

The Role of Customer Satisfaction in Mediating the Effects of Product Quality and Service Quality on Repurchase Intention: A Study at Mr. Konveksi Bali

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ABSTRACT

This research examines the role of customer satisfaction as an intervening variable connecting product and service quality with customers' intention to repurchase in the MSME context. Despite increasing competition in the post-pandemic period, maintaining customer loyalty remains a critical challenge for small businesses. A quantitative research design was implemented using survey data gathered from 120 participants who had prior purchasing experience. The study employed PLS-SEM to assess the relationships among variables, including both direct and indirect effects. The analysis indicates that both product and service quality have a significant effect on customers' intention to repurchase. These results highlight the importance of delivering consistent service interactions alongside reliable product performance. From a managerial perspective, MSMEs should prioritize customer-centric strategies that enhance experiential value to sustain long-term purchasing behavior.

INTRODUCTION

Rapid technological progress and evolving patterns of consumer behavior have fundamentally altered the competitive dynamics of contemporary markets. Purchasing decisions are no longer determined primarily by price; instead, consumers increasingly assess offerings based on a broader set of attributes, particularly the perceived quality of products and the overall service experience (Rifai et al., 2025). This transformation creates a strategic challenge for micro, small, and medium-sized enterprises (MSMEs), which must operate under resource limitations while simultaneously adapting to more sophisticated and demanding customer expectations.

Within Indonesian, MSMEs continue to encounter persistent constraints, especially in delivering consistent service quality, which weakens their competitive position (Nuryanto & Farida, 2025). Strengthening both product quality and service performance is therefore essential, as these factors not only differentiate firms in competitive markets but also contribute to the development of long-term customer relationships (Kurniawan, 2024). Sustainable customer retention is increasingly dependent on the ability of firms to combine reliable product outcomes with responsive and meaningful service interactions that enhance perceived value (Putra et al., 2023).

The garment industry in Bali provides a relevant empirical setting to observe these dynamics. The emergence of COVID-19 led to a significant decline in industry performance, primarily caused by weakened consumer demand, interruptions in supply chains, and restrictions on business operations (Kepramareni et al., 2020; Islamiati, 2021). Many small-scale garment businesses were unable to maintain operations, leading to asset liquidation or closure. Several firms, including BSS Konveksi, Eva Konveksi, Lingga Konveksi, Rama Konveksi, Diamond Konveksi, and Flow Konveksi, reduced their production capacity or transferred assets, some of which were later absorbed by surviving businesses. In response to these pressures, certain firms attempted adaptive strategies, such as product diversification and participation in recovery initiatives (Rohman, 2022).

Mr. Konveksi Bali, established in 2017, represents one of the firms that managed to remain operational throughout the pandemic period. This resilience is often associated with a firm's ability to maintain customer satisfaction, which is crucial for fostering trust and encouraging repeat purchasing (Jasina et al., 2023). However, an unexpected pattern emerged in the post-pandemic phase. Despite signs of macroeconomic recovery in Indonesia, the firm experienced a continuous decline in orders and revenue between 2023 and 2025. This divergence between broader economic improvement and declining firm performance suggests a shift in consumer behavior, particularly in terms of repurchase intention, and highlights the importance of gaining a deeper insight into the factors shaping customer retention in the post-pandemic context.

LITERATURE REVIEW

Consumer Behavior

Contemporary consumer behavior studies view purchasing activity as a dynamic and iterative process in which individuals recognize needs, process information, make decisions, and subsequently evaluate their consumption experiences, all of which shape future behavioral tendencies (Yasa, 2020). This process is influenced by a combination of internal psychological factors such as perception, motivation, and individual preferences and external forces, including social interactions, cultural norms, and market conditions (Maharani & Tazliqoh, 2024). Rather than operating independently, these elements interact in a complex manner that continuously reshapes consumer expectations. For firms, particularly within MSME contexts, understanding these behavioral patterns is essential for aligning value propositions with evolving customer demands and for developing adaptive marketing strategies that remain relevant in competitive environments.

