



# THE APPLICATION OF WORD OF MOUTH (WOM), SERVICE QUALITY, AND BRAND IMAGE ON CUSTOMER LOYALTY WITH CUSTOMER SATISFACTION AS A MEDIATING VARIABLE AT AS SYIFAA PHARMACY IN MAJALENGKA

## PENERAPAN WORD OF MOUTH (WOM), KUALITAS PELAYANAN, DAN CITRA MERK TERHADAP LOYALITAS PELANGGAN DENGAN KEPUASAN PELANGGAN SEBAGAI VARIABEL MEDIASI PADA APOTEK AS SYIFAA MAJALENGKA

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### Abstract

This study investigates how Word of Mouth, service quality, and brand image influence B2B customer loyalty at As-Syifaa Pharmacy in Majalengka, with customer satisfaction acting as a mediating variable. A quantitative approach was applied using the SEM-PLS method, drawing on data from 300 purposively selected customers. The analysis included measurement of validity and reliability, followed by structural model testing to identify both direct and indirect relationships among variables. The findings reveal that Word of Mouth, service quality, and brand image each play a meaningful role in enhancing customer satisfaction, which in turn becomes the strongest predictor of customer loyalty. Satisfaction was also found to mediate the effects of the three antecedent variables, either fully or partially, highlighting its central role in shaping long-term business relationships. These results indicate that building B2B customer loyalty requires more than consistent operational performance; it also depends on maintaining a credible brand reputation and fostering positive relational communication within the business network. Based on these insights, the study recommends strengthening service standards, reinforcing brand consistency, and managing interpersonal communication to support sustainable loyalty among B2B partners.

**Keywords :** Word of Mouth, service quality, brand image, customer satisfaction, customer loyalty.

### Abstrak

Penelitian ini bertujuan memahami bagaimana Word of Mouth, kualitas pelayanan, dan citra merek memengaruhi loyalitas pelanggan B2B pada Apotek As-Syifaa Majalengka, dengan kepuasan pelanggan sebagai variabel mediasi. Pendekatan kuantitatif digunakan melalui metode SEM-PLS berdasarkan data 300 pelanggan yang dipilih secara purposive. Analisis dilakukan melalui pemeriksaan validitas, reliabilitas, serta pengujian model struktural untuk melihat hubungan langsung dan tidak langsung antarvariabel. Hasil penelitian menunjukkan bahwa ketiga faktor utama Word of Mouth, kualitas pelayanan, dan citra merek secara nyata meningkatkan kepuasan pelanggan. Kepuasan



kemudian menjadi penentu kuat terbentuknya loyalitas dan terbukti memediasi hubungan antara variabel-variabel tersebut dengan loyalitas, baik secara penuh maupun parsial. Temuan ini menegaskan bahwa keberhasilan membangun loyalitas pelanggan B2B tidak hanya bergantung pada pelayanan yang andal, tetapi juga pada reputasi merek dan persebaran informasi positif antarpelaku usaha. Berdasarkan hasil tersebut, penelitian ini merekomendasikan perlunya penguatan standar layanan, konsistensi identitas merek, serta pengelolaan komunikasi relasional sebagai strategi untuk mempertahankan loyalitas jangka panjang.

**Kata Kunci :** Word of Mouth, kualitas pelayanan, citra merek, kepuasan pelanggan, loyalitas pelanggan.

## 1. INTRODUCTION

The pharmaceutical retail industry has undergone substantial structural shifts in recent years, driven by intensifying competition, stricter regulatory frameworks, and heightened customer expectations for service excellence. Within this environment, customer loyalty has become a decisive factor for organizational sustainability. Loyalty in Business-to-Business (B2B) markets extends beyond repetitive purchasing behavior and reflects long-term relational commitment, continuity of cooperation, and customers' willingness to maintain partnerships despite competing market offers (Rahadi & Lestari, 2021; Soehadi & Permana, 2020). Consequently, identifying and strengthening the determinants of B2B loyalty is essential for firms seeking to secure demand stability and enhance competitive resilience.

