

The Influence of Service Quality and Marketing Innovation Strategies of Gunung Limo Beverage Agents on Customer Satisfaction and Loyalty in Retail Stores

Digdo Haryanto and Heru Mulyanto

Master of Management Study Program, Postgraduate Master of Management, Ipwija University

Email : digdoharyanto@gmail.com drherumulyanto@gmail.com

Article Info

Service Quality,
Marketing
Innovation
Strategy,
Customer
Satisfaction,
Customer Loyalty,
Beverage Retail
Sector

Abstract

The beverage industry is characterized by intense competition, driven by increasing consumer expectations for superior service quality and continuous marketing innovation. Gunung Limo, a beverage distribution agent, faces the strategic challenge of maintaining competitiveness and relevance in a dynamic retail environment. This study investigates the effect of Service Quality (X1) and Marketing Innovation Strategy (X2) on Customer Loyalty (Y), with Customer Satisfaction (Z) as a mediating variable. A quantitative research approach was employed, utilizing path analysis to assess direct and indirect relationships among the variables. Data were obtained from a structured questionnaire distributed to 100 respondents, comprising retail consumers and business partners affiliated with the Gunung Limo beverage agent. The findings reveal that both Service Quality and Marketing Innovation Strategy have a positive and significant impact on Customer Satisfaction. Furthermore, Customer Satisfaction is found to significantly mediate the relationship between the independent variables and Customer Loyalty. These results suggest that enhancing service standards and adopting innovative marketing approaches are critical for building customer satisfaction, which in turn fosters greater customer loyalty in the retail beverage segment. The study contributes to the understanding of strategic customer relationship management in the beverage distribution sector and offers practical insights for business actors seeki.

1. Introduction

In today's increasingly competitive business environment, service quality and marketing innovation have emerged as key factors in maintaining customer retention. Gunung Limo Beverage Agent, a key player in the beverage distribution sector, faces growing challenges in sustaining customer satisfaction and loyalty amid intensifying competition. This study aims to identify the influence of service quality and marketing innovation strategy on customer satisfaction and loyalty in retail contexts. Several critical issues have been identified:

1. A significant increase in the number of competing beverage agents in East Jakarta, driven by new agent openings from major beverage distributors such as Aqua, Pristine, Oasis, and Crystalin.
2. A 15% decline in customer satisfaction at Gunung Limo, attributed to stock

unavailability, delivery delays, and unfriendly drivers.

3. A 20% drop in repeat purchases, indicating decreased customer loyalty.

**Table 1. Retail Store Purchase Frequency
(Units per Year)**

Retail Area	2020	2021	2022	2023	2024
Ciracas	1342	1451	1121	1197	1097
Kelapa Dua Wetan	765	877	554	321	201
Cijantun g	134	201	113	97	57
Cipayun g	98	78	63	57	78

Source: Processed Research Data (2025)

Table 1 highlights a downward trend in beverage refill purchases across nearly all retail areas from 2020 to 2024, suggesting a decline in customer satisfaction with Gunung Limo's services. Notably, Kelapa Dua Wetan and

Cijantung exhibit the sharpest declines, indicating potential dissatisfaction due to diminished service quality or ineffective marketing innovation. Even Ciracas, the strongest market, showed a decline post-2021, pointing to unmet marketing efforts in retaining customer loyalty.

These data collectively suggest that poorly targeted service and marketing strategies are likely contributing to decreased satisfaction and loyalty among retail store customers. Thus, a more segmented and adaptive approach is essential.

Table 1.1 Research Gap Summary

Researcher, Year	Research Issue	Key Findings
Ryan Fauzi et al., 2019	Impact of service quality, product quality, and product innovation on satisfaction and loyalty	All three variables positively affect satisfaction, which in turn increases loyalty
Maslukha & Prio Santoso, 2025	Effect of product innovation and service quality on customer satisfaction	Both variables significantly impact satisfaction
Durriyah & Andarini, 2023	Effect of product innovation, service quality, and promotion on loyalty via satisfaction	All variables significantly influence satisfaction and loyalty

The gap lies in the difference in context and focus. Prior studies concentrated on B2C interactions (restaurants, coffee shops, SMEs) where satisfaction is derived from direct consumption experiences. In contrast, this study emphasizes the B2B distribution

context—specifically the relationship between Gunung Limo and its retail clients—where satisfaction and loyalty are more complex, involving distribution efficiency, communication clarity, product availability, joint marketing programs, and promotional support.

Moreover, prior studies emphasized product innovation, not marketing innovation strategies undertaken by agents as intermediaries. Thus, a research gap exists in understanding how distribution agents' service quality and marketing innovation affect satisfaction and loyalty in the beverage industry.

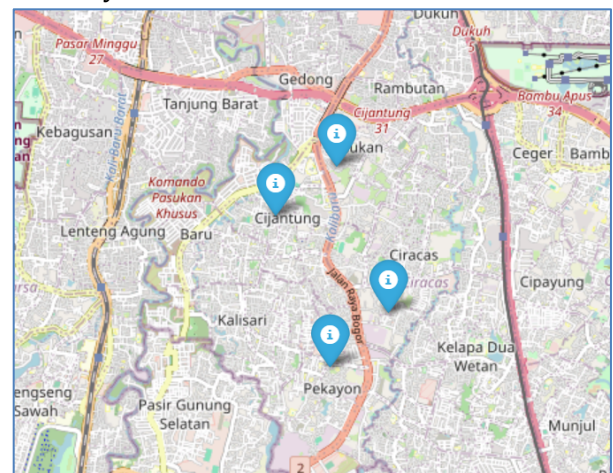


Figure 1.1: Competitor Map of Beverage Distributors Around Ciracas, East Jakarta

This study seeks to address this research gap by analyzing the impact of marketing innovation strategies (as an independent variable) and service quality on customer satisfaction (as an intervening variable) and loyalty (as the dependent variable). Marketing innovation strategies, as defined by Utaminingsih (2016), focus on distribution activities, promotion, and pricing—factors that directly or indirectly affect customer loyalty.

