BRAND EQUITY AND SERVICE QUALITY EFFECTS ON LOYALTY WITH AN INTERVENING VARIABLE OF CUSTOMER SATISFACTION

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Abstract: *This study examines the effect of brand equity and service quality variables on customer loyalty with customer satisfaction as an intervening variable with a quantitative approach. The sampling technique used was purposive sampling, with 119 customers as respondents. The data analysis technique used is Partial Least Square (PLS) with the statistical method of Structural Equation Modeling (SEM). The results showed that there was a direct influence of brand equity and service quality variables on loyalty. Likewise, brand equity and service quality mediated by customer satisfaction have an effect on loyalty. This implies the importance of the role of brand equity, service quality, loyalty and customer satisfaction in supporting the existence and development of the GalaMart minimarket.*

Keywords: *Brand Equity, Service Quality, Loyalty, Customer Satisfaction*

1. Introduction

The growth of convenience retail formats and minimarkets in the Southeast Asia region shows a positive trend. In an online magazine published by the Nonwopen industry on sales, Nielsen reports that sales growth conditions for Fast Moving Consumer Goods (FMCG) in convenience stores throughout Southeast Asia have reached 8.3% in recent years. There were nearly 73,000 convenience stores across the Southeast Asia region in 2019. The number increased 10% year on year, while the number of minimarket formats was approaching 50,000, growing 4.7% year-on-year.

Convenience retail formats, including minimarkets, experienced record growth rates that surpassed other retail growth rates, one of which was Indonesia. Wily Sasongko, Executive Director, Head of Retailer Vertical Nielsen Indonesia, said that the minimarket format contributed 21% of FMCG sales value and grew 9%, in 2020 with 75% of consumers shopping in this format and visiting it an average of twice a week.

In contrast to minimarkets, other modern stores, namely supermarkets and hypermarkets, are starting to go out of business. Based on Consumer Expenditure Survey Performance, General Trade and Hypermarket/Supermarket growth decreased slightly by -0.6% and -5.2%, respectively. Indonesian consumers' shopping preferences are shifting from large to small formats, driven by three primary considerations: a good variety of products, competitive prices, and easy access from the area of residence.

The favorable conditions for the growth of minimarkets in Indonesia have created opportunities for many institutions to start this business. As a metropolitan city, Makassar City has many minimarkets, such as GalaMart, partnered with Indogrosir. The minimarket is one of

the most visited by consumers. So, it has an impact on the high profit obtained. However, another condition that needs to be considered by GalaMart is competition with its predecessor minimarkets, both that labeled sharia and conventional. In addition, minimarkets with established sharia concepts such as Toko Basmalah, Sodaqo Mart, LEUMart, and so on are slowly developing in Makassar City. However, the existence of sharia minimarkets still cannot compete with the two leading minimarket players in Indonesia, namely Alfamart and Indomaret. According to research firm Nielsen, both took up 87 percent of the market share. Competition with fellow retailers is mainly in terms of loyalty.

Customers are the main element that needs to be improved by the GalaMart minimarket. Because with the customer's loyalty, a commitment will be formed to survive and re-purchase the product consistently under any conditions. So that they will not quickly move to other minimarkets even though the goods they need are sold in other minimarkets as well.

The GalaMart minimarket must consider several factors in building customer loyalty, such as customer satisfaction. Satisfied customers will use the products offered and influence others to do the same with themselves. Several research results show that happy customers will suggest or say positive things about the company to others, commonly called Word of Mouth (WOM).

Brand equity is also able to influence customers to be loyal to GalaMart. Brand equity is a collection of brand assets and liabilities affiliated with a brand, its name, and its symbol that contribute to or detract from the value a product or service provides to a business or customer. Several studies have proven that brand equity affects customer loyalty, as done by (Syukri, 2018), (Tobing & Ngatindriatun, 2019), and (Andhika, 2021) showing that brand equity has a positive effect on customer loyalty. This means that the higher the brand equity, the higher the customer loyalty. And vice versa, when brand equity is low, customer loyalty will also be below.

