

## A Customer Loyalty Enhancement Model Based on Product Quality and Service Quality at Dhian Kain Textile Store Mediated by Customer Satisfaction

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**Abstract.** *This study aims to analyze the effect of product quality and service quality on customer loyalty with customer satisfaction as an intervening variable in a textile store named Dhian Kain. This study uses a quantitative approach with data obtained through questionnaires from 100 respondents who are all customers and users of products that purchased at Dhian Kain. The data analysis uses the Structural Equation Modeling (SEM) method with SmartPLS software. The results of the study show that: (1) product quality has a positive and significant effect on customer satisfaction; (2) product quality has a positive and significant effect on customer loyalty; (3) service quality has a positive and significant effect on customer satisfaction; (4) service quality has no effect on customer loyalty; (5) customer satisfaction has a positive and significant effect on customer loyalty; (6) product quality has a significant positive effect on customer loyalty with customer satisfaction as an intervening variable; (7) service quality has an effect on customer loyalty with customer satisfaction as an intervening variable.*

**Keywords:** Customer; Product; Quality; Satisfaction.

### 1. Introduction

Indonesia is one of the most populous countries in the world, ranking fourth after India, China, and the United States. According to the Central Statistics Agency (2024), Indonesia's total population is 281,603,800. One of the basic human needs is clothing. The growing population also drives market demand for clothing. Therefore, the textile business is very attractive.

According to data obtained by Good News from Indonesia (2021), in 2018, the number of MSMEs selling fabric on Java reached 125,722—this figure does not include other islands. This is certainly not a small number.



#### Infographic Image of GNFI Textile MSMEs.

Dhian Kain is a textile business unit that provides retail and wholesale fabrics. Founded in November 2016, Dhian Kain is located in Jakarta. Since its inception, Dhian Kain has strived to consistently provide quality services and products to meet the needs of its customers.

The considerable number of MSMEs in the textile sector will undoubtedly push Dhian Kain to further differentiate itself from its competitors. Failure to do so will jeopardize the business's existence and prevent it from surviving the increasingly fierce competition.

To maintain existence, one way to survive in competition is by increasing customer loyalty, which is one of the company's goals (El-Adly, 2018). Companies that are able to maintain loyalty tend to have customers returning and recommending the company's products and services (El-Adly, 2018). One of the determining factors of customer loyalty is service quality and product quality (Triana & Rahmasari, 2017).

Customers who are satisfied with the quality of service provided by the company will become loyal to repurchase the services provided by the company, recommend the company to others, and are willing to buy services from the company even at high prices (Jannang & Abdullah, 2016); (Ganiyu, 2016); (Asadpoor & Abolfazli, 2017); (Jumawan, 2018).

Previous research has identified a gap in the relationship between product quality, service quality, and customer satisfaction on customer loyalty. Research by Pahlawan et al. (2019), Rajic et al. (2016), and Kolonio & Soepeno (2019) found that product quality had a positive and significant effect on customer loyalty. Meanwhile, research by Ardiansyah et al. (2019) found that product quality had a negative and significant effect on customer loyalty at Pasar Gedhe Solo. Similarly, 'Ain et al. (2021) found that service quality negatively impacted the loyalty of e-money users in Sukoharjo Regency.

In a study conducted by Alya Insani & Nina Madiawati (2020), they found that service quality positively influences customer loyalty. Subawa & Sulistyawati (2020) also stated the same thing, that service quality positively influences customer loyalty. However, a study conducted by Ardiansyah et al. (2019) found that service quality had a negative and significant effect on customer loyalty at the Gedhe Solo market. Desiyanti et al. (2018) also concluded negative results, stating that service quality did not significantly influence customer loyalty, because not all service quality provided by service providers can make customers loyal.

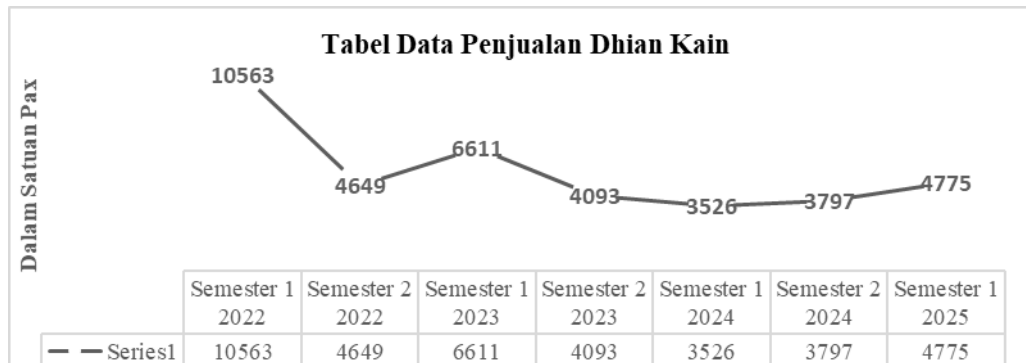
In research conducted by Hendra et al. (2017), Astuti & Lutfi (2020), and Mulyadi et al. (2022), it was found that customer satisfaction has a significant positive effect on customer loyalty. However, research conducted by Zahara (2020) and Qomarsyah et al. (2023) found that customer satisfaction did not significantly influence customer loyalty.