Stimulus-Organism-Response

This research adopts the Stimulus–Organism–Response (S-O-R) framework, which views behavior as a sequence of responses triggered by external stimuli, interpreted through internal psychological processes, and expressed as observable outcomes (Lusianingrum & Pertiwi, 2023). Within this perspective, elements such as product attributes and service performance act as external triggers that influence consumers' cognitive evaluations and emotional responses. These internal processes subsequently shape behavioral outcomes, including satisfaction and repurchase intention. The S-O-R framework offers a systematic perspective for explaining how external business practices influence customer behavior through internal evaluation processes, making it especially applicable in service-based and experience-driven markets.

Product Quality

The concept of product quality has shifted from a narrow focus on functional performance toward a broader understanding that includes the product's ability to fulfill expectations and create perceived value. Product quality can therefore be understood as the degree to which a product's attributes satisfy customer requirements while ensuring consistent performance (Harjadi & Arraniri, 2021; Rahellea & Rianto, 2023). Prior empirical findings consistently indicate that higher product quality contributes to stronger satisfaction and increases the likelihood of repeat purchasing behavior (Yasa et al., 2018). This relationship is especially important in MSME contexts, where customers place strong reliance on consistent and reliable product performance as signals of trustworthiness. In situations where consumers face multiple alternatives, products that demonstrate dependable quality are more likely to be selected and repurchased, underscoring the strategic role of quality assurance.

Service Quality

Service quality is widely regarded as a primary factor shaping customer evaluations and ongoing engagement. It involves not only the technical aspects of service delivery but also the interactions between providers and customers, which influence perceptions and emotional responses throughout the service experience (Ritonga et al., 2020). These interactions contribute to the formation of overall impressions that influence customer attitudes and future behavior. In MSME environments, where product differentiation is often limited, service quality becomes a key competitive lever. Firms that are able to provide responsive, reliable, and customer-oriented service experiences are more likely to strengthen customer trust and sustain long-term relationships, thereby enhancing retention outcomes.

Customer Satisfaction

Customer satisfaction represents an evaluative judgment formed through the comparison between expected and actual performance. When perceived performance meets or surpasses expectations, customers tend to develop positive evaluations, whereas discrepancies often lead to unfavorable responses (Wicaksono & Widodo, 2024; Yasa, 2020). This evaluation involves both cognitive appraisal and emotional reaction, making satisfaction a multidimensional construct that reflects overall experience quality. In the context of MSMEs, maintaining customer satisfaction is particularly important, as it reinforces relational continuity, builds trust, and increases the likelihood of repeated transactions. Consequently, satisfaction functions not only as an outcome variable but also as a mechanism that supports long-term customer involvement.

Repurchase Intention

Repurchase intention reflects the probability that customers will maintain their relationship with a service provider based on their previous experiences. This intention develops through accumulated interactions, where positive past experiences increase the likelihood of returning (Sakinah, 2024). Both cognitive evaluations and emotional responses contribute to this process, as they influence perceptions of value and trust toward the provider (Irwanto & Subroto, 2024). As a behavioral indicator, repurchase intention reflects the stability of customer relationships and serves as a key signal of loyalty. In competitive markets, particularly within MSMEs, fostering strong repurchase intention is essential for ensuring business continuity and sustaining long-term performance.

Conceptual Model

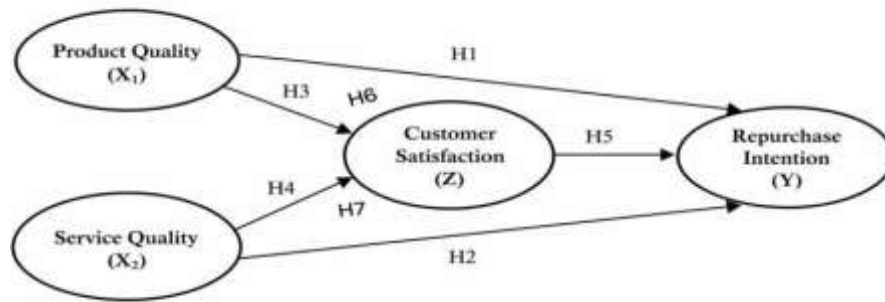


Figure 1. Conceptual Model

This research develops a conceptual model to explain how product-related and service-related factors shape customers' intention to repurchase within the MSME garment sector, particularly in a post-pandemic environment. Rather than treating these factors as isolated drivers, the framework positions customer satisfaction as an intervening mechanism that connects consumption experiences with subsequent behavioral responses.