As-Syifaa Pharmacy in Majalengka illustrates the strategic value of B2B loyalty within the pharmaceutical retail sector. Operating both Business-to-Consumer (B2C) and B2B models, the pharmacy has recorded significant expansion in its B2B segment. Revenue growth of 366.67% between 2022 and 2023, followed by 42.14% in 2023–2024, reflects the enlargement of its partner network, increased purchasing capacity among grocery and small retail outlets, and broader product diversification in OTC and FMCG health categories. This trajectory underscores the need to manage B2B loyalty as a sustained strategic capability rather than as a transactional outcome.

Despite this growth, B2B customer behavior has become more selective due to the proliferation of alternative suppliers and the accelerated development of digital distribution channels. Under such conditions, Word of Mouth (WoM) plays a renewed role as a trusted and influential information mechanism. Recommendations exchanged among business owners and distributors often carry greater credibility than formal promotional communication, particularly in the pharmaceutical domain, where product authenticity and supply reliability remain critical concerns (Sutanto & Nugroho, 2021; Madiawati & Pradana, 2021).

Alongside WoM, service quality remains a foundational driver of customer retention. Recent studies highlight the importance of reliability, responsiveness, assurance, and empathy as primary dimensions shaping customer evaluations in pharmacy services (Lestari & Pratama, 2021; Harini et al., 2023). For B2B partners of As-Syifaa Pharmacy, elements such as timely order fulfillment, product accuracy, stable availability, and staff competence constitute core



performance indicators that directly influence satisfaction and the continuity of business relationships.

Brand image also represents a critical determinant in environments characterized by information asymmetry and high perceived risk. Empirical findings over the past five years show that a strong and credible brand image strengthens perceived value, enhances trust, and reinforces purchase intentions, ultimately contributing to persistent loyalty (Mahardika & Setyawan, 2020; Putri & Gunawan, 2023). In pharmaceutical retail, where credibility and product authenticity are essential, brand image becomes a pivotal signaling mechanism for quality assurance.

Customer satisfaction functions as the mediating psychological construct that links these determinants WoM, service quality, and brand image to loyalty formation. Drawing on Expectation-Confirmation Theory (ECT), satisfaction emerges when service performance meets or exceeds customers' prior expectations (Rajagopal, 2021). Contemporary studies support the centrality of satisfaction, indicating that it strengthens the magnitude of the effects of service quality, WoM, and brand image on loyalty in B2B contexts (Amin & Halima, 2022; Sari & Wahyudi, 2024). Without adequate satisfaction, even superior service delivery or a well-established brand image may fail to generate sustained loyalty.

Despite the relevance of these determinants, empirical evidence within B2B pharmaceutical retail particularly in semi-urban regions such as Majalengka remains limited. Prior investigations predominantly focus on consumer-based or patient-centered services, leaving a notable gap in understanding the mechanisms that shape loyalty among business customers. Moreover, few studies integrate WoM, service quality, and brand image within a single structural model that positions satisfaction as a mediating construct.

Against this background, the present study aims to address this gap by examining the interplay among WoM, service quality, and brand image in shaping B2B customer loyalty through the mediating role of satisfaction. The study offers theoretical contributions by extending the literature on loyalty determinants in pharmaceutical retail and provides practical insights to support As-Syifaa Pharmacy in designing relational marketing strategies that enhance long-term partnership continuity.

## 2. RESEARCH METHOD

The analytical procedures in this study follow the standard stages of Structural Equation Modeling–Partial Least Squares (SEM-PLS), which is suitable for examining complex causal relationships among latent variables and for prediction-oriented modeling. After confirming the adequacy of the measurement model, the structural model was assessed to evaluate the magnitude and significance of hypothesized relationships.

Prior to model estimation, the dataset was examined for potential issues related to missing values, outliers, and distributional assumptions. SEM-PLS does not require multivariate normality; however, preliminary diagnostics were conducted to ensure that the data met the fundamental requirements for variance-based structural modeling. Multicollinearity among



predictors was assessed through the Variance Inflation Factor (VIF), where values below 5 indicated acceptable levels of collinearity.

