

The Influence of Brand Image and Customer Satisfaction on Customer Loyalty at Indomaret Retail Stores In Bandung City

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ABSTRACT

The modern retail sector in Indonesia is experiencing rapid growth, with Indomaret emerging as a leading minimarket chain. In a competitive landscape, building customer loyalty is crucial for sustainable business success. This research aims to analyze the influence of brand image and customer satisfaction on customer loyalty at Indomaret retail stores in Bandung City. The research employs a quantitative approach using survey methods with a structured questionnaire distributed to respondents who regularly shop at Indomaret. Data were analyzed using multiple regression techniques to examine both the direct and indirect effects of the variables. The results indicate that brand image has a significant positive impact on customer satisfaction and loyalty. Furthermore, customer satisfaction mediates the relationship between brand image and customer loyalty, showing that a strong brand image enhances satisfaction, which in turn increases loyalty. The findings highlight the importance of building and maintaining a positive brand image and providing high-quality customer experiences to strengthen long-term loyalty. This research contributes to the understanding of consumer behavior in the modern retail sector and provides practical implications for retail managers in developing effective marketing strategies.

Keywords: brand image, customer satisfaction, customer loyalty, Indomaret, retail stores

INTRODUCTION

Indonesia is experiencing rapid growth in the modern convenience retail sector, marked by the expansion of franchise networks such as Indomaret, Alfamart, Alfamidi, Lawson Station, and Circle K. By the end of March 2025, Indomaret operates more than 23,127 outlets, making it the leader in the minimarket market by the number of national outlets, and recording an additional 445 outlets compared to the end of 2024 (Kusnandar, 2025). Although dominant, not all Indomaret outlets show the same sales performance or customer loyalty. There are striking differences in the number of customers, repurchase rates, and response rates to promotions that can be attributed to the strength of brand image in each location.

Brand image is no longer just a symbol of visual identity, but a construction of collective perception that reflects the company's track record, credibility, and values (Afifah Damayanti & Sugiyanto, 2023; Amalia & Madiawati, 2022; Avisena & Wahyuati, 2021; Hernikasari et al., 2022; Septianingrum et al., 2023). In the context of retail, customers' perception of brand image contributes directly or indirectly to their satisfaction and loyalty in using retail services. Customer loyalty is not only influenced by prices and strategic locations, but also by how the brand image is formed through the shopping experience, store comfort, and the quality of service and promotions provided. Customer loyalty plays a significant role in business

sustainability because loyal customers will make repeat purchases, spread positive recommendations, and tend to be more resistant to the appeals of competitors such as Alfamart or Lawson.

Customer loyalty toward a brand image is the result of the interaction of various elements, whether it be direct experience, brand communication, or information obtained from external sources such as reviews or recommendations. In the context of retail, this loyalty is not only influenced by product prices and promotions, but also by the way stores interact with customers during the shopping process, the orderliness of the supply of goods, and the ability to meet increasingly diverse customer expectations. The intensive involvement of customers in retail shopping activities means their evaluation is based not only on price, but also on the overall process of service received. The brand image that a retail store successfully builds, if consistent with the customer experience, will strengthen customer trust and drive satisfaction (Bajra et al., 2015; Maf'ulla & Rachmawati, 2024; Ningsih, 2016; Sul-toni, 2020). This, in turn, can strengthen loyalty that is not only manifested in the repetition of transactions, but also in the form of recommendations and advocacy for the company to other parties.

Customer satisfaction at Indomaret retail stores is often seen as a mediating variable that connects brand image and customer loyalty. Although brand image is a major factor in the formation of initial customer expectations, the quality of service provided during the process plays a significant role in determining the satisfaction achieved. Satisfaction not only refers to the conformity between the expected end result and the experienced reality, but also includes the emotional and psychological experiences that arise during interactions in the store. At Indomaret retail stores, where each store has its own characteristics and challenges, the achievement of customer satisfaction is not always linear. Differences in store neatness, variations in service, and tension in customer-employee interactions make satisfaction the result of a dynamic interaction between expectations and the reality that customers experience. Therefore, it is important to further explore how satisfaction can serve as a conduit that flows the influence of brand image on customer loyalty.

