

The Impact of Product Quality and Brand Image on Customer Loyalty of Tolak Angin Through Consumer Satisfaction as an Intervening Variable: A Study on Sidomuncul Products Consumers in Samarinda

Desi Caprianti, Eddy Soegiarto, Eka Yudhyani

Universitas 17 Agustus 1945 Samarinda

desicaprianti2@gmail.com

ABSTRACT

This study aims to analyze the impact of product quality, brand image, and customer satisfaction on customer loyalty for Sido Muncul products, a leading herbal medicine producer in Indonesia known for products like Tolak Angin and Kuku Bima Ener-G! The research utilizes Partial Least Squares (PLS) methodology to analyze data collected from 190 respondents, categorized by gender, age, occupation, and purchase frequency. The analysis demonstrates that product quality significantly influences customer satisfaction (path coefficient 0.88; t-statistic 36.224), and customer satisfaction significantly impacts customer loyalty (path coefficient 0.721; t-statistic 7.104). However, brand image does not significantly affect customer satisfaction (path coefficient 0.021; t-statistic 0.637). The model explains 78.6% of the variation in customer satisfaction and 75.1% in customer loyalty, with a predictive relevance (Q^2) of 0.947. The study is limited by its sample size and the specific focus on Sido Muncul products, which may affect the generalizability of the results to other industries or brands. The findings suggest that companies should prioritize enhancing product quality and ensuring customer satisfaction to foster customer loyalty, rather than focusing on brand image alone. This research contributes to the understanding of the relative importance of product quality and customer satisfaction in influencing customer loyalty, with specific insights into the herbal medicine industry in Indonesia.

Keywords: Product Quality, Customer Satisfaction, Customer Loyalty.

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh kualitas produk, citra merek, dan kepuasan pelanggan terhadap loyalitas pelanggan produk Sido Muncul, produsen jamu terkemuka di Indonesia yang terkenal dengan produk Tolak Angin dan Kuku Bima Ener-G! Penelitian ini menggunakan metodologi Partial Least Squares (PLS) untuk menganalisis data yang dikumpulkan dari 190 responden, dikategorikan berdasarkan jenis kelamin, usia, pekerjaan, dan frekuensi pembelian. Hasil analisis menunjukkan bahwa kualitas produk berpengaruh signifikan terhadap kepuasan pelanggan (koefisien jalur 0,88; t-statistik 36,224), dan kepuasan pelanggan berpengaruh signifikan terhadap loyalitas pelanggan (koefisien jalur 0,721; t-statistik 7,104). Namun citra merek tidak berpengaruh signifikan terhadap kepuasan pelanggan (koefisien jalur 0,021; t-statistik 0,637). Model tersebut menjelaskan 78,6% variasi kepuasan pelanggan dan 75,1% loyalitas pelanggan, dengan relevansi prediktif (Q^2) sebesar 0,947. Penelitian ini dibatasi oleh ukuran sampel dan fokus spesifik pada produk Sido Muncul, yang mungkin mempengaruhi generalisasi hasil pada industri atau merek lain. Temuan ini menunjukkan bahwa perusahaan harus memprioritaskan peningkatan kualitas produk dan memastikan kepuasan pelanggan untuk menumbuhkan loyalitas pelanggan, daripada

berfokus pada citra merek saja. Penelitian ini berkontribusi pada pemahaman tentang pentingnya kualitas produk dan kepuasan pelanggan dalam mempengaruhi loyalitas pelanggan, dengan wawasan khusus mengenai industri jamu di Indonesia.

Kata kunci: Kualitas Produk, Kepuasan Pelanggan, Loyalitas Pelanggan.

INTRODUCTION

The increasingly intense competition in the industry demands that every company continuously strive to survive. New competitors constantly emerge, offering consumers a wider range of product and service choices to meet their needs. This environment compels companies to enhance their performance to retain their customers. One way to maintain customers is by achieving customer satisfaction.

Customer satisfaction is a frequently discussed topic due to its role in providing insights into consumer behavior that can benefit a company's progress. There is debate over whether meeting expectations and affective conditions influence each other or whether they are separate concepts in customer satisfaction. Satisfaction can affect purchasing behavior, but sometimes a satisfied customer may still choose a competitor's product due to factors such as price, product quality, variety, and brand image. According to Pritchard (2021:49), there is a link between customer satisfaction and loyalty that can predict repeat buying.

