

THE INFLUENCE OF MARKETING MIX AND SERVICE QUALITY THROUGH CUSTOMER SATISFACTION ON CUSTOMER LOYALTY INDOMARET BATAM CITY

Novta Putriyani*, Rahmat Hidayat*

Batam State Polytechnic
Department of Business Management
Ahmad Yani Street, Batam Centre, Batam 29461, Indonesia
E-mail: novtaputriyani@gmail.com, rahmat@polibatam.ac.id

Abstract

Indomaret Batam City is the target of this study, which aims to assess the influence of marketing mix and service quality on customer satisfaction and loyalty. One hundred people participated in this survey. Partial Least Square (PLS) technique was used to analyze the primary data obtained through the survey. Customer satisfaction is positively and significantly affected by the marketing mix but has no significant impact on customer loyalty. Customer satisfaction has a positive and significant impact on customer loyalty. Service quality also shows a positive and significant impact on customer satisfaction and customer loyalty. In addition, service quality has a positive and significant effect on customer loyalty through customer satisfaction, while the marketing mix does not show a significant effect on customer loyalty through customer satisfaction.

Keywords: *Customer Loyalty, Customer Satisfaction, Marketing Mix, Service Quality*

Abstrak

Indomaret Kota Batam menjadi target dari penelitian ini, yang bertujuan untuk menilai pengaruh bauran pemasaran dan kualitas layanan terhadap kepuasan dan loyalitas pelanggan. Seratus orang berpartisipasi dalam survei ini. Teknik Partial Least Square (PLS) digunakan untuk menganalisis data primer yang diperoleh melalui survei. Kepuasan pelanggan dipengaruhi secara positif dan signifikan oleh bauran pemasaran tetapi tidak berdampak signifikan terhadap loyalitas pelanggan. Kepuasan pelanggan memiliki dampak positif dan signifikan terhadap loyalitas pelanggan. Kualitas pelayanan juga menunjukkan dampak positif dan signifikan terhadap kepuasan pelanggan dan loyalitas pelanggan. Selain itu, kualitas pelayanan memiliki pengaruh positif dan signifikan terhadap loyalitas pelanggan melalui kepuasan pelanggan, sementara bauran pemasaran tidak menunjukkan pengaruh signifikan terhadap loyalitas pelanggan melalui kepuasan pelanggan.

Kata kunci: *Bauran Pemasaran, Kepuasan Pelanggan, Kualitas Pelayanan, Loyalitas Pelanggan*

1. BACKGROUND

In a general sense, the term “consumer loyalty” refers to a consumer's loyalty to a particular service or product. Loyalty from customers can be the basis for formulating regulations that can increase or decrease the value of a product to customers. The level of consumer loyalty to a business can be a good indicator of how much they support the goods or services provided by the company.

In terms of maintaining a company's reputation and ensuring its continued success, loyalty is an important factor. It is not enough for companies to focus their attention only on customer satisfaction. Loyalty from customers should be the main goal of the organization. All this is due to the fact that we

now live in the age of choice, and there is no guarantee that happy consumers will become loyal customers. On the other hand, client loyalty can be used as evidence of the extent to which customers are satisfied with the goods or services provided by the company.

Customer satisfaction is one of the main goals of companies, as it is an essential component that must be met in order to thrive in the commercial world and win in the competition. Nevertheless, it is not easy to achieve 100% customer satisfaction because, in today's world, customers are becoming more knowledgeable and aware of the rights available to them as consumers. The level of customer satisfaction is a consequence of their perception of

performance and their expectations. If customers' performance does not match their expectations, then they are dissatisfied. On the other hand, if the performance exceeds their expectations, then the client is very satisfied. Not only can satisfaction form a logical preference for a brand, but it can also develop an emotional connection with the brand. The level of satisfaction will not be static at any given moment; rather, it will continue to be dynamically influenced by the level of quality of the goods or services provided, as well as the expectations formed in the mind of the customer. (Kotler, 2006).

Keeping clients happy is the most important factor in retaining them. Companies that want to retain their consumers really need to assess the level of satisfaction that their consumers have with the goods or services they have obtained on a regular basis to win the competition and achieve their marketing goals. through the use of marketing instruments known as the marketing mix. According to Assael, (1992), marketing stimuli are one type of stimuli that can influence consumers in pleasing customers and are factors that can be managed by businesses. More specifically, marketing stimuli can be controlled by companies through certain aspects of the marketing mix strategy.

Organizations that effectively adopt the right marketing mix will not only experience profits, but also outperform other organizations, which enables them to thrive in a competitive environment and maintain their existence in the business world. The marketing mix is a determining factor for marketing success. Retail companies, such as supermarkets and convenience stores, can be found in various parts of the world today. In terms of operating a minimarket, the main thing that must be considered is the quality of the products sold, besides that the price charged must also be reasonable. Prices are not only determined by profits, but should also comply with ethical standards and generally accepted practices. In addition, in terms of promotion, each minimarket has the power to use a variety of different tactics to promote their place of business. Utilizing the marketing mix is one strategy that can be used.