Loyalty in this case is not only reflected in the repeated use of services, but also in the willingness of customers to recommend the company to third parties, as well as in the form of long-term relationships established with service providers (Hadi, 2021; Mahmudin, 2022). Variability in service quality, differences in competencies between service teams, and communication problems that may arise can affect customer satisfaction and loyalty (Masili et al., 2022). In this way, companies can strengthen relationships with customers, reduce dissatisfaction, and increase loyalty. On the other hand, the mismatch between the brand image communicated and the actual experience the customer receives can lead to dissatisfaction that has the potential to damage the reputation and loyalty that has been built.

Previous research provides strong empirical support for these relationships. A study by Albari and Kartikasari (2020) confirmed that brand image has a significant influence on customer satisfaction, where a positive impression of product quality and brand identity creates a satisfying shopping experience. Furthermore, research by Ruwaida, Trikinanti, and Marhalinda (2023) found that brand image and customer satisfaction simultaneously have a significant effect on customer loyalty, with satisfied customers exhibiting loyal behaviors like repurchases and recommendations. Albari and Kartikasari (2020) also suggested that customer

satisfaction can act as a mediating channel in the relationship between brand image and customer loyalty.

In an increasingly digitized world, customers are now more informed and critical in evaluating retail providers. The internet and digital platforms provide customers with wider access to check a company's track record, compare prices and service quality, and read reviews and experiences from previous customers. In this case, the brand image that the company builds must be able to meet the challenge of not only creating positive perceptions, but also maintaining consistency across various communication channels, both online and offline. This will affect customer loyalty to the store and can be a driving factor that strengthens long-term relationships. A credible brand image that aligns with these values has the potential to attract a more loyal segment of customers because they feel they have the same values and vision as the company (Attas, 2019; Handijono et al., 2021; Hardiana & Pramono, 2022; Purba & Siswono, 2023; Roisah et al., 2019).

In the long run, loyal customers not only become a source of recurring revenue, but also a strategic asset that helps expand the network of new customers through their advocacy. Therefore, retail companies must be able to create deeper relationships with customers by focusing not only on momentary satisfaction, but on the creation of sustainable long-term value. In this context, understanding how brand image plays a role in creating loyalty through satisfaction becomes very relevant. Through this study, it is hoped that a more comprehensive understanding of how brand image can affect customer loyalty with satisfaction as the main connecting factor in the modern retail sector such as Indomaret will be achieved.

Based on this background, this study aims to analyze the influence of brand image and customer satisfaction on customer loyalty at Indomaret retail stores in Bandung City. The specific objectives are: (1) to analyze the influence of brand image on customer satisfaction, (2) to analyze the influence of customer satisfaction on customer loyalty, and (3) to test the direct and indirect influence of brand image on loyalty through customer satisfaction as a mediating variable. Theoretically, this research is expected to contribute to the development of service marketing theory, particularly in the context of modern retail. Practically, the findings are intended to provide guidance for retail management in formulating effective strategies to build a positive brand image, enhance customer satisfaction, and ultimately strengthen customer loyalty in a competitive market.

Based on the background, literature review, and frame of mind that has been described, the hypotheses in this study are as follows: H1: There is a significant influence between brand image on customer satisfaction. H2: Brand image and customer satisfaction have a significant effect on customer loyalty simultaneously. H3: Customer satisfaction mediates the influence of brand image on customer loyalty.

METHOD

This study focuses on Indomaret customers as the main unit of analysis, who are assessed based on their responses to brand image, satisfaction level, and loyalty to the store. Indomaret was chosen as the subject of the study because it is a large-scale national franchise retail network that has wide reach and diverse customers, both in terms of demographics and consumer behavior. This research focuses on observations at several Indomaret outlets located

in urban areas with high visit rates. The selection of these locations aims to obtain representative data that can reflect the dynamics of actual customer interaction in the modern retail competitive environment. This research employs a quantitative approach, where customer responses to brand image, satisfaction, and loyalty are measured through structured questionnaire instruments. With this approach, researchers can statistically test the relationships between variables and analyze the direct and indirect influence of brand image on loyalty through the mediation of customer satisfaction. The focus of this study is not only to view stores as business entities, but also customers as active subjects who respond to services and perceptions of the Indomaret brand in real terms. Thus, this study aims to provide an objective picture of the influence of these variables empirically in the context of modern Indonesian retail.