GalaMart needs to provide maximum service quality to customers and potential customers with increasingly fierce business competition. This aims to compete with other minimarkets to get satisfaction and maintain customer loyalty. (Kusuma, 2018) We demonstrated that customer satisfaction has a favourable and significant effect on employee loyalty. This finding is clarified by (Lusiah & Akbar, 2019) and (Sutikno et al., 2021), with the same result that customer happiness and loyalty are directly related to service excellence. These results indicate that good service quality causes pleasure, and the desire of customers to behave loyally increases. On the other hand, poor service quality results in lower customer satisfaction and loyalty. Thus, whether the service provided is good or bad depends on the service provider's ability to meet customer expectations consistently.

Literature Review
Customer Loyalty

Most minimarket managers are complicated, especially regarding resource allocation decisions, to maximize customer loyalty (Moorthy et al., 2016). Continue to be a lot of service quality that is fulfilled so that customer loyalty will continue to increase. Excellent service quality will increase customer satisfaction and raise customer loyalty (Furoida & Maftukhah, 2018). Customer loyalty is one of the core goals pursued in modern marketing. This is because loyalty is expected that the company will get long-term benefits from the mutualistic relationship that exists within a certain period (Putri et al., 2021). Loyalty is a customer commitment to persist deeply to re-subscribe or make a consistent purchase of selected products or services in the future. Consumers who are loyal to a brand are not measured by the amount of money they

spend, but by the number of times they purchase the same product over and over again (Sasongko, 2021). According to (Tjiptono, 2012), customer loyalty is a customer's commitment to a brand based on a very positive attitude and is reflected in consistent repeat purchases.

Customer loyalty to the service marketing concept as a response is closely related to a pledge or promise to uphold the commitment that underlies the continuity of the relationship and is usually reflected in continuous purchases from the same service provider based on dedication and pragmatic constraints (Asbar, 2020). Loyal customers, because they are satisfied and want to continue purchasing relationships, are a measure of customer proximity to a product and brand, and service (Tripayana & Pramono, 2020).

Customer loyalty is necessary for a company to survive and compete with other companies. For this reason, customer loyalty is essential to provide the best quality on an ongoing basis for each product or service it has (Panjaitan, 2017). In this case, loyal decision making is more shown by consumers who make purchases on an ongoing basis (Wijaya, 2020). Indicators of customer loyalty, according to (Griffin, 2005), are: 1) Make repeated and regular purchases of the same product; 2) Buying outside of a product line; 3) Recommend the product to others; 4) Shows the advantages of similar products produced by competitors. According to (Keller, 2012), customer loyalty is influenced by several factors:

1. Satisfaction means staying with your organization as long as expectations are met.
2. Repeat Purchase, meaning that you will return to your company to buy again.
3. Word of mouth or buzz, dare to risk his reputation to tell others about you.
4. Evangelism, namely convincing others to buy or join.
5. Ownership, namely feeling responsible for the continued success of your organization.

According to (Olever, 2010), consumer loyalty is divided into several phases: 1) Cognitive loyalty is based solely on brand beliefs. 2) Affective loyalty is a preference or attitude towards a brand based on the opportunity to use cumulative satisfaction. 3) Conative loyalty is a condition of loyalty that shows an initial commitment at the time of purchase. 4) Action loyalty is where the intention is converted to action. According to (Rubio et al., 2017), the dimensions of customer loyalty are divided into two parts, namely based on attitudes and behaviour;

a) Attitudinal;
1. Customer attachment, namely the customer shows an effective relationship with a lasting and unchanging brand to the company's product or brand.
2. Repurchase intentions, namely the intention to repurchase a product twice or more, both for the same effect.
3. Disinterest towards competitors' offerings, namely customers who are not interested in offering products or brands of other similar companies.

b) Behavioural;
1) Repeated purchases, making repeated purchases of the same company's product or brand.
2) Positive word-of-mouth, risking his reputation to tell others about the company's products or brands.
3) Customer equity, where the target consumer has a positive attitude towards the brand and is willing to pay a high price for the product and repurchase it.