According to Kotler & Keller (2016:138-139), satisfaction is a feeling of pleasure or disappointment resulting from comparing product performance with expectations. Customers will feel satisfied if their desires are met, and happy if their expectations are exceeded. This makes customers want to return for repeated satisfaction, which ultimately leads to customer loyalty. Several previous studies, such as Harumi (2016) and Hariyatiningsih et al. (2016), suggest that good satisfaction will influence customer loyalty.

Dhian Kain strives to provide the best possible service to its customers. The service provided is friendly and responsive. Dhian Kain handles customer inquiries both online (via WhatsApp, Shopee, and Instagram) and offline. Dhian Kain has also established standard operating procedures (SOPs) for customer service, which are implemented by all employees.

Dhian Kain has a trusted social media presence with at least 19,600 followers. He also has an active e-commerce platform with 42,800 followers. He also has a 4.9/5 rating on e-commerce, with a 91/100% response rate, which allows customers to trust the products and services he sells.

The products available at Dhian Kain are of high quality and are selected from selected fabrics. Quality control of the products sold is always maintained. We still sell defective fabrics at a lower price and ship them after obtaining customer approval regarding the condition of the fabric, ensuring customer satisfaction and fostering loyalty. The Dhian Kain team also provides information on fabric specifications to ensure they meet customer needs.



Source: primary data processed in 2025

In an increasingly competitive business environment, customer loyalty is a key factor in business sustainability, including in the textile industry. Despite Dhian Kain's efforts to maintain product quality and improve service, customer loyalty has yet to show significant improvement. This is reflected in the data on the number of packages sent to customers in the period from the first semester of 2022 to the first semester of 2025. The sales data this is considered fluctuating, one of the reasons is the large number of business competitors in the textile sector, so that it can provide consumers with the choice to buy fabric elsewhere.

This condition indicates a decline in customer satisfaction with product and service quality, which in turn impacts the expected level of loyalty. Based on previous literature, customer satisfaction can act as a mediating variable that can bridge the relationship between service quality, product quality, and customer loyalty. However, empirical studies specifically analyzing the mediating role of customer satisfaction in the relationship between product and service quality and loyalty—particularly in the textile MSME sector like Dhian Kain—are still limited.

Through good service and product quality, resulting in customer satisfaction experienced by customers at Dhian Kain, it is hoped that this will lead to customer loyalty. Companies with a large number of loyal customers will experience various benefits, such as increased revenue, reduced marketing costs, and increased competitive advantage. Therefore, further research is needed at Dhian Kain regarding the effect of service and product quality on increasing customer loyalty, by incorporating customer satisfaction as a mediator.

The conflicting results of previous studies indicate a research gap that could be further explored. The gap phenomenon that occurred at Dhian Kain also makes this research interesting. It will be novel because the object of study is a textile business, namely Dhian Kain, which has unique characteristics in meeting customer needs that are highly dependent on product quality and service interactions. This study aims to further investigate the effect of product quality and service quality on customer loyalty at Dhian Kain, with customer satisfaction as an intervention. It is hoped that this research can provide deeper insight into the interactions between variables, thereby offering practical recommendations for companies to develop a model for increasing customer loyalty.

## 2. Research Methods

The type of research used in this study is quantitative research with a causal approach. According to Sugiyono (2019), a causal quantitative approach is an approach in research that seeks a relationship between one variable and another variable that has a cause and effect. This research tests the established hypothesis and to find the influence between the independent variable and the dependent variable. According to Sekaran & Bougie (2016), quantitative causal research is research that aims to determine the extent to which independent variables influence the dependent variable. This causal research aims to examine the causal relationship between independent variables (product quality and service quality) and the dependent variable (customer loyalty) with job satisfaction as a mediating variable.