This study employs a quantitative, descriptive-verifiable (explanatory) design to empirically test the effect of brand image on customer loyalty with customer satisfaction as a mediating variable (Creswell & Creswell, 2017). Primary data come from a structured 1-5 Likert questionnaire administered to Indomaret customers who meet purposive criteria—have shopped at least twice in the last three months, are ≥ 17 years old, and are willing to complete the survey—distributed offline at high-traffic outlets and online, with a minimum target of 100 respondents to satisfy multiple regression and mediation analysis needs. The instrument, built from theory-based indicators for brand image, customer satisfaction, and loyalty, is validated using Pearson's Product-Moment (items valid if $r_{\text{calculated}} > r_{\text{table}}$, $p < 0.05$) and tested for reliability via Cronbach's Alpha ($\alpha > 0.70$; ≥ 0.60 acceptable for social/behavioral contexts) (Sugiyono, 2019). Secondary data—such as Indomaret internal reports (if available), Databook's statistics, industry publications, and peer-reviewed articles—strengthen the theoretical foundation, provide empirical context, and support interpretation. Analysis begins with descriptive statistics to profile respondents and summarize indicator means, followed by classical assumption tests: normality (Kolmogorov-Smirnov; Sig. > 0.05), multicollinearity ($\text{VIF} < 10$; Tolerance > 0.10), and heteroscedasticity (Glejser; Sig. > 0.05). Hypotheses are then examined using multiple linear regression and mediation procedures to estimate direct and indirect effects; significance is assessed with partial t-tests and simultaneous F-tests (Sig. < 0.05), and explanatory power is evaluated using the coefficient of determination (R^2).

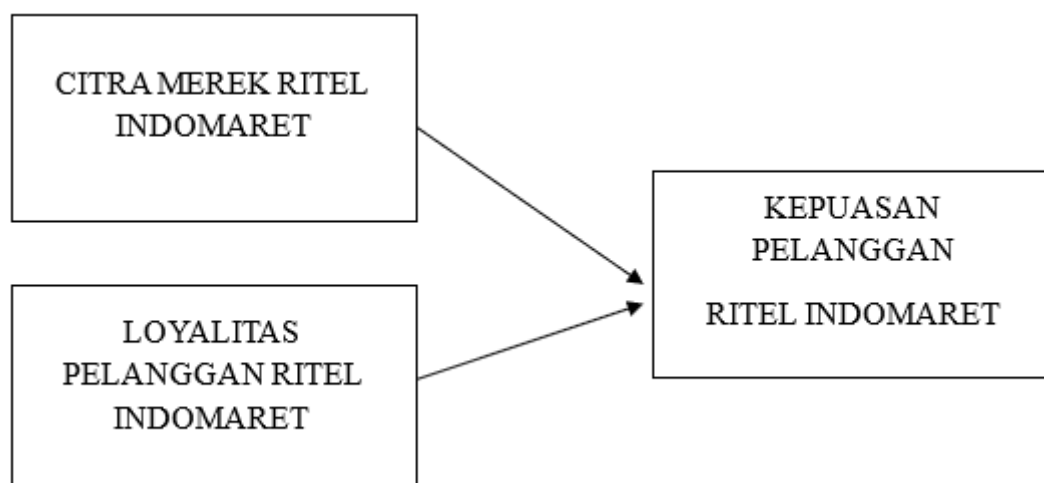


Figure 1. Theoretical framework

RESULTS AND DISCUSSION

Validity Test

The validity test is carried out to find out whether each item in the questionnaire is able to validly measure the construct of the variable in question. The test was carried out using the Pearson Product Moment correlation technique, and the results were compared with the r-table value at a significance level of 5% with a total of 100 respondents, which was 0.1966.

All statement items in the Brand Image variable (X) have an r-count value above 0.1966, which ranges from 0.426 to 0.713. This indicates that all brand image indicators are valid and can be used in further testing. Similarly, all items in the Customer Satisfaction (Z) variable show an r-count value above the minimum limit, which is between 0.416 and 0.648 which means that all statements in this variable are also declared valid.

For the Customer Loyalty (Y) variable, the r-count value of each item is also above 0.1966 with a score range between 0.469 to 0.620. Thus, all items in the customer loyalty variable meet the validity criteria and can be used in the subsequent analysis process. Overall, these results show that all instruments in the questionnaire have passed the validity test and are suitable for using to measure constructs in this study.

Reliability Test

The Brand Image (X) variable obtained a Cronbach's Alpha value of 0.678, the Customer Satisfaction (Z) variable of 0.651, and the Customer Loyalty (Y) variable of 0.648. These three variables have a reliability value above the minimum limit of 0.60 which means that all items in the questionnaire have an adequate level of internal consistency and can be used in advanced analysis. Thus, the instrument used in this study has met the reliability requirements.