The structural model was then evaluated by examining the coefficient of determination ( $R^2$ ) to assess the explanatory power of the endogenous constructs. Effect size ( $f^2$ ) was computed to determine the relative contribution of each exogenous variable, while predictive relevance ( $Q^2$ ) obtained through the blindfolding procedure was used to evaluate the model's predictive capability. These metrics collectively ensured that the proposed model possessed both explanatory and predictive adequacy, which are central criteria in SEM-PLS analysis.

Hypothesis testing was performed using a non-parametric bootstrapping procedure with 5,000 resamples. This approach provides robust estimations of standard errors and confidence intervals, allowing statistical significance to be determined at a threshold of  $t \geq 1.96$  and  $p \leq 0.05$ . Path coefficients were interpreted based on their magnitude, significance level, and theoretical relevance. The mediating role of customer satisfaction was assessed through the examination of indirect effects and the calculation of Variance Accounted For (VAF), which indicates whether mediation is full or partial.

All analyses were conducted using SmartPLS, which offers comprehensive tools for evaluating both measurement and structural components of the model. By employing SEM-PLS with rigorous validity and reliability checks, this study ensures that the resulting inferences regarding Word of Mouth, service quality, brand image, customer satisfaction, and loyalty are statistically sound and theoretically grounded.

### 3. RESULT AND DISCUSSION

#### a. Respondent Characteristics

The respondent characteristics in this study are presented to provide a comprehensive overview of the business partners of Apotek As-Syifaa who participated in the survey. The analysis includes classifications based on business type, duration of partnership, purchase frequency, decision-making roles, and the primary reasons for establishing collaboration with Apotek As-Syifaa. Understanding these characteristics is essential for contextualizing partner behavior and ensuring that subsequent analyses are grounded in respondent profiles that are both representative and aligned with the objectives of the study.

#### b. Characteristics by Business Type

**Table 1. Characteristics by Business Type**

Business Type	Frequency (n)	Percentage
Drugstore	32	10,7%
Wholesale Store	134	44,7%
Small Retail Shop (Kiosk)	116	38,7%
Others	18	6,0%
Total	300	100%

The distribution of respondents indicates that most partners of Apotek As-Syifaa operate wholesale businesses (44.7%), followed by small shops or kiosks (38.7%), suggesting that the pharmacy's distribution network effectively reaches both micro- and medium-scale retailers.



Drugstores account for 10.7%, while other business types represent 6%, showing that the largest share comes from segments with higher purchase intensity. This pattern demonstrates that the apothecary's partnership strategy is strongly supported by wholesalers and small retailers who function as key distribution channels.

#### c. Characteristics by Length of Partnership

**Table 2. Characteristics by Length of Partnership**

Length of Partnership	Frequency (n)	Percentage
< 1 Year	28	9,3%
1–2 Years	174	58,0%
2–3 Years	82	27,3%
> 3 Years	16	5,4%
Total	300	100%

A majority of respondents have collaborated with the apothecary for 1–2 years (58%), reflecting a relatively stable and ongoing partnership phase. Those who have partnered for 2–3 years represent 27.3%, while new partners with less than one year of engagement account for only 9.3%. Meanwhile, respondents with more than three years of cooperation constitute 5.4%, indicating a smaller segment of long-term loyal partners. Overall, these results suggest that most business relationships are positioned within a growth and consolidation stage.

#### d. Characteristics by Purchase Frequency

**Table 3. Characteristics by Purchase Frequency**

Purchase Frequency	Frequency (n)	Percentage
Once per month	42	14,0%
2–3 times per month	158	52,7%
More than 3 times per month	100	33,3%
Total	300	100%

The purchase frequency data reveals an active transaction pattern, with more than half of respondents purchasing 2–3 times per month (52.7%). Additionally, 33.3% make purchases more than three times per month, indicating a group with high operational needs and rapid inventory turnover. In contrast, only 14% engage in monthly purchases, suggesting lower or periodic demand. These findings illustrate that most partners maintain a consistent and sustained purchasing rhythm.