Retail businesses in Batam city are interesting to study because of the fierce competition today. In this industry, better quality of services provided to customers and uniqueness of goods become competitive advantages. Indomaret is one of the most comprehensive modern retailers in Indonesia owned by Indomarco Pristama. Based on data sourced from Euromonitor International that in 2022 Indomaret will maintain its position as the leading retailer in Indonesia with the largest number of outlets in 2022, namely 19,996 outlets, while Alfamart and Alfamidi, its two toughest rivals, have 17,394 and 2,273 outlets respectively. Indomaret's success is also felt in the city of Batam, as seen from the number of Indomaret outlets scattered around the city of Batam, totaling 194 outlets. In contrast, the company's main rival, alfamart, has only 167 outlets in Batam.

In recent years, there has been a substantial increase in the number of modern retail companies, such as Indomaret, in Batam City. As evidenced by the results of the author's Pre-Survey with the Store Leader of Indomaret Bumi Indah, that the largest number of Indomaret outlets is in the Lubuk Baja Kota area, which is 24 outlets and is also supported by the opening of Super Indo in Batam which is jointly owned by the Salim Group, Due to the increased competition caused by this phenomenon, Indomaret is now required to improve service quality and optimize its marketing mix approach. In addition, changes in consumer spending patterns following the COVID-19 epidemic are an important element affecting market dynamics. Today, consumers are more likely to buy online and place a higher priority on hygiene and safety. In this case, an important component that can increase consumer satisfaction and loyalty is the efficacy of Indomaret's programs and promotions.

Pratiwi et al., (2021) investigated customer loyalty in relation to the marketing mix. The findings show that the marketing mix has a good effect on customer loyalty. The findings of Nurbani et al. (2019), confirms that the marketing mix does not affect customer loyalty, therefore this is contradictory. But Purnomo (2021) revealed that high quality service actually affects consumer loyalty positively. This is not in line with the conclusions made by Budiarno et al., (2022) who found no correlation between service quality and customer loyalty.

In their study on the relationship between marketing mix and customer satisfaction, Nabilah et al., n.d. (2020) found that the marketing mix has a favorable impact on the level of satisfaction experienced by customers. This is not directly proportional to the findings of Bustomi & Dewi, (2022) which show that the marketing mix has no impact on the satisfaction experienced by customers. Meanwhile, research conducted by Purnomo (2021) on the impact of service quality on customer satisfaction explains that service quality has a favorable impact on customer satisfaction. This is not the same as research conducted by Hafidz & Muslimah, (2023), which shows that service quality has no impact on the level of happiness experienced by customers.

Customers' happiness served as a mediator between marketing mix variables and service quality's effect on customer loyalty, which prompted researchers to examine the interplay between these two factors in light of existing phenomena and gaps in the existing literature.

2. THEORETICAL STUDY

Marketing Mix

The marketing mix is an important element of an integrated marketing plan, which includes all the steps a company can take to influence its target market. This strategy is known as the marketing mix strategy and is concerned with how the company will

present its products to specific market segments (Anwar, 2019).

As stated by Kotler and Armstrong in their definition of the term “marketing mix,” the term refers to “a group or set of marketing variables that a firm can control to produce the response required by a goal.” The various interrelated marketing activities make up the marketing mix. For businesses to achieve success in marketing, they need to select appropriate goods, set affordable prices, find reliable distribution channels, and promote those products in an efficient manner (Askar, 2023). There are four marketing policies that make up the “4P” strategy, namely:

A product, defined by Kotler and Armstrong as anything that can be bought, used, or eaten to fulfill a need. In theory, a product is the result of an organization's efforts to meet consumer demand in a way that considers internal resources and external factors such as market demand and price points. Products can also be seen as a picture of customer perception by manufacturers in their final product. Customers place a high value on the product and rely on it when making choices. One of the definitions offered by is that “a product can be defined as anything that fulfills a need through use, consumption, or acquisition”. Product indicators according to Kotler & Armstrong, (2018) : 1. product quality, 2. product features, 3. product style and design.

Price, the price of an item is a good indicator of how happy customers are with the items they have purchased. The term “actual price” refers to the point at which a particular item is valued in trade currency. The word “price” refers to the total money that must be given in order to get what is desired. For a company to succeed, continuous market integration is required. Companies can recognize changes in the market and variations among customers based on customer monitoring results. Price Indicators according to Kotler and Armstrong, (2015) in Maulida, (2021) : 1. price affordability, 2. balance between price and quality 3. price competitiveness, 4. price compatibility with benefits.

Location, Kotler and Armstrong describe location as “a location where business operations get goods to specific customers”. Location is in the context of the firm's activities. The fact that this is the case shows that location includes the activities of the company that offers goods to target consumers. In the case of any company expansion, customer visits are indispensable (Tjiptono, 2012). Location Indicators according to Tjiptono (2016) in Wahyudi et al., (2023) : 1. Access 2. Visibility 3. Traffic 4 Large parking lot 5. Expansion.

According to promotion is a type of marketing communication that aims to educate, persuade, and remind the intended audience about the company's goods and services. According to (Adwimurti & Sumarhadi, 2023) states that Promotion is a type of marketing communication that aims to inform, convince, and strengthen acceptance, purchase, and target market loyalty to the company's products.

Promotion indicators according to Suparyanto dan Rosad, (2015: 173) dalam Juniawati, (2021) :
1. Media promotion
2. Promotion creativity
3. Promotion differentiation.

