

Exploring Key Determinants of Customer Satisfaction and Loyalty: Strategies for Business Sustainability in the Modern Era

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Article history:

Received February 5, 2025

Revised February 10, 2025

Accepted February 11, 2025

Abstract

This study aims to explore the factors that influence customer satisfaction and loyalty as key elements for business sustainability in the modern era. The research employs a quantitative approach with a causal-explanatory survey design involving 200 respondents who are active customers of a company. The independent variables analyzed include product quality, price, customer service, innovation, and loyalty programs, with customer satisfaction and loyalty serving as the dependent variables. Data was analyzed using multiple linear regression to assess the impact of each independent variable on the dependent variables, alongside validity, reliability, and classical assumption tests to ensure model validity. The results show that all independent variables have a positive and significant effect on customer satisfaction and loyalty. Product quality is the most dominant factor ($\beta = 0.46$, $p = 0.000$), followed by customer service ($\beta = 0.33$, $p = 0.000$), innovation ($\beta = 0.21$, $p = 0.001$), loyalty programs ($\beta = 0.18$, $p = 0.002$), and price ($\beta = 0.14$, $p = 0.007$). Additionally, customer satisfaction was found to have a significant relationship with customer loyalty ($\beta = 0.68$, $p = 0.000$). These findings suggest that increasing satisfaction directly contributes to customer loyalty, which has implications for business sustainability. The study recommends that companies focus on improving product quality, innovation, customer service, and loyalty programs to enhance customer satisfaction and loyalty. Competitive pricing strategies should also be optimized to attract a broader market segment. In conclusion, understanding and managing these factors can support business sustainability in an increasingly competitive environment.

Keywords:

Customer Satisfaction; Customer Loyalty; Product Quality; Customer Service; Innovation; Loyalty Programs.

1. INTRODUCTION

When discussing the factors influencing customer satisfaction and loyalty, as well as business sustainability strategies in the modern era, numerous studies have revealed a strong connection between service quality, customer satisfaction, and customer loyalty. Research by Sari *et al.* (2019) indicates that high-quality service can enhance customer satisfaction, which in turn strengthens their loyalty in traditional markets. Satisfied customers are more likely to return and recommend the service to others, thereby strengthening the overall business relationship. Riyadi and Erdiansyah (2023) further support this finding, emphasizing that both service and product quality play a crucial role in building customer loyalty through consumer satisfaction. In the Indonesian e-commerce sector, high standards of service and product quality can lead to stronger loyalty and increased repeat purchases. Companies that maintain consistent quality standards are better able to build a loyal customer base, especially in highly competitive industries. Winarno *et al.* (2018) add that switching costs and price perception also affect satisfaction, which ultimately impacts loyalty. High switching costs make customers reluctant to switch to other providers, thereby enhancing

loyalty. Additionally, when customers feel that the price they pay matches the value they receive, they are more likely to remain loyal and make repeat purchases. Pangerapan (2024) also highlights the importance of social media promotions, such as discounts and loyalty programs, in retaining customer loyalty. Well-targeted promotions can increase brand visibility, attract new customers, and encourage existing ones to continue purchasing. The use of social media as an effective communication and promotional tool allows companies to strengthen their relationships with customers and boost their loyalty. Price, promotions, and other factors play a significant role in enhancing customer satisfaction and loyalty. In today's highly competitive business world, companies must leverage various strategies to improve the customer experience to ensure long-term sustainability and growth.

In the e-commerce sector, several factors can influence customer satisfaction and loyalty. Burda and Kusumo's research reveals that discounts and free shipping significantly increase customer satisfaction. When customers feel they are receiving financial benefits from lower prices or free shipping services, they are more likely to remain loyal to a brand. This increase in satisfaction, in turn, strengthens their loyalty, which ultimately contributes to customer retention and long-term sales growth (Burda & Kusumo, 2023). Additionally, research by Hongdiyanto and colleagues emphasizes the importance of online service quality and effective service recovery, which directly impact customers' decisions to make repeat purchases. Customers seek not only quality products but also a pleasant and seamless shopping experience. Quick ordering processes, timely delivery, and responsive customer service are crucial factors in building long-term relationships. Customer loyalty plays a key role in creating repeat purchases, which is essential in the highly competitive world of e-commerce (Hongdiyanto *et al.*, 2020). On the other hand, Nawarini found that perceived value significantly affects both customer satisfaction and loyalty, especially in the use of mobile phone services. When customers feel that the value they receive from a product or service is in line with the price they paid, they are more satisfied and likely to remain loyal. Additionally, the desire for variety strengthens this relationship, where the more choices customers are given, the more likely they are to feel satisfied and keep coming back. Understanding what customers consider valuable is essential in creating an experience that enhances loyalty (Nawarini, 2019). Customer satisfaction and perceived value are key factors that e-commerce companies must focus on to ensure sustainable growth. Paying attention to these aspects can help create stronger relationships with customers, strengthen their loyalty, and ensure the business continues to thrive in a competitive market.