Behavior; without strong loyalty, consumers are likely to switch to other products. Loyalty is a crucial factor in business behavior, and one way to measure it is through product quality.

One example is the herbal medicine industry, specifically Tolak Angin by Sidomuncul. According to data from the Top Brands Awards website (www.topbrands-awards.com), Tolak Angin is a top brand in the medicinal category, competing with two other brands and holding the top position from 2020 to 2024.

The chart above shows that Tolak Angin by Sidomuncul is a top brand award winner and has consistently ranked first among its competitors. This indicates that Tolak Angin is a widely recognized product. The choice of Tolak Angin for this study is due to its active promotion and efforts to build a strong brand image to retain customers and compete with other brands in recent years.

Product quality is fundamental to customer satisfaction, as it encompasses all aspects of a product's ability to meet needs. A product's quality can be directly perceived through its raw materials. High-quality raw materials lead to greater consumer satisfaction when evaluations indicate that the product is of high quality.

Quality is closely related to customer satisfaction, as it encourages consumers to build long-term relationships with the company, allowing the company to understand consumer expectations and needs. Ultimately, customer satisfaction fosters customer loyalty to companies that deliver satisfying quality. Customer satisfaction or dissatisfaction is a behavioral response based on post-purchase evaluations of a product or service's performance compared to consumer

expectations. It heavily depends on consumers' perceptions and expectations and is influenced by the brand of the product.

A brand serves as a symbol or mark that helps customers identify products. Companies with favorable brand images typically achieve better positions in the market. Brand relationships strengthen with experience and information about the brand. Brand image influences consumer beliefs and preferences. Consumers with a positive brand image are more likely to repurchase products from that brand. Strong brand images encourage purchases because consumers perceive established brands as safer. Loyal customers tend not to explore other brands because they trust familiar brands and can make optimistic choices without comparing them to others.

As the number of industrial companies grows, competition intensifies. Public awareness of health protection increases. Indonesia is rich in medicinal plants, and traditional medicine products have become a significant business commodity with approximately 1,247 businesses (Ministry of Industry, 2018). A study by Andriati & Wahjudi (2016) shows growing public interest in traditional medicine. Indonesians still place high trust in traditional medicine as an alternative treatment. Tolak Angin is also among the top 10 most popular local brands in Indonesia. PT Sidomuncul strives to build a positive brand image in the herbal medicine sector and is recognized as particularly progressive compared to similar companies, especially in Samarinda.

Based on observations of Tolak Angin consumption in Samarinda, the researcher is interested in studying "The Influence of Product Quality and Brand Image on Customer Loyalty with Customer Satisfaction as an Intervening Variable."

LITERATUR REVIEW

Marketing management encompasses activities designed to anticipate consumer needs and align products and services to fulfill these demands. According to Astuti and Amanda (2020:23), marketing management is defined as "the art and science of selecting target markets and gaining, retaining, and growing customers through creating and communicating superior customer value." Sudarsono (2020:12) describes marketing as "an activity undertaken in business to achieve the company's established objectives." Kotler and Keller (2016:27) define marketing as "a social process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others." These definitions underscore that marketing is a fundamental activity for both goods and service companies to ensure their business's sustainability.

The significance of a product for a company cannot be overstated, as products are the core of any business's operations. Buyers choose products that meet their needs and preferences, making it crucial for companies to align their products with consumer desires. Kotler and Keller (2016:36) argue that product quality encompasses "the overall characteristics and features of a product that affect its ability to meet customer needs and wants," focusing on both the external features (design) and the core product itself. Roisah and Riana (2016) add that "product quality is the ability of a product to perform its function, including durability,

reliability, precision, ease of use, and repair." Tjiptono (2016:28) further emphasizes that quality involves meeting or exceeding customer expectations across various dimensions including product, service, process, and environment, and that it is a dynamic condition subject to change. Nasution (2019:77) concurs, noting that product quality is a dynamic state related to various factors that meet or exceed consumer expectations. These insights collectively illustrate that product quality is integral to consumer satisfaction and business success.

Meithiana (2019:81) outlines the goals of product quality as follows: ensuring products meet established standards, minimizing inspection costs, reducing design costs, and lowering production costs. This highlights the importance of efficiency and cost-effectiveness in maintaining high product quality.