The proposed model is based on the Stimulus–Organism–Response (S–O–R) framework. Within this framework, product quality and service quality are conceptualized as external stimuli that customers encounter during the consumption process. These stimuli are internally evaluated, forming a psychological state represented by customer satisfaction. This internal evaluation subsequently influences behavioral outcomes, specifically repurchase intention.

Product quality is anticipated to have a direct effect on repurchase intention, as it reflects tangible attributes and performance-related characteristics. When customers perceive consistency, durability, and functional reliability, they are more likely to develop confidence in the product, which encourages repeat purchasing behavior. At the same time, positive evaluations of product attributes are anticipated to enhance customer satisfaction, reinforcing its indirect effect on behavioral intention.

Service quality, in contrast, is more closely associated with the experiential dimension of consumption. Interactions between customers and service providers such as responsiveness, communication, and problem handling are expected to shape how customers interpret their overall experience. While these interactions may not always directly translate into immediate repurchase decisions, they contribute significantly to the formation of customer satisfaction, which in turn influences future behavior.

Customer satisfaction is therefore positioned as a central mechanism within the model. It reflects the outcome of customers' evaluative processes when comparing expectations with actual experiences. Higher customer satisfaction suggests that the perceived value of both the product and service meets or surpasses expectations, thereby enhancing the probability of repurchase.

Importantly, this framework does not assume uniform mediation effects. Instead, it allows for the possibility that customer satisfaction operates differently across relationships. Product quality may influence repurchase intention both directly and indirectly, whereas service quality may rely more heavily on satisfaction as a transmission pathway. This asymmetrical perspective offers a more refined understanding of how various quality dimensions influence customer retention.

Based on this framework, the study proposes that repurchase intention is shaped through both direct effects of quality dimensions and indirect effects mediated by customer satisfaction. This approach allows for a more thorough analysis of customer behavior, particularly in settings where consumption patterns are changing, such as in the post-pandemic MSME sector.

METHODOLOGY

This study employed a quantitative approach to examine causal relationships among the variables. The study gathered primary data through a structured survey administered to participants who had prior purchasing experience with MSME products. From the collected data, 120 valid responses were analyzed using PLS-SEM, which is appropriate for predictive purposes and capable of handling complex structural models. The measurement model was assessed through convergent and discriminant validity, while reliability was examined using composite reliability and Cronbach's alpha. Subsequently, the structural model was analyzed to evaluate both direct and mediating effects among the variables.

RESEARCH RESULTS

Participant Demographics

Table 1. Participant Demographics

No	Demographic profile	Respondent segmentation	Frequency	Proportional distribution
1	Gender	Male	51	42%
		Female	69	58%
	Total		120	100%
2	Age grouping	18-23 Years	19	16%
		24-28 Years	94	78%
		29-33 Years	4	3%
		34-38 Years	2	2%
		> 38 Years	1	1%
Total		120	100%	
3	Occupation	Student	11	9%

		Private Employee	78	65%
		Entrepreneur	7	6%
		Civil Servant	4	3%
		Other Occupations	20	17%
	Total		120	100%
4	Monthly Income	Less than IDR 3.000.000	23	19%
		IDR 3.000.000 to IDR 5.000.000	74	62%
		IDR 5.000.000 to IDR 7.000.000	15	12%
		More than IDR 7.000.000	8	7%
	Total		120	100%

Source: Processed Data, 2026

Table 1 presents an overview of the respondents' demographic profile. The sample is largely dominated by female participants (58%), indicating a relatively greater engagement of women in garment-related purchasing activities. In terms of age, the majority of respondents are within the 24-28-year category (78.3%), suggesting that the sample is primarily composed of young adults. With respect to occupation, most respondents are employed in the private sector (65.0%). Regarding income levels, 61.7% of participants report monthly earnings ranging from IDR 3,000,000 to IDR 5,000,000, representing a moderate income group. These characteristics offer contextual understanding of the respondent composition; however, the findings are specific to this sample and should be interpreted with caution when extending them to a broader population.