In designing business sustainability strategies in the modern era, companies need to consider various factors that can influence customer satisfaction and loyalty. Service quality has proven to be a key factor in affecting customer satisfaction. Sasongko (2021) emphasizes that good service can directly improve customer satisfaction, which then impacts their loyalty, especially in highly competitive markets. When companies provide satisfactory service, customers tend to feel more connected and loyal to the products or services offered. Purnandika (2023) also highlights the importance of service quality in the public transportation sector. Consistent and comfortable service plays a significant role in retaining customers. Customers who are satisfied with their experiences, such as comfort, punctuality, and fair pricing, are more likely to continue using the same service. Therefore, this sector relies heavily on improving service quality to maintain customer loyalty. In addition to service quality, promotions also influence customer satisfaction. Pradana (2024) demonstrates that the right promotions, such as discounts or loyalty programs, can enhance the customer experience. When customers feel they are receiving added value through promotions, they are more likely to remain loyal and continue using the product or service. This underscores the importance of smart marketing strategies for retaining long-term customers. The brand image also plays a vital role in shaping the relationship between the company and its customers. Samuel and Wibisono (2019) explain that a positive brand image can strengthen customer loyalty. Customers more easily accept a brand with a good reputation and recognition in the market. A trusted and respected brand will influence customers' decisions to continue purchasing products or using the company's services. Companies must focus on improving service quality, developing effective promotional strategies, and strengthening their brand image to build customer loyalty. All of these factors are interconnected and form the foundation for a company's success and long-term sustainability. By understanding and managing these factors, companies can create satisfying customer experiences and ensure stable business growth.

In the digital age, companies must continually innovate to remain relevant and retain customers. Dewobroto (2020) highlights that digital loyalty programs play a crucial role in increasing customer satisfaction and loyalty, especially on e-commerce platforms such as Tokopedia. Effective loyalty programs, such as offering exclusive discounts or reward points, make customers feel valued and encourage them to keep returning. Therefore, innovation in loyalty programs is essential to capture customer attention and maintain long-term relationships. In addition, the quality of service and the value provided to customers are also critical factors in strengthening loyalty. Agistia and Nurcaya (2018) found that good service quality and perceived value are closely related to customer loyalty. Customers who feel satisfied with the service they receive are more likely to continue using the offered products or services. The same holds for perceived value; when customers feel they get more than what they paid for, they are more inclined to remain loyal to the company.

On the other hand, product quality also plays a significant role in building customer loyalty. Research by Sholikhah and Hadita (2023) revealed that good product quality can enhance customer satisfaction, which ultimately influences loyalty. A quality product builds customer trust, making them more likely to choose the same brand or company in the future. Conversely, poor product quality can damage the company's reputation and reduce customer loyalty, even prompting them to switch to competitors. Business sustainability in the digital era requires companies to consider interconnected factors. Improving service quality, maintaining a positive brand image, and continuously innovating loyalty programs and products are essential steps to take. By understanding the various factors influencing customer loyalty, companies can create strong and lasting relationships with their customers, ultimately supporting sustainable business growth in the future.