This research is critical as Gunung Limo operates in a highly competitive environment, where customer satisfaction is key to preventing churn. Distinct from earlier research, this thesis explores the role of marketing innovation as an independent variable, with customer satisfaction serving as a

mediator and customer loyalty as the central problem in the beverage agent business near Ciracas, as illustrated in Figure 1.1. Notably, the proposed research model incorporating marketing innovation has not been applied in Gunung Limo's business operations. Accordingly, this study is titled: "The Influence of Service Quality and Marketing Innovation Strategy of Gunung Limo Beverage Agent on Customer Satisfaction and Loyalty of Retail Stores."

2. Literature Review

2.1.1 Strategic Management

Strategic management is a managerial approach focused on setting long-term goals and making decisions to achieve an organization's vision and mission. According to Arifah (2023), strategic management involves selecting and implementing unique organizational strategies to create sustainable competitive advantage. Novianto (2019) views strategic management as a process encompassing analysis, formulation, and implementation of policies to achieve long-term goals. Surjani (2002) defines it as the process of setting long-term objectives and developing action plans considering both internal and external environments. Drucker (2012) emphasizes identifying key success factors, while Hamel and Prahalad (Khurram et al., 2020) describe it as developing and executing innovation to maintain long-term advantage.

Functions of Strategic Management

Strategic management functions include:

1. **Strategy Formulation** – Identifying long-term goals, analyzing internal and external environments, and devising action plans.
2. **Strategy Implementation** – Allocating resources, designing organizational structures, and executing operational plans.
3. **Evaluation and Control** – Monitoring progress and adjusting strategies based on performance and environmental shifts.

4. **Innovation and Change** – Adapting to environmental changes and maintaining competitiveness.
5. **Organizational Capability Development** – Enhancing employee skills, organizational culture, and efficient systems.

Strategic Management Objectives

As articulated by Drucker, strategic management ensures clarity of organizational direction and optimizes opportunities and resources. The steps include:

- **Environmental Analysis**
- **Strategy Formulation**
- **Implementation**
- **Evaluation and Control**

These steps ensure competitive advantage and sustainable growth.

Strategic Management Challenges

In manufacturing (e.g., cement), challenges include:

- Rapid environmental changes
- Intense industry competition
- Demand for quality and innovation
- Limited resources
- Stakeholder expectations
- Demographic shifts
- Technology adaptation

Strategic management must be proactive, innovative, and change-oriented.

2.1.2 Customer Loyalty

Definition

Customer loyalty is the commitment to repurchase a product or service despite situational influences and competitive pressure. Oliver (1997) defines it as a deep commitment to rebuy a preferred product or service. Dick and Basu (1994) emphasize the link between attitude and behavior. Griffin (2002) highlights repeat purchase behavior, resistance to competitors, and advocacy. Kotler and Keller (2016) note loyalty as a customer's positive attitude and repurchase intent.

Dimensions and Indicators

Tjiptono (2011):

- Service usage frequency
- Recommendation to others
- No interest in competitor products
- Brand commitment

Pakutandang & Indrawati (2022):

- Provide recommendations
- Reject alternative products
- Considered first choice

Griffin in Thung (2019):

- Repeat purchases
- Brand consumption habits
- Perceived brand superiority
- Consistency

2.1.3 Customer Satisfaction

Definition

Customer satisfaction results from fulfilling or exceeding expectations. Buchori (2011) relates satisfaction to expectations being met. Tjiptono (2015), Kotler and Keller (2012), and Assael (2011) emphasize emotional responses based on performance vs. expectations. When performance exceeds expectations, customers feel delighted.

Typologies of Satisfaction (Tjiptono, 2011; Staus & Nenhass):

- **Demanding Satisfaction**
- **Stable Satisfaction**
- **Resigned Satisfaction**
- **Stable Dissatisfaction**
- **Demanding Dissatisfaction**

Factors Influencing Satisfaction (Assael, 2014):

1. Expectations
2. Performance
3. Comparison
4. Confirmation/Disconfirmation

Measurement Methods (Kotler):

- Complaint and suggestion systems
- Mystery shopping
- Lost customer analysis
- Customer satisfaction surveys

Five Key Aspects of Satisfaction (Lupiyoadi, 2014):

1. Product quality
2. Service quality
3. Emotional connection
4. Price
5. Cost (time and effort)

Satisfaction Improvement Steps (Tjiptono, 2012):

1. Identify customer expectations
2. Assess performance satisfaction
3. Compare with competitors
4. Determine improvement priorities
5. Monitor satisfaction trends

2.1.4. Service Quality

2.1.4.1. Definition of Service Quality

Service quality is a critical factor in achieving customer satisfaction and loyalty. According to Parasuraman et al. (1988), service quality is defined as *“the degree and direction of discrepancy between customers’ service perceptions and expectations.”* This discrepancy refers to the gap between what customers perceive they receive and what they expect from a service.

The SERVQUAL model developed by Parasuraman et al. (1988) outlines five key dimensions of service quality:

- **Reliability:** The ability to deliver promised services accurately and consistently.
- **Responsiveness:** The willingness and readiness of staff to assist customers and provide prompt service.
- **Assurance:** The employees’ knowledge, courtesy, and ability to inspire trust and confidence.
- **Empathy:** Personalized attention and care provided to customers.
- **Tangibles:** The physical facilities, equipment, and appearance of personnel.

High-quality service not only enhances customer satisfaction but also contributes to the formation of a positive corporate image and long-term customer relationships.