Meithiana (2019:85) identifies seven critical roles of product quality: enhancing company reputation, reducing costs, increasing market share, achieving international impact, ensuring product responsibility, improving product appearance, and meeting essential quality standards. These roles underscore how product quality can significantly impact a company's market position and consumer perception.

According to Wijaya (2018:29), measuring quality traits directly is challenging, necessitating the use of surrogate quality traits that reflect consumer demands. Kasmir (2017:51) identifies several quality attributes, including reasonable pricing, economic efficiency, durability, safety, ease of use, manufacturability, and ease of disposal or recycling. These attributes guide product development and production processes to meet consumer expectations effectively.

Kotler and Armstrong (2018:45) introduce the concept of product levels, which categorizes products based on their benefits and functions. The five levels are: core benefit (the fundamental service or benefit purchased), generic product (the basic version of the product), expected product (attributes and conditions expected by consumers), augmented product (differentiating features that distinguish it from competitors), and potential product (future possibilities and enhancements). This framework helps companies structure their marketing strategies to address various consumer needs and expectations.

Garvin (as cited in Laksana, 2019:87) identifies eight dimensions of product quality: performance, features, reliability, conformance, durability, serviceability, aesthetics, and perceived quality. These dimensions provide a comprehensive framework for assessing product quality from multiple perspectives, including functional performance, additional features, reliability, compliance with specifications, longevity, service support, visual appeal, and overall consumer perception.

Brand image represents the overall perception of a brand based on consumer experiences and information. Keller (2020:76) defines brand image as "the perception of a brand as reflected by brand associations in consumers' memories." Firmansyah (2019:60) adds that brand image is formed by consumer perceptions and experiences with a brand, influencing whether it is viewed positively or negatively.

Kotler and Keller (2016:315) note that brand image involves consumer beliefs and associations, distinguishing products from competitors. Kotler and Armstrong (2018:216) assert that an effective brand image reflects a product's character, value proposition, and emotional strength.

Schiffman and Kanuk (as cited in Sari, 2017) highlight several factors shaping brand image: quality, trust, profit, service, consequences, and cost. Keller and Swaminathan (2020) add that brand image is influenced by the strength, favorability, and uniqueness of brand associations. Strong brand associations arise from deep, relevant connections with the brand, while favorable associations are created by meeting consumer needs effectively. Unique associations provide a competitive edge, distinguishing a brand from its competitors.

In Keller's (2020) framework, brand image comprises several components: attributes, benefits, and indicators. Attributes refer to the descriptive characteristics of a product or service, categorized into product-related and non-product-related attributes. Product-related attributes involve the necessary materials or requirements for a product's function, such as its physical composition or service requirements. In contrast, non-product-related attributes encompass external aspects like price, packaging, design, and the association of the product with celebrities or its usage context.

Benefits are the personal values consumers attach to these attributes. They can be classified into functional benefits, which relate to basic needs such as physical safety and problem-solving; experiential benefits, which cater to sensory satisfaction; and symbolic benefits, which address social approval, self-esteem, and personal expression.

Indicators of brand image, as discussed by Aaker & Biel (in Keller & Swaminathan, 2020), include corporate image, product image, and user image. Corporate image encompasses the associations consumers have with the company behind the product or service, including its popularity, credibility, and network.

Product image involves the associations related to the product itself, while user image pertains to the consumer's perception of the product's users and their social status.

Regarding consumer satisfaction, it is a critical component of customer perception, reflecting the difference between customer expectations and the actual service received. Kotler and Keller (2012) define satisfaction as the feeling of pleasure or disappointment resulting from comparing perceived performance against expectations. Sunyoto (2019) emphasizes that consumer satisfaction often influences repeat purchases and recommendations. Kotler & Armstrong (2018) assert that consumer satisfaction is a primary driver of long-term customer relationships and loyalty. Parasuraman et al. (in Ismanto, 2020) argue that satisfaction also impacts brand image and loyalty, suggesting that dissatisfaction can harm a company's brand reputation.

Factors affecting consumer satisfaction include tangibles (physical evidence), reliability (ability to deliver as promised), responsiveness (promptness in addressing

customer needs), and empathy (personalized attention). Alma (2020) adds that factors such as product quality, price, service quality, emotional value, and convenience also play crucial roles in determining satisfaction.