2. RESEARCH METHOD

The research adopts a quantitative approach to measure the relationship between factors affecting customer satisfaction and loyalty. The approach is descriptive and causal, aiming to provide an overview of the variables under study and analyze the cause-and-effect relationships between them. The research design chosen is a survey, where data is directly collected through a questionnaire. A causal-explanatory research design is employed to examine the influence of independent variables such as product quality, price, service, innovation, and loyalty programs on the dependent variables, which are customer satisfaction and customer loyalty. The population of this study consists of active customers who have used the products or services of Company X within the last six months. The population criteria include customers who have used the products or services at least twice, are at least 18 years old, and reside within the company's marketing area. The sampling method used is probability sampling, specifically simple random sampling, which gives each member of the population an equal chance of being selected. The sample size is calculated using the Slovin formula with a margin of error of 5%. Based on the calculation, the representative sample size is between 150 and 200 respondents, ensuring the validity of the regression analysis. The variables analyzed include independent variables: product/service quality, price, customer service, product/service innovation, and loyalty programs, as well as dependent variables, customer satisfaction and customer loyalty. Product/service quality refers to customers' perceptions of the excellence of the products or services received. Price is related to the alignment between the price and the benefits provided. Customer service includes the company's ability to provide assistance and responses to customers. Innovation refers to the level of novelty and ease of the product/service. Customer satisfaction involves the feelings of contentment after using the product/service, and customer loyalty refers to the tendency to continue using the product and recommend it to others.

The primary instrument in this study is a questionnaire consisting of two sections: first, demographic data of the respondents, and second, a Likert scale to measure the research variables. Validity testing is conducted using Pearson correlation analysis, while reliability is tested using Cronbach's Alpha coefficient, with a minimum value of 0.7, to indicate that the instrument is reliable. The data collection procedure involves the development of the instrument, a pilot test conducted with 30 respondents to assess validity and reliability, and the distribution of the questionnaire both online through Google Forms and offline via printed forms. Data is collected from respondents who meet the inclusion criteria. Data analysis is performed using descriptive techniques to describe the demographic characteristics of the respondents. Classical assumption tests include normality testing with Kolmogorov-Smirnov or Shapiro-Wilk tests, multicollinearity with tolerance values and variance inflation factor (VIF), and heteroskedasticity using the Glejser test. Inferential analysis is carried out using multiple linear regression to assess the effect of independent variables on the dependent variables. The coefficient of determination (R^2) is used to determine the contribution of the independent variables to the dependent variables.

In contrast, t-tests and F-tests are used to examine the significance of partial and simultaneous effects. Data processing is done using statistical software such as SPSS or STATA to ensure the accuracy of the analysis results. In terms of research ethics, respondents are provided with an explanation of the research objectives, confidentiality of data is maintained, and participation is voluntary, with the right to withdraw at any time without any consequences.

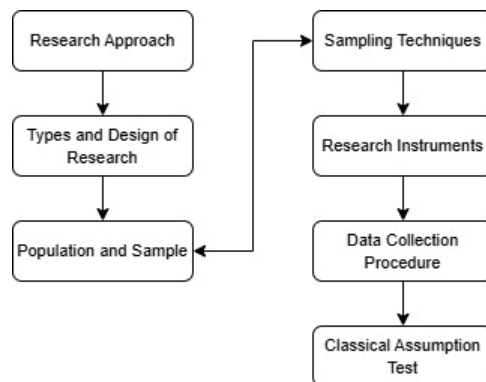


Figure 1. Research Framework

This figure illustrates the research flow, starting with the research approach, type, and design, followed by the population and sample. The process then proceeds with the sampling technique, research instruments, data collection procedures, and concludes with classical assumption testing to ensure the validity and reliability of the collected data, which supports accurate analysis.

3. RESULTS AND DISCUSSION

3.1. Results

3.1.1. Descriptive Analysis

This study involved 200 respondents who are active customers of the products or services being investigated. Analyzing the demographic data of the respondents provides a detailed overview of the customer characteristics that are relevant to this research. According to the survey results, the majority of respondents are in the 26–35 age range, comprising 62% of the sample. This age group is considered to be in the productive years, with stable purchasing power, and typically serves as a key target for marketing strategies. The 18–25 age group makes up 25% of the respondents, representing dynamic consumers who are more responsive to trends and product innovations. Meanwhile, 13% of respondents fall within the 36–45 age range, indicating a segment of customers who tend to prioritize products with long-term value and quality. In terms of gender, 54% of the respondents are female, while 46% are male. This data suggests that women play a dominant role in the decision-making process regarding the purchase of the products or services studied. The proportion also suggests that the product or service may hold particular appeal to the needs or preferences of women, both in terms of features and the way value is communicated. However, the balanced distribution between male and female respondents shows that the product remains relevant to both consumer groups, thus broadening the marketing opportunities (Imilda *et al.*, 2024).