Classical Assumption Test

Asymp value. Sig. (2-tailed) of 0.200 > 0.05 indicating that the residual data is normally distributed. Thus, the assumption of normality is met. The results of the multicollinearity test showed a Tolerance value of 0.931 and VIF of 1.074 for both independent variables (Customer Satisfaction and Brand Image). Since the Tolerance value is > 0.1 and VIF is < 10, it can be concluded that there is no multicollinearity in the regression model. Heteroscedasticity testing was performed using the Glejser method in Table 4.5. The significance values for the two independent variables were 0.697 and 0.804 respectively, both of which > 0.05. This shows that there is no heteroscedasticity problem in the regression model. The scatterplot result is between the residual and the predicted value. The dots are randomly scattered around a horizontal line without a specific pattern. This confirms that the residual variables are homogeneous and linear which reinforces the assumption of the feasibility of the regression model.

Multiple Linear Regression Test

1. Model 1 Multiple Linear Regression Test

Table 1. Model 1 Multiple Linear Regression Test Coefficients^a

Model		Unstandardized Coefficients		Std. Beta	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	21.147	4.093		5.167	< .001		
	Customer Satisfaction	0.327	0.121	0.263	2.700	0.008	1.000	1.000

a. Dependent Variable: Brand Image

Source: Data Processing Using SPSS, 2025.

Based on the results of multiple linear regression on Model 1, it is known that brand image and customer satisfaction simultaneously have a significant effect on Indomaret's customer loyalty. The regression coefficient value for the brand image variable of 0.340 with a significance of < 0.001 indicates that brand image has a positive and significant influence on customer loyalty. This means that the better the image of the Indomaret brand in the eyes of customers, the higher the tendency of customers to remain loyal to shopping at Indomaret. Meanwhile, the customer satisfaction variable has a coefficient of 0.169 with a significance value of 0.046 which also shows a positive and significant influence on customer loyalty. This indicates that a satisfying shopping experience, such as friendly service, affordable prices, and store convenience, also encourages customers to remain loyal. From these results, it can be concluded that the two independent variables, both brand image and customer satisfaction, have an important contribution in shaping customer loyalty in Indomaret retail with brand image being a more dominant factor seen from the value of the coefficient and the level of significance.

Model 2 Multiple Linear Regression Test

The results of multiple linear regression on Model 2 showed that customer satisfaction also had a positive and significant effect on brand image with a coefficient value of 0.327 and significance of 0.008. These results confirm that customers' positive perceptions of the service, price, and comfort provided by Indomaret can shape and strengthen the brand image in the minds of consumers. In other words, when customers are satisfied with the various aspects of the service received, they tend to form a positive view of the Indomaret brand which ultimately contributes to maintaining long-term loyalty.

Hypothesis Test

1. Hypothesis Test 1

Table 2. Uji F model 1

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	84.173	1	84.173	7.292	.008 ^b
Residual	1131.267	98	11.544		
Total	1215.440	99			

a. Dependent Variable: **Brand Image**

b. Predictors: **(Constant), Costumer Satisfaction**

Source: Data Processing Using SPSS, 2025.

The first model tests the influence of brand image on customer satisfaction. The results of the F test in Table 2 show that the regression model is significant with a significance value of 0.008 which means that brand image statistically affects customer satisfaction.

Table 3. Model 1 t test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	21.147	4.093		5.167	< .001		
Customer Satisfaction	0.327	0.121	0.263	2.700	0.008	1.000	1.000

a. Dependent Variable: **Brand Image**

Source: Data Processing Using SPSS, 2025.

The t-test in Table 3 supports this finding with a regression coefficient value (B) of 0.327, a t-value of 2.700 and a significance of 0.008 (< 0.05), so that the first hypothesis, namely H1: Brand image has an effect on customer satisfaction is accepted. This means that the more positive the brand image built by Indomaret, the higher the satisfaction felt by customers.

2. Hypothesis Test 2

Table 4. Test F Model 2

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	192.117	2	96.058	18.826	< .001 ^b
Residual	494.923	97	5.102		
Total	687.040	99			

a. Dependent Variable: **Customer Loyalty**

b. Predictors: **(Constant), Brand Image, Customer Satisfaction**

Source: Data Processing Using SPSS, 2025.