According to (Kotler & Keller, 2021), delighted customers generally stay loyal longer to the company. This is in line with previous research conducted (Slack et al., 2020) at several fast-food restaurants in Fiji, where satisfaction significantly and positively affects customer loyalty.

The study also shows that the quality of products and services has a positive and significant effect on customer loyalty.

Brand Equity

According to (Aker, 2013), brand equity is a set of brand assets and liabilities related to a brand, its name and its symbol, which increase or decrease the value provided by an item or service to the company or its customers. Brand equity is an achievement of brand value brought by the company to make a product in the public interest (Fadhli et al., 2021). With a good brand, the marketing value will also be good. Brand equity is said to be good if consumers can remember what the product that has been purchased looks like and has produced its satisfaction value for users and has resulted in a positive value for consumers and companies.

According to (Khoshtaria et al., 2020), brand equity is a set of assets, or liabilities, owned by a brand or symbol, which can increase and decrease the value of an item or service so that it assumes that brand equity comes from several components, namely:
a. Brand awareness is how consumers remember the brand to cause users to look for the same product to use again.
b. Brand association shows the image of a brand to have a specific impression.
c. Perceived quality is how consumers recognize how all the qualities or advantages of the product are.
d. Brand Loyalty (Brand Loyalty) is a measure of customer interest and interest in a brand that is considered suitable for consumption.

Service Quality

According to (Keller, 2012), the definition of service is any action or activity offered by one party to another, which is essentially intangible and does not result in the ownership of anything. Service quality is closely related to how employees carry out their duties. Service quality triggers how customers support, patronize a product or brand (Abdullah et al., 2018). High service quality, such as the use of experienced staff and low waiting times, will encourage consumers' intention to visit again (Novita & Liekardo, 2020). One of them is the existence of minimarkets in the retail business environment.

The sustainability of companies engaged in services is very dependent on their customers, where service quality plays an important role in it (Moorthy et al., 2016). Therefore, service quality is a must for a company to survive in gaining consumer trust (Andriani, 2020). It is very important to have good quality for customers, so it is necessary to have service quality. (Wijaya, 2020).

According to (Wirtz, 2012), excellent service quality is a high-performance standard that consistently meets or exceeds customer expectations. According to (Wilson et al., 2016), restaurant customers will judge service based on their perception of food (quality of technical results), how food is served and how employees interact with it (quality of interaction). Therefore, the quality of service is significant for companies current even though the main thing is selling physical goods. Still, service when dealing with consumers is no less critical as well. According to research conducted by (Wijaya, 2020) at a coffee shop in Surabaya, service quality factors significantly affect customer satisfaction, making customers loyal to the shop.

Another study conducted (Dhisasmito & Kumar, 2020) states that service quality with its five dimensions (reliability, responsiveness, assurance, empathy, tangible) plays an important role in the coffee shop industry in Indonesia.

a. Reliability, which means the ability to perform services accurately. Companies need to be able to do the service right from the start. Reliability is also considered the ability of a product or service provider to perform as previously promised.

b. Responsiveness, namely when the company is willing to help its customers quickly. Tell customers when service will be provided, provide personal attention and respond appropriately to customer requests.

c. Assurance, namely courtesy, competence and ability of employee personnel to increase customer trust. In addition, assurance is a condition where employees can gain customer trust by making them feel safe when conducting transactions or asking questions. In addition, all employees must also be polite to customers.

d. Empathy, namely adjusting the company's assistance forwards to its customers. Empathy from store personnel can give a special and unique feeling to customer loyalty. Personal needs to understand customer concerns and treat them as they would be treated personally.

e. Tangibles, namely as a feeling of customer pleasure that can be felt from the physical equipment store and the facilities provided, including the appearance of its personnel.

Customer Satisfaction

Customers form an expectation of value and satisfaction that various offerings in the marketplace will provide and buy. Satisfied customers will buy again and tell others about their good experience. Dissatisfied customers often turn to competitors and give others bad advocacy of a product (Kotler & Keller, 2021). Customer satisfaction is also an important element of business goals because customer satisfaction will bring many beneficial effects in the long term (Murtiyanto, 2018).

