The Influence of Brand Image and Product Quality on Customer Loyalty Through Customer Satisfaction in the Use of the BSI Mobile Application

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ARTICLE INFORMATION

ABSTRACT

This research was conducted at the University of Muhammadiyah Semarang which is located at Kel. Kedungmundu, Kec.Tembalang, Semarang City, Central Java. Sample Determination in this study uses Nonprobability Sampling Technique which uses Purposive Sampling technique, where sample selection is based on criteria that have been determined by the researcher. The population of this study is regular students of the Management Study Program batch 2020-2023, Faculty of Economics at the University of Muhammadiyah Semarang which totals 974 students. The research sample consisted of 91 respondents. Data analysis method using quantitative data with the help of SmartPLS 4.0 Software.

The results showed that X1 to Y has a positive and significant influence because the value of the beta coefficient X1 to Y is 0.337, t-statistics is 3.617, then X2 to Y has a negative and insignificant influence. Because the value of the beta coefficient X2 to Y is -0.052 with a t-statistics value of -0.052, then the influence of purchasing decisions as a mediation variable.

Keywords: Brand Image, Product Quality, Customer Loyalty

INTRODUCTION

The prospect of banking makes it possible to develop a digital banking marketing strategy, good digital banking is one that provides security, convenience and excellent service in the registration process flow until customers feel satisfied interacting with digital banking. (BSI, 2021). One of the banks that improves quality through digital banking is Bank Syariah Indonesia. At Bank Syariah Indonesia, it awakens digital banking through an application called BSI Mobile. BSI Mobile is a kind of application that banks using the internet that can be used by customers anytime and anywhere. Features on BSI Mobile include; including payment, transfer, purchase, E-Gold, QRIS, cash withdrawal, Quran and Hikmah, account information, ATM branch, kur information, management inbox, activation, pin change, online account opening, online donation, and prayer schedule. (BSI Mobile, 2021).

Aplikasi *Mobile Banking* Paling Banyak Digunakan Masyarakat Indonesia
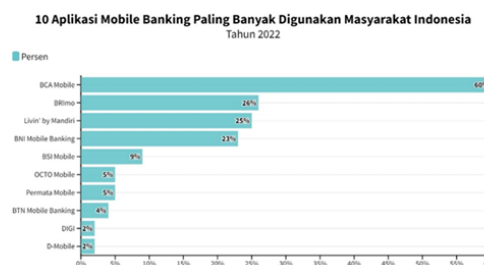
Sumber: (*Goodstats*, 2022)

According to GoodStats data, Bank Syariah Indonesia's (BSI) BSI Mobile application is in 5th position, representing 9% of total users. CIMB Niaga's Octo Mobile is in 6th place, and Permata Mobile is in 10th position, each with a percentage of 5%. BTN Mobile Banking has a percentage of 4%, Bank BJB DIGI has a percentage of 2%, and Bank Danamon D-Mobile has a percentage of 2%. According to GoodStats data, Bank Syariah Indonesia has a BSI Mobile application which is ranked 5th in terms of Mobile banking application usage at various banks in Indonesia in 2022, with the number of BSI Mobile users reaching 2.5 million. (BSI, 2021).

Customer loyalty is a factor that needs to be obtained by Bank Syariah Indonesia (BSI) for the continuity and improvement of good relations between the company and its customers. (Sigit &; Soliha, 2017) Loyal customers will benefit the company, because loyal customers can indirectly contribute deeply to introducing the products or services they experience to their families or friends (Monalisa &; Suryani, 2013). Loyal customers will always use products or services from companies and tend to be reluctant to use products from other companies (Wijayanto, 2015). Customer Loyalty is created because of customer satisfaction. Customer loyalty requires customers who are truly loyal to the products offered by banking companies, customers who are satisfied with the products offered by the bank will become loyal or loyal to the product.

Customer satisfaction is someone's expectation when using a product or service, because this means the achievement of a realistic customer. Customer satisfaction provided by a bank company has a major impact on the growth of bank company profits and customers will always be loyal (Marlius &; Putriani, 2020). Satisfaction can be determined by what customers expect rather than what they get. If the results are higher than expected, then the customer is satisfiedThus creating optimal satisfaction can encourage the creation of loyalty to satisfied customers (Nalendra, 2020).