#### e. Characteristics by Respondent Position

**Table 5. Characteristics by Respondent Position**

Respondent Position	Frequency (n)	Percentage
Business Owner	141	47,0%
Purchasing Staff	96	32,0%
Administrative Staff	51	17,0%
Others	12	4,0%
Total	300	100%

Nearly half of the respondents are business owners (47%), implying that purchasing decisions are often made by individuals with direct authority over business operations. Another 32% occupy purchasing roles, while 17% come from administrative positions and 4% from various other roles. This composition indicates that the data reflects input from individuals





directly involved in strategic or operational decision-making, thereby enhancing the reliability of the study's findings.

#### f. Characteristics by Reasons for Collaboration.

**Table 6. Characteristics by Reasons for Collaboration**

Reason for Collaboration	Frequency (n)	Percentage
Trust & Relationship	214	71,3%
Fast Service	198	66,0%
On-Time Delivery	223	74,3%
Competitive Pricing	132	44,0%
Product Availability	89	29,7%
Others	18	6,0%

The primary reasons for collaborating with Apotek As-Syifaa are timely delivery (74.3%) and trust-based relationships (71.3%), emphasizing that operational reliability and sustained relational quality are central drivers of partner loyalty. Furthermore, fast service is considered important by 66% of respondents, while competitive pricing is cited by 44%, suggesting that cost is secondary compared with service excellence. Product availability (29.7%) and other reasons (6%) play a smaller role, reinforcing the conclusion that partners value dependable service performance more than pricing or product range alone.

#### g. Convergent Validity

**Table 6. Outer Loading**

Variable	Indicator	Outer Loading	Remark
Word of Mouth (X1)	WOM1	0.830	Convergent Valid
	WOM10	0.850	Convergent Valid
	WOM11	0.842	Convergent Valid
	WOM12	0.849	Convergent Valid
	WOM2	0.828	Convergent Valid
	WOM3	0.842	Convergent Valid
	WOM4	0.845	Convergent Valid
	WOM5	0.816	Convergent Valid
	WOM6	0.795	Convergent Valid
Service Quality (X2)	WOM7	0.888	Convergent Valid
	WOM8	0.845	Convergent Valid
	WOM9	0.879	Convergent Valid
	KP1	0.835	Convergent Valid
	KP10	0.910	Convergent Valid
	KP11	0.859	Convergent Valid
	KP12	0.861	Convergent Valid
	KP2	0.842	Convergent Valid
	KP3	0.848	Convergent Valid
Brand Image (X3)	KP4	0.845	Convergent Valid
	KP5	0.827	Convergent Valid
	KP6	0.856	Convergent Valid
	KP7	0.843	Convergent Valid
	KP8	0.833	Convergent Valid
	KP9	0.851	Convergent Valid
	CM1	0.891	Convergent Valid



	CM2	0.823	Convergent Valid
	CM3	0.812	Convergent Valid
	CM4	0.806	Convergent Valid
	CM5	0.876	Convergent Valid
	CM6	0.882	Convergent Valid
	CM7	0.875	Convergent Valid
	CM8	0.844	Convergent Valid
	CM9	0.869	Convergent Valid
Customer Satisfaction (Z)	KPL1	0.797	Convergent Valid
	KPL10	0.873	Convergent Valid
	KPL11	0.853	Convergent Valid
	KPL12	0.836	Convergent Valid
	KPL2	0.778	Convergent Valid
	KPL3	0.826	Convergent Valid
	KPL4	0.781	Convergent Valid
	KPL5	0.878	Convergent Valid
	KPL6	0.810	Convergent Valid
	KPL7	0.872	Convergent Valid
	KPL8	0.848	Convergent Valid
	KPL9	0.808	Convergent Valid
Customer Loyalty (Y)	LP1	0.872	Convergent Valid
	LP2	0.873	Convergent Valid
	LP3	0.876	Convergent Valid
	LP4	0.833	Convergent Valid
	LP5	0.849	Convergent Valid
	LP6	0.880	Convergent Valid
	LP7	0.831	Convergent Valid
	LP8	0.834	Convergent Valid
	LP9	0.807	Convergent Valid