## 3. Results and Discussion

### 3.1. Respondent Overview

The population of this study was consumers of the Dhian Kain Textile Store. Data collection was conducted through a questionnaire using a Google Form distributed online via WhatsApp. The questionnaire distribution resulted in 100 respondents. Data were analyzed based on the results of the questionnaire distribution, which were processed using Smart PLS software. The following is an explanation of the characteristics of the respondents, including:

**Respondent Characteristics Description Table**

No.	Information	Frequency	Percentage	
1	Age	20 – 30 years	35	35%
		>30 – 40 years	39	39%
		>40 – 50 years	19	19%
		> 50 years	7	7%
2	Gender	Woman	86	86%
		Man	14	14%
3	Education	SENIOR HIGH SCHOOL	52	52%
		D3	10	10%
		S1	32	32%
		S2	6	6%
4	Work	Self-employed	23	23%
		Private employees	20	20%
		Civil servants/ Indonesian National Armed Forces/ Indonesian National Police/ State-Owned Enterprises	11	11%
		Students	6	6%
		Housewife	40	40%

Source: primary data processed in 2025.



Based on the characteristics of the respondents as in the table shows that the respondents' responses based on gender show that most consumers of the Dhian Kain Textile Store are dominated by women as much as 86% and men as much as 14%. Respondents' responses based on age are mostly dominated by members aged 30 - 40 years as much as 39%. Respondents from the level of education show that as many as 52% with a high school education level are the most respondents. Then for occupation, the most respondents have jobs as housewives with a percentage of 40%.

This variable description section aims to interpret respondents' responses based on the results obtained from the answers of 100 customers at the Dhian Kain Textile Store regarding the measurement indicators for each variable: product quality, service quality, customer satisfaction, and customer loyalty. Referring to the formula presented by Umar in Bakhtiar (2024), the researcher will detail the questionnaire respondents' answers, grouped into low, medium, and high categories. The formula is as follows:

$$RS = (TT - TR)$$

$$b$$

Information:

RS = Score range

TT = Highest score used in the study

TR = Lowest score used in research

b = Number of classes

The calculation results:

$$RS = (5 - 1)$$

$$5$$

$$= 0.8$$

Thus, the intervals obtained and the interpretation of each interval are as follows:

- 1) Interval 1.00 – 1.80 = Very Low
- 2) Interval 1.81 – 2.60 = Low
- 3) Interval 2.61 – 3.40 = Moderate
- 4) Interval 3.41 – 4.20 = High
- 5) Interval 4.21 – 5.00 = Very High

The results of the descriptive analysis on the product quality (KP) variable are in the following table:

**Product Quality Variable Description Table**

Code	Indicator	Index					Total	Mean
		STS	TS	N	S	SS		
KP1	Performance	2			28	70	464	4.64
KP2	Durability		2		31	67	463	4.63
KP3	Conformance	2		2	21	75	467	4.67
KP4	Aesthetics	2		1	29	68	461	4.61
<b>Average</b>								4.63

Source: primary data processed in 2025.

The table shows that the average respondent's response to the quality of products purchased from the Dhian Kain Textile Store was 4.63, a score within the 4.21–5.00 range, interpreted as very high. This score suggests that respondents perceive the quality of products sold at the Dhian Kain Textile Store as having good performance, durability, conformance to specifications, and aesthetics.

The highest index score of 4.67 was achieved for the conformance statement. The lowest indicator score was for aesthetics, at 4.61. Although all product quality indicator values are classified as very high, it is crucial for the Dhian Kain Textile Store team to pay attention to aesthetics to achieve better product quality in the future.

The results of the descriptive analysis on the service quality (KL) variable are in the following table:

**Service Quality Variable Description Table**

Code	Indicator	Index					Total	Mean
		STS	TS	N	S	SS		
KL1	Reliability		1		30	69	467	4.67
KL.2	Responsiveness	1			26	73	470	4.70
KL.3	Assurance	1			24	75	472	4.72
KL.4	Empathy	1		1	30	68	464	4.64
<b>Average</b>								4.68

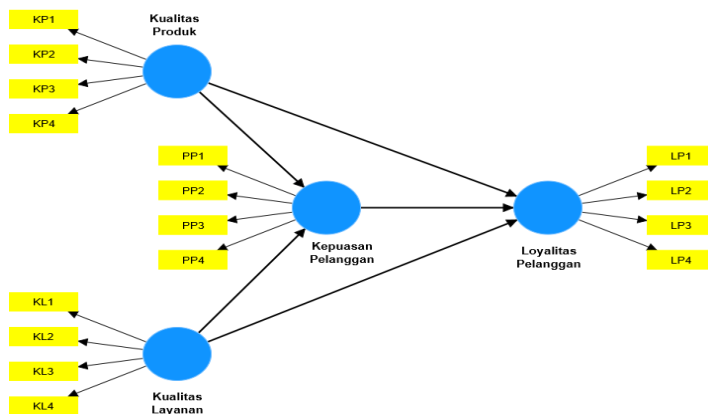
Source: primary data processed in 2025.