The second model tests the simultaneous influence of brand image and customer satisfaction on customer loyalty. Based on the F test in Table 4, a significance value of < 0.001 was obtained, indicating that the two independent variables together had a significant effect on customer loyalty.

Table 5. Model t Test 2 coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	17.755	3.069		5.785	< .001		
Customer Satisfaction	0.169	0.083	0.181	2.022	0.046	0.931	1.074
Brand Image	0.340	0.067	0.452	5.057	< .001	0.931	1.074

a. Dependent Variable: **Customer Loyalty**.

Source: Data Processing Using SPSS, 2025.

The t-test in Table 5, the results of the Model 2 multiple linear regression test show that Brand Image and Customer Satisfaction simultaneously have a significant effect on Customer Loyalty, shown by the significance value in the F test of < 0.001 with an F value calculated of 18.826. Furthermore, in the t-test, the Brand Image has a significance value of < 0.001 and a β coefficient of 0.452 which means

that there is a partial positive and significant influence on Customer Loyalty. Customer Satisfaction also showed a significant influence on Loyalty with a significance value of 0.046 and a β of 0.181. This means that the better the customer's perception of the brand image and the higher the satisfaction felt, the customer loyalty to Indomaret will also increase. Thus, the second hypothesis (H2) which states that Brand Image and Customer Satisfaction simultaneously affect Customer Loyalty is accepted.

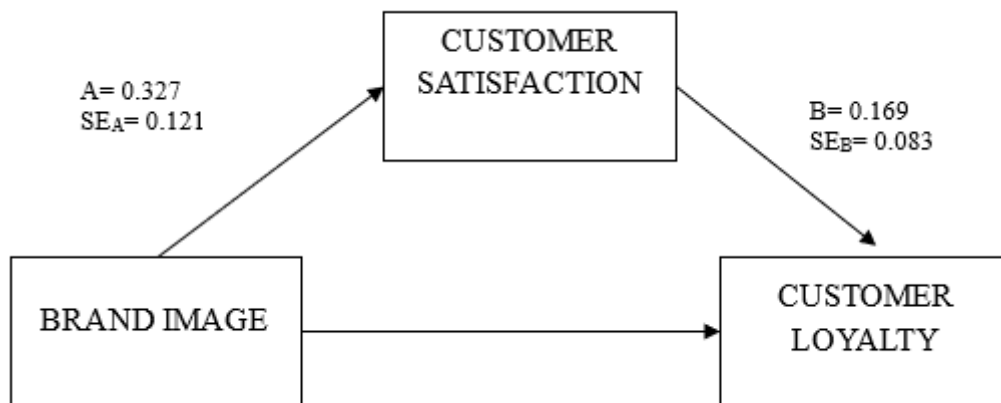


Figure 2. Path Analysis

Source: Data Processing Using SPSS, 2025.

Sobel test statistic: 1.62622982
 One-tailed probability: 0.05195039
 Two-tailed probability: 0.10390078

Figure 4.2 shows the results of a path analysis that illustrates the relationship between Brand Image, Customer Satisfaction, and Customer Loyalty. From the diagram, it can be seen that Brand Image (X) has a direct effect on Customer Satisfaction (Z) with a coefficient of A = 0.327 and a standard error of SE_A = 0.121. Furthermore, Customer Satisfaction also affects Customer Loyalty (Y) with a coefficient of B = 0.169 and a standard error of SE_B = 0.083.

This analysis aims to find out whether Customer Satisfaction mediates the influence of Brand Image on Customer Loyalty. To test this, the Sobel test was carried out. Based on the calculation of the Sobel test, a statistical value of 1.626 was obtained with a one-tailed probability value of 0.0519 and a two-tailed of 0.1039. Thus, the p-value of the two tails is greater than 0.05, statistically the mediation that occurs is not significant at a significance level of 5%, so hypothesis 3 is rejected.

Thus, Customer Satisfaction was only proven to be a partial but not statistically significant mediator on the Sobel test. This means that some of the influence of Brand Image on Customer Loyalty is channeled through Customer Satisfaction, but the effect of mediation is not strong enough to be significant. However, the positive direction of the relationship and a considerable coefficient indicate that Customer Satisfaction still has a practically important role.

Coefficient of Determination R²

1. Coefficient of Determination Model 1

Table 6. Model Determination Coefficients 1

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.263 ^a	0.069	0.060	3.398

a. Predictors: (Constant), Customer Satisfaction

b. Dependent Variable: Brand Image

Source: Data Processing Using SPSS, 2025.