The results of the convergent validity assessment indicate that all indicators across the constructs of Word of Mouth, Service Quality, Brand Image, Customer Satisfaction, and Customer Loyalty successfully meet the established criteria. This is evidenced by their outer loading values, all of which exceed the threshold of 0.70, confirming that each indicator adequately reflects the latent construct it is intended to measure. Most indicators within Word of Mouth and Service Quality display loading values above 0.80, signifying a strong association between the indicators and their underlying constructs. Similarly, the indicators for Brand Image and Customer Loyalty consistently demonstrate high loadings, indicating that these constructs are well-captured by the measurement items employed. The Customer Satisfaction indicators also show stable values above the minimum requirement, reinforcing their suitability in representing respondents' satisfaction levels. Overall, these findings confirm that the measurement model exhibits strong convergent validity.



## h. Discriminant Validity

Table 7. Cross Loading

	Brand Image (X3)	Customer Satisfaction (Z)	Service Quality (X2)	Customer Loyalty (Y)	Word of Mouth (X1)
CM1	0.891	0.483	0.378	0.494	0.548
CM2	0.823	0.510	0.477	0.444	0.537
CM3	0.812	0.411	0.327	0.393	0.455
CM4	0.806	0.417	0.394	0.330	0.462
CM5	0.876	0.559	0.494	0.592	0.626
CM6	0.882	0.593	0.505	0.465	0.514
CM7	0.875	0.475	0.372	0.431	0.527
CM8	0.844	0.542	0.477	0.402	0.507
CM9	0.869	0.529	0.479	0.473	0.559
KP1	0.354	0.521	0.835	0.235	0.523
KP10	0.449	0.528	0.910	0.249	0.475
KP11	0.499	0.461	0.859	0.154	0.459
KP12	0.493	0.530	0.861	0.321	0.503
KP2	0.506	0.443	0.842	0.288	0.459
KP3	0.408	0.476	0.848	0.189	0.417
KP4	0.350	0.512	0.845	0.183	0.455
KP5	0.443	0.561	0.827	0.316	0.522
KP6	0.467	0.367	0.856	0.276	0.439
KP7	0.424	0.424	0.843	0.287	0.442
KP8	0.412	0.454	0.833	0.228	0.370
KP9	0.466	0.463	0.851	0.235	0.465
KPL1	0.486	0.797	0.521	0.370	0.509
KPL10	0.524	0.873	0.522	0.534	0.658
KPL11	0.460	0.853	0.508	0.465	0.583
KPL12	0.533	0.836	0.367	0.476	0.571
KPL2	0.519	0.778	0.459	0.410	0.399
KPL3	0.484	0.826	0.458	0.393	0.474
KPL4	0.440	0.781	0.432	0.459	0.417
KPL5	0.558	0.878	0.514	0.379	0.591
KPL6	0.585	0.810	0.523	0.453	0.520
KPL7	0.431	0.872	0.449	0.507	0.633
KPL8	0.465	0.848	0.488	0.535	0.565
KPL9	0.445	0.808	0.420	0.378	0.510
LP1	0.393	0.486	0.080	0.872	0.488
LP2	0.545	0.480	0.344	0.873	0.567
LP3	0.526	0.401	0.280	0.876	0.502
LP4	0.421	0.547	0.230	0.833	0.523
LP5	0.380	0.489	0.261	0.849	0.530
LP6	0.421	0.420	0.355	0.880	0.555
LP7	0.404	0.470	0.166	0.831	0.536
LP8	0.504	0.383	0.237	0.834	0.488
LP9	0.482	0.414	0.296	0.807	0.551
WOM1	0.556	0.577	0.404	0.558	0.830





WOM10	0.524	0.543	0.427	0.463	0.850
WOM11	0.473	0.564	0.448	0.562	0.842
WOM12	0.500	0.486	0.450	0.462	0.849
WOM2	0.579	0.542	0.384	0.466	0.828
WOM3	0.527	0.517	0.489	0.461	0.842
WOM4	0.452	0.495	0.461	0.463	0.845
WOM5	0.576	0.576	0.514	0.615	0.816
WOM6	0.517	0.586	0.431	0.549	0.795
WOM7	0.540	0.555	0.464	0.516	0.888
WOM8	0.500	0.563	0.526	0.611	0.845
WOM9	0.503	0.548	0.506	0.508	0.879