Product Quality

The descriptive analysis of the product quality variable (X_1), measured using five indicators on a five-point Likert scale, indicates a highly favorable evaluation by respondents. Overall, product quality achieved a mean score of 4.45, placing it within the "very good" category. Among the assessed dimensions, stitching quality recorded the highest mean value (4.62), suggesting that respondents place particular importance on precision and neatness in garment construction when forming their quality perceptions. These findings imply that technical craftsmanship represents a critical component in shaping consumers' overall assessment of product quality within the garment sector.

Table 2. Descriptive Statistics of Product Quality

No	Statement	Frequency of Responses (n)					Total	Mean	Category
		1	2	3	4	5			
1	The fabric material matches the initial agreement	1	2	3	40	74	536	4.47	Very Good
2	The stitching is neat and consistent	1	1	3	31	84	554	4.62	Very Good
3	The garments are durable under regular use	0	2	2	62	54	528	4.40	Very Good
4	The final product matches the agreed design	1	1	5	44	69	539	4.49	Very Good
Overall Mean								4.45	Very Good

Source: Data processed, 2026

Service Quality

The descriptive evaluation of the service quality variable (X_2), assessed through five indicators using a five-point Likert scale, reveals a strong positive perception among respondents. The overall mean score of 4.47 places service quality within the “very good” category, indicating a high level of customer approval. Among the dimensions examined, responsiveness to customer inquiries achieved the highest mean value (4.50), highlighting the importance of prompt and effective communication in shaping service evaluations. This finding suggests that the ability to respond quickly and appropriately to customer needs constitutes a key determinant of perceived service excellence in the garment service context.

Table 3. Descriptive Statistics of Service Quality

No	Statement	Frequency of Responses (n)					Total	Mean	Category
		1	2	3	4	5			
1	The production facilities and equipment are properly	1	1	3	49	66	538	4.48	Very Good

	maintained								
2	Orders are completed within the agreed timeframe	1	1	4	47	67	538	4.48	Very Good
3	Staff respond promptly to customer inquiries	1	1	4	45	69	540	4.50	Very Good
4	Customers have confidence in the provider's ability to complete orders	1	2	3	43	71	539	4.49	Very Good
Overall Mean								4.47	Very Good

Source: Data processed, 2026

Customer Satisfaction

The descriptive assessment of customer satisfaction (Z), measured using four indicators on a five-point Likert scale, indicates a consistently high level of positive evaluation among respondents. The overall mean score of 4.48 places customer satisfaction within the "very good" category, reflecting favorable post-consumption experiences. The highest mean value was observed for the overall satisfaction indicator (4.67), suggesting that customers generally report a strong sense of fulfillment after utilizing the service. Although the lowest-rated indicator recorded a mean of 4.32, it remains within the same "very good" range, indicating that all dimensions of satisfaction are perceived positively and relatively consistent across respondents.

Table 4. Descriptive Statistics of Customer Satisfaction

No	Statement	Frequency of Responses (n)					Total	Mean	Category
		1	2	3	4	5			
1	I am satisfied with the services provided	2	1	0	29	88	560	4.67	Very Good

2	The service results meet my expectations	1	0	6	43	70	541	4.51	Very Good
3	Choosing this provider was the right decision	2	0	5	51	62	531	4.42	Very Good
4	I feel positive after using the service	1	0	7	64	48	518	4.32	Very Good
Overall Mean								4.48	Very Good

Source: Data processed, 2026

Repurchase Intention

The descriptive analysis of repurchase intention (Y), measured through four indicators on a five-point Likert scale, reveals a strong inclination among respondents to engage in repeat transactions. The overall mean score of 4.49 falls within the “very good” category, indicating a high level of behavioral intention to repurchase. Among the indicators, the recommendation dimension achieved the highest mean value (4.57), suggesting that customers are not only willing to return but also inclined to endorse Mr. Konveksi Bali to others. This pattern reflects a favorable customer experience that extends beyond personal satisfaction to include positive word-of-mouth intentions.