Brand Image is the key to realizing customer loyalty or loyalty and creating an impression on customer satisfaction, the more satisfied customers are in using a product and with a high level of customer loyalty, customer satisfaction will also increase and vice versa (Amelia, 2018). So brand imagery can increase high loyalty through customer satisfaction. (Fitriani, 2019). A good image will always be remembered and make customers always think positively about the products of the company. Product quality affects loyalty through customer satisfaction, Product quality is able to form long-term relationships with customers in order to increase company assets. Product quality will be able to maintain customer loyalty or loyalty by using the BSI Mobile application continuously. (Agung, 2018). Product quality has a direct impact on customer satisfaction. This means that the higher the quality of the product, the more it helps increase satisfaction. (Damayanti and Wahyono, 2015).

LITERATURE REVIEW

The Influence of Brand Image on Customer Loyalty
Research by (Nugrahaningsih, 2019), (Widayanto, 2018) and (Nandra &; Nurhadi, 2022) found that Brand Image has a positive and significant influence on customer loyalty. This means that brand image has a direct influence on customer loyalty. If a brand has a good image in the eyes of customers, then customers tend to be more loyal. A positive image creates the perception that the brand is reliable, quality, and meets customer expectations, which in turn can increase loyalty. In addition, a strong and positive brand image can help build a good brand reputation. Thus can be formulated hypotheses as follows:

H1 = Brand Image has a positive and significant effect on Customer Loyalty

The Effect of Product Quality on Customer Loyalty
Research by (Budiarno at al., 2022), (Damayanti at al., 2015) and (Nandra &; Nurhadi, 2022) found that there is a direct positive and significant influence between Product Quality and Customer Loyalty. High product quality tends to provide a positive experience to customers. Customers who are satisfied with a product tend to be more likely to stick with the product. When customers are satisfied with the quality of the product, they tend to become loyal customers. They are more likely to buy products on a recurring basis. Consistent product quality creates customer trust in the brand. Thus can be formulated hypotheses as follows:

H2 = Product Quality has a positive and significant effect on Customer Loyalty

The Influence of Brand Image on Customer Satisfaction

Research by (Nugrahaningsih, 2019), (Widayanto, 2018) and (Nandra &; Nurhadi, 2022) found that there is a direct positive and significant influence between Brand Image and Customer Satisfaction. Positive brand image, can increase consumer satisfaction with the product or service offered by the brand, Positive brand image can also be formed through positive consumer experience with the product or serviceThis positive experience can create pleasant memories, which can increase consumer satisfaction. A good brand image can form a strong brand reputation, Consumers tend to feel more satisfied when they deal with a brand that has a positive reputation in the eyes of the public.

H3 = Brand Image has a positive and significant effect on Customer Satisfaction

The Effect of Product Quality on Customer Satisfaction

Research by (Budiarno at al., 2022), (Damayanti at al., 2015), (Nugrahaningsih, 2019), and (Nandra &; Nurhadi, 2022) found that there is a direct positive and significant influence between Product Quality and Customer Satisfaction. High product quality can meet or even exceed consumer expectations. Consumers tend to feel satisfied if the product they buy has performance, features, and characteristics that match their expectations. High-quality products often provide a positive user experience, Ease of use, reliability, and good performance can improve customer satisfaction.

H4 = Product Quality has a positive and significant effect on Customer Satisfaction

The Effect of Customer Satisfaction on Customer Loyalty

Research by (Budiarno at al., 2022), (Damayanti at al., 2015), (Nugrahaningsih, 2019), (Fitriani, 2019), (Kristianto at al., 2019), (Abdillah at all., 2018), (Nyoman Udayana at all., 2022), (Rachmawati, D. 2021), (Widayanto, 2018) and (Nandra &; Nurhadi, 2022) found that there is a direct positive and significant influence between Customer Satisfaction and Customer Loyalty Customer satisfaction is a key factor in retaining customers. Satisfied consumers are more likely to remain loyal customers and avoid switching to competitors, Satisfied consumers tend to choose brands that have provided positive experiences before, Customer satisfaction can form long-term relationships between customers and These relationships are often based on consumer satisfaction and trust in the product.