The cross-loading results indicate that each indicator loads highest on its respective construct compared to other constructs. Indicators for Brand Image, Service Quality, Customer Satisfaction, Customer Loyalty, and Word of Mouth consistently show stronger correlations with their own constructs. These findings confirm that each construct is distinct and free from measurement overlap, demonstrating that the model satisfies the criteria for discriminant validity.

#### i. Composite Reliability

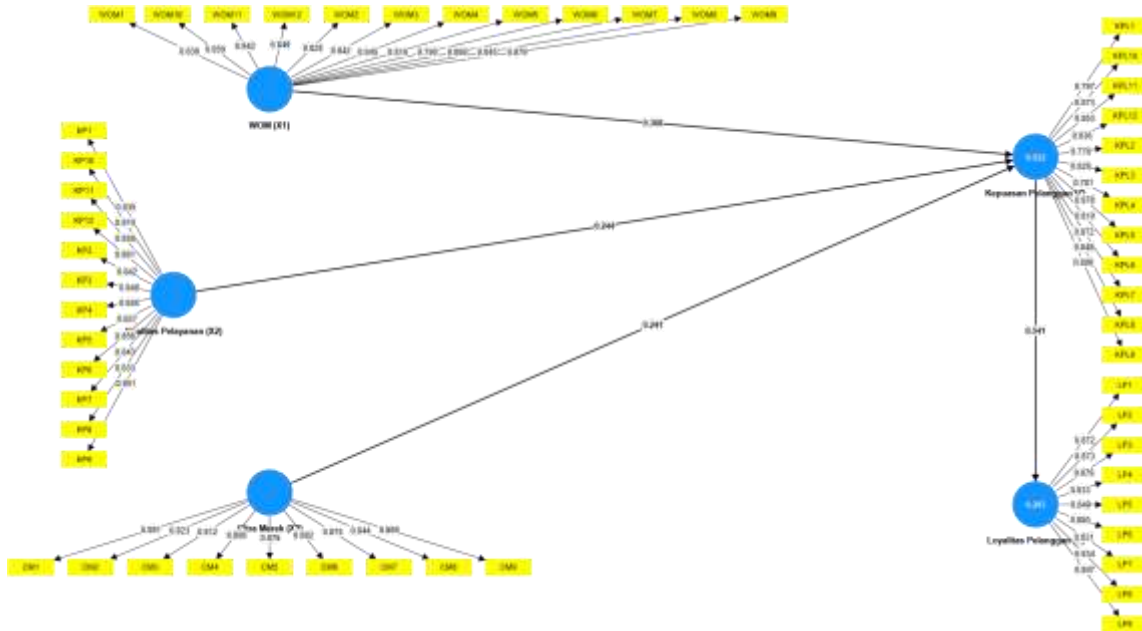
**Table 8. Composite Reliability dan Cronbach's Alpha**

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Brand Image (X3)	0.953	0.958	0.960	0.729
Customer Satisfaction (Z)	0.959	0.961	0.964	0.690
Service Quality (X2)	0.965	0.968	0.969	0.724
Customer Loyalty (Y)	0.952	0.956	0.959	0.724
Word of Mouth (X1)	0.963	0.963	0.967	0.710

The reliability results indicate that all constructs demonstrate Cronbach's Alpha and Composite Reliability values exceeding 0.90, reflecting excellent internal consistency across the measurement items. These values suggest that the indicators consistently capture the underlying constructs, aligning with reliability guidelines that classify scores above 0.90 as highly reliable (Hair et al., 2020). Furthermore, all Average Variance Extracted (AVE) values surpass the recommended threshold of 0.50, indicating satisfactory convergent validity. This confirms that the indicators explain a substantial proportion of variance within their respective constructs, consistent with contemporary methodological recommendations for SEM-PLS measurement models (Sarstedt et al., 2022). Altogether, these findings affirm that the measurement model exhibits strong reliability and convergent validity, making it robust for subsequent structural analysis.