Quality of Service

High Service Standards The term “quality” refers to the level of excellence expected of an organization as well as the capacity to manage that level of excellence to meet customer requirements. In this regard, the word “service quality” refers to the process of determining the level of quality of services offered in accordance with customer expectations. The term “quality” describes an ever-changing condition in which products, services, people, procedures, and the surrounding environment are able to meet or exceed expectations (Diputra & Yoga, 2020).

There are five different aspects of service quality that are used to convey service quality measurements (Tjiptono & Chandra, 2016) :

Tangibles, the ability that customers have through exclusive company reviews and the sense of service provided

Reliability, the capacity of a business to fulfill the needs of its clients without fail.

Responsiveness, the capacity of a business to ensure that the services it offers are in line with the requirements and needs of its clients.

Assurance, the capacity of staff members to exude courtesy, environment, and confidence to clients.

Empathy, the capacity of a business to focus on and serve customers.

Customer Satisfaction

Customer satisfaction can be defined as the difference between customer expectations before consumption of a product or service and the actualization of these expectations after The amount of sentiment a person has after comparing their expectations with the expectations of a product or service is referred to as the level of customer satisfaction. When a product or service meets or exceeds expectations, customers tend to feel satisfied. them, but consumers are more likely to feel dissatisfied if these expectations are not met (Hariono & Marlina, 2021).

Indicators for measuring customer satisfaction, according to Tjiptono, (2008) in Meithiana, (2019).

Alignment of expectations

Desire to visit

Tendency to suggest

Customer Loyalty

The term “customer loyalty” refers to a consumer's determination to continue to subscribe to or purchase from a particular business despite the impact of competing offers (Hariono & Marlina, 2021). A customer is said to be loyal if they continue

to buy from a business or use their services in the same way as before.

The following are signs of satisfied consumer loyalty according to Griffin (2002) in Widayatma & Lestari, (2018) :

Consistent purchase

Buying a product or service line

Recommend goods and services to others

The indicator of referring products or services to others is not used in this study for several significant reasons. First, Companies prefer to use directly observable behaviours like regular repurchases and purchases across product or service lines when measuring customer loyalty. Referring products to others is a form of behaviour that is difficult to measure directly and monitor consistently. Secondly, recommendations or referrals are often impacted by external factors like customers' personal experiences, social environment, and social media. As a result, this indicator may not be reliable as a pure measure of loyalty. Therefore, this study focuses on more concrete and measurable loyalty indicators like regular repeat purchases and purchases across product or service lines.

3. RESEARCH METHODS

In this research, quantitative research methods were used. Beginning with the development of a research design, quantitative methodology requires a systematic, organized, and well-structured research approach. According to Sugiyono (2015) Research instruments are used in quantitative research to collect data, which is then analyzed quantitatively or statistically to make conclusions. The purpose of this kind of research is to test hypotheses. The participants in this study were Indomaret consumers in Batam City. The researcher selected the sample for this study by using a representative sample of the total population of Indomaret consumers in Batam City. Since the number of consumers is unknown and unlimited, the researcher used the lemeshow technique to determine the sample size. This lemeshow calculation resulted in the required sample size of one hundred respondents. The distribution of questionnaires was the way this research was collected. An interval scale, which is often used in survey construction, was combined with a Likert scale format to create the survey. Using SmartPLS software, a technique for analyzing data known as partial least square (PLS) was used in this investigation. Using least squares has the benefit of requiring only a small sample size for analysis. In addition, SmartPLS can examine SEM models with different types of scales, including Likert and scales. Outer model and inner model are the two models used in PLS-SEM analysis (Ghozali & Latan, 2014).

4. RESULTS AND DISCUSSION

Pilot Study data results

Researchers conducted a pilot study because it is very important to evaluate the validity and reliability of the questionnaire before it is distributed for use in

research. This study used 30 respondents who had filled out the questionnaire. Data processing with Smart-PLs 4.

Validity Test Pilot study

With an exterior loading value of 0.7 or above, it is perfect. Achieving convergent validity is defined as an AVE value higher than 0.5. Hair et al, (2017) in Insanita & Meria, (2024).

Tabel 1. Outer Loading Results

Variabel	Indicator	Outer Loading	Description
Marketing Mix	HRG1	0,724	Valid
	HRG2	0,231	Invalid
	HRG3	0,794	Valid
	HRG4	0,733	Valid
	LK1	0,735	Valid
	LK2	0,580	Invalid
	LK3	0,705	Valid
	LK4	0,750	Valid
	LK5	0,527	Invalid
	PR1	0,719	Valid
	PR2	0,822	Valid
	PR3	0,745	Valid
	PR4	0,568	Valid
	PRM1	0,815	Valid
	PRM2	0,730	Valid
	PRM3	0,747	Valid
PRM4	0,392	Invalid	
Service Quality	ASR1	0,745	Valid
	ASR2	0,790	Valid
	ASR3	0,777	Valid
	EMP1	0,731	Valid
	EMP2	0,782	Valid
	EMP3	0,705	Valid
	RLB1	0,366	Invalid
	RLB2	0,741	Valid
	RLB3	0,811	Valid
	RPS1	0,562	Invalid
	RPS2	0,739	Valid
	RPS3	0,783	Valid
TGB1	0,759	Valid	
TGB2	0,430	Invalid	
TGB3	0,737	Valid	
Customer Satisfaction	KP1	0,792	Valid
	KP2	0,811	Valid
	KP3	0,478	Invalid
	KP4	0,716	Valid

Variabel	Indicator	Outer Loading	Description
Customer Loyalty	LP1	0,892	Valid
	LP2	0.810	Valid

Source: Data processed, 2024

Based on table 1, it is clear that there are still outer loading values that are below or less than 0.7, including PR4, HRG2, LK2, LK5, PRM4, RLB1, RPS1, TGB2 and KP3. Therefore, invalid indicators were removed and retested.