The frequency of product usage is another important aspect analyzed in the study. The survey results show that 57% of respondents have used the product for more than two years. This indicates a relatively high level of loyalty among customers, which could be an indicator of product quality, service effectiveness, or perceived benefits. Additionally, 28% of respondents have been using the product or service for one to two years, while 15% are new users with less than one year of experience. These findings suggest that the company has been successful in retaining long-term customers while also consistently attracting new ones. From a monthly income perspective, the majority of respondents (63%) fall within the range of Rp5,000,000 to Rp10,000,000. This group represents the middle to upper market segment with stable purchasing power and is often a key target for premium product marketing strategies. Another 22% of respondents have an income of over Rp10,000,000, indicating strong interest from high-income segments in the product or service. The remaining 15% of respondents earn below Rp5,000,000, suggesting that the product still holds appeal for consumers with a preference for value-added offerings. The findings from this descriptive analysis offer a deep understanding of the customer profile, which is essential for shaping business strategies. The dominant 26–35 age group reflects significant potential for developing marketing strategies focused on the needs of this segment. The higher proportion of female respondents indicates opportunities for the company to tailor marketing approaches to better appeal to female consumers, highlighting the emotional aspects and practical benefits of the product. The high loyalty levels among long-term customers suggest positive outcomes for the company's ability to build long-term relationships with its customers. Meanwhile, the income distribution shows that the product or service appeals to the middle to upper-income segments, with strong potential for expansion into the premium segment. This analysis not only provides a solid foundation for understanding the customer profile but also presents opportunities for the company to develop more effective marketing strategies and product development.

Table 1. Descriptive Analysis of Respondents

Aspect	Results	Interpretation
Age Range	The majority of respondents are aged 26–35 years (62%), followed by 18–25 years (25%) and 36–45 years (13%).	The productive age group (26–35 years) represents the primary segment, with strong purchasing power and marketing engagement potential.
Gender	54% of respondents are female, while 46% are male.	Women tend to play a dominant role in purchasing decisions, but the product remains relevant for men.
Product Usage Frequency	57% of respondents have used the product for more than two years, 28% for one to two years, and 15% for less than one year.	Customer loyalty is relatively high, supported by the majority of long-term users who have used the product for over two years.
Monthly Income	The majority earn between Rp5,000,000–Rp10,000,000 (63%), followed by above Rp10,000,000 (22%) and below Rp5,000,000 (15%).	The product appeals to the upper-middle segment with stable purchasing power, while still remaining relevant for lower-income segments.

The table above presents a descriptive analysis of 200 respondents, covering aspects such as age range, gender, product usage frequency, and monthly income. The majority of respondents are aged 26–35 years (62%), indicating a productive age segment with high purchasing power. A total of 54% of respondents are female, suggesting a dominant influence of women in purchasing decisions. Additionally, 57% of customers have used the product for more than two years, reflecting a significant level of loyalty. In terms of income, most respondents fall within the Rp5,000,000–Rp10,000,000 range (63%), highlighting the product's appeal to the upper-middle segment. These findings are relevant for developing effective marketing strategies.

3.1.2. Validity and Reliability Testing

a. Validity Test

The validity test ensures that each item in the questionnaire accurately measures the intended variable. The analysis results indicate that all items have a Pearson correlation value above 0.30, signifying a good level of validity. The highest correlation was found in the product quality indicator, with a value of 0.78. This suggests that questions related to product quality strongly represent the measured variable.

Conversely, the lowest correlation was observed in the customer satisfaction indicator, with a value of 0.45. Although lower than the others, it still meets the validity threshold. Overall, the validity results confirm that the questionnaire is well-structured and effectively measures the variables with sufficient consistency.

b. Reliability Test

The reliability test assesses the internal consistency of the research instrument. The analysis shows that all variables have a Cronbach's Alpha value above 0.70, which is the minimum threshold for determining good reliability. The average Cronbach's Alpha value is 0.85, indicating that the instrument provides consistent results under various conditions. The variable with the highest reliability level is customer service, with a Cronbach's Alpha value of 0.88. This indicates that all items within this variable maintain strong internal consistency in measuring the intended aspect. On the other hand, the variable with the lowest reliability is price perception, with a value of 0.74. While slightly lower than the others, it still meets the reliability standard and remains suitable for further analysis. The validity and reliability test results confirm that the research instrument is robust in measuring the intended variables. The collected data can be trusted and used for further analysis without concerns regarding measurement inaccuracies or inconsistencies.