Table 5. Descriptive Statistics of Repurchase Intention

No	Statement	Frequency of Responses (n)					Total	Mean	Category
		1	2	3	4	5			
1	I am willing to recommend this service to others	1	1	2	40	76	549	4.57	Very Good
2	I plan to make future purchases from this provider	2	1	2	47	68	538	4.48	Very Good
3	I intend to return to this provider for my next order	2	1	1	43	73	544	4.53	Very Good
4	I prefer this provider compared to other alternatives	2	1	3	59	55	524	4.37	Very Good

Overall Mean	4.49	Very Good
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Source: Data processed, 2026

PLS-SEM Procedure and Model Evaluation

Partial Least Squares Structural Equation Modeling (PLS-SEM) was utilized as the main analytical method to examine the relationships among the proposed constructs. As a variance-based technique, this method is well-suited for analyzing complex models involving multiple latent variables and interrelated paths. The analytical procedure was conducted in two stages. First, the measurement model was assessed to confirm the adequacy of the constructs in terms of reliability and validity. Second, the structural model was evaluated to determine the strength and statistical significance of the relationships among the variables. The use of PLS-SEM in this study is considered appropriate due to its ability to handle relatively complex model structures while providing stable and reliable parameter estimates, thereby facilitating a comprehensive interpretation of the relationships within the model.

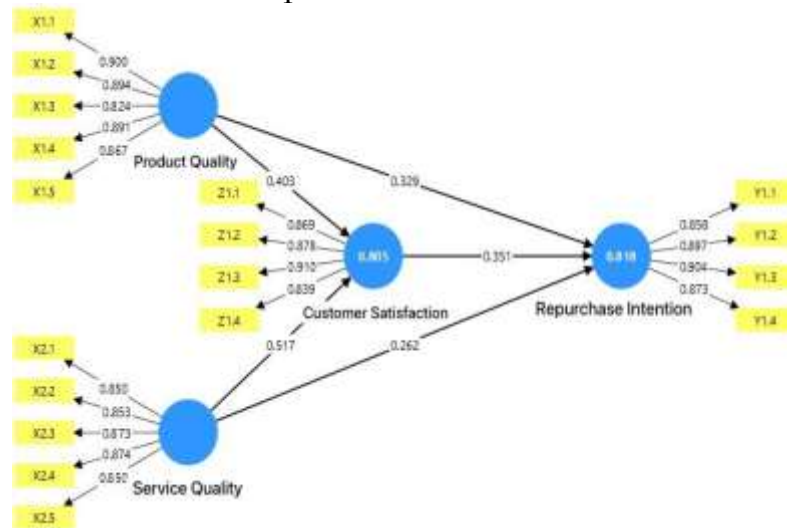


Figure 2. Outer Model

Source: Data Processed, 2026

Measurement Model Evaluation (Outer Model)

Convergent validity was evaluated within the PLS-SEM framework using outer loading values as the primary criterion. The results indicate that all indicators exceed the recommended threshold of 0.70, accompanied by t-statistics greater than 1.96 and p-values below 0.05, confirming that each indicator significantly contributes to its respective construct (Table 6). Within the product quality construct, the indicator related to fabric material conformity (X1.1) demonstrates the highest loading value (0.900), highlighting its strong representational capacity. Similarly, for service quality, the indicator reflecting confidence in the provider’s ability to fulfill orders (X2.4) records the highest loading (0.874), indicating its dominant role in defining the construct. Overall, the consistency of these results supports the adequacy of the measurement model in terms of both validity and reliability.

Table 6. Results of Convergent Validity Test (Outer Loadings)