According to (Kotler & Keller, 2021), Satisfaction reflects a person's assessment of a product's perceived performance to expectations. If the performance does not meet expectations, the customer is disappointed. If it meets expectations, the customer is satisfied. If it exceeds their expectations, then they will be happy. Satisfied customers are more likely to make repeat purchases, stay loyal, and spread reliable information about a product or service through word of mouth. However, if the service experience does not meet their expectations, customers may suffer in silence, complain about poor service quality, or switch to another provider in the future (Wirtz, 2012).According to (Zeithaml, 2013), satisfaction is a fulfilment response to consumers.

service itself, provide a level of satisfaction related to consumption that is pleasing to consumers. Buyer satisfaction is a function of the buyer perceived and expected product performance. Once satisfied, buyers can buy again in the future and even advocate for products/brands that they feel are satisfactory. Recognizing that high satisfaction leads to increased customer loyalty, companies must ensure that they meet and exceed customer expectations.

According to (Kotler & Keller, 2021), highly satisfied customers generally: 1) Remain loyal in the long term. 2) Buy more when the company introduces new products or upgrades. 3) Speak nicely to others about the company and its products. 4) Pay less attention to competing brands and don't care about high or low price. 5) Volunteer to offer a product or service idea to the company. According to (Tamher et al., 2019), three attributes can be used to measure

satisfaction: 1) Attributes Related to Service; 2) Attributes Related to Purchase; and 3) Attributes Related to Products.

In measuring satisfaction, it is necessary to have dimensions that are the dimensions of research measurement. According to (Zeithaml, 2013) in (Saintz, 2018), the dimensions of customer satisfaction include:

a. Satisfaction as fulfilment. Customers will feel satisfied if their needs are fulfilled or fulfilled
b. Satisfaction as pleasure. Pleasure can also be associated with feelings of happiness for the services provided. It means a positive relationship between the company and its customers. Customers feel delighted to be able to transact with the company.
c. Satisfaction as ambivalence. Customers may have a unique experience with a company when there is a mix of positive and negative experiences associated with a product or service.

According to (Kotler & Keller, 2021), satisfaction is highly dependent on the quality of products and services. This is supported by research conducted (Novita & Liekardo, 2020) who worked at several coffee shops. The quality of service has a positive and significant effect on customer satisfaction. Another study conducted (Albari & Kartikasari, 2019) conducted at restaurants in Yogyakarta said that product quality had a positive and significant impact on customer satisfaction.

The conceptual framework is outlined in the following figure: Brand Equity and Service Quality to Loyalty with Customer Satisfaction as an Intervening Variable.
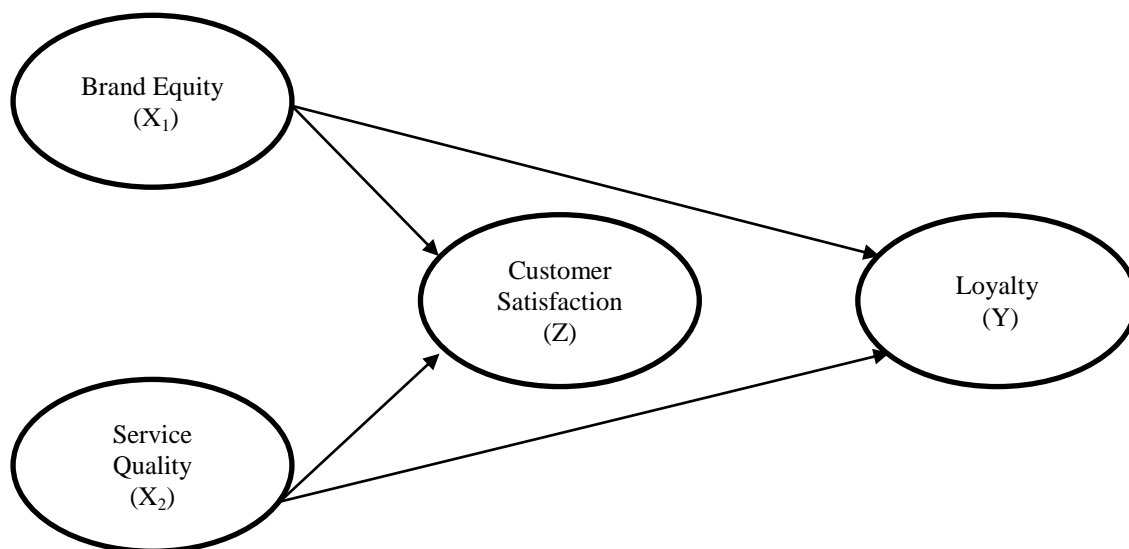