## j. Discussion



**Figure 1: Bootstrapping Output Display**

Source: SmartPLS data processed 2025

**Table 9. Collinearity Assessment**

	VIF
Brand Image (X3) → Customer Satisfaction (Z)	1.749
Customer Satisfaction (Z) → Customer Loyalty (Y)	1.000
Service Quality (X2) → Customer Satisfaction (Z)	1.533
Word of Mouth (X1) → Customer Satisfaction (Z)	1.829

The collinearity assessment reveals that all Variance Inflation Factor (VIF) values fall within the range of 1.000 to 1.829. These values are well below the commonly accepted threshold of 5.0, indicating that multicollinearity is not present among the predictor variables. This suggests that Word of Mouth, Service Quality, and Brand Image each contribute uniquely to explaining Customer Satisfaction without inflating one another's variance. Likewise, the VIF value of 1.000 for the path from Customer Satisfaction to Customer Loyalty confirms the absence of collinearity in that relationship. These findings align with recent methodological guidelines, which assert that VIF values below 3.3 indicate that collinearity does not bias the structural model estimations (Hair et al., 2021; Kock, 2020). Therefore, the structural model can be considered free from collinearity issues and appropriate for further causal analysis.

**Table 10. R-Square Summary**

Endogenous Construct	R-square	R-square Adjusted	Category
Customer Satisfaction (Z)	0.522	0.517	Moderate
Customer Loyalty (Y)	0.293	0.290	Weak

**Table 11. Effect Size (f-square)**

Relationship	f-square	Category
Brand Image (X3) → Customer Satisfaction (Z)	0.070	Small
Customer Satisfaction (Z) → Customer Loyalty (Y)	0.414	Large
Service Quality (X2) → Customer Satisfaction (Z)	0.081	Small
Word of Mouth (X1) → Customer Satisfaction (Z)	0.155	Medium

The results indicate varying levels of explanatory power across the endogenous constructs. Customer Satisfaction reaches an R-square value of 0.522, which falls within the moderate category. This suggests that approximately 52% of the variance in satisfaction is accounted for by Service Quality, Brand Image, and Word of Mouth. In contrast, Customer Loyalty records an R-square of 0.293, categorized as weak, implying that additional variables outside the current model may play a meaningful role in shaping customer loyalty—such as trust, perceived value, or switching costs.

Regarding effect size, Customer Satisfaction exerts a substantial impact on Customer Loyalty, as reflected in the large f-square value of 0.414. This reinforces the idea that loyalty is formed primarily through positive customer experiences and emotional evaluations. On the other hand, the effects of Brand Image and Service Quality on Customer Satisfaction remain small, even though these factors still contribute to shaping customer perceptions. Word of Mouth demonstrates a medium effect (0.155), highlighting its importance as a social influence mechanism that fosters satisfaction through shared experiences and peer recommendations. Overall, these findings align with recent evidence suggesting that satisfaction remains the strongest predictor of loyalty in contemporary service environments (Rather, 2021; Goyal & Chanda, 2023).

#### k. Direct Effects (Path Coefficients)

**Table 12. Path Coefficients**

Direct Effect	Path Coefficient	T-Statistic	P-Value	Conclusion
Brand Image (X3) → Customer Satisfaction (Z)	0.241	3.819	0.000	Significant
Customer Satisfaction (Z) → Customer Loyalty (Y)	0.541	9.306	0.000	Significant
Service Quality (X2) → Customer Satisfaction (Z)	0.244	3.082	0.002	Significant
Word of Mouth (X1) → Customer Satisfaction (Z)	0.368	3.727	0.000	Significant

