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The Impact Of Service Quality, Product Quality, And After-Sales Service On Customer Satisfaction And Loyalty: A B2B Study At Pt Mig Sulawesi

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Abstract

This study aims to analyze the effect of service quality, product quality, and after-sales service on customer satisfaction and loyalty in the context of Business to Business (B2B) relationships at PT MIG Sulawesi. The respondents of the study consisted of 250 employees of client companies who actively interacted with PT MIG Sulawesi in the last two years. Data were collected using a Likert-based questionnaire and analyzed using the Structural Equation Modeling (SEM) method with the Smart PLS approach. The results of the study indicate that service quality, product quality, and after-sales service significantly affect customer satisfaction, which in turn has a positive impact on customer loyalty. These findings support the research hypothesis that improvements in these three variables can strengthen long-term relationships between service providers and B2B clients, and contribute to the literature on customer satisfaction and loyalty in the strategic commodity sector.

Keywords: Service quality, product quality, after-sales service, customer satisfaction, customer loyalty

INTRODUCTION

The evolution of B2B business emphasizes customer satisfaction as a crucial aspect influencing the sustainability of long-term business relationships. PT MIG Sulawesi, operating in the palm oil sector, faces significant challenges in managing service quality, product quality, and after-sales service to maintain customer satisfaction.

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In this context, customer satisfaction depends not only on the products offered but also on how they are delivered and supported post-sale. A lack of attention to service quality and after-sales support may lead to reduced customer satisfaction, which in turn can impact customer loyalty and retention (Zeithaml, Berry, & Parasuraman, 1996). For instance, companies failing to meet expectations for service and post-sale support often struggle to retain customers and experience increased churn rates. Thus, it is essential to deeply analyze how service quality, product quality, and after-sales service affect B2B customer satisfaction at PT MIG Sulawesi. Over the past decades, the B2B industry has undergone significant transformations in standards for service quality, products, and after-sales support. Rising competition and increasing customer demands have driven companies to focus on improving quality across all business aspects. Service quality is now regarded as a key element in building long-term customer relationships. According to Grönroos (1990), high service quality enhances customer value perception and strengthens business relationships. Meanwhile, product quality remains a primary focus, with Garvin (1987) asserting that consistent and customer-standard-compliant product quality can create sustainable competitive advantages. After-sales service, including technical support and repair services, is also crucial in ensuring post-purchase customer satisfaction (Bolton & Drew, 1991). With these trends in mind, PT MIG Sulawesi must adapt its strategies to meet evolving customer expectations and compete effectively in the market.

PT MIG Sulawesi operates in the palm oil sector, a strategic industry in Indonesia that significantly contributes to the national economy and international markets. Palm oil is a critical commodity for various industries, including food, cosmetics, and biofuels, with rising global demand. However, the industry faces complex challenges, including efficient supply chain management to optimize production, harvesting, and distribution processes to meet evolving market demands (Li et al., 2014). Additionally, environmental and sustainability standards are increasingly stringent, requiring companies like PT MIG Sulawesi to adopt eco-friendly practices such as obtaining Roundtable on Sustainable Palm Oil (RSPO) certification. Failure to meet these standards can harm corporate reputation and customer trust while limiting market access. As a B2B entity, PT MIG Sulawesi must ensure consistent product quality at every stage of its supply chain to meet high client expectations regarding reliability and sustainability, essential for maintaining competitiveness in an increasingly demanding market.

Maintaining product and service quality requires PT MIG Sulawesi to implement efficient management systems, including strict production oversight, consistent quality

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control, and reliable logistics and distribution processes. In B2B contexts, ensuring product quality means not only meeting specifications but also delivering products in optimal condition with adequate support. Customer satisfaction, a key driver of loyalty, fosters emotional bonds that encourage repeat purchases and positive recommendations, as satisfied customers experience stronger brand connections and are less likely to switch in competitive markets. Kartikasari & Albari (2019) highlight the significant influence of satisfaction on loyalty, emphasizing that satisfied consumers tend to remain loyal and make repeat purchases. Similarly, in B2B relationships, satisfaction significantly impacts client loyalty, with satisfied companies more likely to extend contracts, increase purchase volumes, and maintain long-term relationships. Novia et al. (2024) note that factors like product quality, service reliability, and competitive pricing enhance satisfaction and, ultimately, loyalty, demonstrating that B2B satisfaction not only sustains relationships but also unlocks broader collaboration opportunities.