Figure 1. Conceptual Framework

Hypothesis

H1: Brand equity has a significant effect on customer satisfaction at GalaMart minimarket
H2: Brand equity has a significant effect on customer loyalty at the GalaMart minimarket
H3: Service quality has a significant effect on customer satisfaction at the GalaMart minimarket
H4: Service quality has a significant effect on customer loyalty at the GalaMart minimarket
H5: Customer loyalty has a significant effect on customer satisfaction of GalaMart minimarket

H6: Brand equity has a significant effect on customer satisfaction at the GalaMart minimarket, with loyalty as an intervening variable

H7: Service quality has a significant effect on customer satisfaction at the GalaMart minimarket, with loyalty as an intervening variable

2. Research Method

This study uses a quantitative approach to determine the effect of exogenous variables such as brand equity and service quality on the endogenous variable, namely customer loyalty, mediated by the intervening variable, customer satisfaction. The location of the research was carried out at GalaMart outlets in Makassar city. The sampling technique in this study used purposive sampling, with 119 customers as respondents according to predetermined criteria. The data used is primary data obtained through an online questionnaire using a Google form. The data analysis technique used is Partial Least Square (PLS) with the statistical method of Structural Equation Modelling (SEM).Results and Discussion

3.1. Results

Data processing was carried out using the partial least square (PLS) method using the Smart PLS 3.0 statistical software. The research results can be seen as follows:
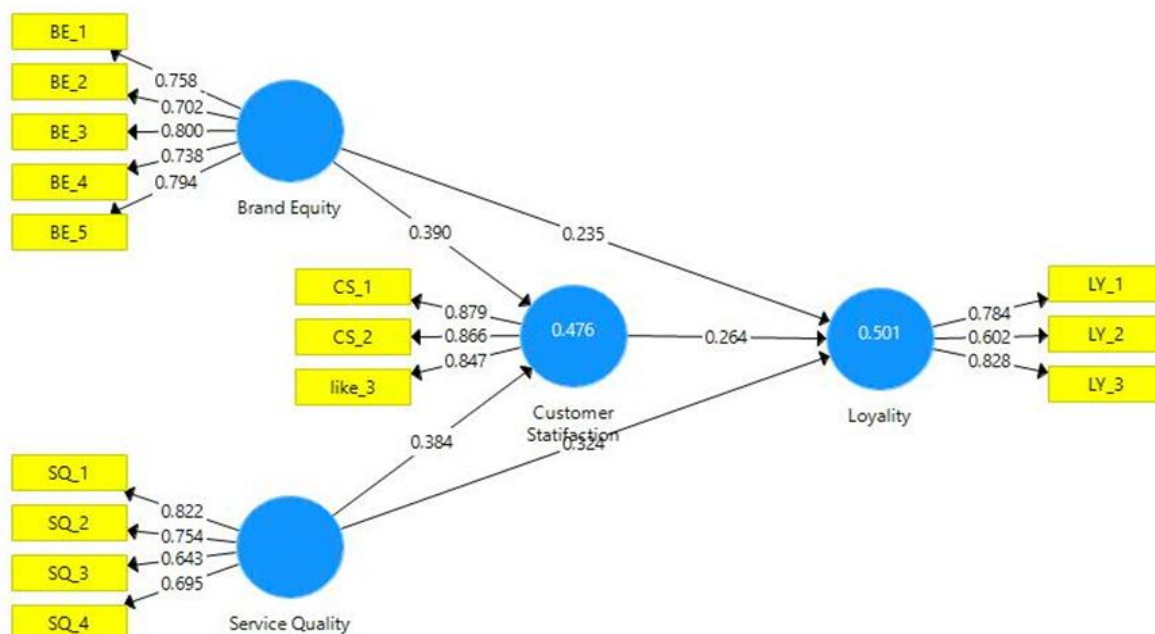
Evaluation of the Measurement Model