2.1.4.2. Dimensions and Indicators of Service Quality

Several scholars have adopted and refined the SERVQUAL model by identifying relevant indicators, including:

- **Laksana (2020)** emphasizes five indicators: reliability, empathy, responsiveness, tangibles, and assurance. (*Laksana, F. (2020). Analysis of Service Quality on Consumer Satisfaction Using the SERVQUAL Approach. Jurnal Riset Manajemen dan Ekonomi, 7(1), 92–105.*)
- **Jeany and Siagian (2020)** identify the same five indicators while emphasizing customer perceptions in service delivery. (*Jeany, M., & Siagian, M. (2020). Analysis of the Influence of Service Quality on Customer Satisfaction at PT. XYZ. Jurnal Ekonomi dan Bisnis, 11(1), 45–58.*)
- **Bakti et al. (2020)** apply the SERVQUAL framework in the telecommunications sector, supporting the relevance of these five dimensions. (*Bakti, I. G. M. Y., et al. (2020). The Effect of Service Quality on Customer Satisfaction at PT. Indosat Batam. Jurnal Riset Ekonomi dan Manajemen, 7(1), 123–135.*)

2.1.5. Marketing Innovation Strategy

2.1.5.1. Definition of Marketing Innovation

Marketing innovation refers to the implementation of creative and strategic approaches in marketing activities aimed at generating additional value for consumers. According to Schumpeter (1934), innovation includes the introduction of new products, distribution methods, marketing techniques, and changes in organizational structures.

In the digital era, marketing innovation frequently involves the use of technological tools such as social media, mobile applications, and e-commerce platforms. In the bottled beverage industry, for example, innovations may include unique packaging designs, creative promotional strategies, or product diversification to meet dynamic consumer demands.

2.1.5.2. Dimensions and Indicators of Marketing Innovation

Several experts have proposed indicators to measure marketing innovation, including:

- **Utaminingsih (2016)** classifies marketing innovation indicators into three aspects:
 - Distribution innovation
 - Promotional innovation
 - Pricing innovation (*Utaminingsih, N. (2016). Marketing Innovation Strategy to Improve Business Competitiveness. Jurnal Ekonomi dan Bisnis, 5(1), 55–64.*)
- **Ali in Sivaram et al. (2019)** introduces indicators such as:
 - Price creativity
 - Product creativity
 - Promotional creativity
 - Innovation in distribution channels (*Sivaram, M., Ali, A., & Prakash, P. (2019). Marketing Innovation Capabilities and Their Impact on Business Performance. Journal of Marketing and Innovation, 6(2), 103–118.*)
- **Prasetyo (2020)** highlights:
 - Product features
 - Product design
 - Product quality (*Prasetyo, B. D. (2020). Product Innovation Analysis on Consumer Purchase Decision. Jurnal Ilmu Manajemen, 8(1), 35–45.*)
- **Lukas & Ferrell (2000)**, as cited in **Falahat et al. (2020)**, identify:
 - Product line extension
 - Product imitation
 - New product development (*Falahat, M., Ramayah, T., Soto-Acosta, P., & Lee, Y. Y. (2020). SMEs Internationalization: The Role of Product Innovation, Market Intelligence, Pricing, and Marketing Communication*)

Capabilities. Technology in Society, 63, 101423).

- **Kotler & Keller (2016)**, cited in **Handayani (2020)**, propose indicators relevant to product quality as a component of marketing innovation, including:
 - Performance
 - Features
 - Reliability
 - Conformance
 - Durability
 - Serviceability
 - Aesthetics
 - Perceived quality
(Handayani, L. (2020). *The Influence of Product Innovation and Product Quality on Consumer Purchase Decision in the Fashion Industry in Bandung. Jurnal Sosial Politik, 6(2), 18–30).*

3. Research Methodology

3.1. Research Location and Period

This research was conducted at Toko Gunung Agung, located in Ciracas, East Jakarta. The study spanned a duration of ten months, starting from October 2024 until July 2025.

3.2. Research Design

The study adopts a quantitative approach with a causal research design, aimed at identifying cause-and-effect relationships between variables. As described by Sugiyono (2019), causal research seeks to explain the impact of independent variables on dependent variables. In this case, service quality and marketing innovation serve as the independent variables, customer satisfaction functions as a mediating variable, and customer loyalty is the dependent variable. The indicators used to measure service quality include reliability, empathy, responsiveness, tangibles, and assurance. Marketing innovation strategy indicators consist of price creativity, product creativity, promotion creativity, and innovation

in product placement. Customer satisfaction is assessed through indicators of reliability, responsiveness, assurance, empathy, and tangibles. Meanwhile, retail customer loyalty is measured by usage frequency, willingness to recommend, disinterest in competing services, and brand loyalty.

3.3. Operationalization of Variables

The variables in this study are operationalized as follows: (1) the dependent variable is customer loyalty; (2) the independent variables are service quality and marketing innovation; and (3) customer satisfaction is treated as a mediating variable. Each variable is measured using indicators adopted from relevant literature, and the data were collected using a five-point Likert scale. Full operational definitions and measurement items are detailed in Table 3.2 (not displayed here).

3.4. Population, Sample, and Sampling Method

The population of this study includes all regular retail customers of the Gunung Limo beverage agent. Using a saturated sampling technique (also referred to as census sampling), the entire population was surveyed, which comprised 100 retail outlets in the Ciracas area. This method is appropriate when the total population is relatively small and manageable (Sujarweni, 2018).

3.5. Data Collection Techniques

The data collection process involved a combination of observation, literature review, and questionnaire distribution. Observations were conducted directly in the field to capture service interactions and marketing strategies implemented by the Gunung Limo beverage agent. Questionnaires were developed based on established indicators for each variable and distributed in a closed-ended format using a five-point Likert scale, where 1 indicates "strongly disagree" and 5 indicates "strongly agree".

agree." To facilitate response collection, digital platforms such as Google Forms were utilized.

3.6. Data Analysis and Testing

To ensure the rigor of the research instruments, several statistical tests were conducted.

3.6.1. Validity Testing

Instrument validity was evaluated using Pearson Product Moment correlation. An item is considered valid if the calculated correlation coefficient (r-value) exceeds the critical value from the r-table.

3.6.2. Reliability Testing

Reliability was tested using Cronbach's Alpha. A value above 0.60 indicates that the instrument is sufficiently reliable to measure the intended constructs. The criteria for both validity and reliability testing are summarized in Table 3.3.