Tabel 2 . Outer Loading 2 Results

Variabel	Indicator	Outer Loading	AVE	Description		
Marketing Mix	HRG1	0,700	0.580	Valid		
	HRG3	0,791		Valid		
	HRG4	0,778		Valid		
	LK1	0,737		Valid		
	LK3	0,716		Valid		
	LK4	0,748		Valid		
	PR1	0,74		Valid		
	PR2	0,838		Valid		
	PR3	0,709		Valid		
	PRM1	0,838		Valid		
	PRM2	0,758		Valid		
	PRM3	0,771		Valid		
	Service Quality	ASR1		0,738	0.581	Valid
ASR2		0,810	Valid			
ASR3		0,781	Valid			
EMP1		0,711	Valid			
EMP2		0,804	Valid			
EMP3		0,724	Valid			
RLB2		0,750	Valid			
RLB3		0,836	Valid			
RPS2		0,746	Valid			
RPS3		0,776	Valid			
Customer Satisfaction	TGB1	0,724	0.611	Valid		
	TGB3	0,734		Valid		
	KP1	0,849		Valid		
	KP2	0,784		Valid		
	KP4	0,706		Valid		
	Loyalitas Pelanggan	LP1		0,895	0.644	Valid
		LP2		0.836		Valid

Source: Data processed, 2024

Description: HRG = Price, LK = Location, PR = Product, PRM = Promotion, ASR = Assurance, EMP = Empathy, RLB = Realibility, RPS = Responsiveness, TGB = Tangiables, KP = Customer Satisfaction, LP = Customer Loyalty.

All indicators in table 2 have an outer loading value exceeding 0.7 and an AVE value exceeding 0.5

which indicates that these indicators are valid for use as measuring instruments in this study.

Results of Data Collection

The researcher will distribute the questionnaire to the participants in this study after completing the preliminary study and verifying that the indicators used are appropriate and reliable. People who shop at Indomaret in Batam city are the subjects of this survey. 100 individuals who met the requirements for this study were asked to complete the survey..

Descriptive Analysis

Tabel 3. Respondent Characteristics

Category	Item	Total	Percentage
At least 17 years old	Yes	100	100%
	No	0	0%
Have made a purchase at least 5 times	Yes	100	100%
	No	0	0%

Source: Data processed, 2024

Table 3 shows that of the 100 respondents, all of them are at least 17 years old with a total of 100 respondents or a percentage of 100% and have made purchases at Indomaret Batam city with a total of 100 respondents with a percentage of 100%.

Descriptive Analysis of Research Variables

One of the statistical tools used is descriptive analysis, which helps make data easier to understand. The variables included in this research are marketing mix (X1), service quality (X2), customer satisfaction (Z) and customer loyalty (Y). All the variables mentioned above have a scale from 1 (very low) to 4 (very high) for their respective measurements.

Tabel 4. Results of Descriptive Analysis of Research Variables

Variabel	Percentage Answer				Mean	Criteria
	STS	TS	S	SS		
HRG1	0	3	82	15	3,27	Very High
HRG2	0	0	60	40		
HRG3	0	0	73	27		
LK1	0	0	62	37		
LK2	0	1	61	38		
LK3	0	0	79	21		
PR1	0	0	74	45		
PR2	0	0	64	26		
PR3	0	0	64	36		
PRM1	0	0	85	15		
PRM2	0	1	82	17		
PRM3	0	1	83	29		
ASR1	0	1	70	18		
ASR2	0	7	75	13		
ASR3	0	9	78	13		
EMP1	0	3	78	19		
EMP2	0	7	65	28		
EMP3	0	3	76	21		

Variabel	Percentage Answer				Mean	Criteria
	STS	TS	S	SS		
RLB1	0	0	70	30	3,24	High
RLB2	0	0	79	21		
RPS1	0	0	62	38		
RPS2	0	4	79	16		
TGB1	0	3	60	40		
TGB2	0	7	66	34		
KP1	0	0	73	27	3,14	High
KP2	0	2	79	19		
KP3	0	0	72	28		
LP1	0	4	69	27		
LP2	0	12	75	13		

Source: Data processed, 2024

Description: HRG = Price, LK = Location, PR = Product, PRM = Promotion, ASR = Assurance, EMP = Empathy, RLB = Realibility, RPS = Responsiveness, TGB = Tangibles, KP = Customer Satisfaction, LP = Customer Loyalty value STS (Strongly Disagree) = 1, value TS (Disagree) = 2, value S (Agree) = 3, value SS (Strongly Agree) = 4.

