. This study adopted the outer model analysis measurement model to test the validity and reliability of the construct, where the results of the outer model used convergent validity (loading factor) > 0.7, Average Variance Extracted (AVE) with an expected value > 0.50, and composite reliability and Cronbach's alpha with a value > 0.7 (Hair et al., 2014).

Based on that, the results of the study showed that all 23 statements/indicators had loading factor values above 0.7, indicating strong validity. In addition, the Cronbach's alpha and composite reliability values for the five research variables were also above the threshold of 0.7, indicating good reliability. Furthermore, the Average Variance Extracted (AVE) value for the five variables exceeded 0.5, confirming the convergent validity of the construct. These results indicated that the research instrument used in this study had adequate measurement quality. Structural test analysis referred to the R-squared value. In this study, the adjusted R2 value was obtained on the dependent variable, namely the customer loyalty variable of 0.830, which stated that the service quality and brand image variables and customer satisfaction could explain the customer loyalty variable by 83% and the remaining 17% was explained by other variables that were not yet in this study. Then, the customer satisfaction variable with an adjusted R2 value of 0.804, which meant that the promotion, service quality and brand image variables could explain the customer satisfaction variable by 80.4% and the remaining 19.6% was explained by other variables that were not yet in this study.

Table 1. R-Square Result

	R-square	R-square adjusted	
Customer Loyalty	0.834	0.830	
Customer Satisfaction	0.809	0.804	

The results of predictive relevance Q2 proved that the model was able to predict customer satisfaction by 78.6% and customer loyalty by 80.4%. This meant that the model could explain most of the variation in both variables. Furthermore, the F-squared results obtained were greater than 0.15, indicating that

the influence was middle level. The results of the study showed that promotion had a positive effect on customer satisfaction. This study showed that promotion has a positive impact on customer satisfaction. The finding of this study proved that promotions carried out by Indomaret could increase customer satisfaction[11]. In general, respondents were satisfied with the promotional strategy carried out by Indomaret. Following the results of the f-square relationship between promotion and customer loyalty, which was 0.152, which indicated a moderate effect. One of Indomaret's promotional strategies was to provide incentives to customers, such as super savings discount programs and collecting points that could be exchanged for various prizes. This promotion has proven effective in attracting customer interest. In addition, Indomaret had also succeeded in building customer trust through price transparency listed on the promo brochure at the same price when paying at the cashier.

Table 2. Loading Factor, Cronbach's Alpha, composite reliability and AVE

Variabel	Indikator	Loading Factor	Cronbach's Alpha	Composite Reliability	AVE
Promotion	P.1	0.757	0.859	0.895	0.587
	P.2	0.759			
	P.3	0.782			
	P.4	0.749			
	P.5	0.754			
	P.6	0.796			
Service Quality	SQ.1	0.725	0.809	0.868	0.567
	SQ.2	0.749			
	SQ.3	0.762			
	SQ.4	0.764			
	SQ.5	0.765			
Brand Image	BI. 1	0.797	0.835	0.890	0.670
	BI. 2	0.774			
	BI. 3	0.822			
	BI. 4	0.877			
Customer Satisfaction	CS.1	0.824	0.776	0.857	0.600
	CS.2	0.719			
	CS.3	0.764			
	CS.4	0.786			
Customer Loyalty	CL.1	0.771	0.776	0.856	0.598
	CL.2	0.746			
	CL.3	0.808			
	CL.4	0.768			

The results of the study show that service quality had a positive effect on customer satisfaction. This is in line with previous studies which revealed that service quality has an impact on customer satisfaction. Additional studies conducted prove that service quality has a positive impact on customer satisfaction.

This finding proved that customers were satisfied with the service provided by Indomaret employees. In accordance with the results of the f-square relationship between service quality and customer satisfaction, which is 0.194, which indicated a moderate effect. Where in general respondents were satisfied with the speed of Indomaret employees in solving customer problems. In addition, employees were always ready to serve customers, helping to find the items they were looking for, which was something that was highly appreciated by customers. Customer satisfaction also increased because of the polite and friendly communication methods of Indomaret employees. Good interaction between employees and customers played an important role in creating a pleasant shopping experience[1]. The results of the study showed that service quality had a positive effect on customer loyalty. This is by the results of previous studies conducted that service quality affects customer loyalty. Then according to the results of the f-square relationship between service quality and customer loyalty, which was 0.174, which showed a moderate effect. This study

proveed that customer loyalty increased when the service provided by Indomaret employees was able to meet their needs[12]. Customers who felt well served tend to return to the shop at Indomaret, showing their loyalty to the company.