3.7. Hypothesis Testing and Structural Model Analysis

The hypotheses were tested using Structural Equation Modeling (SEM) with a Partial Least Squares (PLS) approach, implemented through the SmartPLS software. This technique enables analysis of complex relationships, even with small sample sizes.

3.7.1. Descriptive Statistics

Descriptive statistical analysis was performed to provide an overview of the data. Measures such as mean, standard deviation, minimum, and maximum values were calculated to summarize the characteristics of each research variable.

3.7.2. Inferential Statistics

Inferential analysis was conducted using PLS-SEM. This included evaluation of the measurement model (outer model) and the structural model (inner model). The outer model was assessed for convergent validity, discriminant validity, and reliability through loading factor, AVE (Average Variance Extracted), composite reliability, and Cronbach's Alpha. The inner model was

evaluated through R-squared (R^2), effect size (f^2), variance inflation factor (VIF), and the standardized root mean square residual (SRMR) to ensure model fit. The criteria for model evaluation are presented in Table 3.5.

3.7.3. Hypothesis Testing

Hypothesis testing was carried out using the bootstrapping resampling method in SmartPLS to examine both direct and indirect effects. Hypotheses are accepted if the p-value is less than 0.05, indicating statistical significance. The testing criteria, including the direct and mediated relationships among variables, are detailed in Table 3.6.

Results and Discussion

4.1. Research Results

4.1.1. Variable Description

The purpose of this section is to describe the research variables based on the respondents' answers to each indicator. Responses were measured using a five-point Likert scale, where 1 indicates "strongly disagree" and 5 indicates "strongly agree." The descriptive statistics include the mean, median, and average to interpret the central tendency of the respondents' perceptions.

- 1. Service Quality (X1):** This variable is measured using five indicators, resulting in an overall mean score of 4.32, suggesting that respondents agree the agent provides good service quality. The highest scores were observed on indicators related to reliability and responsiveness, while indicator X1.3 showed slightly lower agreement.
- 2. Marketing Innovation (X2):** Comprising four indicators, this variable received an average score of 4.22. Indicator X2.1 received the highest score, reflecting positive responses to pricing or promotional innovations. Conversely, indicator X2.2 had a relatively lower mean score, indicating room for improvement.
- 3. Customer Satisfaction (Z):** With five indicators, the average score was 4.80,

reflecting a high level of satisfaction. However, indicator Z1.3 scored lower than others, suggesting some dissatisfaction with specific service aspects.

- 4. Customer Loyalty (Y):** Measured using four indicators, this variable received an average score of 4.37, indicating that customers generally express loyalty toward the agent.

4.1.2. Validity Testing

4.1.2.1. Convergent Validity

The convergent validity test ensures that each item accurately measures its intended construct. This is assessed using outer loading values. All indicators across the four constructs (X1, X2, Y, Z) showed outer loadings greater than 0.7, indicating good convergent validity.

4.1.2.2. Construct Reliability and Validity

Construct reliability and validity were assessed using Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE). All constructs demonstrated strong reliability (CR > 0.70) and acceptable AVE values (> 0.50), confirming internal consistency and convergent validity.

4.1.3. Discriminant Validity

Discriminant validity was assessed using the Fornell-Larcker criterion, cross-loading, and the Heterotrait-Monotrait (HTMT) ratio. The results indicate that each construct is distinct from others:

- Fornell-Larcker values along the diagonals were higher than corresponding inter-construct correlations.
- Cross-loadings confirmed that indicators load highest on their intended constructs.
- HTMT ratios were below the threshold of 0.90, confirming discriminant validity.

4.1.4. Collinearity Statistics

Variance Inflation Factor (VIF) values for all indicators were below 5, suggesting that multicollinearity is not a concern in this model.

4.1.5. Structural Model Results

4.1.5.1. Coefficient of Determination (R^2)

The R^2 value for Customer Loyalty (Y) was 0.627, and the adjusted R^2 was 0.615, indicating that Service Quality and Marketing Innovation explain approximately 61.5% of the variance in customer loyalty. The R^2 for Customer Satisfaction (Z) was 0.384, with an adjusted R^2 of 0.372, meaning that X1 and X2 explain 37.2% of the variance in satisfaction.

4.1.5.2. Inner VIF Test

Inner VIF values for all constructs were below 5, indicating no multicollinearity among the independent variables.

4.1.6. Hypothesis Testing

Direct Effects:

- H1: Service Quality → Customer Loyalty ($O = 0.361, p = 0.000$) – Significant
- H2: Marketing Innovation → Customer Loyalty ($O = 0.226, p = 0.008$) – Significant
- H3: Service Quality → Customer Satisfaction ($O = 0.266, p = 0.011$) – Significant
- H4: Marketing Innovation → Customer Satisfaction ($O = 0.417, p = 0.000$) – Significant
- H5: Customer Satisfaction → Customer Loyalty ($O = 0.345, p = 0.000$) – Significant

Indirect Effects:

- H6: Service Quality → Customer Satisfaction → Customer Loyalty ($O = 0.092, p = 0.036$) – Significant
- H7: Marketing Innovation → Customer Satisfaction → Customer Loyalty ($O = 0.144, p = 0.002$) – Significant

These results demonstrate that both service quality and marketing innovation directly and indirectly (via customer

satisfaction) influence customer loyalty, affirming the hypothesized relationships within the model.

4.2 Discussion of Results

4.2.1 The Effect of Service Quality on Customer

Loyalty The hypothesis testing results indicate that the Original Sample (O) value is 0.361, meaning that Service Quality has a positive effect of 36.1% on Customer Loyalty. This implies that higher service quality provided by the agent will lead to increased loyalty among retail store customers. A p-value of 0.000, which is less than the significance level of 0.05 ($p < 0.05$), suggests that this effect is statistically significant, thereby accepting hypothesis H1. Thus, it can be concluded that service quality plays a critical role in shaping customer loyalty, especially in the context of beverage product distribution to retail stores.