The descriptive analysis of the research variables shown in table 4 yielded the following results, which are described below :

There are indications related to the marketing mix variable which has an average value of 3.27 with an agreed response: HRG1 (82%), (61%), dan LK3 (79%). PR1 (74%), PR2 (64%), dan PR3 (64%). For indicators PRM1 (85%), PRM2 (82%), and PRM3 (83%). Thus, it can be assumed that most of the people who took the survey gave an affirmative response to the marketing mix indicators.

The average value of the service quality variable is 3.23, which has indicators with agreed responses: ASR1 (70%), ASR2 (75%), ASR3 (78%), EMP1 (78%), EMP2 (65%), EMP3 (76%), RLB1 (70%), RLB2 (79%), RPS1 (62%), RPS2 (79%), TGB1 (60%), TGB2 (66%). Thus, it can be assumed that most of the people who took the survey gave an agreeing response to the service quality indicators.

The average respondent gave an agreed assessment of 73% for the KP1 indicator, 79% for KP2 72% for KP3, so that the average value of the customer satisfaction variable was 3.24. Thus, it can be assumed that most of the people who took the survey responded to the customer satisfaction variable.

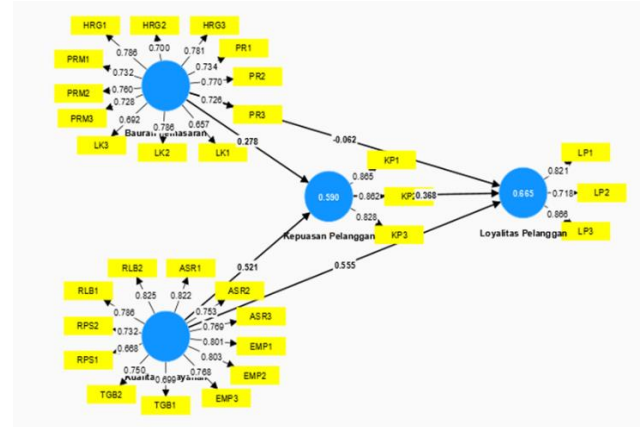
The average value of the customer loyalty variable is 3.14. Respondents gave an affirmative response to the following indicators: LP1 by 69% and LP2 by 75%. This shows that the majority of respondents agree with the customer loyalty indicators.

Data Analysis using SEM PLS

Evaluation of the Measurement Model (Outer Model)

In this study, the researchers used SmartPLS 4 and the PLS method of data analysis to evaluate their hypotheses. To determine the specifics of the

association between latent variables and their indicators, external model testing looks at reliability and validity. Here is the tested model of the PLS program:



Picture 1. Outer Model

Convergent Validity

Each indicator and variable must have a loading factor that exceeds 0.7 and an AVE that exceeds 0.5, according to the Convergent Validity Test.

Tabel 5. Outer Loading Result

Variabel	Indicator	Outer Loading	Description	
Marketing Mix	HRG1	0,789	Valid	
	HRG2	0,700	Valid	
	HRG3	0,781	Valid	
	LK1	0,655	Invalid	
	LK2	0,788	Valid	
	LK3	0,695	Invalid	
	PR1	0,733	Valid	
	PR2	0,767	Valid	
	PR3	0,725	Valid	
	PRM1	0,730	Valid	
	PRM2	0,761	Valid	
	PRM3	0,730	Valid	
	Service Quality	ASR1	0,822	Valid
		ASR2	0,755	Valid
ASR3		0,770	Valid	
EMP1		0,801	Valid	
EMP2		0,803	Valid	
EMP3		0,768	Valid	
RLB1		0,784	Valid	
RLB2		0,823	Valid	
RPS1		0,670	Invalid	
RPS2		0,732	Valid	
TGB1	0,699	Invalid		
TGB2	0,750	Valid		
KP1	0,867	Valid		

Variabel	Indicator	Outer Loading	Description
Customer Satisfaction	KP2	0,864	Valid
	KP3	0,825	Valid
Customer Loyalty	LP1	0,856	Valid
	LP2	0,807	Valid

Source: Data processed, 2024

Description: HRG = Price, LK = Location, PR = Product, PRM = Promotion, ASR = Assurance, EMP = Empathy, RLB = Realibility, RPS = Responsiveness, TGB = Tangiangles, KP = Customer Satisfaction, LP = Customer Loyalty.

Some indicators are considered invalid because the outer loading value is below 0.7, as shown in table 5. Indicators LK1 and LK3 for marketing mix variables and RPS1 and TGB1 for service quality variables are both considered invalid. On the other hand, all indicators are considered valid for customer satisfaction and customer loyalty variables. Therefore, to support the correctness of the instrument test, it is important to eliminate certain parts of the invalid signs.