H5 = Customer Satisfaction has a positive and significant effect on Customer Loyalty

The Influence of Brand Image on Customer Loyalty Mediated by Customer Satisfaction

Research by (Nandra &; Nurhadi, 2022) and (Fitriani, 2019) found that Brand Image has a positive and significant influence on customer loyalty through customer satisfaction. Thus, the results of the research analysis prove that the Brand Image variable has an influence generated on Customer Loyalty indirectly using intervening variables. The factor that helps Customer Loyalty is satisfaction. The customer satisfaction variable becomes an intervening variable, which ushers in the growth of customer loyalty. Which means that brand image can generate customer loyalty through customer satisfaction. So indirectly, a good brand image can generate high loyalty through customer satisfaction. This proves that the product has successfully implemented a good brand image so that customers feel satisfied with the experience provided, encouraging customers to become loyal customers. Meanwhile, according to (Gunardi &; Erdiansyah, 2019) in research (Suastini &; Mandala, 2018) brand image does not have a significant influence on customer satisfaction, and according to (Abraham, 2012) in research (Damayanti &; Wahyono, 2015) shows that brand image variables on loyalty through consumer satisfaction have a negative and insignificant effect. Based on the explanation described above, the following hypothesis can be formulated:

H6 = Customer Satisfaction mediates the influence of Brand Image on Customer Loyalty.

The Effect of Product Quality on Customer Loyalty Mediated by Customer Satisfaction

Research by (Nandra &; Nurhadi, 2022) and (Afshar, Jahanshahi, 2018) found that product quality has a positive, and significant effect on customer loyalty through customer satisfaction. It is concluded that increasing the quality of products obtained by customers will also increase and create loyalty obtained by customers. Vice versa, if the lower the level of customer quality perceived by customers, the lower the customer

loyalty will also be created. However, the results of research conducted by (Raharjo, 2013) in research (Damayanti &; Wahyono, 2015) show that product quality variables on customer loyalty through consumer satisfaction have a negative effect and not 49 significant, according to (Janita, 2014) in research (Damayanti &; Wahyono, 2015) shows that product quality variables affect customer loyalty variables, and according to (Nailul &; Francine, 2009) in research (Damayanti & Wahyono, 2015) shows that quality variables have an insignificant influence on consumer satisfaction.

According to (Priyo &; Sudarwanto, 2021) in research (Nandra &; Nurhadi, 2022) there are problems that occur in customer loyalty, as well as retention where customers move to others and customers decrease, then maintaining loyal customers is more difficult than finding new customers. Thus, the company must be able to maintain and develop product quality so that customers do not move to other brands. The company must also look at the market that is being needed by customers. Based on the explanation described above, the following hypothesis can be formulated:

H7 = Customer Satisfaction mediates the effect of Product Quality on Customer Quality

RESEARCH METHOD

Population and Sample
According to (Sugiyono, 2017) the generalization area consists of objects / subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions about the understanding of the population. The population of this study is regular students of the Management Study Program class of 2020-2023, Faculty of Economics at the University of Muhammadiyah Semarang which, if totaled based on data from the management study program admin, amounts to 974 students.

The sample selection method used in this study is Nonprobability Sampling which uses the Purposive Sampling technique, where sample selection is based on criteria that have been determined by the researcher., namely: 53 1. Active regular students of Management Study Program, Faculty of Economics, University of Muhammadiyah Semarang in 2020 – 2023. 2. Never Mobile. make transactions using the BSI application Based on sources from the management study program admin, the Management Study Program of 2020 has 184 students, the Management Study Program of the class of 2021 has 223 students, the Management Study Program of the class of 2022 has 290 students and the Management Study Program of the class of 2023 has 277 students, which in total is 974 students. Because sampling requires representative numbers to realize the results of the study, the sampling technique of this research is based on the Slovin formula.

Analysis Methods
1. Analisis Structural Equation Modeling (SEM)
2. Parsial Least Square (PLS)
3. Evaluation of the Measurement Model (Outer Model)
    a. Validity Test
    b. Indicator Reliability Test
4. Structural Model Evaluation (Inner Model)
5. Direct Effect Test (Path Coefficients)
6. Evaluation of Indirect Influence (Mediation)

RESULT

Test Indicator Validity
Convergent validity (Average Variance Extracted – AVE)

Average Varience Extracted AVE

Variabel	Average Variance Extracted (AVE)
Citra Merek	0,520
Kualitas Produk	0,530
Kepuasan Nasabah	0,698
Loyalitas Nasabah	0,663

Sumber: Data primer diolah tahun 2023

Based on the presentation of data in table 4.5 above, it is known that the value of Average Variance Extracted (AVE) varaibel Brand Image, Product Quality, Customer Satisfaction, Customer Loyalty is ≥ 0.50. Thus it can be stated that each variable has a Valid indicator