This finding aligns with Tjiptono (2019), who stated that service quality is one of the key determinants in building customer loyalty. Similarly, Parasuraman, Zeithaml, and Berry (1988) emphasized that service dimensions such as reliability, responsiveness, and empathy significantly influence long-term customer loyalty. Kurniawan (2021) also demonstrated in the food and beverage distribution sector that customers tend to repurchase from providers offering fast, friendly, and responsive services. Therefore, the findings in this study reinforce previous literature and provide empirical evidence on the importance of service quality in fostering customer loyalty.

The implications of these findings suggest that Gunung Limo Beverage Agent should maintain and enhance its service quality standards. Aspects such as timely delivery, clear information, effective complaint handling, and courteous field staff will have a substantial impact on retaining loyal retail customers. Consistently improving service quality can lead to stable or even increased customer loyalty, contributing to higher sales volume and customer retention. Conversely, poor service

quality may lead to customer attrition and a decline in market share and revenue. Hence, service improvement strategies should be a managerial priority.

4.2.2 The Effect of Marketing Innovation

Strategy on Customer Loyalty The hypothesis testing shows an Original Sample (O) value of 0.226, indicating that Marketing Innovation has a direct positive effect of 22.6% on Customer Loyalty. Innovative marketing strategies such as digital media use, creative promotions, or attractive product presentations strengthen customer engagement with the agent. The p-value of 0.008 is below the 0.05 threshold ($p < 0.05$), indicating a statistically significant result. Thus, hypothesis H2 is accepted, affirming that marketing innovation contributes empirically to customer loyalty.

This result is consistent with Kotler & Keller (2016), who argued that marketing innovation creates new appeal for products and strengthens consumer loyalty. Putra (2020), studying SMEs in the beverage industry, found that innovation in promotions and packaging helps maintain customer loyalty despite high competition.

These findings also support Ismail et al. (2018), who concluded that adapting marketing strategies to consumer trends reinforces long-term business-customer relationships. Hence, the present study aligns with prior literature and highlights the strategic importance of innovation in loyalty building. The implication is that Gunung Limo Beverage Agent must continuously develop innovative marketing approaches to remain relevant and appealing to customers. This can include enhancing digital marketing activities, implementing customer loyalty reward programs, or adjusting promotional strategies based on retail store segmentation.

Ongoing innovation will likely result in stronger customer loyalty, reducing the likelihood of customer defection to competitors and encouraging repeat purchases. In contrast, stagnant or misaligned marketing strategies

pose a high risk of declining loyalty. Thus, innovation must be a core component of the agent's sustainable business strategy.

4.2.3 The Effect of Service Quality on Customer

Satisfaction The hypothesis testing results show an Original Sample (O) value of 0.266, indicating that Service Quality has a direct positive impact of 26.6% on Customer Satisfaction. In other words, when the agent provides fast, friendly, timely, and responsible service, retail store customers report higher satisfaction levels. The p-value of 0.011 ($p < 0.05$) indicates that the relationship between the two variables is statistically significant. Therefore, hypothesis H3 is accepted, confirming that service quality is a key factor in forming customer satisfaction.

This finding is consistent with Zeithaml, Berry & Parasuraman (1996), who found that service quality directly influences customer satisfaction, particularly in service and distribution industries. Wulandari (2021) also found that fast and responsible service in retail significantly impacts customer satisfaction perceptions. Further support comes from Nugroho & Hidayat (2020), who noted that service dimensions such as reliability and empathy significantly contribute to increased customer satisfaction in the food and beverage industry. Thus, this result reinforces the importance of service quality as a primary strategy for sustainable customer satisfaction. The implication is that Gunung Limo Beverage Agent must prioritize service quality in its operations, particularly in distribution to retail stores. Enhancing customer service skills, optimizing logistics, and improving complaint response times are essential steps in maintaining satisfaction.

Satisfied customers are more likely to make repeat purchases, provide recommendations, and remain loyal to the agent. Conversely, inconsistent or disappointing service can lead to dissatisfaction and customer defection. Therefore, management must

periodically evaluate and improve service systems to sustain customer satisfaction.

4.2.4 The Effect of Marketing Innovation

Strategy on Customer Satisfaction The hypothesis testing results reveal an Original Sample (O) value of 0.417, indicating a positive direct effect of 41.7% from Marketing Innovation on Customer Satisfaction. This implies that more innovative marketing strategies — including engaging promotions, product variations aligned with market needs, and digital platform utilization — lead to higher customer satisfaction. A p-value of 0.000 ($p < 0.05$) signifies a statistically significant effect, and thus hypothesis H4 is accepted. This confirms that marketing innovation can significantly enhance customer satisfaction with the beverage agent's services.

This finding aligns with Tjiptono (2017), who stated that marketing innovation is crucial for customer satisfaction as it offers added value and novel experiences. Sulistyowati & Pratama (2021) also found that innovative promotion and distribution positively influence satisfaction in the retail beverage sector.

Kotler and Armstrong (2018) emphasized that successful marketing innovation lies in its ability to meet evolving customer needs. Therefore, this study's findings support existing literature, highlighting that innovation drives not only competitiveness but also customer satisfaction. The implication is that Gunung Limo Beverage Agent should integrate marketing innovation into its core strategy. Social media utilization, digital ordering services, product bundling, and app-based loyalty programs are effective ways to enhance customer satisfaction. Increased satisfaction leads to greater loyalty, peer recommendations, and reduced switching behavior. However, lacking innovation may cause customer boredom or dissatisfaction. Hence, innovation should be viewed as a long-term investment in customer relationship building.

4.2.5 The Effect of Customer Satisfaction on Customer

Loyalty The hypothesis testing results indicate an Original Sample (O) value of 0.345, meaning Customer Satisfaction has a positive effect of 34.5% on Customer Loyalty. In essence, satisfied customers are more likely to remain loyal, make repeat purchases, and avoid switching to competitors. A p-value of 0.000 ($p < 0.05$) confirms statistical significance, and thus hypothesis H5 is accepted. This finding underscores satisfaction as a primary driver of loyalty, particularly in long-term business relationships like that between agents and retail stores.