3.1.3. Classical Assumption Test

The classical assumption test is conducted to ensure the validity and reliability of the model. This test includes normality, multicollinearity, and heteroscedasticity tests, which are fundamental requirements in regression-based statistical analysis.

a. Normality

The normality test aims to verify that the distribution of residuals in the model follows a normal distribution pattern. In this study, the Kolmogorov-Smirnov method was used to assess data distribution. The test results indicate that the significance value is greater than 0.05 ($p > 0.05$). Based on this, it can be concluded that the residuals are normally distributed. Adherence to the normality assumption is essential to ensure unbiased regression parameter estimation and enable accurate statistical interpretation.

b. Multicollinearity

Multicollinearity refers to a condition where there is a strong correlation between two or more independent variables in the model. To detect multicollinearity, an analysis was conducted using the

Variance Inflation Factor (VIF) and tolerance values. In this study, the VIF values for all independent variables ranged between 1.15 and 2.34, which is well below the common threshold of 10. Additionally, the tolerance values met the required criteria. These results indicate the absence of multicollinearity among the independent variables, ensuring that relationships between variables can be analyzed separately without significantly affecting the regression model's results.

c. Heteroscedasticity

Heteroscedasticity occurs when the residual variance is not constant across all values of the independent variables. To detect heteroscedasticity, the Glejser test was employed, where the residuals were regressed against the independent variables, and the significance values were analyzed. The test results show that the significance values are above 0.05 ($p > 0.05$), indicating no presence of heteroscedasticity. With this assumption satisfied, the regression model is considered valid, as residual variability does not affect the efficiency of parameter estimation.

The results of the classical assumption test confirm that the regression model meets the necessary statistical requirements for further analysis. With the assumptions of normality, multicollinearity, and heteroscedasticity fulfilled, the regression analysis results can be considered accurate and representative of the relationships among the studied variables. This ensures the model's validity in addressing the research objectives and provides a strong foundation for interpreting the findings.

3.1.4. Multiple Linear Regression Analysis

Multiple linear regression analysis was conducted to identify the influence of independent variables on the dependent variable in this study (Ismail *et al.*, 2024). The independent variables examined include product quality, price, customer service, innovation, and loyalty programs. The results indicate that all independent variables have a significant effect on the dependent variable, as evidenced by p-values less than 0.05. Below is a detailed explanation of the regression results. The regression coefficient (β) of 0.46 indicates that product quality has a positive and significant impact on the dependent variable. The t-value of 9.02 with a significance level of $p = 0.000$ confirms that product quality is the most dominant factor influencing the dependent variable among all the tested independent variables. This suggests that consistently improving product quality will provide the most substantial contribution to the dependent variable. The price variable has a regression coefficient of 0.14, a t-value of 2.75, and a significance level of $p = 0.007$. These results show that price has a positive and significant effect on the dependent variable, although its influence is relatively smaller compared to product quality. This implies that a competitive pricing strategy can support the enhancement of the dependent variable's performance, but its contribution is not as substantial as other variables. The customer service variable has a regression coefficient of 0.33, a t-value of 6.58, and a significance level of $p = 0.000$. These findings confirm that customer service has a positive and significant influence on the dependent variable.

High-quality customer service can improve customer perceptions and play a crucial role in the model's overall success. Innovation has a regression coefficient of 0.21, a t-value of 4.45, and a significance level of $p = 0.001$. This indicates that innovation makes a positive and significant contribution to the dependent variable. These results highlight the importance of developing relevant innovations to enhance competitiveness and attract customer interest. The loyalty program variable has a regression coefficient of 0.18, a t-value of 3.90, and a significance level of $p = 0.002$. This shows that loyalty programs have a positive and significant effect on the dependent variable, though their influence is not as strong as product quality or customer service. Loyalty programs help retain existing customers and contribute to long-term satisfaction.

