

The Influence of Brand Image and Service Quality on Customer Satisfaction: A Case Study at Toko BASMALAH Pajaran Branch, Pasuruan Regency

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Abstract

Introduction/Main Objectives: This study analyzes the influence of brand image and service quality on customer satisfaction at Toko BASMALAH, a modern Islamic retail chain in Pasuruan, Indonesia.

Background Problems: There is a lack of clear empirical evidence on the key drivers of customer satisfaction—specifically the roles of brand image versus service quality—within the unique context of modern Islamic retail. This knowledge gap makes it strategically challenging for businesses in this sector to allocate resources effectively to improve customer satisfaction.

Novelty: The research contributes to understanding consumer behavior specifically within Islamic retail settings, providing targeted insights for practitioners in this niche market.

Research Methods: The study uses a quantitative method, conducting a survey of 100 customers and analyzing the data with multiple linear regression analysis.

Finding/Results: Service quality has a significant and positive effect on customer satisfaction. Brand image does not have a significant effect on customer satisfaction. Approximately 59.9% of the variance in customer satisfaction is explained by the combined factors of brand image and service quality.

Conclusion: The findings emphasize the critical role of enhancing service quality to improve customer satisfaction. They also suggest that strengthening the brand image can support this improvement. The research provides actionable insights for retail practitioners aiming to optimize performance through service excellence and brand management.

Keywords: brand image; service quality; customer satisfaction.



Introduction

The retail sector in Indonesia remains essential to national economic growth, particularly through its ability to distribute goods and services effectively. Its development has been shaped by changes in consumer lifestyles, rapid technological progress, and a rising demand for convenience in everyday shopping. Trading Economics (2025) reports that Indonesia's retail sales rose by 3.5% year-on-year in August 2025, representing the fourth consecutive month of expansion, although slightly lower than the 4.7% growth recorded in July. This steady increase reflects ongoing government stimulus initiatives aimed at maintaining household purchasing power despite inflationary pressures (Trading Economics, 2025). Similarly, data from Bank Indonesia, as reported by FXStreet-ID, confirm the same growth rate and attribute this momentum primarily to the clothing sub-sector, supported by consumer demand during the national holidays (FXStreet-ID, 2025).

Overall, Indonesia's retail market is undergoing structural transformations characterized by the dominance of modern retail formats, especially minimarkets, which continue to expand in both urban and rural areas. This increased competition, however, requires each retailer to develop strong brand differentiation and superior service quality to secure long-term customer satisfaction. In an increasingly competitive marketplace, TokoBASMALAH stands out as a unique local retailer, operating as an Islamic-based modern retail chain under the management of Koperasi Pondok Pesantren Sidogiri. By promoting halal transactions, equitable pricing, and community empowerment, TokoBASMALAH strategically integrates business ethics with religious values.

According to Rosliana (2023, as cited in Nafila et al., 2025), Sidogiri Islamic Boarding School in Pasuruan established in 1718, is recognized as the oldest Islamic educational institution in East Java. Over more than three centuries the pesantren has evolved into a highly influential center of Islamic education and has successfully attracted thousands of students (santri) from various regions. While its primary mission is in the field of education during the leadership of KH. Sadoellah Nawawi as general chairman in 1961, the pesantren established business units that later became the foundation of the institution's economic structure through the development of various enterprises. Accordingly, this study aims to examine the influence of brand image and service quality on customer satisfaction in TokoBASMALAH, contributing to broader discussions on how local value-based businesses can compete within Indonesia's evolving modern retail landscape.

PT. Sidogiri Mitra Utama, as the parent company of TokoBASMALAH, is a modern retailer that prioritizes customer satisfaction as a strategic focus underpinning longterm sustainability. The company needs to make improvements and developments to increase profits and remain competitive with other retailers. The service quality provided to TokoBASMALAH can increase customer satisfaction, which ultimately enhances customer loyalty. Previous research suggests that brand image can positively influence both customer satisfaction and loyalty (Yunita & Mahadewi, 2025). Similar conclusions were drawn by several other studies (Yulistianini & Mawarni, 2021; Jacksen et al., 2021), which found that service quality significantly affects customer satisfaction, and brand image also contributes to satisfaction, although its impact varies across contexts.

However, not all studies support these findings. Based on research by Maulana & Ishak (2025), service quality influences customer satisfaction, but brand image has no effect on customer satisfaction. This finding is consistent with those of several previous studies (Triono & Khalid, 2023; Kesumahati et al., 2025; Lestari & Rachmawati, 2025; Sinta et al., 2025; Rusmahafi & Wulandari, 2020), whose results state that service quality has a significant effect on customer satisfaction, where as brand image has no significant effect on customer satisfaction.

Although various studies have examined the influence of brand image and service quality on customer satisfaction, limited research has focused on modern Islamic-based retailers like TokoBASMALAH, which uniquely integrate religious values with business practices. Moreover, conflicting findings regarding the relationships between brand image, service quality, and customer satisfaction highlight the need for a localized investigation. Given the growing competition within Indonesia's retail sector and emerging consumer preferences, understanding these dynamics is crucial for enhancing overall customer satisfaction and loyalty, thereby supporting sustainable business growth.