The results align with Oliver's (1999) Customer Satisfaction-Loyalty Chain model, which posits satisfaction as a prerequisite for loyalty. Tjiptono (2017) similarly noted that satisfied customers are more likely to recommend and increase purchase frequency. Setiawan and Sayuti (2017), in their FMCG distribution study, also found a significant relationship between satisfaction and loyalty, especially when products and services are supported by marketing innovation. Thus, this study reaffirms previous research by establishing satisfaction as both an outcome and a catalyst for loyalty.

The implication is that Gunung Limo Beverage Agent must make customer satisfaction a strategic priority. Responsive service, timely distribution, and marketing innovations tailored to retail store needs will enhance satisfaction.

Satisfied customers are more loyal, leading to stable sales and mutually beneficial long-term relationships. If satisfaction is neglected, loyalty may decline, and customers may switch to more adaptive competitors. Continuous evaluation and improvement of satisfaction drivers are therefore essential.

4.2.6 The Mediating Role of Customer

Satisfaction on the Relationship Between Service Quality and Customer Loyalty The hypothesis test reveals an indirect effect of

0.092 (9.2%) from Service Quality on Customer Loyalty through Customer Satisfaction. Though modest, the effect is positive and statistically significant, as indicated by a p-value of 0.036 ($p < 0.05$). Thus, hypothesis H6 is accepted, indicating that customer satisfaction significantly mediates the relationship between service quality and loyalty. This result is in line with Rangkuti (2019), who stated that satisfaction mediates the service-loyalty relationship. Kotler & Keller (2016) also emphasized that satisfied customers resulting from high-quality service are more likely to remain loyal.

In retail product distribution, Wijaya and Sari (2020) found that service quality's impact on loyalty is stronger when mediated by satisfaction. Hence, the current study supports CRM and B2B business model literature. The implication is that service quality alone is insufficient; it must lead to satisfaction to generate loyalty. Neglecting customer satisfaction may render quality service ineffective in fostering loyalty. Management should regularly assess satisfaction to ensure that quality improvements translate into long-term customer relationships.

4.2.7 The Mediating Role of Customer

Satisfaction on the Relationship Between Marketing Innovation and Customer Loyalty The hypothesis testing results indicate an indirect effect of 0.144 (14.4%) from Marketing Innovation on Customer Loyalty via Customer Satisfaction. A p-value of 0.002 ($p < 0.05$) confirms the statistical significance, thereby accepting hypothesis H7. This indicates that customer satisfaction significantly mediates the relationship between marketing innovation and loyalty. This finding aligns with Sutisna (2016), who emphasized the role of marketing innovation in enhancing customer experience, satisfaction, and loyalty. Handayani & Wibowo (2021) also found that innovative approaches like digital marketing and creative promotions enhance customer retention in FMCG distribution.

Kotler & Keller (2016) noted that marketing innovation indirectly impacts loyalty via perceived value and satisfaction. Thus, this study reinforces previous literature, emphasizing that effective marketing innovation must ensure customer satisfaction. The implication is that Gunung Limo Beverage Agent must not only innovate creatively but also ensure those innovations satisfy retail customers. Clear product information, relevant promotions, and user-friendly technology foster satisfaction and, in turn, loyalty. Without satisfaction, innovation alone may not sustain loyalty. Management must monitor satisfaction indicators and align innovation strategies with customer expectations to maintain long-term relationships with retail clients.

4.3 Managerial Implications

The findings of this study, entitled "*The Influence of Service Quality and Marketing Innovation of Gunung Limo Beverage Agents on Retail Store Customer Satisfaction and Loyalty*," yield several strategic managerial implications that may guide managerial decision-making for Gunung Limo Beverage Agency:

4.3.1 Enhancement of Service Quality Standards

Management should prioritize service quality improvement as a core organizational objective. Consistency in fast, friendly, timely, and responsive service—particularly in distribution and retail store interactions—must be institutionalized as a work culture across all operational lines.

4.3.2 Development of Sustainable Marketing Innovations

Continuous development of creative marketing activities is essential, including the implementation of digital promotions, loyalty programs, attractive packaging, and communication strategies tailored to retail store segments. Innovation must be embedded into a structured work system rather than being treated as ad hoc initiatives.

4.3.3 Customer Satisfaction as a Driver of Loyalty

Customer satisfaction should be positioned as a key performance indicator (KPI). Satisfied customers tend to exhibit greater loyalty and may serve as informal brand ambassadors, enhancing word-of-mouth promotion for the agency.

4.3.4 Empathy-Based and Communication-Oriented Training

To enhance service dimensions such as empathy and responsiveness, regular training programs should be implemented for field teams, customer service units, and distribution staff. These programs should focus on active listening, problem-solving responsiveness, and relationship-building with retail customers.

4.3.5 Utilization of Technology and Service Digitalization

Given the growing significance of marketing innovation in shaping satisfaction and loyalty, the adoption of digital technologies—such as online ordering systems, delivery tracking, and customer relationship management (CRM)—is highly recommended. These tools not only increase operational efficiency but also enrich the overall customer experience.

4.3.6 Regular Monitoring and Evaluation of Service and Innovation Performance

The establishment of a feedback mechanism is crucial, allowing retail partners to assess the agency's service and marketing performance. The insights gained from this feedback should inform agile decision-making processes and be used to recalibrate strategies in alignment with market expectations.

4.3.7 Strategy Customization Based on Customer Segmentation

Recognizing the diversity in retail store characteristics and needs, service and marketing strategies must be customized accordingly. A data-driven approach to customer profiling—considering factors such as purchase volume, geographic

location, and end-customer types—will enhance the effectiveness of satisfaction and loyalty-building efforts.