Table 2. Multiple Linear Regression Analysis Results

Independent Variable	Regression Coefficient (β)	t-Value	Sig. (p)
Product Quality	0.46	9.02	0.000
Price	0.14	2.75	0.007
Customer Service	0.33	6.58	0.000
Innovation	0.21	4.45	0.001
Loyalty Program	0.18	3.90	0.002

This table presents the results of the multiple linear regression analysis to evaluate the influence of independent variables on the dependent variable. The findings indicate that all independent variables have a positive and significant effect on the dependent variable, with significance values (p) less than 0.05. Product quality has the strongest influence, with a regression coefficient of 0.46 ($t = 9.02$, $p = 0.000$), followed by customer service ($\beta = 0.33$, $t = 6.58$, $p = 0.000$). Innovation ($\beta = 0.21$, $t = 4.45$, $p = 0.001$) and loyalty programs ($\beta = 0.18$, $t = 3.90$, $p = 0.002$) also show a significant impact. Price makes a smaller yet still significant contribution ($\beta = 0.14$, $t = 2.75$, $p = 0.007$). These findings confirm that each independent variable significantly contributes to the dependent variable, with product quality emerging as the dominant factor.

3.1.5. Relationship Between Customer Satisfaction and Customer Loyalty

Additional analysis results indicate that customer satisfaction has a significant impact on customer loyalty, with a regression coefficient (β) of 0.68 and a significance value (p) of 0.000. These findings suggest that increased customer satisfaction is directly correlated with higher customer loyalty (Sulistiyawati *et al.*, 2024). The relatively high coefficient highlights customer satisfaction as one of the most critical factors influencing loyalty, making it a key focus in customer relationship management strategies. These results align with previous studies, which indicate that satisfied customers tend to exhibit higher levels of commitment to a brand or company. Customer satisfaction serves as an indicator of a company's success in meeting customer needs, expectations, and preferences. When customers feel satisfied, they are not only more likely to repurchase the same product or service but also more inclined to recommend the company to others. This, in turn, can enhance market share and brand image.

Customer satisfaction can be viewed as both an emotional and rational evaluation of a customer's experience when interacting with a product, service, or brand. This involves various aspects such as product quality, competitive pricing, responsive customer service, and an overall positive experience. Therefore, managing customer satisfaction should be a strategic priority for companies aiming to maintain market share and strengthen long-term customer relationships. The strong correlation between satisfaction and loyalty indicates that investing in customer satisfaction programs—such as service quality improvements, innovative product development, and attractive loyalty programs—can yield significant results in fostering customer loyalty. Customer loyalty not only drives higher company revenue through repeat purchases but also creates a positive advocacy effect, where loyal customers voluntarily promote the brand. The close relationship between customer satisfaction and loyalty reinforces the importance of continuously monitoring and enhancing customer satisfaction as part of a sustainable business strategy. By understanding the factors that contribute to satisfaction, companies can design effective measures that not only enhance customer loyalty but also ensure long-term business sustainability in an increasingly competitive market.

3.2. Discussion

The descriptive analysis results indicate that the majority of respondents are aged 26–35 years (62%), representing a productive age group with stable purchasing power. This demographic plays a crucial role in the economy, as they are active consumers with diverse needs and generally have sufficient income for regular purchases. Additionally, they are highly engaged in product purchases and more responsive to new trends and innovations, making them a strategic segment for product marketing (Sasongko, 2021; Burda & Kusumo, 2023). This group also receives information from multiple sources, including social media, which significantly influences their purchasing decisions. Therefore, marketing strategies targeting this group should leverage technology and product innovations to capture their interest. The gender distribution of respondents shows that 54% are female and 46% are male. While women tend to play a dominant role in purchasing decisions, the analyzed product remains relevant to both groups. This suggests that companies should develop products and services that cater to the preferences of both genders, both in terms of features and marketing approaches (Samuel & Wibisono, 2019). Additionally, gender-based personalized marketing strategies can be used to attract female consumers while maintaining appeal for male customers.

Survey results indicate a high product usage frequency, with 57% of respondents having used the product for more than two years. This reflects strong customer loyalty, suggesting that the product has successfully met customer expectations in terms of quality and benefits (Sari *et al.*, 2019). High loyalty levels are often associated with customer satisfaction, which signifies consistent product and service performance. From an income perspective, the majority of respondents (63%) fall within the Rp5,000,000–Rp10,000,000 range, indicating that the product appeals to the upper-middle market segment. This segment has stable purchasing power, allowing them to be frequent buyers of premium products. However, the data also shows that the product remains relevant for lower-income groups, as 15% of respondents earn less than Rp5,000,000. This suggests that the product has broad appeal across different income levels, though certain market segments should remain a primary focus for marketing strategies (Riyadi & Erdiansyah, 2023). Ensuring that the product offers significant value is essential for attracting various consumer groups.