	<i>Original Sample</i>	<i>T statistics</i>	<i>P values</i>
X _{1.1} <- Product Quality (X ₁)	0.900	32.547	0.000
X _{1.2} <- Product Quality (X ₁)	0.894	30.304	0.000
X _{1.3} <- Product Quality (X ₁)	0.824	14.985	0.000
X _{1.4} <- Product Quality (X ₁)	0.891	29.412	0.000
X _{1.5} <- Product Quality (X ₁)	0.867	30.681	0.000
X _{2.1} <- Service Quality (X ₂)	0.850	22.320	0.000
X _{2.2} <- Service Quality (X ₂)	0.853	22.791	0.000
X _{2.3} <- Service Quality (X ₂)	0.873	29.702	0.000
X _{2.4} <- Service Quality (X ₂)	0.874	28.711	0.000
X _{2.5} <- Service Quality (X ₂)	0.850	21.297	0.000
Y _{1.1} <- Repurchase Intention (Y)	0.858	22.129	0.000
Y _{1.2} <- Repurchase Intention (Y)	0.897	35.127	0.000
Y _{1.3} <- Repurchase Intention (Y)	0.904	33.551	0.000
Y _{1.4} <- Repurchase Intention (Y)	0.873	26.566	0.000
Z _{1.1} <- Customer Satisfaction (Z)	0.869	24.861	0.000
Z _{1.2} <- Customer Satisfaction (Z)	0.878	27.087	0.000
Z _{1.3} <- Customer Satisfaction (Z)	0.910	38.803	0.000
Z _{1.4} <- Customer Satisfaction (Z)	0.839	21.303	0.000

Source: Data processed, 2026

Evaluation of the Structural Model (Inner Model)

The structural (inner) model was analyzed to assess the predictive relationships among the latent constructs within the PLS-SEM framework. The evaluation focused on examining the magnitude and significance of the hypothesized paths using path coefficients, t-statistics, and associated p-values. In addition, the model's explanatory power was assessed through the coefficient of determination (R^2) for each endogenous construct. The results indicate that the measurement model meets the required validity standards, as all indicators demonstrate statistically significant loadings ($p < 0.05$), thereby supporting the reliability of subsequent structural analysis (see Figure 3). Furthermore, the R^2 values provide insight into the extent to which the exogenous variables explain the variance in the endogenous constructs, reflecting the overall predictive capability and robustness of the proposed model.

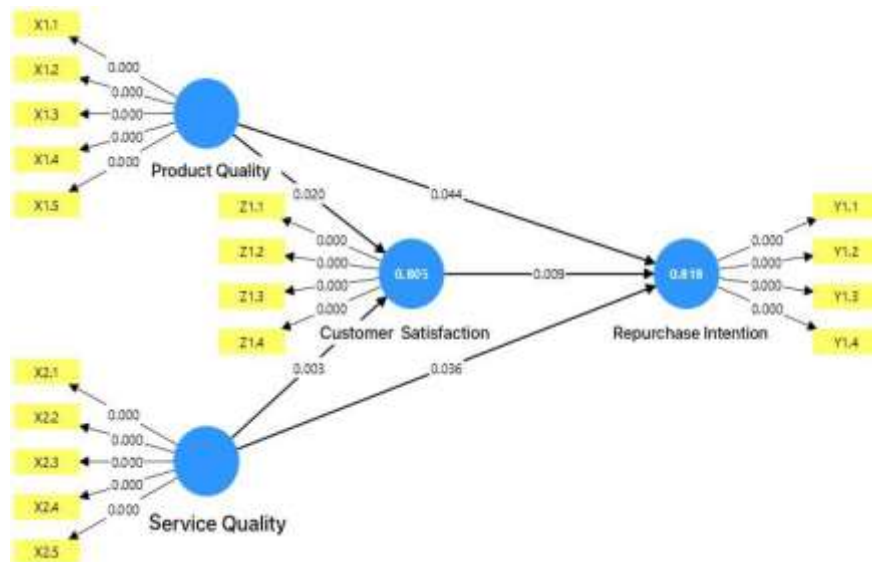


Figure 3. Inner Model Results

Source: Data Processed, 2026

R-Square Results

The coefficient of determination (R^2) was used to evaluate the model’s explanatory strength for the endogenous constructs. The results presented in Table 7 indicate that product quality and service quality jointly explain 80.5% of the variance in customer satisfaction ($R^2 = 0.805$; adjusted $R^2 = 0.802$), reflecting a high level of explanatory capability. When customer satisfaction is included in the model, the combined effects of product quality, service quality, and customer satisfaction account for 81.8% of the variance in repurchase intention ($R^2 = 0.818$; adjusted $R^2 = 0.813$). These values suggest that the model has strong predictive relevance in explaining the key outcome variables. The remaining unexplained variance may be attributed to other factors not incorporated in the current framework, such as pricing considerations, promotional activities, or other contextual influences.