The benefits of consumer satisfaction are manifold. According to Hidayati et al. (2021), satisfied customers often spread positive word-of-mouth and are willing to pay more for products or services. For companies, satisfied customers contribute to increased revenue, reduced marketing costs, and stronger customer relationships (Ismanto, 2020).

Measuring consumer satisfaction can be done through several methods, including complaint and suggestion systems, customer satisfaction surveys, mystery shopping, and lost customer analysis (Tjiptono, 2016). These methods help companies gather feedback and address issues proactively.

Customer loyalty, defined by Kotler & Keller (2016) as a deep commitment to repurchase or support a brand despite competitive influences, is crucial for business success. Loyal customers tend to make repeat purchases, recommend the brand, and remain unaffected by competitors. Factors influencing loyalty include customer satisfaction, service quality, brand image, perceived value, trust, relationship management, switching costs, and reliability (Hasan, 2015).

The benefits of customer loyalty include reduced marketing costs, trade leverage, customer referrals, competitive advantage, and sustainable business growth (Hasan in Ismanto, 2020). Loyal customers contribute to long-term profitability and help companies navigate competitive pressures.

HYPOTHESES

Hypotheses are provisional answers to research problems that are to be solved. They aim to guide and provide direction for the core issues and objectives of the research. Based on the problem description, the following research hypotheses are proposed:

- H1: Product Quality has a positive and significant effect on customer satisfaction.
- H2: Brand Image has a positive and significant effect on customer satisfaction.
- H3: Customer satisfaction has a positive and significant effect on customer loyalty.
- H4: Product Quality has a positive and significant effect on customer loyalty.
- H5: Brand Image has a positive and significant effect on customer loyalty.
- H6: Product Quality affects customer loyalty through customer satisfaction.
- H7: Brand Image affects customer loyalty through customer satisfaction.

METHODOLOGY

The Methodology begins with the identification of variables, detailing two independent variables, Quality of Product (X1) and Brand Image (X2), a dependent variable, Customer Loyalty (Y), and an intervening variable, Customer Satisfaction (Z). Operational definitions for these variables include specific indicators: for Quality of Product (X1), factors such as Performance, Features, Reliability, Conformance to

Specifications, Durability, Serviceability, Aesthetics, and Perceived Quality are examined. For Brand Image (X2), the focus is on Corporate Image, Product Image, and User Image. Customer Satisfaction (Z) is assessed based on ease of product availability, product quality, perceived value, and confidence in the product compared to others. Customer Loyalty (Y) is measured by regular repeat purchases, cross-product purchases, recommendations to others, and resistance to competitor influence.

The population of this study comprises consumers of Sidomuncul's Tolak Angin in Samarinda, although the exact number is unknown. The sample is drawn using accidental sampling, where respondents who happen to be encountered and have used the product are selected. The sample size is determined to be 190 based on the number of indicators and the formula used. Data collection involves surveys and questionnaires, with a Likert scale employed for responses. Library research is also conducted to gather secondary data. The study uses quantitative research with a descriptive format to explain various conditions and variables.

Data analysis is carried out using Structural Equation Modeling (SEM) with Partial Least Squares (PLS) software. PLS, developed by Herman Wold, is utilized due to its versatility in handling various data scales and sample sizes. The analysis includes descriptive analysis to summarize respondent characteristics and statistical results, as well as Partial Least Squares (PLS) analysis to test hypotheses through outer and inner model evaluations. The outer model focuses on the validity and reliability of indicators, while the inner model assesses the relationships between latent variables. Hypothesis testing is performed using t-tests and Sobel tests to evaluate mediation effects.

RESULT AND DISCUSSION

A. Result

1. Descriptive Analysis Results

Descriptive analysis is a research method used to detail and explain a phenomenon or object in a comprehensive manner. This method aims to collect data, analyze it, and present the results in clear and detailed descriptions. In this study, the descriptive analysis focuses on the respondents' identities, categorized by gender, age, occupation, and frequency of purchase. The results are presented in the following table:

Table 1. Descriptive Analysis of Respondents.