Tabel 6. Outer Loading and AVE results after elimination

Variabel	Indicator	Outer Loading	Description	AVE
Marketing Mix	HRG1	0,793	Valid	0,569
	HRG2	0,703	Valid	
	HRG3	0,788	Valid	
	LK2	0,775	Valid	
	PR1	0,739	Valid	
	PR2	0,764	Valid	
	PR3	0,729	Valid	
	PRM1	0,731	Valid	
	PRM2	0,785	Valid	
Service Quality	PRM3	0,732	Valid	0,621
	ASR1	0,818	Valid	
	ASR2	0,765	Valid	
	ASR3	0,786	Valid	
	EMP1	0,823	Valid	
	EMP2	0,801	Valid	
	EMP3	0,790	Valid	
	RLB1	0,779	Valid	
	RLB2	0,839	Valid	
Customer Satisfaction	RPS2	0,746	Valid	0,726
	TGB2	0,728	Valid	
	KP1	0,866	Valid	
Customer Loyalty	KP2	0,866	Valid	0,692
	KP3	0,824	Valid	
Customer Loyalty	LP1	0,846	Valid	0,692
	LP2	0,819	Valid	

Source: Data processed, 2024

Keterangan : HRG = Harga, LK = Lokasi, PR = Produk
Description: HRG = Price, LK = Location, PR = Product, PRM = Promotion, ASR = Assurance, EMP = Empathy, RLB = Realibility, RPS = Responsiveness, TGB = Tangiangles, KP = Customer Satisfaction, LP = Customer Loyalty.

Table 6 demonstrates that all indicators have achieved convergent validity, indicating that all variables in this study are legitimate. This is due to the fact that the loading value for each variable is more than 0.7 and the average variance extracted (AVE) value is greater than 0.5.

Discriminant Validity

Discriminant Validity testing involves an assessment of the Cross Loading value, which indicates the correlation between indicators measuring different variables.

Tabel 7. Discriminant Validity Result

	Marketing Mix	Quality Service	Customer Satisfaction	Customer Loyalty
HRG1	0,793	0,703	0,7537	0,53
HRG2	0,703	0,517	0,528	0,428
HRG3	0,788	0,664	0,615	0,58
LK2	0,775	0,636	0,539	0,456
PR1	0,739	0,632	0,532	0,441
PR2	0,764	0,72	0,616	0,374
PR3	0,729	0,567	0,578	0,409
PRM1	0,731	0,562	0,483	0,348
PRM2	0,785	0,61	0,559	0,489
PRM3	0,732	0,629	0,449	0,448
ASR1	0,682	0,818	0,638	0,591
ASR2	0,658	0,765	0,55	0,644
ASR3	0,673	0,786	0,52	0,637
EMP1	0,669	0,823	0,619	0,598
EMP2	0,63	0,801	0,561	0,624
EMP3	0,623	0,790	0,592	0,515
RLB1	0,644	0,779	0,549	0,49
RLB2	0,726	0,839	0,568	0,496
RPS2	0,575	0,746	0,563	0,541
TGB2	0,659	0,728	0,556	0,398
KP1	0,577	0,609	0,866	0,5
KP2	0,672	0,661	0,866	0,56
KP3	0,596	0,584	0,824	0,57
LP1	0,550	0,578	0,622	0,846
LP2	0,449	0,602	0,435	0,819

Source: Data processed, 2024

Description: HRG = Price, LK = Location, PR = Product, PRM = Promotion, ASR = Assurance, EMP = Empathy, RLB = Realibility, RPS = Responsiveness, TGB = Tangiangles, KP = Customer Satisfaction, LP = Customer Loyalty.

Table 7 shows that compared to other construct measurement items, the relationship value between indicators and their own construct measurement

items (bolded) is higher. This is because these indicators and constructs meet all the requirements and have strong discriminant validity.

Composite Reliability

Tabel 8. Composite Reliability Result

Variabel	Composite Reliability	Keterangan
Marketing Mix	0.929	Reliabel
Customer Satisfaction	0.888	Reliabel
Service Quality	0.942	Reliabel
Customer Loyalty	0.818	Reliabel

Source: Data processed, 2024

Based on the data in table 8, the reliability value of all variables is more than 0.7. The reliability value ranges from 0.818 for the customer loyalty variable to 0.942 for the service quality variable. Because it can be said that each variable in this study has tested its reliability or has passed the reliability test.

Structural Model Evaluation (Inner Model)

R-Square Test

Exogenous factors can be shown to explain endogenous variables at a higher or lower level using R-Square (R²) or the coefficient of determination. One uses R-Square to assess the structural model; the R-Square value indicates the predictive potential of the model. A strong model will use the provision of 0.75, a medium model uses 0.50, and a non-strong model uses 0.25 Hair et al., (2017) in Insanita & Meria, (2024).

Tabel 9. R-Square Result

Variabel	R-Square	Keterangan
Customer Satisfaction	0.575	Moderat
Customer Loyalty	0.535	Moderat

Source: Data processed, 2024

The R-Square test results are shown in table 9 which shows the results of data processing. The customer satisfaction variable has an R-Square value of 0.577, meaning that the marketing mix and service quality variables explain 57.7% of the customer satisfaction variable. This puts the structural model of the customer satisfaction variable in the “moderate” category, and other factors explain the remaining 42.3%. The customer loyalty variable can be explained by the marketing mix and service quality variables by 53.5%, meaning that the structural model of the customer loyalty variable is in the “moderate” model category and the other 56.5% percent is caused by factors outside the model.