Table 7. R-Square Results

Variable	R-square	R-square adjusted
Customer Satisfaction (Z)	0.805	0.802
Repurchase Intention (Y)	0.818	0.813

Source: Data processed, 2026

Empirical Evaluation of the Proposed Hypotheses

Hypothesis evaluation was carried out using a significance threshold of 0.05, where p-values below this level indicate empirical support for the proposed relationships (see Table 8). The estimation results obtained from the PLS-SEM model show that all direct relationships are positive and statistically significant. Product quality and service quality are both found to have meaningful contributions to repurchase intention, indicating that improvements in these dimensions are associated with a higher tendency for customers to engage in repeat transactions. In a similar manner, both constructs

also demonstrate significant positive effects on customer satisfaction, suggesting that better perceived quality whether related to the product or service delivery leads to more favorable customer evaluations.

Customer satisfaction itself is identified as a significant predictor of repurchase intention, highlighting its pivotal role in influencing future purchasing behavior. In terms of indirect effects, the findings indicate that customer satisfaction acts as a partial mediator in the relationship between product quality and repurchase intention. This suggests that product quality affects repurchase behavior not only directly but also indirectly through the formation of satisfaction. Conversely, the mediating role of customer satisfaction in the link between service quality and repurchase intention is not statistically supported. This outcome implies that although service quality has a direct impact on repurchase intention, its indirect influence through satisfaction is relatively limited. Therefore, other explanatory factors, such as trust or perceived value, may play a more prominent role in capturing how service quality translates into repeat purchasing behavior.

Table 8. Hypothesis Test Results

Hypothesis	Path Coefficient	<i>p-value</i>	Result
Direct Effects			
Product Quality (X ₁)→Repurchase Intention (Y)	0.329	0.044	Significant
Service Quality (X ₂)→Repurchase Intention (Y)	0.262	0.036	Significant
Product Quality (X ₁)→Customer Satisfaction (Z)	0.403	0.020	Significant
Service Quality (X ₂)→ Customer Satisfaction (Z)	0.517	0.003	Significant
Customer Satisfaction (Z)→ Repurchase Intention (Y)	0.351	0.009	Significant
Indirect Effects			
Product Quality (X ₁) → Customer Satisfaction (Z) → Repurchase Intention (Y)	0.141	0.024	Significant
Service Quality (X ₂) → Customer Satisfaction (Z)	0.181	0.086	Not Significant

→ Repurchase
Intention (Y)

Source: Data Processed, 2026

DISCUSSION

Product Quality as a Determinant of Repurchase Intention

The findings confirm that product quality significantly influences repurchase intention ($\beta = 0.329$, $p = 0.044$), indicating that customers' decisions to return are closely linked to their assessment of product performance. In the context of Mr. Konveksi Bali, this evaluation is largely based on tangible attributes, particularly stitching precision and overall product reliability. The prominence of stitching accuracy highlights the importance of technical craftsmanship in shaping customer confidence and retention. These results suggest that maintaining consistent product standards is not only essential for meeting functional expectations but also serves as a strategic driver of competitiveness in MSME settings. From a theoretical perspective, this relationship supports the Stimulus-Organism-Response (S-O-R) framework, where product quality acts as a stimulus that directly influences behavioral outcomes.

Service Quality and Its Influence on Repurchase Intention

The analysis also indicates that service quality has a significant positive effect on repurchase intention ($\beta = 0.262$, $p = 0.036$). Customers who perceive the service as reliable and responsive are more likely to continue engaging with the provider. Among the service dimensions, responsiveness emerges as the most influential factor, emphasizing the importance of prompt and clear communication in encouraging repeat transactions. This finding implies that beyond product attributes, service interactions play a critical role in reducing uncertainty and strengthening customer confidence. In line with the S-O-R framework, service quality functions as an external stimulus that shapes internal evaluations, which are then reflected in behavioral intentions.