The validity test results confirm that each questionnaire item has a Pearson correlation above 0.30, indicating a high level of validity. A correlation exceeding 0.30 means that each question in the questionnaire significantly measures the intended construct. This confirms that the measurement instrument used in this study is reliable for generating accurate and relevant results aligned with the research objectives (Dewobroto, 2020). The reliability test further supports the quality of the measurement instrument. A Cronbach's Alpha value above 0.70 indicates a high level of consistency in measuring the research variables. The highest score was found in the customer service variable (0.88), confirming its reliability in providing stable results across repeated measurements (Dewobroto, 2020). The classical assumption tests, which include normality, multicollinearity, and heteroscedasticity tests, produced positive results. All tests confirm that the data meets the assumptions required for multiple linear regression analysis. The normality test ensures that the data distribution aligns with the necessary conditions for regression, while the multicollinearity test confirms the absence of high correlations between independent variables. Additionally, the heteroscedasticity test verifies that the residual variance remains consistent across different values of the independent variables, ensuring the

validity of the regression model (Winarno et al., 2018). These findings affirm that the multiple linear regression analysis is reliable for examining relationships among the variables in this study.

The multiple linear regression analysis results reveal that product quality has the strongest influence on customer loyalty, with a regression coefficient ($\beta = 0.46$) and a significance value of $p = 0.000$. This indicates that high product quality plays a crucial role in determining customer loyalty. These findings align with research by Sholikhah and Hadita (2023), which also emphasizes the importance of product quality in building loyalty. Customers tend to remain loyal to brands that consistently meet or exceed their expectations. Thus, companies must focus on continuous product quality improvements to ensure customer satisfaction and long-term loyalty. Aside from product quality, customer service also has a significant impact on customer loyalty, though its contribution is smaller than that of product quality (Purnandika, 2023). Responsive customer service and attentiveness to customer needs play a vital role in strengthening relationships between customers and companies. Providing excellent service makes customers feel valued, increasing their satisfaction, which in turn contributes to their loyalty to the brand. Therefore, companies should prioritize staff training and development to ensure adequate service delivery, enhancing customer satisfaction and retention. The strong relationship between satisfaction and customer loyalty ($\beta = 0.68$, $p = 0.000$) indicates that satisfied customers are more likely to remain loyal to a product or service. These findings support research by Sulistyawati et al. (2024), which highlights the significant influence of customer satisfaction on loyalty. Satisfaction can stem from multiple factors, including product quality, excellent service, and fair pricing relative to perceived value. Companies should focus on enhancing the customer experience—from product quality to service delivery—to maintain customer satisfaction and ensure long-term loyalty.

4. CONCLUSION

This study aims to examine the factors influencing customer satisfaction and loyalty while providing strategies for business sustainability. The findings indicate that product quality, customer service, innovation, loyalty programs, and pricing significantly impact customer satisfaction and loyalty. Among these factors, product quality has the strongest influence on customer loyalty, followed by customer service, innovation, loyalty programs, and pricing. This highlights the importance of maintaining high-quality standards and enhancing service aspects to establish positive relationships with customers. Customer satisfaction also emerges as a key factor in building loyalty. Satisfied customers tend to demonstrate a long-term commitment to a company, engage in repeat purchases, and recommend products to others. This underscores the importance of managing customer satisfaction as a strategic priority, especially in an increasingly competitive market. The practical implications of this study emphasize the need for companies to focus on improving product quality, providing responsive customer service, introducing relevant innovations, and designing effective loyalty programs. Competitive pricing also plays a crucial role in attracting and retaining customers. These strategies are expected to enhance customer satisfaction and loyalty while strengthening the company's position in the market. This research provides a strong foundation for companies to understand and manage the factors that influence customer satisfaction and loyalty. By implementing strategic measures focused on these factors, businesses can support their long-term sustainability and remain competitive in the modern market.

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