Figure 2. Outer Model
Source: Smart PLS

Table 1. Outer Loadings

	Brand Equity	Customer Statifaction	Loyality	Service Quality
BE_1	0,758			
BE_2	0,702			
BE_3	0,800			
BE_4	0,738			
BE_5	0,794			
CS_1		0,879		
CS_2		0,866		
CS_3		0,847		
LY_1			0,784	
LY_2			0,802	
LY_3			0,828	
SQ_1				0,822
SQ_2				0,754
SQ_3				0,843
SQ_4				0,795

Source: data processing

All loading factors have a value above 0.70 so that no constructs for all variables have been eliminated from the model, and it can be seen in table 1. Thus, all constructs are said to be valid and meet the validity with the loading factor above 0.70. A study is said to have met the requirements of convergent validity of the indicators used in a construct are correlated, and all of the outer loadings of these indicators must be statistically significant to ensure the feasibility of the model and the standard used for outer loading is 0.6. It can be seen from the table above that

Table 2. Fornell-Larcker Criterion

	Brand Equity	Customer Statifaction	Loyality	Service Quality
Brand Equity	0,759			
Customer Statifaction	0,616	0,864		
Loyality	0,589	0,608	0,744	
Service Quality	0,590	0,614	0,625	0,732

Source: data processing

All variables have higher values than other variables in the same column, as shown in Table 2 above. Brand Equity is 0.759; Customer Satisfaction is 0.864; loyalty is 0.744; and Service Quality is 0.732. Thus, based on the table, a conclusion can be drawn that the data model tested in this study has met the requirements or criteria that show evidence that the construct in the model has discriminant validity as well as an initial stage before testing the hypothesis after passing through various series of tests.

Table 3. Composite Reliability dan Cornbach's Alpha

	Cronbach's	rho_A	Composite

	Alpha		**Reliability**
Brand Equity	0,816	0,823	0,872
Customer Statifaction	0,831	0,836	0,899
Loyality	0,600	0,642	0,786
Service Quality	0,710	0,735	0,820

Source: data processing

Based on table 3 above, it can be concluded that all reliable constructs, both composite reliability and Cronbach's alpha, have values above 0.70. Thus, all variables in this research model have internal consistency and reliability. Good convergent validity and good discriminant validity, as well as good internal consistency reliability, can be found in this study.

Table 4. Average Variant Exracted (AVE)

	Average Variance Extracted (AVE)
Brand Equity	0,576
Customer Statifaction	0,747
Loyality	0,554
Service Quality	0,535

Source: data processing

The AVE value in table 3 above shows each construct in the model. It is concluded that the AVE value is above 0.5. These results indicate that this research data has met the requirements of both convergent validity and converging validity. Outer loading and the AVE test are used together to figure out how much of a difference there is.

Evaluation of the Structural Model

Evaluation of the structural model is a measurement to evaluate the level of accuracy of the model in the research as a whole, which is formed through several variables and their indicators. The evaluation of this structural model will be carried out through several approaches, including:

Table 5. R-Square (R^2)

	R Square	**R Square Adjusted**
Customer Statifaction	0,476	0,473
Loyality	0,501	0,497

Source: data processing

The customer satisfaction variable has an R-Square value of 0.476. This shows that the customer satisfaction variable is able to explain brand equity and service quality by 47.6 percent, while the remaining 52.4 percent is influenced by other variables. Furthermore, the customer loyalty variable has an R-Square value of 0.501. This means that the loyalty variable is able to explain brand equity, service quality, and customer satisfaction by 50.1 percent, while the remaining 49.9 percent is explained by other variables.