KETERANGAN	JUMLAH RESPONDEN	PERSENTASE
Jenis Kelamin		
Man	89	47%
Woman	101	53%
Total	190	100%
Usia		

17-25 tahun	28	15%
26-35 Tahun	61	32%
36-45 Tahun	82	43%
> 45 tahun	19	10%
Total	190	100%
Pekerjaan		
PNS	14	7%
Swasta	68	36%
Mahasiswa	31	16%
Wiraswasta	28	15%
Lainnya	49	26%
Total	190	100%
Frekuensi Pembelian		
< 3 Times	4	2%
3-5 Times	65	34%
6-8 Times	71	37%
9-11 Times	35	18%
> 11 Times	15	8%
	190	100%

Source: PLS Analysis Results, 2024

Based on the descriptive table above, it can be concluded that among the 109 respondents, 101 are female and 89 are male. In terms of age, 28 respondents are between 17 and 25 years old, 61 are between 26 and 35 years old, 82 are between 36 and 45 years old, and 19 are over 45 years old. Regarding occupation, there are 14 civil servants, 68 individuals working in the private sector, 31 students, 28 entrepreneurs, and 49 in other occupations. Additionally, in terms of purchase frequency, 4 respondents made purchases less than 3 times, 65 made purchases 3-5 times, 71 made purchases 6-8 times, 35 made purchases 9-11 times, and 15 made purchases more than 11 times.

2. Partial Least Squares Analysis

Outer Model Testing

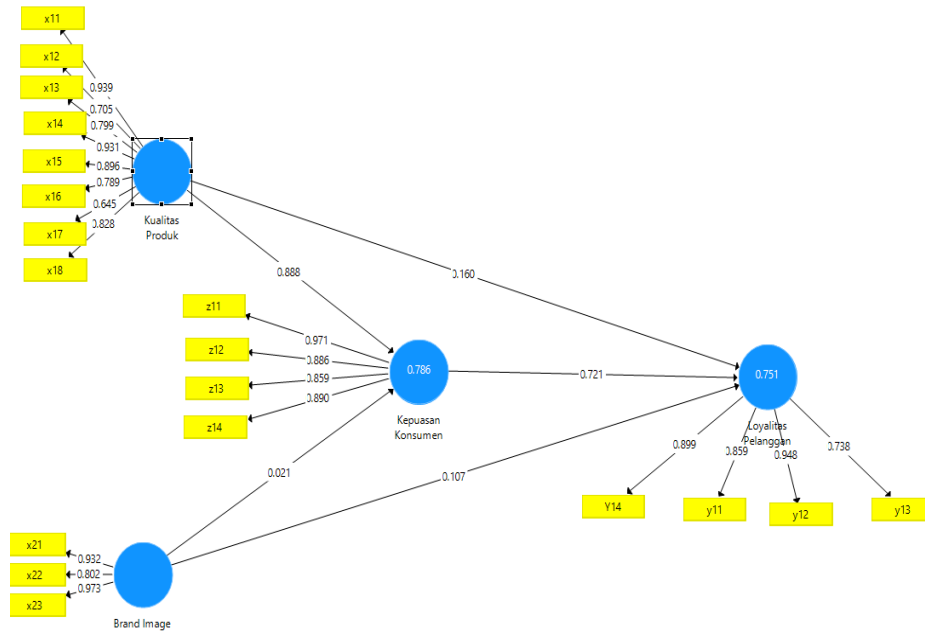


Figure 1. Path Analysis Smart PLS

a) Validity Testing (Convergent Validity)

This stage includes two criteria for assessing validity: convergent validity and discriminant validity. Convergent validity of the measurement model with reflective indicators is evaluated based on the correlation between item component scores calculated using SmartPLS. Reflective measurement of individual indicators is considered high if the load factor value exceeds 0.6.

Table 2. Convergent Validity Test Results

	Brand Image	Kepuasan Konsumen	Kualitas Produk	Loyalitas Pelanggan
Brand Image	0,906			
Kepuasan Konsumen	-0,047	0,903		
Kualitas Produk	-0,077	0,887	0,823	
Loyalitas Pelanggan	0,061	0,857	0,79	0,865

Source: PLS Analysis Results, 2024

Based on the SmartPLS data processing results shown in the table, the outer model values or construct correlations meet the convergent validity criterion, as the indicators have loading factor values > 0.6. The correlation value for brand image is

0.906, for customer satisfaction is 0.903, for product quality is 0.823, and for customer loyalty is 0.8665.