Product Quality as a Driver of Customer Satisfaction

The results demonstrate that product quality has a significant positive impact on customer satisfaction ($\beta = 0.403$, $p = 0.020$). Customers form their evaluations based on key product attributes such as durability, material consistency, and alignment with requested specifications. When these aspects meet or exceed expectations, customers are more likely to develop favorable perceptions of their experience. This highlights the importance of maintaining high and consistent product standards in ensuring customer satisfaction, particularly in competitive MSME environments. From the S-O-R perspective, product quality serves as a stimulus that is processed through internal evaluations, leading to satisfaction as an outcome.

Service Quality as a Key Contributor to Customer Satisfaction

Service quality is found to exert a stronger influence on customer satisfaction compared to product quality ($\beta = 0.517$, $p = 0.003$), indicating that the quality of service interactions plays a dominant role in shaping overall customer evaluations. Customers place considerable importance on how services are delivered, especially in terms of responsiveness, clarity, and professionalism. Positive service experiences contribute to both cognitive and emotional evaluations, resulting in higher levels of satisfaction. This finding reinforces the role of service quality as a critical external stimulus within the S-O-R framework, influencing internal psychological responses that lead to satisfaction.

Customer Satisfaction as a Predictor of Repurchase Intention

Customer satisfaction is shown to significantly influence repurchase intention ($\beta = 0.351$, $p = 0.009$), confirming its central role in shaping future purchasing behavior. When customers perceive that their expectations have been fulfilled, they are more likely to develop trust and reduce their tendency to consider alternative providers. This strengthens the continuity of customer relationships and reinforces loyalty. The strong contribution of satisfaction indicators further supports the notion that satisfaction acts as a key mechanism linking past experiences with future behavioral intentions.

The Mediating Role of Customer Satisfaction in the Product Quality-Repurchase Intention Relationship

The mediation analysis indicates that customer satisfaction partially mediates the relationship between product quality and repurchase intention ($\beta = 0.141$, $p = 0.024$). This suggests that product quality influences repurchase behavior through both direct and indirect pathways. Customers who perceive high product quality are more likely to experience satisfaction, which subsequently strengthens their intention to repurchase. This dual effect highlights the role of product quality not only as a functional driver but also as a factor that shapes internal evaluations. Within the S-O-R framework, this mechanism reflects the role of the organism (customer satisfaction) in translating external stimuli into behavioral outcomes.

The Mediating Role of Customer Satisfaction in the Service Quality-Repurchase Intention Relationship

In contrast, customer satisfaction does not significantly mediate the relationship between service quality and repurchase intention. Although service quality directly influences customers' intention to repurchase, its indirect effect through satisfaction is not supported. This finding suggests that the impact of service quality on repurchase behavior may operate through alternative mechanisms, such as trust or perceived value, rather than satisfaction alone. It also indicates that customers may directly respond to service experiences without necessarily forming a mediating evaluative state. This nuance provides additional insight into the complexity of service-driven behavioral outcomes within the MSME context.

CONCLUSIONS AND RECOMMENDATIONS

This study highlights the strategic importance of integrating product reliability with high-quality service delivery to enhance customer satisfaction and encourage repeat purchasing behavior. The findings indicate that customer satisfaction functions not only as an outcome but also as a key mechanism that reinforces the influence of product quality on repurchase intention. However, this mediating role is not evident in the relationship between service quality and repurchase intention. For MSMEs, this implies that competitive advantage cannot rely solely on product features. Instead, businesses must focus on delivering consistent and meaningful customer experiences. Future research may expand this model by incorporating additional variables such as perceived value or digital engagement to better capture evolving consumer behavior.

ADVANCED RESEARCH

Future research should broaden the current framework by incorporating additional variables that may provide deeper insight into the determinants of repurchase intention. Given the non-significant mediating role of service quality identified in this study, subsequent investigations may consider alternative constructs such as perceived value, customer trust, brand image, customer loyalty, and price perception as potential mediating or moderating factors. Examining these variables could help clarify the mechanisms through which service quality influences consumer behavior. Moreover, adopting longitudinal research designs and including samples from multiple firms across different contexts would strengthen the external validity and enhance the generalizability of the findings, particularly within the wider landscape of MSMEs in the garment industry.

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