F-Square Test

he topic discussed is whether the impact of external latent factors on endogenous latent variables can be determined using effect size has an influence or not. If the effect size is 0.35, then the statement is considered strong. If the effect size is 0.35, then the statement is considered strong. If the effect size is 0.15, then the statement is considered moderate. If the effect size is 0.02, then the statement is considered very weak.

Tabel 10. F-Square Result

	Customer Loyalty	Customer Satisfaction	Service Quality	Marketing Mix
Customer Loyalty	0.071			
Service Quality	0.185	0.120		
Marketing Mix	0.002	0.112		

Source: Data processed, 2024

Table 10 shows that the customer satisfaction variable affects customer loyalty by 0.071 (small). Service quality variables affect customer loyalty by 0.185 (medium). Marketing mix variables affect customer loyalty by 0.002 (small) against. Service quality variables affect customer satisfaction by 0.120 (small). Marketing mix variables affect customer satisfaction by 0.112 (small).

Q-Square Test

Tabel 11. Uji Q-Square Result

	SSO	SSE	Q ²
Marketing Mix	1.000.000	1.000.000	
service quality	1.000.000	1.000.000	
customer satisfaction	300.000	181.339	0,396
customer satisfaction	200.000	133.123	0,334

Source: Data processed, 2024

Table 11 displays the Q-Square values for the customer satisfaction and loyalty variables; the former has a value of 0.396 (or 39.6%) and the latter of 0.334 (or 33.4%). With a result greater than 0, these findings suggest that the model is predictively relevant.

Goodnes of Fit Test

Tabel 12. Model fit

	Saturated Model	Estimated Model
SRMR	0.071	0.071
d_ULS	1.628	1.628
d_G	1.167	1.167
Chi-Square	581.245	581.245
NFI	0,490972222	0,490972222

Source: Data processed, 2024

The findings in table 12 indicate that the SRMR value in the saturated model is 0.071 and in the estimated model is 0.071. Therefore, the SRMR value may be considered perfect match and is eligible for usage to test the research hypothesis since it has a value below 0.08.

Hypothesis Testing Direct Effect

In this research, the hypothesis is accepted when significant t-values exceed 1.96, when the level of P values is below 0.05. Or, if Ha is not accepted, then Ho is accepted; and vice versa (Ghozali & Latan, 2014).

Table 13. Path Coefficient Result

Hipotesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (IO/STDEVI)	P Values
BP>KPP	0.390	0.397	0.164	2.373	0.009
BP>LP	-0.061	-0.056	0.138	0.439	0.330
KP>LP	0.279	0.265	0.127	2.192	0.014
KLP>KPP	0.403	0.401	0.171	2.354	0.009
KPL>LP	0.556	0.565	0.151	3.678	0.000

Source: Data processed, 2024

Description: BP = Marketing Mix, = KLP = Service Quality, KPP = Customer Satisfaction, LP = Customer Loyalty

Table 11 displays the findings of the processed data, which shows that :

H1 = Marketing mix has a positive and significant effect on customer satisfaction

H1 is supported because the coefficient value is 0.390, t count is more than 1.96, namely 2.373, and the p value is less than 0.05, namely 0.009.

H2 = Marketing mix has a positive and significant effect on customer loyalty

H2 is not supported because the coefficient value (-0.061) and t-statistics are small than 1.96, namely 0.439 with a p value greater than 0.05, namely 0.330, indicating that this has no significant effect.

H3 = Customer satisfaction has a positive and significant effect on customer loyalty

Hypothesis 3 is supported because the coefficient value is 0.279, the t value is 2.192 (which is greater than the value of 1.96), and the p value is 0.014 (which is smaller than the significance level of 0.05).

H4 = Service quality has a positive and significant effect on customer satisfaction

H4 is supported by a coefficient value of 0.403, t count of 2.354 (above the critical value of 1.96), and a p value of 0.009 (below the significance level of 0.05).

H5 = Service quality has a positive and significant effect on customer loyalty

H5 is supported because the coefficient value is 0.556, t count is 3.678 (above the critical value of 1.96), and the p value is 0.000 (less than the significance level of 0.05).

Indirect Effect

Table 14. Indirect Effect Result

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (IO/STDEVI)	P Values
BP > KPP > LP	0.109	0.109	0.075	1.453	0.073
KLP > KPP > LP	0.113	0.100	0.063	1.785	0.037

Sumbe Source: Data processed, 2024

Description: BP = Marketing Mix, = KLP = Service Quality, KPP = Customer Satisfaction, LP = Customer Loyalty

Table 12 displays the findings of the processed data, which shows that:

H6 = Marketing mix has a positive and significant effect on customer loyalty through customer satisfaction

Reject H6 because the coefficient is 0.109, the t-statistic is less than 1.96 (1.453), and the p-value is greater than 0.05 (0.073).

H7 = Service quality has a positive and significant effect on customer loyalty through customer satisfaction

H7 didukung karena nilai statistik t sebesar 1,785 dengan nilai p kurang dari 0,05 (khususnya 0,037) dan nilai koefisien sebesar 0,113 menunjukkan adanya dampak positif yang signifikan secara statist H7 is supported because the t-statistic value is 1.785 with a p-value less than 0.05 (specifically 0.037) and the coefficient value of 0.113 indicates a statistically significant positive impact.