Based on the results of the determination coefficient in Table 4.12, the Adjusted R Square value of 0.060 shows that the Customer Satisfaction variable is able to explain the variation that occurs in the Brand Image variable of 6.0%. In other words, the contribution of Customer Satisfaction in explaining changes in perceptions of brand image is still relatively low, while the remaining 94% is explained by variables outside of this model. Nevertheless, these results are still relevant to show that there is a significant positive linear relationship between Customer Satisfaction and Brand Image as has been proven through previous regression tests.

1. Coefficient of Determination Model 2

Table 7. Coefficient of Model Determination 2

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.529 ^a	0.280	0.265	2.259

a. Predictors: (Constant), Brand Image, Customer Satisfaction

b. Dependent Variable: Customer Satisfaction

Source: Data Processing Using SPSS, 2025

Meanwhile, in Model 2 (Table 7), the Adjusted R Square value of 0.265 shows that the combination of independent variables, namely Brand Image and Customer Satisfaction, together explains the variation in Customer Loyalty by 26.5%. This figure shows that the model has better descriptive power than Model 1, although there is still 73.5% variation influenced by factors outside the model. These findings reinforce the suspicion that customer loyalty is influenced by more factors than just satisfaction and image, but still provide an idea that these two variables are significant factors that should be taken into account in the management of customer loyalty in modern retail such as Indomaret.

The Influence of Brand Image on Customer Satisfaction

The results of multiple linear regression analysis on Model 1 show that brand image variables have a significant effect on customer satisfaction in Indomaret retail. Based on the results of the t-test, the significance value of $0.008 < 0.05$ with a regression coefficient of 0.327 indicates that the more positive the customer perception of Indomaret's brand image, the higher the level of satisfaction felt. This finding is strengthened by the value of the determination coefficient (Adjusted R Square) of 0.060 which means that the brand image variable is able to explain the variation in customer satisfaction by 6%. Although its contribution is not dominant, this influence remains statistically significant and practically meaningful in the context of modern retail competition.

Theoretically, these findings are consistent with the theory put forward by Kotler (2015) which states that brand image is a perception formed by consumers through experiences, symbolic associations, and values instilled by companies. A positive image will shape expectations and foster trust in the brand which will further impact customer satisfaction. In the context of Indomaret, the brand image that is built through easy location access, store cleanliness, and an image inherent in the community, has proven to be able to increase positive perceptions and ultimately provide a satisfying shopping experience for customers.

Support for these findings was also found in the study of Albari & Kartikasari (2020) which examined the influence of brand image and product quality on customer loyalty. They found that customer satisfaction is an important pathway that connects brand image with loyalty. A strong brand image can create a positive experience that builds customer satisfaction. This shows that while the ultimate focus is loyalty, satisfaction plays a crucial role as a crucial element that emerges from strengthening brand image.

In addition, research by Ruwaida, Trikinanti, & Marhalinda (2023) also supports that brand image plays a significant role in shaping customer satisfaction, especially in the context of e-commerce. In the case of Indomaret as a physical retailer, the brand image is formed from a combination of brand visual communication, consistent service, and brand reputation in the community. This is an important capital to create a pleasant and comfortable relationship between consumers and brands.

The implications of these results suggest that brand image management is not only important in attracting new consumers, but also in maintaining existing customer satisfaction. Indomaret needs to maintain and improve the dimensions that form the brand image, such as functional image (accessibility and price), symbolic (modern and reliable impression), and experience (cleanliness and comfort of the store). With an integrated approach in building and strengthening the brand image, Indomaret can enhance a pleasant shopping experience and meet customer expectations which ultimately leads to sustainable customer satisfaction.

The Influence of Brand Image and Customer Satisfaction on Customer Loyalty

The test of Hypothesis 2 was carried out through multiple linear regression of Model 2 involving two independent variables, namely Brand Image and Customer Satisfaction with Customer Loyalty as dependent variables. The results of the F test showed a significance value of 0.000 which means it is smaller than 0.05. This shows that simultaneously, Brand Image and Customer Satisfaction have a significant effect on Customer Loyalty. Partially, the results of the t-test showed that the two independent variables also had a significant influence on loyalty, shown by the significance value of < 0.05 for each variable.