Discriminant validity

Cross Loading

	M	X1	X2	Y
M1	0.849	0.395	0.234	0.514
M2	0.803	0.268	0.383	0.413
M3	0.854	0.361	0.345	0.584
X1.1	0.297	0.744	0.228	0.354
X1.2	0.355	0.766	0.262	0.430
X1.3	0.223	0.647	0.316	0.331
X2.1	0.152	0.295	0.607	0.084
X2.2	0.221	0.234	0.709	0.179
X2.3	0.383	0.299	0.848	0.249
Y1	0.445	0.328	0.217	0.786
Y2	0.556	0.554	0.248	0.860
Y3	0.475	0.350	0.158	0.795

Sumber: Data primer diolah tahun 2023

Based on the information contained in table 4.6, it can be concluded that each indicator in the research variable shows the largest cross loading value in the variable it is forming, compared to the cross loading value in other variables. Therefore, it can be concluded that the indicators used in this study are considered valid.

Indicator Reliability Test
Internal Consistency

Composite Reliability

Variabel	Composite Reliability
Citra Merek	0,764
Kualitas Produk	0,769
Kepuasan Nasabah	0,874
Loyalitas Nasabah	0,855

Sumber: Data primer diolah tahun 2023

Based on the presentation of data in table 4.7 above, it is known that the value of Composite Reliability in each variable in this study has a value of ≥ 0.70. This value proves that each indicator used in this study is reliable.

Indicator Reliability

Outer Loadings

Variabel	indikator	Outer Loadings	Kesimpulan
Citra Merek	X1.1	0,744	Reliabel
	X1.2	0,766	Reliabel
	X1.3	0,647	Reliabel
Kualitas Produk	X2.1	0,607	Reliabel
	X2.2	0,709	Reliabel
	X2.3	0,848	Reliabel
Kepuasan Nasabah	M1	0,849	Reliabel
	M2	0,803	Reliabel
	M3	0,854	Reliabel
Loyalitas Nasabah	Y1	0,786	Reliabel
	Y2	0,860	Reliabel
	Y3	0,795	Reliabel

Sumber: Data primer diolah tahun 2023

Based on the presentation of data in table 4.8 above, it is known that all Outer Loadings have sufficient values on each indicator so that these values prove that each indicator used in this study is Reliable

Direct Effect Test (Path Coefficients)

Path Coefficients
(Pengaruh Langsung)

	Original Sample (o)	Sample Mean (m)	Standar deviation (STDEV)	T statistics (O/STDEV)	P values
M > Y	0.491	0.485	0.078	6.306	0.000
X1 > M	0.315	0.339	0.111	2.845	0.004
X1 > Y	0.337	0.335	0.093	3.617	0.000
X2 > M	0.265	0.269	0.125	2.122	0.034
X2 > Y	-0.052	-0.029	0.105	0.498	0.619

Sumber: Data primer diolah tahun 2023

Based on the data listed in table 4.9, the first hypothesis aims to test whether Brand Image has a positive and significant effect on customer loyalty. The test results showed that the beta coefficient value of the original sample for X1 (Brand Image) to Y (Customer Loyalty) was 0.337 with a t-statistics value of 3.617. From these results, it can be concluded that t-statistics have a sufficient level of significance, which is ≥ 1.96, or with a p-value of 0.000.

With a positive original sample value, it can be interpreted that X1 (Brand Image) to Y (Customer Loyalty) has a positive and significant influence. The test results showed that the beta coefficient value of the original sample for X2 (Product quality) to Y (Customer

Loyalty) was -0.052 with a t-statistics value of -0.052. The test results showed that the beta coefficient value of the original sample for X1 (Brand Image) to M (Customer satisfaction) was 0.315 with a t-statistics value of 2.845 Of the 76 results, it can be concluded that t-statistics has a sufficient level of significance, which is ≥ 1.96, or with a p-value of 0.004. The test results showed that the beta coefficient value of the original sample for X2 (Product quality) to M (Customer Satisfaction) was 0.265. with a t-statistics value of 2.122 From these results, it can be concluded that t-statistics has a less significance level, from ≥ 1.96, or with a p-value of 0.034. The test results showed that the beta coefficient value of the original sample for M (Customer Satisfaction) to Y (customer loyalty) was 0.491 with a t-statistics value of 6.306. From these results, it can be concluded that t-statistics have a sufficient level of significance, which is ≥ 1.96, or with a p-value of 0.000.