Customers who were satisfied with the service provided by Indomaret would be more likely to recommend Indomaret to others, which also helped to attract new customers. Which based on data analysis showed that customers who were loyal to Indomaret had a high purchase frequency. As many as 69.2% of respondents reported making transactions more than 30 times. This high purchasing rate indicated that loyal customers not only shop more frequently, but also tend to make larger purchases, thus contributing significantly to Indomaret's revenue growth. The results of the study showed that brand image had a positive effect on customer satisfaction[13]. From the results of previous studies conducted it is proven that brand image has a positive impact on customer satisfaction. Then, according to the results, the f-square relationship between brand image and customer satisfaction, which was 0.160, which indicated a moderate effect. This study proved that the brand image owned by Indomaret could increase customer satisfaction. Indomaret had a good reputation and was known as a brand that was pleasant and reliable for its customers. Customers who have a positive perception of the brand tend to be more satisfied with the services and products they receive. The results of the study showed that brand image had a positive effect on customer loyalty. In accordance with the results of previous studies which show that brand image has a positive relationship with customer loyalty[14]. This study proved that the brand image owned by Indomaret could increase customer loyalty. Indomaret had a good reputation and was known as a brand that is fun and reliable for its customers. This was because Indomaret provided quality products, good service, quality facilities and carried out promotions to maintain and maintain a good brand image in the eyes of customers. This way, it could create customer loyalty towards Indomaret.

The results of the study showed that customer satisfaction had a positive effect on customer loyalty. In line with previous studies related to customer loyalty. In addition, this study proves that customer satisfaction has a positive impact on customer loyalty[15], [16]. Then according to the results of the f-square relationship between customer satisfaction and customer loyalty, which was 0.180, which indicated a moderate effect. This study proved that customers were satisfied with Indomaret compared to other supermarkets. Customers who were satisfied with their shopping experience at Indomaret were more likely to return and make repeat purchases. This created a strong relationship between customer satisfaction and customer loyalty. Where Indomaret was able to meet customer expectations by providing quality products, good service, and a pleasant shopping environment so that customers wanted to shop again at Indomaret[17].

IV. CONCLUSION

This study finds that promotions conducted by Indomaret can increase customer satisfaction. In addition, the service quality provided to Indomaret customers can increase customer satisfaction, which will ultimately increase customer loyalty. Furthermore, Indomaret's brand image is also able to encourage customer satisfaction and customer loyalty. Customers consider Indomaret to be a reliable brand in meeting their needs, with products that are relatively complete and of high quality. This positive brand image creates a good perception in the eyes of customers, so they are more likely to be loyal to Indomaret. Finally, customer satisfaction has been proven to increase customer loyalty. Customers who are satisfied with shopping at Indomaret show high loyalty because Indomaret can meet their needs well. Satisfied customers tend to make repeated purchases and recommend Indomaret to others, which helps in attracting new customers and expanding the company's customer base[18], [19]. Based on customer responses, there are several managerial implications that can be taken by Indomaret to improve customer satisfaction and customer loyalty.

First, Indomaret needs to design attractive and informative advertisements or brochures, including information about products that are on promotion. Second, it is important for Indomaret to carry out routine maintenance on store facilities, including air conditioning systems, neatly arranged shelves, and clean cashier areas. Good facility maintenance will increase customer satisfaction while shopping and create a positive impression of the store. Third, Indomaret must focus on creating an attractive brand by utilizing social media

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to actively interact with customers. The use of social media for product promotion, sharing relevant content, and answering questions and feedback from customers can help strengthen the brand image. By implementing these steps, Indomaret can improve customer satisfaction and customer loyalty, and strengthen their position as the main choice in the market [20].

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