Based on the table, it is known that the average respondent's answer to the quality of service obtained from the Dhian Kain Textile Store is 4.72, where the score is included in the range of 4.21 - 5.00 with a very high interpretation. From this value, it can be concluded that respondents assess the quality of service obtained at the Dhian Kain Textile Store as reliable, responsive, guaranteed trustworthiness, and the service is able to make respondents feel appreciated and their needs are well understood.

The assurance indicator achieved the highest index score of 4.72. The lowest score was for empathy, at 4.64. Although all service quality indicator values are in the very high category,

it's crucial for the Dhian Kain Textile Store team to prioritize empathy to deliver better service quality in the future.

Evaluation of the outer model is used to examine the relationship between latent variables and their indicators or manifest variables (measurement model). The following is a schematic of the PLS program model being tested:



**Measurement Model Image (Outer Model)**

Outer model testing is used to describe the relationship between latent variables and their indicators. To ensure the accuracy of this model, we need to conduct two types of testing: validity and reliability.

Reliability testing in PLS uses Composite Reliability (CR) and Cronbach Alpha (CA). Composite reliability aims to measure the internal consistency of a construct's indicators. A CR value > 0.7 indicates that the construct's indicators have high internal consistency, meaning they consistently measure the same construct. Cronbach Alpha also aims to measure internal consistency reliability. A CA value > 0.9 indicates very high reliability, indicating very good internal consistency. A CA value between 0.8-0.9 indicates high reliability. A CA value between 0.7-0.8 indicates acceptable reliability, generally considered the minimum acceptable limit in research. The following are the results of the reliability test in this study:

**Composite Reliability and Cronbach Alpha Table**

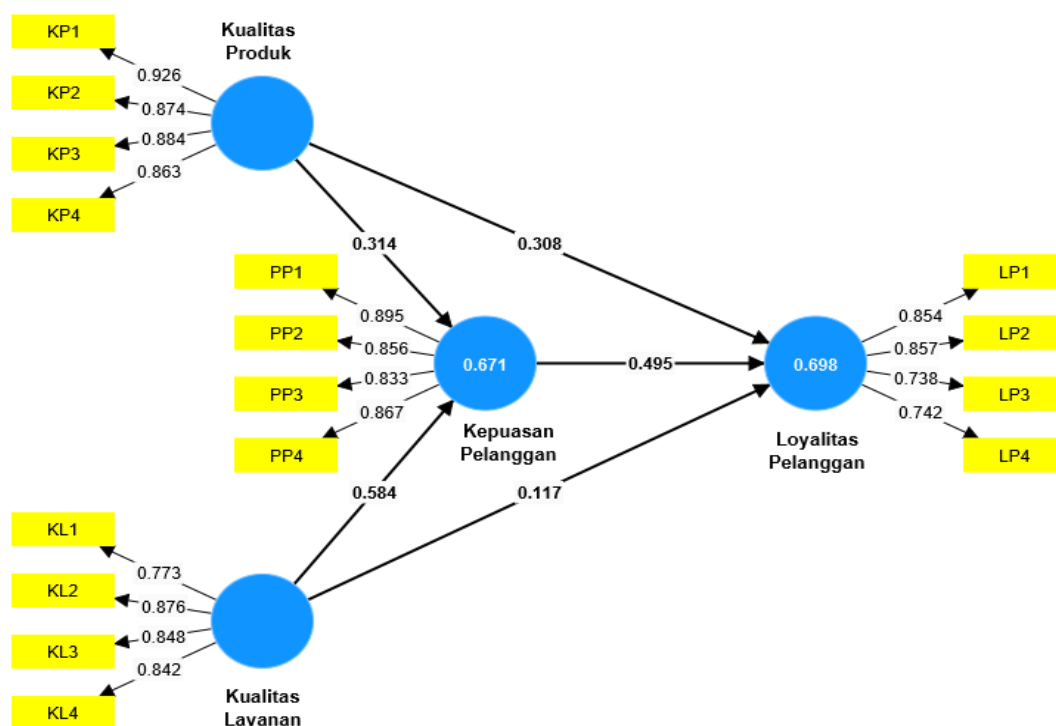
No	Variables	Composite Reliability	Cronbach Alpha	Information
1	Product Quality	0.910	0.909	Reliable
2	Quality of Service	0.868	0.856	Reliable
3	Customer Loyalty	0.887	0.810	Reliable
4	Customer satisfaction	0.820	0.886	Reliable

The results of the reliability analysis indicate that this research model has excellent internal consistency. This can be seen from the Composite Reliability (CR) and Cronbach's Alpha (CA) values. All latent variables in the model have CR values > 0.7, indicating that each construct



has high and acceptable reliability. In other words, the indicators used to measure each variable consistently represent the intended construct. Therefore, it can be concluded that because the data has passed the reliability test, it can be continued for further analysis.