Table 6. Goodness of fit

	Saturated Model	**Estimated Model**
SRMR	0,075	0,075
d_ULS	0,673	0,673
d_G	0,207	0,207
Chi-Square	408,993	408,993
NFI	0,796	0,796

Source: data processing

The SRMR or Standardized Root Mean Residual value is 0.075, and then the model is declared fit. These results are based on the requirements of the structural equation model if the SRMR value < 0.10. The Chi-square value obtained is 408,993, so the empirical data used in this study is very identical to the theory used because Chi-square has a value range > 0.05. The NFI value obtained is 0.796, indicating a good model because the NFI value range is < 0.90. From the results of the SRMR, Chi-square and NFI values, it can be concluded that the model used is fit.

Table 7. Path Coefficients

Hypothesis	**Jalur**	**T Statistics**	**P Values**	**description**
1	Brand Equity -> Customer Statifaction	8,256	0,000	signifikan
2	Brand Equity -> Loyality	4,332	0,000	signifikan
3	Customer Statifaction -> Loyality	4,242	0,000	signifikan
4	Service Quality -> Customer Statifaction	7,401	0,000	signifikan
5	Service Quality -> Loyality	5,945	0,000	signifikan
6	Brand Equity -> Customer Statifaction -> Loyality	3,611	0,000	signifikan
7	Service Quality -> Customer Statifaction -> Loyality	4,038	0,000	signifikan

Source: data processing

The results of hypothesis testing through bootstrapping explained that all of the five hypotheses proposed were acceptable. The acceptance of the hypothesis can be seen from the T statistic and P values, where if the T statistic is greater than the T table (1.960), then it can be declared to have a significant effect, or if the P-value is less than 0.05, then it can be said to have a significant effect. Meanwhile, the indirect influence of brand equity on loyalty is mediated by customer satisfaction with a statistical T value of 3.611 > T table 1.960 and P values 0.000 < 0.05. The indirect effect of service quality on loyalty is mediated by customer satisfaction with a T statistic of 4.038 > T table 1.96 and P values 0.000 < 0.05.

3.2.Discussion

Effect of Brand Equity on Customer Satisfaction
The test results show that brand equity has a significant effect on customer satisfaction at the GalaMart minimarket, which is shown by the T statistic value of 8.256 > T table 1.960 and the P-value 0.000 < sig 0.05. These results are in accordance with research conducted (Fadhli et

al., 2021) and (Andhika, 2021), explaining that good brand equity can increase customer satisfaction. Brand equity is a set of brand assets and liabilities related to a brand, its name and symbol, which increase or decrease the value of a product or service to the company.

Trademark is related to the brand name of an institution or business entity. When a customer believes in a brand, it shows that the customer is not willing to switch to another brand. Brand loyalty guarantees that a business will not suffer losses due to the entry of a new company as a competitor that distorts its market share. Brand loyalty is indicated by the positive attitude of customers towards the brand, which is obtained from the accumulated experience of customers in using the available products and services. This positive attitude of customers is an actualization of liking for the brand; brand loyalty affects customer satisfaction.

The Effect of Brand Equity on Customer Loyalty

The test results show that brand equity has a significant effect on customer satisfaction at the GalaMart minimarket, which is shown by the T statistic value of 4.332 > T table 1.960 and the P-value 0.000 < sig 0.05. This means that brand equity has a significant effect on customer loyalty; this result is in line with research. These results explain that good brand equity can increase customer satisfaction at GalaMart minimarkets.

Several research results state that brand equity is an added value to products and services, which is reflected in the pattern of thinking, feeling and behaving towards a brand, price, market share, and profitability owned by a company. Customers who are loyal to a brand will not easily switch the goods purchased to other brands; when customer loyalty to a brand increase, the vulnerability of customer groups to brand threats and attacks can be reduced.