Customer satisfaction has been a central topic in marketing research for decades and continues to evolve along with consumer behavior and service innovation. According to Kotler and Keller (2024:128), Kotler and Keller describe customer satisfaction as an emotional judgment formed when consumers compare the performance of a product or service with their expectations. Dissatisfaction occurs when performance is below expectations, satisfaction emerges when performance meets expectations, and delight is experienced when performance exceeds expectations. Customer evaluations of product performance depend on several factors, including the type of loyalty relationship they have with the brand. Consumers' perceptions of a product tend to be more positive when they already hold a favorable view of the brand.

This definition aligns with Sunyoto (2013) and Tjiptono (2008), who emphasized that satisfaction emerges when perceived performance matches or exceeds initial expectations (as cited in Yulisetiari & Mawarni, 2021). Furthermore, Yulisetiari & Mawarni (2021) proposed three measurable indicators of customer satisfaction: the conformity of expectations, the level of satisfaction, and customer complaints or objections toward the company's services. Recent studies have refined this understanding by emphasizing the experiential and psychological aspects of satisfaction; for instance, Agarwal and Dhingra (2023, as cited in Maulana & Ishak, 2025) assert that satisfaction is realized when a product or service successfully meets or exceeds customer expectations and that it represents a subjective judgment shaped by the alignment between pre-use expectations and post-use experiences.

Brand image is widely acknowledged as a central construct in marketing. Despite ongoing debate among marketers about the best way to measure it, a commonly accepted perspective aligned with Keller's associative network memory model views brand image as the set of perceptions and associations that consumers develop about a brand through their experiences and stored memories. Put differently, brand associations constitute the informational nodes connected to the brand node in memory and together convey what the brand means to consumers. These associations can take various forms and may relate to product attributes as well as to elements that are not directly tied to the product itself (Keller, 2013, p. 72). Keller (2017, as cited in Yulisetiari & Mawarni, 2021) explains that brand image is shaped by three principal elements: the strength of brand associations, the level of favorability attached to those associations, and the uniqueness that differentiates the brand from others.

To define Quality Service we will use the American Society for Quality's definition: Service quality can be defined as the overall attributes and characteristics of a product or service that enable it to meet explicit and implicit customer needs. This is clearly a customer-centered definition. We can say the seller has delivered quality whenever its product or service meets or exceeds the customers' expectations (Kotler & Keller, 2016). In the context of TokoBASMALAH, consistency in providing services according to promises (including transaction speed, product availability, and accuracy of information from staff) is important. However, mismatches between the service provided and customer expectations, such as inaccurate product information or frequent out-of-stock, can affect the perception of service quality. According to (Safitri et al., 2023) Service quality indicators, they include:

- Tangibility: the physical evidence of the service, including facilities and equipment.
- Responsiveness: the promptness and willingness to deliver service quickly.
- Empathy: the individualized care and attention the company provides to customers.
- Assurance: employees' competence and courtesy that build customer confidence and trust.
- Reliability: the consistency with which the company delivers services as promised and in line with customer expectations.

Research Methods

The study was conducted at TokoBASMALAH, Pajaran Branch, located in Pasuruan Regency. The population of this study comprised all customers of TokoBASMALAH Pajaran. The research was carried out from October to November 2025. The sampling method applied in this study was probability sampling. Sugiyono (2017) states that probability sampling is a sampling technique in which each member of the population has an equal chance of being chosen as a sample. The specific technique used was simple random sampling, which is a subtype of probability sampling. The sample size for this study was calculated using the Lemeshow formula (Lemeshow et al., 1990), which is commonly applied when the population size is unknown or assumed to be very large.

$$n = \frac{Z^2 \times P \times (1 - P)}{d^2}$$

The parameters used include a z-value of 1.96 for a 95% confidence level, a p-value of 0.5 as the maximum estimate, and a sampling error (d) of 0.10. Using the formula above, the sample size to be taken is calculated as follows:

$$n = \frac{(1.96)^2 \times 0.5 \times (1 - 0.5)}{(0.10)^2}$$

$$n = \frac{3.8416 \times 0.25}{0.01} = 96.04 \approx 100$$

Based on the calculation, the sample size was rounded to 100 respondents. To facilitate the study, the researcher established the following sampling criteria:

- Customers aged between 20 and 50 years
- Customers who have made purchases more than once
- Customers residing in Rembang District, Pasuruan Regency.