The direct effect analysis demonstrates that all structural paths yield t-statistics above the critical value of 1.96 and p-values below 0.05, indicating statistically significant relationships among the variables. Brand Image shows a positive and significant effect on Customer Satisfaction ( $\beta = 0.241$ ;  $p < 0.001$ ), suggesting that a strong brand perception enhances



customers' overall evaluation of the partnership. Service Quality similarly exerts a positive influence on Customer Satisfaction ( $\beta = 0.244$ ;  $p = 0.002$ ), reflecting the importance of efficient and responsive service interactions in shaping customer evaluations. Moreover, Word of Mouth emerges as the strongest predictor of Customer Satisfaction ( $\beta = 0.368$ ;  $p < 0.001$ ), highlighting the critical role of shared customer experiences and informal recommendations in influencing perceptions. Finally, Customer Satisfaction has the most substantial impact on Customer Loyalty ( $\beta = 0.541$ ;  $p < 0.001$ ), reinforcing the long-standing premise that satisfaction is a key driver of sustained loyalty in business relationships. These findings are consistent with recent empirical studies emphasizing the mediating importance of satisfaction in relationship marketing, particularly in B2B settings (Khan et al., 2020; Rather, 2021).

### 1. Indirect Effects and Mediation Analysis

**Table 13. Indirect Effects and Mediation Analysis**

Indirect Effect Path	Indirect Effect Coefficient	Total Effect Coefficient	T-Statistic	P-Value	Conclusion	VAF	Mediation Category
Brand Image (X3) → Customer Satisfaction (Z) → Customer Loyalty (Y)	0.131	0.281	3.318	0.001	Significant	46.52%	Partial Mediation
Service Quality (X2) → Customer Satisfaction (Z) → Customer Loyalty (Y)	0.132	-0.133	3.087	0.002	Significant	99.46%	Full Mediation
Word of Mouth (X1) → Customer Satisfaction (Z) → Customer Loyalty (Y)	0.199	0.520	3.260	0.001	Significant	38.28%	Partial Mediation

The indirect effect analysis indicates that Customer Satisfaction plays a central mediating role in strengthening the relationship between key predictors and Customer Loyalty. First, Brand Image exerts an indirect effect on Customer Loyalty through Customer Satisfaction, with a coefficient of 0.131 and a VAF of 46.52%, categorizing it as partial mediation. This implies that while Brand Image directly shapes customer perceptions, its strongest contribution to loyalty occurs when it enhances satisfaction. Second, Service Quality shows an indirect effect of 0.132 with a VAF of 99.46%, indicating full mediation. This means that improvements in loyalty generated by service quality are almost entirely achieved through increased satisfaction, underscoring the pivotal role of service performance in B2B relationship



outcomes. Lastly, Word of Mouth demonstrates an indirect effect of 0.199 with a VAF of 38.28%, also classified as partial mediation. This suggests that interpersonal communication and shared customer experiences foster loyalty more effectively when customers already feel satisfied with their interactions. These findings align with recent literature emphasizing that satisfaction acts as a crucial mechanism through which brand-related and service-related factors translate into long-term customer loyalty (Rather, 2021; Foroudi et al., 2020).

#### 4. CONCLUSION

This study demonstrates that the formation of B2B customer loyalty at As-Syifaa Pharmacy is shaped by a combination of direct and indirect influences from Word of Mouth, service quality, and brand image, with customer satisfaction emerging as the most decisive psychological driver. All measurement constructs exhibit strong validity and reliability, and the structural model indicates that the predictors explain 52.2% of the variance in customer satisfaction and 29.3% of the variance in loyalty. The findings confirm that satisfaction serves as a central mediating mechanism, fully mediating the effect of service quality and partially mediating the influence of Word of Mouth and brand image. Among the antecedents, Word of Mouth is the most influential predictor of satisfaction, while satisfaction itself stands as the strongest determinant of loyalty.

These findings illustrate that B2B loyalty extends beyond operational efficiency and is reinforced through relational communication and a credible brand reputation. Consequently, loyalty-building strategies should prioritize strengthening service performance, maintaining coherent brand identity, and cultivating business relationships that naturally stimulate positive recommendations. Overall, this study enriches the literature on relational marketing within the pharmaceutical retail sector and provides a robust empirical foundation for designing long-term B2B loyalty strategies.

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