Discussion

Customer satisfaction is positively correlated with the marketing mix (i.e., product, price, location, and promotion), in accordance with the data. Sunarsi (2020) found that the marketing mix is relevant and positively affects customer satisfaction, so the results of our study are in line with this. This proves that companies need to manage the marketing mix holistically if they want to satisfy customer demands and expectations and improve experiences with brands and goods sold. Therefore, it is important to understand how the marketing mix can influence consumer perceptions to keep customers happy and gain a competitive advantage.

Customer loyalty to Indomaret in Batam City was shown to be significantly negatively impacted by the marketing mix. So, it turns out that adding more elements to the marketing mix makes customers less loyal. This may occur if there is a misalignment between the altered marketing strategy and sufficient service quality, or if the marketing mix used is not suitable for the target audience. Customers may get angry or suspicious of a product if promotions are excessively pushy or happen too often. Furthermore, discount-savvy consumers may get price-conscious

and seek for lower prices elsewhere. As a result, Indomaret must focus on the marketing mix approach if it wants to keep its customers loyal. Nurbani et al. (2019) discovered the same thing: that the marketing mix doesn't significantly affect customer loyalty. This conclusion is in line with our own findings. In doing so, it disproves Hypothesis 2.

Customer loyalty is positively and relevantly influenced by customer satisfaction, in accordance with research conducted by Purnomo in 2021. A healthy relationship between businesses and consumers can foster customer delight and serve as a strong foundation for repeat business and customer loyalty, among other benefits. After their use or experience with the goods or services provided, customer attitudes are likely to influence subsequent customer attitudes, therefore happy consumers are more likely to use the service again. So H3 is supported.

The company's efforts to meet customer needs and wants, as well as its determination to manage customer expectations, are the main components of service quality. Purnomo's study from 2021 shows that customer happiness is positively and relevantly impacted by service quality. This indicates that satisfied customers can increase business satisfaction. Thus, H4 is supported.

The findings of this study are consistent with the research of Le Ha Nguyen, (2021) namely service quality has a positive impact on customer loyalty. The extent to which a business can satisfy the desires and expectations of its clients while meeting their expectations is a key factor in determining its service quality. Satisfied and loyal clients are those who get satisfactory service from the business. So that H5 is supported

Furthermore, this research shows that while product, pricing, location, and promotion are all part of the marketing mix that, when used effectively, lead to higher levels of customer satisfaction, there is no correlation between customer satisfaction and loyalty. This is possible because elements like the ease of the store's location, the quality of the service, and the overall shopping experience all contribute to customers' short-lived happiness. Unmet customer expectations—due to things like infrequent promotions or out-of-stock products—can be a result of the marketing mix. Also, when consumers see a better deal elsewhere, they may decide to transfer to a rival. So, in addition to the marketing mix, Indomaret should focus on service, convenience, and innovation to establish and keep client loyalty. Achieving stronger customer loyalty will need a comprehensive integration of the marketing mix with an exceptional customer experience. We cannot conclude that H6: is true.

The results of Purnomo (2021) are supported by this study, which shows that customer joy mediates the link between service quality and customer loyalty. Customers will be more satisfied and loyal to the brand as a whole as a result of the enhanced service quality. Satisfaction among buyers rises in tandem with product quality. Results show that,

using customer happiness as a mediator, service quality (H7) positively and significantly correlates with customer loyalty.

5. CONCLUSIONS

By considering the results of the research that has been carried out, it can be concluded as follows:

1. Marketing mix variables have been empirically proven to have a favorable impact on customer satisfaction. An efficient marketing mix, including product, price, location, and promotion, can convincingly increase consumer happiness. Indomaret customers in Batam city can enjoy a pleasant shopping experience thanks to the availability of high-quality goods, affordable prices, convenient locations, and attractive promotions.
2. There is no discernible relationship between consumer loyalty and marketing mix components. Overall, the marketing mix is a powerful tool for shaping consumer actions, but it does little to strengthen loyalty. To create and retain loyal customers, a comprehensive marketing plan is needed, which considers not only the quality of the product or service but also innovation.
3. A strong positive correlation between consumer satisfaction and loyalty has been shown. Overall, consumer happiness has a direct correlation with brand loyalty, which in turn increases retention, encourages repeat business, and opens doors to new markets.
4. Consumer satisfaction is positively influenced by service quality variables. Based on these data, it is clear that service quality is a major factor in customer satisfaction. Businesses that excel at what they do usually see an increase in customer satisfaction, which improves their reputation, keeps more customers coming back, and ultimately generates more revenue.
5. Customer satisfaction is positively impacted by service quality variables. After receiving excellent service, consumers tend to remain loyal to the business. Therefore, if you want to retain your consumers, it is a good idea to invest some money in making your services better.
6. Customer satisfaction survey results show that marketing mix items do not affect customer loyalty. Showing that the marketing mix is not the only aspect that is important in determining consumer loyalty. Customer satisfaction and loyalty are important for business, so companies should focus on other factors.
7. Service quality variables are proven to have a relevant positive impact on customer loyalty through customer satisfaction. It can be concluded that customers are more likely to remain loyal to a brand or business after receiving excellent service because their level of satisfaction increases. Businesses can increase customer loyalty and maintain development by concentrating on service quality, which will pay off in the long run.

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