Indirect Influence Test (Mediation)

Uji Pengaruh Tidak Langsung (Mediasi)

	Original Sample (o)	Sample Mean (m)	Standar deviation (STDEV)	T statistics (O/STDEV)	P values
X1 > M > Y	0.155	0.165	0.063	2.459	0.014
X2 > M > Y	0.130	0.128	0.060	2.155	0.031

Sumber: Data primer diolah tahun 2023

Based on the presentation of data in table 4.10 above, it shows the indirect effect with the purchase decision as a mediation variable. This indicates that X1 (Brand Image) to Y (Customer Loyalty) with Customer Satisfaction as a Mediation Variable, has a positive and significant effect. Evidenced by the value of 79 Original Sample of 0.155 and t-statistics of 2.459 where the value ≥ 1.96.

Coefficients of determination (R2)

Coefficients of determination (R2)

	R-square
M	0.231
Y	0.461

Sumber: Data primer diolah tahun 2023

Based on the presentation of data in the table above, it can be seen that the R-sqaure value for the Customer Satisfaction variable is 0.231. This explains that the large percentage of Customer Satisfaction cannot be explained by brand image and product quality entirely because it only produces a predictive accuracy rate of 23.1% and the remaining 76.9% is most likely explained by other factors outside the factors studied in this study. So that the R-square on the customer satisfaction variable can be categorized as weak.

While the R-square value for the customer loyalty variable is 0. 461, this explains that the large percentage of customer loyalty has not been able to fully explain the brand image and product quality factors because it only produces a predictive accuracy rate of 46.1% and the remaining 53.9% is most likely explained by other factors outside the factors studied in this study. So that the R square in the customer's loyakitas variable can be categorized as weak.

DISCUSSION

The Influence of Brand Image on Customer Loyalty
The test results showed that the beta coefficient value of the original sample for X1 (Brand Image) to Y (Customer Loyalty) was 0.337 with a t-statistics value of 3.617. From these results, it can be concluded that t-statistics have a sufficient level of significance, which is ≥ 1.96, or with a p-value of 0.000. With a positive original sample value it can be concluded that the first hypothesis or H1 is accepted.

Based on research that has been conducted, Variable X1 (Brand Image) has 3 Aspects of Indicators to test its effect on Customer Loyalty (Y), namely Excellence, Strength and Distinctiveness. The aspect that most affects Brand Image on Customer Loyalty of the three aspects is the Strength Aspect, which is 0.766, the second place is the Excellence Aspect of 0.744. And the weakest is the Specificity aspect, which is 0.647.

The results showed that there is a positive and significant influence between Brand Image on Customer loyalty, meaning that if consumers believe in the brand and are satisfied with the products or services provided, they tend to remain loyal to the brand, this is supported by research from (Ratna Ayu Nandra and Nurhadi 2022), (Agustinus Dwi Kristianto, and Triyono Arief Wahyudi, 2019), and (Deby Santyo Rusandy, 2018) that brand image is a major factor influencing consumer satisfaction, and satisfaction plays an important role in increasing consumer loyalty.

The Effect of Product Quality on Customer Loyalty
The test results showed that the beta coefficient value of the original sample for X2 (Product quality) to Y (Customer Loyalty) was -0.052 with a t-statistics value of -0.052. From these results, it can be concluded that t-statistics has a level of significance that is less, from ≥ 1.96, or with a p-value of 0.619. With a negative original sample value it can be concluded that the Second hypothesis or H2 is rejected. This may happen because BSI Mobile user customers may consider the quality of the product to be high, but the impact on loyalty has not reached a level of statistical significance. Although they like the quality of the product, other factors may be more dominant in influencing loyalty levels. This may happen because there are mediating variables that moderate the relationship between product quality and loyalty.

In addition, if there is variability in product quality over time, some customers may experience a more positive experience than others. This can create variation in the relationship between product quality and loyalty. This is supported by research from Dani Haris and Henny Welsa (2018) which states that Product Quality has an insignificant negative influence on Consumer Loyalty. Based on research that has been conducted, Variable X2 (Product Quality) has 3 Aspect Indicators to test its effect on Customer Loyalty (Y), namely Features, Performance Quality and Design. The aspect that most affects Product Quality on Customer Loyalty of the three aspects is the Design Aspect which is 0.848, the second order is the Performance Quality Aspect of 0.709 And the weakest is the Feature aspect which is 0.607.