Service quality is a critical factor influencing customer satisfaction in B2B contexts, where long-term relationships depend on strong interactions between providers and clients. According to Koschmann and Isaac (2018), excellent service in B2B acts as a catalyst for mutually beneficial relationships. For PT MIG Sulawesi, service quality extends beyond initial transactions like pricing negotiations or deliveries to encompass technical and operational support post-delivery, as well as responsiveness to customer complaints, fostering trust and loyalty (Maulyan et al., 2022). In competitive B2B markets, optimal service quality differentiates companies and strengthens customer perceptions of both products and the business overall. Equally essential is product quality, which must meet technical specifications and add value to satisfy customers. Shokouhyar et al. (2020) note that meeting or exceeding customer expectations enhances satisfaction and fosters long-term loyalty, while Murali et al. (2016) highlight that high-quality products bolster brand reputation, attracting and retaining customers. Thus, PT MIG Sulawesi must consistently innovate and improve its palm oil products to meet standards, avoid dissatisfaction, and maintain its competitive edge globally.

In the highly competitive palm oil industry, after-sales service is crucial for maintaining customer satisfaction and ensuring long-term business relationships. It encompasses technical support, maintenance, warranties, and repairs, providing customers with confidence in their purchases (Bolton & Drew, 1991). Effective after-sales service demonstrates a company's commitment to quality and builds trust and loyalty among customers (Maulyan et al., 2022). PT MIG Sulawesi must continuously enhance its after-sales systems to address customer needs efficiently and professionally,

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differentiating itself in the competitive B2B market. Adapting to technological advancements, PT MIG Sulawesi can leverage digitalization to streamline services, improve operational efficiency, and enhance customer experiences. Digital tools, including data analytics and artificial intelligence, can predict customer needs and enable personalized, responsive service (Verhoef et al., 2021; Saputra et al., 2023). This transformation is vital for sustaining satisfaction and competitiveness in the dynamic palm oil sector. Research on the interplay of service quality, product quality, and after-sales service in the palm oil B2B context remains limited, and this study addresses this gap, offering insights beneficial to PT MIG Sulawesi, other industry players, and academia.

LITERATURE REVIEW

Service Quality *(SERVQUAL Theory)*

Service quality is a crucial marketing concept reflecting consumers' perceptions of a company's performance in delivering services. Zeithaml & Parasuraman (2004) highlight that service quality can be assessed by the gap between customer expectations and perceived service performance, emphasizing the importance of understanding and exceeding customer expectations to enhance satisfaction and loyalty. Ladhari (2008) identifies dimensions like reliability, responsiveness, assurance, empathy, and tangibility as key components of service quality, with the SERVQUAL model serving as a widely used framework. High-quality service creates positive consumer experiences and drives loyalty, especially in competitive B2B markets where reliability and empathy are vital (Ighomereho et al., 2022). Tesic (2020) further notes that satisfied customers are more likely to remain loyal and recommend the company, strengthening market share and business sustainability.

Service quality is a key factor in building strong B2B relationships, as it encompasses elements such as reliability, responsiveness, empathy, and professionalism (Nguyen et al., 2020). High-quality service not only enhances customer satisfaction but also strengthens loyalty, fostering long-term connections between suppliers and customers. Marcos & Coelho (2022) highlight that a significant relationship exists between service quality and customer satisfaction, with satisfied customers more likely to make repeat purchases and recommend suppliers. Additionally, Balinado et al. (2021) argue that superior service quality creates greater value for customers, leading to improved satisfaction and customer retention, ultimately contributing to business growth through referrals. However, Ali et al. (2021) caution that unmet service expectations can

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negatively impact satisfaction, especially in highly competitive B2B sectors, emphasizing the need for consistent service standards to avoid dissatisfaction.

H1: *Service Quality (SQ) has a positive influence on customer satisfaction in the B2B context.*

Product Quality

Product quality is a key factor influencing purchase decisions in B2B contexts. Sinurat et al. (2021) explain that product quality encompasses not only the physical performance of goods but also consistency, reliability, and ease of use. In B2B relationships, where purchasing decisions often involve large sums of money and risk, companies tend to focus more on product quality. High quality contributes to customer satisfaction and enhances a company's market reputation, thereby strengthening long-term business relationships. Maryoso et al. (2023) emphasize that good product quality builds trust among business partners, which is crucial in B2B transactions involving long-term commitments and interdependence. Consistently delivering high-quality products increases the likelihood of investment in the relationship, while poor quality can damage trust and result in customer loss, negatively impacting company performance. Foster & Gardner (2022) add that product quality plays a significant role in B2B marketing strategies. In competitive markets, companies must highlight product quality as a competitive advantage, with high-quality products attracting potential customers and serving as effective marketing tools through positive recommendations and testimonials. Therefore, focusing on improving product quality helps companies retain existing customers and attract new ones, contributing to business growth and sustainability (Nabella, 2021).