Effect of Service Quality on Customer Satisfaction

The test results show that brand equity has a significant effect on customer satisfaction at the GalaMart minimarket, which is shown by the T statistic value of 4.242 > T table 1.960 and the P-value of 0.000 < sig 0.05. This means that service quality has a significant effect on customer satisfaction at the GalaMart minimarket. This result is in line with research (Murtiyanto, 2018), (Albari & Kartikasari, 2019), and (Andriani, 2020). This means that the better the quality of service provided, the higher the level of satisfaction felt by customers.

Customers are satisfied with the service shown by the employees of the GalaMart minimarket. The employees always show friendliness and courtesy in providing services. They also answer questions about the availability of the items needed, making it easier for customers when shopping—in addition, greeting greetings from employees when customers enter the minimarket. Therefore, it can be said that if the services provided can meet the needs or exceed the expectations of consumers, the consumers are satisfied.

Effect of Service Quality on Customer Loyalty

The test results show that brand equity has a significant effect on customer satisfaction at the GalaMart minimarket, which is shown by the T statistic value of 7.401 > T table 1.960 and the P-value 0.000 < sig 0.05, which means that service quality has a significant effect on customer loyalty at the GalaMart minimarket, in line with research (Saintz, 2018), (Tripayana & Pramono, 2020), and (Putri et al., 2021). This shows that good service quality can increase the loyalty of a customer.

Service quality is something that is also sold in minimarket businesses other than the product itself. This is also what makes minimarkets preferred over grocery stores. The quality of

service shown by employees is the main thing that can lead to customer loyalty. Good service makes customers not give up and want to make repeat purchases continuously. The same thing happened at GalaMart. The friendliness, courtesy, thoroughness, and speed of employees in providing services have made customers stay.

The Effect of Customer Loyalty on Customer Satisfaction

The test results show that brand equity has a significant effect on customer satisfaction at the GalaMart minimarket, which is shown by the T statistic value of 5.945 > T table 1.960 and the P-value 0.000 < sig 0.05. it means that customer loyalty has a significant effect on customer satisfaction of the GalaMart minimarket. These results are in line with research (Moorthy et al., 2016), (Syukri, 2018), (Lusiah & Akbar, 2019) and (Tripayana & Pramono, 2020).

Customer satisfaction can be the basis for the realization of loyal or loyal customers. Customers who achieve a high level of satisfaction will have a bond with the product brand, not just a rational preference and will ultimately build customer loyalty.

The Effect of Brand Equity on Customer Satisfaction with Loyalty as An Intervening Variable

The test results show that brand equity has a significant effect on customer satisfaction at the GalaMart minimarket, which is shown by the T statistic value of 3.611 > T table 1.960 and the P-value of 0.000 < sig 0.05. This means that brand equity has a significant effect on customer satisfaction at the GalaMart minimarket, which is mediated by loyalty. This shows that good brand equity can increase customer satisfaction through loyalty.

The Influence of Service Quality on Customer Satisfaction with Loyalty as An Intervening Variable

The test results show that brand equity has a significant effect on customer satisfaction at the GalaMart minimarket, which is shown by the T statistic value of 4.038 > T table 1.960 and the P-value 0.000 < sig 0.05. This means that service quality has a significant effect on customer satisfaction at the GalaMart minimarket, with loyalty as an intervening variable. This illustrates that customers will be satisfied with the services provided by the GalaMart minimarket. Although there are many minimarkets, this is not a reason for them to move from the minimarket.

4. Conclusion

Based on the results of the analysis that has been done, it can be concluded that good brand equity can increase customer satisfaction at the GalaMart minimarket. In addition, the role of maximum service quality also increases perceived customer satisfaction. This, of course, has an impact on increasing loyalty given by customers; besides the role of loyalty in mediating brands, service and customer satisfaction are quite influential. So that in the long term, it can increase sales, of course, the profits obtained by the GalaMart minimarket also increase compared to other minimarkets.

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