The Effect of Brand Image on Customer Satisfaction
The test results show that the beta coefficient value of the original sample for X1 (Brand Image) to M (Customer satisfaction) is 0.315 with a t-statistics value of 2.845 From these results, it can be concluded that t-statistics has a sufficient level of significance, which is ≥ 1.96, or with a p-value of 0.004. it can be concluded that the third hypothesis or H3 is accepted. With a positive original sample value, it can be interpreted that X1 (Brand Image) to M (Customer satisfaction) has a positive and significant influence. Positive brand image, can increase consumer satisfaction with the products or services offered

by the brand, Positive brand image can also be formed through positive consumer experience with products or services, This positive experience can create pleasant memories, which can increase consumer satisfaction. A good brand image can form a strong brand reputation, Consumers tend to feel more satisfied when they deal with a brand that has a positive reputation in the eyes of the public. This is supported by research from (Nugrahaningsih, 2019), (Widayanto, 2018) and (Nandra &; Nurhadi, 2022), (Agustinus Dwi Kristianto, and Triyono Arief Wahyudi, 2019), and (Deby Santyo Rusandy, 2018) that brand image is a factor that affects consumer satisfaction.

The Effect of Product Quality on Customer Satisfaction
The test results showed that the beta coefficient value of the original sample for X2 (Product quality) to M (Customer Satisfaction) was 0.265. with a t-statistics value of 2.122 From these results, it can be concluded that t statistics has a level of significance that is less, from ≥ 1.96, or with a p value of 0.034. it can be concluded that the Fourth hypothesis or H4 is accepted. With a positive original sample value, it can be interpreted that X2 (Product quality) to M (Customer Satisfaction) has a positive and significant influence. High product quality can meet or even exceed consumer expectations. Consumers tend to feel satisfied if the product they buy has performance, features, and characteristics that match their expectations. High-quality products often provide a positive user experience, Ease of use, reliability, and good performance can improve customer satisfaction. This is supported by research from (Budiarno at al., 2022), (Damayanti at al., 2015), (Nugrahaningsih, 2019), and (Nandra &; Nurhadi, 2022) that product quality is a factor that affects consumer satisfaction.

The Effect of Customer Satisfaction on Customer Loyalty
The test results showed that the beta coefficient value of the original sample for M (Customer Satisfaction) to Y (customer loyalty) was 0.491 with a t-statistics value of 6.306. From these results, it can be concluded that t-statistics have a sufficient level of significance, which is ≥ 1.96, or with a p-value of 0.000. it can be concluded that the Fifth or H5 hypothesis is accepted. With a positive original sample value, it can be interpreted that M (Customer Satisfaction) to Y (customer loyalty) has a positive and significant influence. Customer satisfaction is a key factor in retaining customers. Satisfied consumers are more likely to remain loyal customers and avoid switching to competitors, Satisfied consumers tend to choose brands that have provided positive experiences before, Customer satisfaction can form long-term relationships between customers and These relationships are often based on consumer satisfaction and trust in the product. This is supported by research from (Budiarno at al., 2022), (Damayanti at al., 2015), (Nugrahaningsih, 2019), (Fitriani, 2019), (Kristianto at al., 2019), (Abdillah at all., 2018), (Nyoman Udayana at all., 2022), (Rachmawati, D. 2021), (Widayanto, 2018) and (Nandra &; Nurhadi, 2022) that satisfaction is a factor that affects consumer loyalty.

The Influence of Brand Image on Customer Loyalty Mediated by Customer Satisfaction
X1 (Brand Image) to Y (Customer Loyalty) with Customer Satisfaction as a Mediation Variable, has a positive and significant effect. Evidenced by the Original Sample value of 0.155 and t statistics of 2.459 where the value ≥ 1.96. so that the Sixth hypothesis or H6 is accepted. Based on research that has been conducted, the Customer Satisfaction Variable as a mediator in testing X1 (Brand Image) on customer loyalty has 3 Aspects of Indicators, namely Expected Results (M1), Needs (M2) and How to handle Deficiencies (M3). The aspect that most influences the Customer Satisfaction Variable as a mediator in testing X1 (Brand Image) on customer loyalty is the Aspect of How to handle Deficiency (M3) which is 0.854, the second order is the Expected Results Aspect (M1), which is 0.849 and the third is the Needs aspect (M2) which is 0.803.