AfterAfter conducting a model evaluation and finding that each construct has met the validity (convergent and discriminant validity) and reliability (Composite Reliability and Cronbach Alpha) requirements, the next step is to evaluate the structural model. The structural model of this study can be seen in the following figure:



#### Partial Least Square Structural Model Image (Inner Model)

The structural model in PLS is evaluated by testing the goodness of fit model,  $R^2$ , and  $F^2$  with the results being described as follows:

##### 1) Goodness of Fit Model Test

In this study, the evaluation of the goodness of fit model used SRMR,  $d_{ULS}$ ,  $d_G$ , Chi square and NFI, with the following results:

**Goodness of Fit Model Test Results Table**

No	Structural Model	Cut-Off Value	Estimated	Information
1	SRMR	< 0.10	0.071	Fit
2	$d_{ULS}$	> 0.05	0.695	Fit
3	$d_G$	> 0.05	0.412	Fit
4	Chi-Square	> X <sup>2</sup> table	227,562	Fit

(df = 111; X <sup>2</sup> table = 87.6807)				
5	NFI	Approaching 1	0.815	Fit

The analysis results show that the tested model exhibits an acceptable fit. This result indicates that the model has a good level of fit with the data, meaning the proposed model accurately represents the relationships between variables in the data.

## 2) R-square

*Structural model* evaluated using R-square for the dependent construct. The R<sup>2</sup> value can be used to assess the influence of certain endogenous variables and whether exogenous variables have a substantive influence.

**R-Square Value Table**

No	Variables	R-Squares	R-Squares Adjusted
1	Customer Loyalty	0.698	0.688
2	Customer satisfaction	0.671	0.664

Based on the table, the adjusted R-square value for customer loyalty is 0.688, meaning that 68.8% of the variation or change in customer loyalty is influenced by product quality, service quality, and customer satisfaction. The adjusted R-square value for customer satisfaction is 0.664, meaning that 66.4% of the variation or change in customer satisfaction is influenced by product quality and service quality.

## 3) F-square

The F<sup>2</sup> value criteria consist of three classifications: 0.02 (small/poor); 0.15 (moderate/sufficient); and 0.35 (large/good) (Setiawan, 2023). The following are the results of the F-square test in this study:

**F-Square Value Table**

Variable Relationship	f-Squares	Substantive influence
Product Quality -> Customer Satisfaction	0.181	Enough
Product Quality -> Customer Loyalty	0.160	Enough
Service Quality -> Customer Satisfaction	0.625	Big
Service Quality -> Customer Loyalty	0.017	Small
Customer Satisfaction -> Customer Loyalty	0.266	Enough

Based on the table above, it can be seen that the substantive influence is quite large and occurs in the variables; service quality on customer satisfaction (0.625), customer satisfaction on customer loyalty (0.266), product quality on customer satisfaction (0.181), and product quality on customer loyalty (0.160). Meanwhile, a small substantive influence occurs in the service quality variable on customer loyalty (0.017).

### 3.2. Hypothesis Testing

Hypothesis testing in this context aims to validate or refute the researcher's initial assumptions regarding the relationship between variables. Hypothesis testing is conducted by examining the structural path coefficients. Hypothesis testing in this study was conducted by examining the T-statistics, P-values, and original sample values through a bootstrapping procedure.

#### 1) Direct Effect Hypothesis Testing

**Direct Effect Hypothesis Testing Table (Path Coefficient)**

Hypothesis	Original Sample (O)	T Statistics	P values	Decision
H1 Product Quality -> Customer Satisfaction	0.314	2,298	0.022	H1 accepted
H2 Product Quality -> Customer Loyalty	0.308	2,496	0.013	H2 accepted
H3 Service Quality -> Customer Satisfaction	0.584	3,779	0.000	H3 is accepted
H4 Service Quality -> Customer Loyalty	0.117	0.871	0.384	H4 is rejected
H5 Customer Satisfaction -> Customer Loyalty	0.495	3,552	0.000	H5 is accepted

Based on the data presented in the table above, it can be seen that of the five hypotheses proposed in this study, as follows:

#### a. The Influence of Product Quality on Customer Satisfaction

The results of the hypothesis test show that the P-values that determine the influence of product quality on customer satisfaction are  $0.022 < 0.05$  and the T-Statistics value  $(2.298) > 1.96$ . Meanwhile, the original sample has a value of 0.314 (positive). These results support the first hypothesis, namely that product quality has a positive and significant effect on customer satisfaction, which means H1 is accepted.