5. Conclusion

5.1 Conclusion

Based on the results of the data analysis and discussion presented in the previous chapters, the following conclusions can be drawn:

1. Service quality has a positive and significant influence on the loyalty of retail store customers.
2. Marketing innovation also has a positive and significant influence on customer loyalty.
3. Service quality positively and significantly affects customer satisfaction.
4. Marketing innovation has a positive and significant impact on customer satisfaction.
5. Customer satisfaction positively and significantly influences the loyalty of retail store customers.
6. Service quality indirectly affects customer loyalty through customer satisfaction as a mediating variable.
7. Marketing innovation indirectly influences customer loyalty through customer satisfaction as a mediating variable.

Overall, the findings of this study emphasize the strategic importance of service management and innovative marketing practices in enhancing customer satisfaction and fostering customer loyalty in the retail sector.

5.2 Recommendations

Based on the results and implications of this study, the following recommendations are proposed for managerial practice and future research:

1. Recommendations Based on Research Findings

Given the significant influence of service quality and marketing innovation on customer satisfaction and loyalty, it is recommended that the agency consistently improve service standards and continuously innovate in

marketing strategies. Customer satisfaction has been demonstrated as a key intermediary leading to loyalty; therefore, regular evaluations of service quality and the effectiveness of marketing innovations should be institutionalized.

2. Recommendations for Stakeholders

- a. *For the management of Gunung Limo Beverage Agency*, it is suggested to develop data-driven service and marketing policies and strengthen relationships with retail partners through personalized and digital engagement strategies.
- b. *For distribution and service staff*, routine training programs should be conducted to enhance proactive behavior, communication skills, and solution-oriented approaches.
- c. *For retail store partners*, mutual collaboration can be fostered by encouraging open feedback on services and promotional programs, thereby creating a mutually beneficial two-way relationship.

3. Recommendations for Future Research

This study was limited to the distribution area of the Gunung Limo Beverage Agency and specific retail store respondents. Future studies are encouraged to:

- a. Expand the geographic scope and include various types of retail stores to enhance the generalizability of the findings.
- b. Incorporate additional variables such as trust, brand image, or price satisfaction to develop a more comprehensive understanding of customer loyalty determinants.
- c. Apply qualitative or mixed-method approaches to explore the psychological factors and customer motivations underlying satisfaction and loyalty formation.

Reference

- Akbar, S. R., & Hidayati, R. (2022). *Analisis pengaruh kualitas pelayanan, kepuasan pelanggan terhadap loyalitas pelanggan*

- menggunakan *structural equation modeling* (Studi pada pelanggan gerai air isi ulang Biru cabang Ki Hajar Dewantoro, Kota Tangerang) [Undergraduate thesis, Universitas Diponegoro].
- Amanda, R. I. (2022). *Replikasi inovasi strategi promosi pada Yorima Fruits & Kitchen Kota Kendari* [Undergraduate thesis, Politeknik STIA LAN Makassar].
- Creswell, J. W., & Creswell, J. D. (n.d.). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage Publications.
- Chunhabunyatip, P., & Suwannakoot, R. (2025). The influence of logistics service quality on customer satisfaction, trust, commitment, and loyalty in the business-to-business (B2B) context. *Journal of KMITL Business School*, 15(1).
- Sugiyono. (2008). *Metode penelitian kuantitatif, kualitatif dan R&D*. CV Alfabeta.
- Esrito, A. T. (2023). *Pengaruh kualitas layanan dan citra perusahaan terhadap keunggulan bersaing pada ShopeeFood di Yogyakarta* [Undergraduate thesis].
- Fadli, M., Augustin, J., & Zahara, F. (n.d.). Pengaruh kualitas pelayanan melalui citra perusahaan terhadap loyalitas pelanggan PT. Perkebunan Nusantara V Pekanbaru. *Jurnal Administrasi Bisnis*, 12(1), 76–88.
- Fahtira, V. N. (2020). *Pengaruh kualitas pelayanan terhadap kepuasan pelanggan PT Herba Penawar Alwahida Indonesia (Studi pada Alfatih Business Center II HPAI Kota Bengkulu)* [Undergraduate thesis, IAIN Bengkulu].
- Hartuti, E. T. K., Affandi, A., Priadana, S., & Erlangga, H. (n.d.). Pengaruh inovasi produk dan persepsi konsumen terhadap keputusan pembelian serta implikasinya pada citra perusahaan UMKM makanan tradisional Getuk Goreng di Kabupaten Banyumas Provinsi Jawa Tengah.
- Himawati, U., & Prajanti, S. D. W. (2017). Pengaruh kualitas layanan, kepuasan pelanggan dan budaya Gusjigang terhadap loyalitas pelanggan. *Economic Education Analysis Journal*, 6(3), 865–876.
- Irawan, S. B., & Sahetapy, W. (2024). Analisis pengaruh kualitas pelayanan, nilai yang diterima, dan citra perusahaan terhadap kepuasan nasabah tabungan di PT. Bank Syariah Indonesia (BSI) Kota Sorong. *Jurnal EMT Kita*, 8(1), 254–262.
- Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. *Journal of Marketing*, 57(1), 1–22.
- Kristania, V. J., Ogi, I. W. J., & Karuntu, M. M. (2022). Pengaruh kualitas pelayanan, kepuasan nasabah, dan citra perusahaan terhadap loyalitas nasabah pada PT Bank Tabungan Negara (Persero) Tbk Kantor Cabang Manado. *Jurnal EMBA*, 10(4), 533–544.
- Latan, H., & Noonan, R. (2017). *Partial least squares path modeling: Basic concepts, methodological issues and applications*. Springer International Publishing. https://doi.org/10.1007/978-3-319-64069-3_6
- Lestari, H., Putra, S. S., & Digidowiseiso, K. (2024). Pengaruh komunikasi pemasaran, inovasi produk, dan citra perusahaan terhadap loyalitas pelanggan Dua Coffee. *Reslaj: Religion Education Social Laa Roiba Journal*, 6(2), 1043–1052.
- Lestuti, D. (2021). *Pengaruh kualitas pelayanan, inovasi dan orientasi pasar terhadap keunggulan bersaing pada kuliner sate "H. Sajar" di Sijunjung dengan citra perusahaan sebagai variabel kontrol* [Undergraduate thesis, Universitas Putra Indonesia "YPTK" Padang].
- Maulyan, F. F., Drajat, D. Y., Angliawati, R. Y., & Sandini, D. (2022). Pengaruh service excellent terhadap citra perusahaan dan loyalitas pelanggan: Theoretical review. *Jurnal Sains Manajemen*, 4(1), 8–17.
- Maxwell, J. A. (2012). *Qualitative research design: An interactive approach*. Sage Publications.
- Mukaromah, H., & Kurniawati, E. Y. (2021). Pengaruh diferensiasi layanan BRIS online dan citra perusahaan terhadap keunggulan bersaing pada Bank BRI Syariah KCP Magelang. *Al-Bayan: Jurnal Hukum dan Ekonomi Islam*, 1(2), 49–73.
- Nashih, M. (2023). *Pengaruh kualitas pelayanan dan relationship marketing terhadap loyalitas nasabah dengan citra perusahaan sebagai variabel moderasi: Studi pada BMT Masalah cabang Wagir Kabupaten Malang Jawa Timur* [Thesis, Universitas Islam Negeri Maulana Malik Ibrahim].
- Nelson. (2023). *Meningkatkan kepuasan dan loyalitas pelanggan belanja online*