Theoretically, these findings reinforce the view that customer loyalty is not determined by a single factor, but rather is the result of a combination of various factors, especially customers' perceptions of the brand and their experience of services (Kotler, 2015). When customers have a positive perception of the brand, and at the same time feel satisfied with the services provided, they tend to show loyalty, both in the form of repurchase and brand advocacy.

This research is also consistent with the findings of Albari and Kartikasari (2020) which show that brand image affects customer loyalty, especially when mediated by customer satisfaction. Likewise, Ferdian (2017) research emphasizes that factors such as satisfaction and

perception of product or service quality are simultaneously able to encourage the formation of loyalty. The combination of these two variables creates an all-encompassing experience that increases the emotional attachment and trust of customers to the brand.

In the context of modern retail such as Indomaret, this simultaneous influence is becoming increasingly relevant because customers are now not only oriented to the product, but also to the overall shopping experience that includes service, comfort, and brand identity. Therefore, companies need to consider the integration between strong branding and improved service quality to drive continued loyalty.

The Influence of Brand Image on Customer Loyalty with Customer Satisfaction as a Mediating Variable

The results of the third hypothesis test were conducted to look at the mediating role of the Customer Satisfaction variable in the relationship between Brand Image and Customer Loyalty. This test is based on path analysis and is complemented by the Sobel test to confirm the significance of the mediation effect. Based on Figure 4.2 Path Analysis, it is known that the path coefficient value from Brand Image to Customer Satisfaction (A) is 0.327 with a standard error (SE_A) of 0.121, while the value of the coefficient from Customer Satisfaction to Customer Loyalty (B) is 0.169 with a standard error (SE_B) of 0.083. These two paths indicate the direction of a positive relationship. However, the results of the Sobel test calculation resulted in a statistical value of Z of 1.626 and a two-tailed probability value of 0.1039 which is greater than the significance threshold of 0.05. This shows that statistically, the indirect influence through mediation is not significant at the 95% confidence level.

Theoretically, these results do not completely contradict the concepts that have been described in the framework of thinking. In relational marketing theory, customer satisfaction is often positioned as a bridge between brand perception and consumer loyalty. This means that customers who have a positive perception of the brand image tend to feel satisfied, and that satisfaction continues to be loyalty. However, in the context of this study, although the direction of the relationship was supported, the power of mediation was not statistically strong enough to exert a significant influence.

These findings also need to be compared with previous studies. For example, research by Albari and Kartikasari (2020) states that brand image has an influence on customer loyalty which is strengthened by customer satisfaction as a mediating variable. However, differences in respondent characteristics, industry type, and research location can be factors that affect different outcomes. Similarly, in a study by Ruwaida et al. (2023), it was found that customer satisfaction plays an important role in mediating the influence of advertising and brand image on customer loyalty, but it is done in the context of e-commerce, not physical retail such as Indomaret.

Thus, although statistically the third hypothesis is not statistically significant, there are still substantively indications that customer satisfaction plays a role in strengthening the relationship between brand image and loyalty. This means that brand image enhancement can still shape customer loyalty directly, while customer satisfaction may only strengthen that relationship under certain conditions or in different service contexts.

In conclusion, the third hypothesis that customer satisfaction mediates the influence of brand image on customer loyalty is rejected because there is not enough statistical evidence to

support it. Nevertheless, the role of mediation remains relevant to consider in managerial practice, particularly in retail customer loyalty enhancement strategies.

CONCLUSION

Based on the research results and discussion, it can be concluded that brand image has a positive and significant effect on customer satisfaction, showing that a positive perception of Indomaret's brand image can increase satisfaction with retail services. Simultaneously, brand image and customer satisfaction have been shown to have a significant effect on customer loyalty, which confirms the important role of both variables in shaping loyal behaviors such as repeat purchases and recommendations. Nonetheless, customer satisfaction has not proven to be a statistically significant mediator between brand image and loyalty, although the direction of the relationship is supportive. These findings provide practical implications for Indomaret management to continue to maintain and improve the brand image, not to ignore the satisfaction factor, and optimize loyalty strategies such as rewards programs to strengthen long-term relationships with customers. Based on the research findings, it is suggested that Indomaret management focus on strengthening the brand image through consistent marketing strategies and improving service quality. While satisfaction is not a significant mediator, efforts to improve customer experience remain important. The development of more innovative and personalized loyalty programs is also necessary to retain long-term customers. Further research is suggested to explore other mediating variables that may be influential.

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