#### b. The Influence of Product Quality on Customer Loyalty

The results of the hypothesis test show that the P-values that determine the influence of product quality on customer loyalty are  $0.013 < 0.05$  and the T-Statistics value  $(2.496) > 1.96$ . Meanwhile, the original sample has a value of 0.308 (positive). These results support the second hypothesis, namely that product quality has a positive and significant effect on customer loyalty, which means H2 is accepted.

#### c. The Influence of Service Quality on Customer Satisfaction

The results of the hypothesis test show that the P-values that determine the influence of service quality on customer satisfaction are  $0.000 < 0.05$  and the T-Statistics value  $(3.779) >$

1.96. Meanwhile, the original sample has a value of 0.584 (positive). These results support the third hypothesis, namely that service quality has a positive and significant effect on customer satisfaction, which means H3 is accepted.

d. The Influence of Service Quality on Customer Loyalty

The results of the hypothesis test show that the P-values that determine the influence of service quality on customer loyalty are  $0.384 > 0.05$  and the T-Statistics value  $(0.871) < 1.96$ . Meanwhile, the original sample has a value of 0.117 (positive). These results do not support the fourth hypothesis, namely that service quality has a positive and significant effect on customer loyalty, which means H4 is rejected.

e. The Influence of Customer Satisfaction on Customer Loyalty

The results of the hypothesis test show that the P-values that determine the influence of customer satisfaction on customer loyalty are  $0.000 < 0.05$  and the T-Statistics value  $(3.552) > 1.96$ . Meanwhile, the original sample has a value of 0.495 (positive). These results support the fifth hypothesis, namely that customer satisfaction has a positive and significant effect on customer loyalty, which means H5 is accepted.

2) Indirect Effect Testing

*Indirect effect* In PLS-SEM, it is used to test the relationship between independent and dependent variables mediated by other variables. In other words, the indirect effect measures the extent to which the independent variable influences the dependent variable through the mediator variable. The indirect effect is evaluated based on the p-value and T-statistic generated from bootstrapping. According to Rahadi (2023), in PLS-SEM, the critical value with an alpha of 0.05 for a one-sided test is 1.66. Therefore, if the p-value is less than or equal to 0.05 and the T-statistic is greater than 1.66, the indirect effect is considered statistically significant.

**Specific Indirect Effect Test Results Table**

Path Coefficient	Original Sample (O)	T Statistics	P values	Decision
Product Quality -> Customer Satisfaction -> Customer Loyalty	0.155	2,236	0.025	Able to mediate
Service Quality -> Customer Satisfaction -> Customer Loyalty	0.289	2,663	0.008	Able to mediate

Based on the data presented in the table above, the following results can be concluded:

a. The Influence of Product Quality on Customer Loyalty through Customer Satisfaction

Based on the data presented above It is known that the P-Values specific indirect effect is  $0.155 > 0.05$  with a T-Statistic value  $(2.236) > 1.96$  and the original sample has a value of 0.025 (positive). This means customer satisfaction can strengthen the positive influence of

product quality on customer loyalty. These results indicate that customer satisfaction plays a role in mediating the relationship between product quality and customer loyalty.

b. The Influence of Service Quality on Customer Loyalty through Customer Satisfaction

Pay attention to the data presentation above, it is known that the P-Values specific indirect effect is  $0.025 < 0.05$  with a T-Statistic value  $(2.663) > 1.96$  and the original sample has a value of 0.289 (positive). This means customer satisfaction can strengthen the positive influence of service quality on customer loyalty. These results indicate that customer satisfaction plays a role in mediating the relationship between service quality and customer loyalty.

In the discussion section, the relationship between product quality, service quality, customer satisfaction, and customer loyalty at Dhian Kain will be explained in depth.

The questionnaire distribution results indicate that the characteristics of the respondents in this study also provide important context for interpreting the results. The majority of Dhian Kain's customers are female (86%), aged 30–40 (39%), have a high school education (52%), and are housewives (40%).

This characteristic is highly relevant because textile products, particularly fabrics for fashion and household needs, are generally purchased or managed by adult women who are often involved in purchasing decisions for family needs. The 30–40 age group typically has stable shopping preferences, prioritizing quality and practicality of service, and tends to be more loyal when receiving a satisfying shopping experience. This helps explain why, in the research results, product quality, service quality, and satisfaction showed a significant contribution to Dhian Kain's customer loyalty behavior.