berbasis inovasi e-commerce dan kualitas layanan elektronik.

- Ndruru, Y. G., & Rinaldo, J. (2021). Pengaruh kepercayaan, kualitas produk dan harga terhadap kepuasan pelanggan pada PT. Transmart Kota Padang. *Matua Jurnal*, 3(1), 123–134.
- Parhusip, A. A., & Sari, T. N. (2024). Pengaruh citra perusahaan, kualitas pelayanan, dan word of mouth terhadap minat menggunakan JNE sebagai jasa pengiriman. *ECo-Buss*, 7(1), 731–742.
- Prasetya, W. (2021). Analisis hubungan budaya perusahaan, kualitas layanan dan citra perusahaan. *Metris: Jurnal Sains dan Teknologi*, 22(1), 37–48.
- Sanjaya, F. (2023). Pengaruh kualitas pelayanan terhadap loyalitas pelanggan di Toko Bahan Kue Yen. *Prosiding Seminar Nasional Teknologi Komputer dan Sains*, 1(1).
- Sardanto, R., & Rahman, D. (2023). Strategi inovasi sablon Shift untuk meningkatkan daya saing pasca Covid-19 di industri sablon kaos. *Jurnal Ilmiah Ekonomi Global Masa Kini*, 14(1), 44–50.
- Sekaran, U. (2016). *Research methods for business: Buku 1* (Edisi ke-6). Salemba Empat.
- Sekaran, U., & Bougie, R. (2016). *Research methods for business* (7th ed.). John Wiley & Sons.
- Siadari, K., & Lutfi, A. (2021). Pengaruh citra perusahaan, kualitas layanan dan kepuasan nasabah terhadap loyalitas penggunaan BNI mobile banking (Studi kasus BNI kantor cabang Harmoni). *Jurnal Manajemen Bisnis dan Kewirausahaan*, 5(2), 155–160.
- Sivaram, M., Munawar, N. A., & Ali, H. (2019). Determination of purchase intention through brand awareness and perceived quality: Case study of PT Sentosa Santosa Finance Tangerang Area. *Dinasti International Journal of Management Science*, 1(2), 232–246.
- Marjani, L., & Sutisna, M. (2019). Loyalitas pelanggan pada business-to-business: Pengaruh kualitas pelayanan. *Jurnal Riset Bisnis & Investasi*, 5(1).
- Syahrani, S., Karunia, E., Asdar, M., Akmar, M., Kamase, J., & Sajidan, M. (2022). Analisis kualitas layanan terhadap loyalitas pelanggan dengan kepuasan dan kepercayaan pelanggan sebagai variabel mediasi. *Inovasi: Jurnal Ekonomi, Keuangan, dan Manajemen*, 18(1), 95–104.
- Syahwi, M., & Pantawis, S. (2021). Pengaruh kualitas produk, kualitas layanan, citra perusahaan dan nilai pelanggan terhadap kepuasan pelanggan Indihome. *ECONBANK: Journal of Economics and Banking*, 3(2), 150–163.
- Syam, D. S. H. (2023). *Pengaruh inovasi produk, inovasi layanan, promosi dan citra perusahaan terhadap keputusan menabung di PT Bank Syariah Indonesia KCP Ratulangi* [Thesis, Institut Agama Islam Negeri Palopo].
- Tjiptono, F., Arli, D., & Bucic, T. (2014). Consumer confusion proneness: Insights from a developing economy. *Marketing Intelligence & Planning*, 32(6), 722–734.
- Tjiptono, F., & Diana, A. (2022). *Manajemen dan strategi kepuasan pelanggan*. Penerbit Andi.
- Utaminingsih, A. (2016). Pengaruh orientasi pasar, inovasi, dan kreativitas strategi pemasaran terhadap kinerja pemasaran pada UKM kerajinan rotan di Desa Teluk Wetan, Welahan, Jepara. *Media Ekonomi dan Manajemen*, 31(2).
- Yuana, S. E., Fransesca, A., Yuwono, M. M., & Budi, I. A. (2024). *Inovasi dan keunggulan kompetitif melalui manajemen operasional terbaik*. PT Media Penerbit Indonesia.
- Yuliansyah, S. O. H., Ida, N. M. I. P. I., & Nasution, U. C. M. (2023). Pengaruh komunikasi pemasaran dan keunggulan bersaing terhadap citra perusahaan pada PT Victory International Futures. *Sosialita*, 2(2), 1615–1624.
- Zusmawati, Z., Magdalena, M., Fernos, J., & Ramadhani, A. S. (2023). Pengaruh citra perusahaan dan kualitas pelayanan terhadap kepuasan nasabah menabung. *Economics and Digital Business Review*, 4(1), 470–482.