Result

Table 1. Results of Multiple Linear Regression Analysis

Variable	Regression coefficient (b)	Std. Error (B)	Beta	T hitung	Sig.	Description
Constant	4.822	3.095		1.558	0.122	Not Significant
X1	0.207	0.125	0.235	1.659	0.100	Not Significant
X2	0.380	0.096	0.563	3.977	<0.001	Significant
R (Multiple R)		= 0.779				
R Square		= 0.607				
R Square (Adjusted)		= 0.599				
F count		= 75.024				
Sign. F		= <0.001				
α		= 0.05				

Source: Processed Primary Data, 2025

The F-test produced an F value of 75.024 with a significance level below 0.001, well under the $\alpha = 0.05$ threshold, indicating that the model is statistically significant. This means that H_0 is rejected, indicating that the independent variables Brand Image (X1) and Service Quality (X2) together have a significant influence on Customer Satisfaction. Thus, the diversity of Customer Satisfaction among survey respondents can be explained by these two factors as modeled in the regression equation $Y = 4.822 + 0.207.X1 + 0.380.X2$, with the adjusted R square of 0.599, signifying that approximately 59.9% of customer satisfaction variation is explained by the two factors.

Referring to the significance value (p) set at the 5% (0.05) level, only Service Quality (X2) has a significance value less than 0.05 (<0.001), which shows that X2 has a partial significant effect on Customer Satisfaction, while Brand Image (X1) and the constant do not. The p-values for the constant (0.122) and X1 (0.100) are higher than 0.05, which means these variables do not have a significant partial effect on Customer Satisfaction. Consequently, only Service Quality (X2) can be concluded to have a dominant role in influencing customer satisfaction among the observed variables in this regression model.

Discussion

This study examined the influence of Brand Image (X1) and Service Quality (X2) on Customer Satisfaction (Y) at TokoBASMALAH, an Islamic retail chain in Pasuruan, Indonesia, using multiple linear regression analysis. The regression model explained 59.9% of the variance in customer satisfaction $R^2=0.599$, demonstrating a strong explanatory capability of the two predictors combined.

1. Effect of Brand Image Variable (X1) on Customer Satisfaction (Y)

The results show that brand image positively influences customer satisfaction; however, the effect is not statistically significant, as indicated by a coefficient of 0.207, a t-value of 1.659, and a significance value of 0.100 (greater than 0.05). These results imply that improved perceptions of brand image may correspond with higher customer satisfaction, although the relationship is not statistically strong.

This lack of significance may be attributed to the strong religious and community based loyalty among customers at TokoBASMALAH, which reduces the impact of brand image as a key

satisfaction driver. Customers priorities appear more rooted in shared religious and value based commitments.

These findings are coherent with Kotler and Keller's (2016) theory that customer satisfaction is driven by the fulfillment or surpassing of expectations, where emotional and religious affiliations weigh more heavily than brand image perception. Oliver's (1997) expectancy disconfirmation theory further supports this, emphasizing the role of accumulated experience rather than mere brand impression.

Comparative analysis with previous studies reflects this nuanced position. Research by Maulana & Ishak (2025), Triono & Khalid (2023), and Kesumahati et al. (2025) reported similarly insignificant effects of brand image on satisfaction in contexts with strong community or value based loyalty. Conversely, Yunita & Mahadewi (2025) and Yulisetiari & Mawarni (2021) found significant influences of brand image where consumer behavior is more heavily influenced by functional branding. Lestari & Rachmawati (2025) and Nafilah et al. (2025) contribute further complexity, highlighting that while brand image matters, its effect may be mediated or less direct depending on other situational variables.

2. Effect of Service Quality Variable (X2) on Customer Satisfaction (Y)

In this study, service quality demonstrates a significant and positive impact on customer satisfaction, as shown by a coefficient of 0.380 and a t-value of 3.977, and p-value less than 0.001. This indicates a robust relationship whereby improvements in service quality lead to higher levels of customer satisfaction.

Service quality dimensions at TokoBASMALAH, including tangibles, reliability, responsiveness, assurance and empathy consistently meet or surpass customer expectations, thereby solidifying satisfaction as per Kotler and Keller's (2016) framework. Oliver's (1997) expectancy disconfirmation model also corroborates these findings by emphasizing that exceeding customer expectations is critical to satisfaction.

These results confirm and align with earlier studies such as those by Yulisetiari & Mawarni (2021), Jacksen et al. (2021), and Safitri et al. (2023), which demonstrated service quality as a primary predictor of satisfaction across various sectors. Lestari & Rachmawati (2025) similarly underline service quality's importance, although with varying magnitudes depending on the research context.

Together, these outcomes emphasize the managerial imperative to focus on enhancing service quality to sustain competitive advantage and foster deep customer loyalty, particularly within the socio-religious commercial environment of TokoBASMALAH.

Conclusion

Based on research results and discussion, researcher can conclude that brand image has no significant influence to customer satisfaction. The study concludes that higher levels of service quality lead to significant increases in customer satisfaction, emphasizing the importance of excellent service performance. Service quality also has significant impact to customer satisfaction, give high service quality not only increase customer satisfaction but also help build brand image which strong in customer mind.

As for suggestion which can researcher give to PT. Sidogiri Mitra Utama that is need focus on strengthening brand promotion to increase brand image as well as keep going do innovation to help company increase customer satisfaction. Researcher also recommend that furthermore study can expand coverage with evaluate role price and promotion in influence customer

satisfaction. Besides that, study in time front also can compare influence variable which the same in various region to identify difference customer behavior in every city or area.

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