The following is a discussion of the relationship between each variable, which will be divided into two influences: direct influence and indirect influence:

1) Direct Influence

a. The Influence of Product Quality on Customer Satisfaction

The results of the study indicate that product quality has a positive and significant influence on customer satisfaction, with an original sample value of 0.314, a t-statistic of 2.298, and a p-value of 0.022. This figure indicates that improving Dhian Kain's product quality can directly contribute to increasing customer satisfaction.

Product quality was measured through four main indicators in the questionnaire: comfort of use, material durability, conformity to the description, and attractive motif or design appearance. These four indicators are in line with the dimensions of product quality according to Garvin (1987). Looking at the characteristics of respondents, the majority of customers who are women and housewives have high quality standards for the fabrics they buy. This group tends to be meticulous in paying attention to fabric comfort, pattern



suitability, material durability, and the match between the description and the physical product. Customers who feel that Dhian Kain fabric is comfortable to wear, not easily damaged, matches the description, and has an attractive visual appearance, tend to show a higher level of satisfaction.

In the context of the online textile business, accuracy between photos, descriptions, and the physical product is crucial for customer satisfaction. Dhian Kain's customers pay close attention to the accuracy of color, fabric type, and texture according to the admin's information. Dhian Kain is known for conducting quality control before shipping, including offering discounts for defective fabric and ensuring customers are aware of its condition. This foster trust and ultimately increase satisfaction.

Adult women, especially housewives, typically purchase fabric for specific needs, such as robes, headscarves, daily wear, uniforms, and even prayer items. Therefore, they are more sensitive to product quality. This further explains why product quality can significantly impact customer satisfaction.

The results of this study align with Kotler & Keller's (2016) view that satisfaction is the result of a customer's evaluation of how well a product's performance meets their expectations. Other studies, such as those by Pahlawan et al. (2019), Rajic et al. (2016), and Kolonio & Soepeno (2019), also support a positive relationship between product quality and customer satisfaction.

#### b. The Influence of Product Quality on Customer Loyalty

Analysis the data shows that product quality also has a positive and significant effect on customer loyalty, with an original sample value of 0.308, a t-statistic of 2.496, and a p-value of 0.013. Thus, Dhian Kain's product quality is a key factor in building customer loyalty.

Loyalty was measured through indicators of repurchase intention, willingness to recommend, reluctance to switch stores, and interest in purchasing other types of fabric. The majority of respondents to this study were adult women and housewives. This group is usually reluctant to switch stores if they have found a product that suits their taste, is comfortable, and offers consistent quality. This indicates that customers who are satisfied with product quality tend to place trust in Dhian Kain's consistent quality and prefer to continue purchasing from Dhian Kain Textile Store rather than trying other competitors.

Dhian Kain's empirical evidence also supports this. Its e-commerce rating of 4.9/5, its Shopee following of 42,800 accounts, and consistent repeat orders from customers reinforce the relationship between product quality and loyalty. This provides clear evidence that product quality is the primary reason customers continue to choose Dhian Kain.

The results of this study align with Oliver (1999), who stated that loyalty is formed from repeated positive product evaluations. Previous research, such as that by Pahlawan et al. (2019) and Rajic et al. (2016), also supports this relationship.

### c. The Influence of Service Quality on Customer Satisfaction

The results of the study indicate that service quality has a positive and significant influence on customer satisfaction, with an original sample value of 0.584, a t-statistic of 3.779, and a p-value of 0.000. These values indicate that the service variable has the greatest influence in increasing satisfaction compared to other variables.

Dhian Kain's service quality is measured through indicators of on-time delivery, responsiveness, a professional attitude that fosters a sense of security in transactions, and service that makes customers feel valued. These indicators reflect the SERVQUAL dimensions (Parasuraman et al., 1988): reliability, responsiveness, assurance, and empathy.

Dhian Kain has a 91% responsiveness rate, demonstrating the admin's ability to respond to customer inquiries quickly and politely. Customers also feel secure because information about fabric materials is explained in detail. Friendly and informative service processes foster a sense of appreciation, thus strengthening customer satisfaction.

These results are consistent with research by Jannang & Abdullah (2016), Ganiyu (2016), and Jumawan (2018), which states that service quality is the main determinant of customer satisfaction.

### d. The Influence of Service Quality on Customer Loyalty

Based on the research results, service quality does not significantly influence customer loyalty, with an original sample value of 0.117, a t-statistic of 0.871, and a p-value of 0.384. This means that good service is not strong enough to directly encourage customer loyalty.

In the textile industry, consumers prioritize the physical quality of a product over service. Dhian Kain's customers rely on fabric quality as a primary consideration. Service certainly creates convenience, but loyalty is more influenced by direct experience with the product.

Several other studies, such as those by Desiyanti et al. (2018) and Ardiansyah et al. (2019), also show similar results, namely that service quality does not always have a direct influence on loyalty.