Customer satisfaction acts as an introducer or mediator in the relationship between brand image and customer loyalty. When customers are satisfied with the product or service they receive, it can strengthen the connection between a positive brand image and the intention to remain loyal. This is also supported by research from (Ratna Ayu Nandra and Nurhadi 2022), (Agustinus Dwi Kristianto, and Triyono Arief Wahyudi, 2019), and (Deby Santyo Rusandy, 2018) they jointly stated that brand image is the main factor affecting consumer satisfaction, and satisfaction plays an important role as a connecting line in increasing consumer loyalty.

The Effect of Product Quality on Customer Loyalty Mediated by Customer Satisfaction

X2 (Product Quality) to Y (Customer Loyalty) with Customer Satisfaction as a Mediation Variable, has a positive and significant effect. Evidenced by the Original Sample value of 0.130 and t statistics of 2.155 where the value ≥ 1.96. so that the seventh hypothesis or H7 is accepted. Based on research that has been conducted, the Customer Satisfaction Variable as a mediator in testing X2 (Product Quality) on customer loyalty has 3 Aspects of Indicators, namely Expected Results (M1), Needs (M2) and How to handle Deficiencies (M3). The aspect that most influences the Customer Satisfaction Variable as a mediator in testing X2 (Product Quality) on customer loyalty is the Aspect of How to handle Deficiencies (M3) which is 0.854, the second order is the Expected Results Aspect (M1), which is 0.849 and the third is the Needs aspect (M2) which is 0.803.

Customer satisfaction acts as a mediator or introduction between product quality and customer loyalty. If customers are satisfied with the quality of the products they receive, this can strengthen the relationship between product quality and the intention to remain loyal. In addition, good product quality can create a positive emotional experience. Emotional satisfaction can increase customer loyalty because there is a strong emotional bond between the customer and the brand. This is supported by Ratna Ayu Nandra and Nurhadi (2022) who show that Product Quality through Customer Satisfaction positively and significantly affects Customer Loyalty.

CONCLUSION

1. That X1 (Brand Image) to Y (Customer Loyalty) has a positive and significant influence. With a positive original sample value it can be concluded that the first hypothesis or H1 is accepted This means that if consumers believe in a brand and are satisfied with the product or service provided, they are likely to remain loyal to the brand.
2. X2 (Product quality) to Y (Customer Loyalty) has a negative and insignificant influence. With a negative original sample value it can be concluded that the Second hypothesis or H2 is rejected. This may happen because the Customer considers the quality of the product to be high, but the impact on loyalty has not reached the level of statistical significance. Although they like the quality of the product, other factors may be more dominant in influencing loyalty levels. This may happen because there are mediating variables that moderate the relationship between product quality and loyalty.
3. X1 (Brand Image) to Y (Customer Loyalty) with Customer Satisfaction as a Mediation Variable, has a positive and significant effect. So the Third hypothesis or H3 is accepted. This means that customer satisfaction acts as an introducer or mediator in the relationship between brand image and customer loyalty. When customers are satisfied with the product or service they receive, it can strengthen the connection between a positive brand image and the intention to remain loyal.

4. X2 (Product Quality) to Y (Customer Loyalty) with Customer Satisfaction as a Mediation Variable, has a positive and significant effect. So that H4 or the Fourth hypothesis is accepted. This means that customer satisfaction acts as a mediator or introduction between product quality and customer loyalty. If customers are satisfied with the quality of the products they receive, this can strengthen the relationship between product quality and the intention to remain loyal. In addition, good product quality can create a positive emotional experience. Emotional satisfaction can increase customer loyalty because there is a strong emotional bond between the customer and the brand.
5. X1 (Brand Image) to M (Customer satisfaction) has a positive and significant influence. A positive brand image, can increase consumer satisfaction with the products or services offered by the brand, a positive brand image can also be formed through a positive consumer experience with the product or service
6. X2 (Product quality) to M (Customer Satisfaction) has a positive and significant influence. High product quality can meet or even exceed consumer expectations. Consumers tend to feel satisfied if the product they buy has performance, features, and characteristics that match expectations
7. M (Customer Satisfaction) to Y (customer loyalty) has a positive and significant influence. Customer satisfaction is a key factor in retaining customers. Satisfied consumers are more likely to remain loyal customers and avoid switching to competitors, Satisfied consumers are more likely to choose brands that have provided positive experiences before

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