Table 3. Discriminant Validity

Indikator	Variabel	Brand Image	Kepuasan Konsumen	Kualitas Produk	Loyalitas Pelanggan
x11	Brand Image	0,939	0,914	0,028	0,791
x12		0,705	0,600	0,011	0,510
x13		0,799	0,762	0,108	0,629
x14		0,931	0,827	0,065	0,733
x15		0,896	0,791	0,069	0,754
x16		0,789	0,668	0,089	0,633
x17		0,645	0,487	0,070	0,445
x18		0,828	0,686	0,072	0,620
x21	Kepuasan Konsumen	0,030	0,932	0,047	0,038
x22		0,042	0,802	0,072	0,014
x23		0,051	0,973	0,083	0,082
z11	Kualitas Produk	0,901	0,042	0,971	0,847
z12		0,768	0,009	0,886	0,787
z13		0,678	0,043	0,859	0,725
z14		0,836	0,076	0,890	0,730
y11	Loyalitas Pelanggan	0,086	0,884	0,760	0,859
y12		0,032	0,786	0,740	0,948
y13		(0,008)	0,537	0,541	0,738

Source: PLS Analysis Results, 2024

From the table, it can be seen that the loading factor values for each indicator of the respective variables are higher compared to the correlations of indicators from other variables. Thus, it can be concluded that this study exhibits high discriminant validity for the constructs.

b) Reliability Testing (Composite Reliability and Average Variance Extracted (AVE))

Another method for assessing discriminant validity is by comparing the square root of Average Variance Extracted (AVE) for each construct with the correlation between other constructs in the model. Validity and reliability criteria can also be seen from the reliability value of a construct and the AVE value for each construct. A construct is considered reliable if its value is above 0.70 and the AVE is above 0.50.

Table 4. Average Variance Extracted (AVE)

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Brand Image	0,896	1,221	0,931	0,82

Kepuasan Konsumen	0,923	0,931	0,946	0,815
Kualitas Produk	0,929	0,946	0,943	0,677
Loyalitas Pelanggan	0,886	0,913	0,922	0,748

Source: PLS Analysis Results, 2024

Based on the table, the Composite Reliability values are above 0.70. Similarly, the Average Variance Extracted (AVE) values for each construct are above 0.50. Thus, all constructs meet the reliability criteria according to the recommended standards.

Inner Model Testing

Inner model testing is conducted to examine the relationships between constructs, significance values, and the R-Square of the research model. The structural model is evaluated using R-Square for dependent constructs, t-tests, and the significance of the structural path parameter coefficients. After modifying the model to obtain the best model, the structural model is as follows:

Table 5. R-Square Research Table

	R Square	R Square Adjusted
Kepuasan Konsumen	0,786	0,784
Loyalitas Pelanggan	0,751	0,746

Source: PLS Analysis Results, 2024

In evaluating the model with PLS, we start by examining the R-Square for each dependent variable. The table shows the estimated R-Square values using SmartPLS.

Table 5 indicates that the R-Square value for customer satisfaction is 0.786, which means the model can explain 78.6% of the variability in customer satisfaction. For customer loyalty, the R-Square value is 0.751, meaning the model can explain 75.1% of the variability in customer loyalty. The R-Square value also allows the calculation of Predictive Relevance (Q²). Predictive Relevance (Q²) measures how well the observed values are produced by the model and its parameter estimates. A good Q² value is greater than 0. Q² can be calculated using the following formula:

$$Q^2 = 1 - (1 - R_1) \times (1 - R_2)$$

$$Q^2 = 1 - (1 - 0.786) \times (1 - 0.751)$$

$$Q^2 = 0.947$$

Based on the above Q-Square calculation, the model can be observed.

3. Direct Hypothesis Testing

The results of hypothesis testing are obtained from the analysis using SmartPLS. The testing performed is direct testing between independent and dependent variables, followed by analysis:

Table 6. Path Coefficient Results (Direct Testing)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Brand Image -> Kepuasan Konsumen	0,021	0,02	0,033	0,637	0,525
Brand Image -> Loyalitas Pelanggan	0,107	0,094	0,049	2,179	0,020
Kualitas Produk -> Kepuasan Konsumen	0,888	0,89	0,025	36,224	0,000
Kualitas Produk -> Loyalitas Pelanggan	0,16	0,179	0,106	1,511	0,131
Kepuasan Konsumen -> Loyalitas Pelanggan	0,721	0,704	0,101	7,104	0,000