### e. The Influence of Customer Satisfaction on Customer Loyalty

This study shows that customer satisfaction has a positive and significant effect on loyalty, with an original sample of 0.495, a t-statistic of 3.552, and a p-value of 0.000. This figure indicates that satisfaction is a key factor in building customer loyalty at Dhian Kain.

When compared to respondent characteristics, women and housewives tended to remain loyal when satisfied. They would return to a store with a positive previous experience to avoid the risk of receiving an unsatisfactory product from another store.

This finding aligns with Kotler & Keller's (2016:138–139) theory, which states that satisfaction is formed from the match between expectations and perceived product performance. If performance exceeds expectations, customers are not only satisfied but also likely to repurchase and recommend the product.

Furthermore, Oliver's (1999) theory of consumer loyalty explains that loyalty is the result of a series of processes: cognitive, affective, conative, and then action. When satisfaction is consistently established, customers enter the affective stage and ultimately become behavior ally loyal.

Therefore, Dhian Kain customer satisfaction has proven to have a big role in ensuring that customers continue to repurchase, recommend, and not move to other stores.

## 2) Indirect Influence

### a. The Role of Customer Satisfaction in Mediating the Effect of Product Quality on Customer Loyalty.

The results of the specific indirect effect show that customer satisfaction significantly mediates the relationship between product quality and loyalty, with an original sample of 0.155, t-statistics of 2.236, and a p-value of 0.025.

This mediation role is in line with the mediation model according to Baron & Kenny (1986) which states that mediation occurs when the mediator variable receives and transmits the influence of the independent variable on the dependent.

Customer satisfaction creates a bridge between good product quality and long-term loyalty. The more customers feel comfortable, the more durable the product is, and the more it matches the description, the stronger their motivation to continue purchasing from Dhian Kain.

This is in line with what was expressed by Olivia (2021) and Ananti et al. (2018), that there is a positive influence of customer satisfaction which mediates the role of product quality on customer loyalty.

### b. The Role of Customer Satisfaction in Mediating the Effect of Service Quality on Customer Loyalty

Research shows that customer satisfaction also plays a mediating role in the influence of service quality on loyalty, as evidenced by the original sample of 0.289, t-statistics of 2.663, and p-value of 0.008. This means that although service quality does not directly influence loyalty, service still has an indirect effect through the satisfaction it generates.

These results reinforce Kotler & Keller's (2016) view that satisfaction is the foundation for loyalty. Fast, friendly, and professional service creates emotional well-being that makes customers feel valued, making them more likely to stay with the same service provider.

When linked to the SERVQUAL theory by Parasuraman et al. (1988), Dhian Kain's service quality encompasses the dimensions of responsiveness, reliability, assurance, and empathy, all of which contribute to customer satisfaction. Dhian Kain's 91% admin response rate is a key factor in strengthening this perception of satisfaction.

In terms of respondent characteristics, women and housewives tend to value friendly and responsive service. They frequently ask questions about fabric types, uses, thickness, suitability for specific garments, and colors. When Dhian Kain's admins are able to provide clear and prompt answers, satisfaction increases. This satisfaction ultimately leads to loyalty.

Thus, it can be concluded that Dhian Kain's service quality does not directly influence loyalty, but it does have a significant impact on loyalty through customer satisfaction. This finding aligns with Putra et al.'s (2022) finding that customer satisfaction mediates service quality and loyalty.

#### 4. Conclusion

Product quality has a positive and significant effect on customer satisfaction. Products that are comfortable to use, durable, match the description, and are visually appealing have been shown to increase customer satisfaction. This indicates that product quality is important in shaping customer satisfaction at Dhian Kain. Product quality has a positive and significant effect on customer loyalty. Customers who rate product quality highly are more likely to make repeat purchases, recommend products to others, and are less likely to switch to other stores. Product quality has been shown to be a significant factor in shaping customer loyalty at Dhian Kain. Service quality has a positive and significant effect on customer satisfaction. Responsive, friendly, professional service, and providing a sense of security during the transaction process have been shown to increase customer satisfaction at Dhian Kain. Service quality does not have a positive and significant effect on customer loyalty. This means that although the service provided is good and can provide comfort for customers in shopping, it does not necessarily maintain customer loyalty. Customer satisfaction has a positive and significant effect on customer loyalty, meaning satisfied customers feel more confident in making repeat purchases, are willing to recommend products, and are committed to continuing to choose Dhian Kain over competing fabric stores. As an intervening variable, customer satisfaction has also been shown to mediate the influence of product quality and service quality on customer loyalty. This confirms that Dhian Kain's customer satisfaction can be a useful bridge to building long-term customer loyalty.

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