Source: PLS Analysis Results, 2024

In PLS, statistical testing of each hypothesized relationship is conducted using simulations. In this case, bootstrapping was applied to the sample. Bootstrapping aims to minimize issues with non-normality in research data. The results of the bootstrapping analysis from PLS are as follows:

Impact of Product Quality on Customer Satisfaction

Based on the table above, the effect of product quality on customer satisfaction shows a path coefficient of 0.88 with a t-statistic value of 36.224. This t-statistic is greater than the t-table value (1.972), with a significant p-value of 0.000 < 0.05 (significance threshold). This result indicates that product quality has a significant positive impact on customer satisfaction.

Impact of Brand Image on Customer Satisfaction

According to the table above, the effect of brand image on customer satisfaction shows a path coefficient of 0.021 with a t-statistic value of 0.637. This t-statistic is smaller than the t-table value (1.972), with a significant p-value of 0.525 > 0.05 (significance threshold). This result indicates that brand image has a positive but insignificant effect on customer satisfaction.

Impact of Customer Satisfaction on Customer Loyalty

Based on the table above, the effect of customer satisfaction on customer loyalty shows a path coefficient of 0.721 with a t-statistic value of 7.104. This t-statistic is greater than the t-table value (1.972), with a significant p-value of 0.000 < 0.05 (significance threshold). This result indicates that customer satisfaction has a significant positive impact on customer loyalty.

Impact of Product Quality on Customer Loyalty

According to the table above, the effect of product quality on customer loyalty shows a path coefficient of 0.16 with a t-statistic value of 1.511. This t-statistic is smaller than the t-table value (1.972), with a significant p-value of 0.131 > 0.05 (significance threshold). This result indicates that product quality has a positive but insignificant effect on customer loyalty.

Impact of Brand Image on Customer Loyalty

Based on the table above, the effect of brand image on customer loyalty shows a path coefficient of 0.107 with a t-statistic value of 2.179. This t-statistic is greater than the t-table value (1.972), with a significant p-value of 0.020 < 0.05 (significance threshold). This result indicates that brand image has a significant positive effect on customer loyalty.

4. Hypothesis Testing through Intervening Variables

Table 7. Intervening Testing Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Kualitas Produk -> Kepuasan Konsumen -> Loyalitas Pelanggan	0,64	0,625	0,085	7,562	0,000
Brand Image -> Kepuasan Konsumen -> Loyalitas Pelanggan	0,085	0,087	0,040	2,151	0,032

Source: PLS Analysis Results, 2024

Impact of Product Quality on Customer Loyalty through Customer Satisfaction

According to the table above, the intervening effect of product quality on customer loyalty through customer satisfaction shows a correlation of 0.64 with a t-

statistic value of 7.562. This t-statistic is greater than the t-table value (1.975), with a significant p-value of $0.000 < 0.05$ (significance threshold). This result indicates that product quality has a significant positive effect on customer loyalty through customer satisfaction.

Impact of Brand Image on Customer Loyalty through Customer Satisfaction

Based on the table above, the intervening effect of brand image on customer loyalty through customer satisfaction shows a correlation of 0.085 with a t-statistic value of 2.151. This t-statistic is greater than the t-table value (1.975), with a significant p-value of $0.032 < 0.05$ (significance threshold). This result indicates that brand image has a significant positive effect on customer loyalty through customer satisfaction.

B. Discussion

This research discusses the results of the analysis conducted with two independent variables: product quality and brand image, with an intervening variable of customer satisfaction and a dependent variable of customer loyalty.

1. H1: Product Quality Affects Customer Satisfaction

Product quality has a significant positive effect on customer satisfaction with a path coefficient of 0.88 and significance < 0.05 , thus the first hypothesis is accepted. Improved product quality from Sidomuncul leads to higher customer satisfaction, potentially exceeding customer expectations. Sidomuncul is a familiar product, especially since the COVID-19 pandemic increased the demand for safe herbal remedies. The highest value indicator for product quality is that Sidomuncul's packaging is very safe and easy to carry, making it a practical and flexible choice for consumers.

2. H2: Product Quality Significantly Affects Customer Loyalty

Product quality has a positive but insignificant effect on customer loyalty with a path coefficient of 0.16 and significance > 0.05 , so the second hypothesis is rejected. This suggests that customer loyalty is not solely based on product quality. Sidomuncul customers are more loyal due to the product's benefits. The lowest value indicator for product quality is the clarity of ingredient composition, expiration dates, and usage instructions. Since Sidomuncul's packaging is small, these details are often overlooked by consumers. Additionally, competitors like Antangin may offer better perceived benefits.

3. H3: Brand Image Affects Customer Satisfaction

Brand image has a positive but insignificant effect on customer satisfaction with a path coefficient of 0.021 and significance > 0.05 , thus the third hypothesis is rejected. Some consumers do not consider brand image as important in their decision-making process. This may be because the questionnaire items do not measure brand image specifically enough.

4. H4: Brand Image Significantly Affects Customer Loyalty

Brand image has a significant positive effect on customer loyalty with a path coefficient of 0.107 and significance < 0.05 , so the fourth hypothesis is accepted. This suggests that brand image influences Sidomuncul customers in Samarinda to repurchase and remain loyal to the brand. This is particularly true for consumers who choose herbal products, with Sidomuncul offering a variety of products that ensure consumer safety and loyalty.

5. H5: Customer Satisfaction Significantly Affects Customer Loyalty

Customer satisfaction has a significant positive effect on customer loyalty with a path coefficient of 0.721 and significance < 0.05 , so the fifth hypothesis is accepted. This indicates that meeting customer needs, desires, and expectations leads to repeat purchases and ongoing loyalty. Consumers who are satisfied with Sidomuncul's product efficacy, variety, safety, and convenience are more likely to remain loyal.

6. H6: Product Quality Affects Customer Loyalty Through Customer Satisfaction

Product quality has a significant effect on customer loyalty through customer satisfaction with a path coefficient of 0.64. The t-statistic value is $7.562 > t\text{-table}$, and the p-value is $0.000 < 0.05$, so the sixth hypothesis is accepted. This signifies that good product quality and customer satisfaction contribute to customer loyalty. Despite competitors, Sidomuncul's reputation and variety of products enhance its appeal.

7. H7: Brand Image Affects Customer Loyalty Through Customer Satisfaction

Brand image does not significantly affect customer loyalty through customer satisfaction, with a path coefficient of 0.085, t-statistic value of 2.151 $> t\text{-table}$, and p-value of $0.032 < 0.05$, so the seventh hypothesis is accepted. Brand image alone does not make customers loyal, especially when competing products offer similar benefits. Additionally, some consumers do not trust herbal remedies as much as chemical medications.

CONCLUSION

Based on the research findings and discussion, it can be concluded that product quality has a significant positive impact on consumer satisfaction, thereby validating the first hypothesis. This is because products that offer substantial benefits generally lead to higher consumer satisfaction levels. However, product quality has a positive but statistically insignificant effect on customer loyalty, leading to the rejection of the second hypothesis. This is due to Sidomuncul not being the sole herbal remedy available; competitors offer similar benefits, which affects customer loyalty. Furthermore, brand image also has a positive but insignificant effect on consumer satisfaction, resulting in the rejection of the third hypothesis. This is attributed to

Sidomuncul's reputation as a natural or herbal product, yet some cultural segments still do not view herbal remedies as effective medicine.

On the other hand, brand image significantly and positively influences customer loyalty, confirming the fourth hypothesis. For consumers who use herbal remedies, Sidomuncul is seen as a widely accessible product with a strong brand image, including specific products like Tolak Angin and Tolak Angin for children, making it a preferred choice. Consumer satisfaction, in turn, has a significant positive effect on customer loyalty, thus supporting the fifth hypothesis. Satisfied consumers, who value the product's flexibility and portability, tend to remain loyal to Sidomuncul.

Additionally, product quality influences customer loyalty through consumer satisfaction, which accepts the sixth hypothesis. Despite the presence of similar products, consumers are satisfied with Sidomuncul due to its quality and range of options. However, brand image does not significantly impact customer loyalty through consumer satisfaction, leading to the rejection of the seventh hypothesis. This is because public trust in herbal products as an alternative to chemical medicines affects this relationship.

RECOMMENDATIONS

Sidomuncul should focus on improving its brand image to enhance customer satisfaction and ensure ongoing loyalty. Future research on this topic should incorporate additional variables that could affect customer loyalty. Additionally, to obtain more accurate and reliable data, future studies should increase the number of respondents.

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