Product quality is a critical factor in B2B relationships, as customer satisfaction is often influenced by how well products meet their needs and expectations. According to Diputra & Yasa (2021), product quality encompasses physical aspects, consistency, durability, and functionality. Hallencreutz & Parmler (2021) explain that high product quality contributes positively to customer satisfaction, as products that meet or exceed expectations lead to better purchasing experiences. Balinado et al. (2021) further highlight that quality products foster customer loyalty, increasing repeat purchases and generating new business opportunities through recommendations. However, Tandon et al. (2020) warn that failing to meet quality standards can damage relationships, as defects or mismatches in product specifications can lead to significant dissatisfaction, especially

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in critical business processes. Thus, maintaining and improving product quality is essential for customer satisfaction and long-term business success.

H2: *Product Quality (PQ) has a positive influence on customer satisfaction in the B2B context.*

After Sales Service

After-sales service is a critical element in B2B relationships, encompassing all forms of support provided to customers after a sale. Shokouhyar et al. (2020) highlight that good after-sales service enhances customer satisfaction and loyalty, as customers want assurance that they will receive help for any issues post-purchase. Balinado et al. (2021) emphasize that effective after-sales service not only resolves problems but also builds trust and stronger relationships between business partners. Responsive support and satisfactory solutions create mutual respect and interdependence, while high-quality service boosts brand image and encourages recommendations, crucial for winning new contracts. Rebelo et al. (2021) argue that after-sales service can provide a significant competitive advantage, helping companies stand out in competitive markets. Proactive service that anticipates customer needs and addresses issues before they escalate (Purwati et al., 2020) strengthens a company's market position and fosters sustainable business growth.

After-sales service is a crucial aspect of building and maintaining strong B2B relationships. According to Rebelo et al. (2021), after-sales service involves not only technical support and product maintenance but also effective communication and interaction with customers post-purchase. Shokouhyar et al. (2020) emphasize that good after-sales service significantly enhances customer satisfaction, fostering long-term relationships and repeat business. Balinado et al. (2021) add that superior after-sales service can serve as a strong differentiator in competitive B2B markets, helping companies build a positive reputation and attract new customers. However, Ekasari et al. (2023) note that failure to meet customer expectations, such as delayed responses or ineffective solutions, can lead to dissatisfaction, highlighting the importance of consistently improving after-sales service to maintain customer satisfaction.

H3: *After Sales Service (ASS) has a positive influence on customer satisfaction in the B2B context.*

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Customer Satisfaction

Customer satisfaction is a crucial aspect of B2B relationships, influencing the sustainability and quality of interactions between suppliers and customers. Hamzah & Shamsuddin (2020) explain that in B2B contexts, satisfaction depends not only on product quality but also on after-sales service and support. When customers are satisfied with their overall experience, including supplier interactions and product quality, they are more likely to return and recommend the supplier to others. Basari & Shamsuddin (2020) highlight that satisfaction is influenced by factors such as product quality, after-sales service, and effective communication, with dissatisfaction potentially damaging the relationship. Regular evaluations and improvements in these areas help retain existing customers and attract new ones through positive recommendations. Kurdi & Al Shurideh (2020) argue that high customer satisfaction leads to better business performance and profitability, as satisfied customers are more likely to make repeat purchases, positively impacting revenue. Additionally, high satisfaction strengthens long-term relationships, fostering greater loyalty (Khairawati, 2020). In a competitive market, maintaining customer satisfaction is key to ensuring future business growth and sustainability.

Customer satisfaction (CS) is a key determinant in building customer loyalty (CL). According to Khairawati (2020), CS is achieved when customer expectations are met or exceeded by the quality of products and services, creating positive experiences that encourage repeat usage and strengthen loyalty. Kartikasari and Albari (2019) further highlight the significant relationship between CS and CL, noting that high satisfaction fosters emotional attachment, reducing the likelihood of customers switching to competitors. In the B2B context, satisfaction is even more crucial, as it is linked to long-term relationships built on trust and business value, where meeting high expectations for reliability and support enhances CL and fosters mutually beneficial strategic partnerships.

H4: *Customer Satisfaction (CS)) has a positive influence on Customer Loyalty (CL) in the B2B context.*

Customer Loyalty

Customer loyalty is a critical factor in long-term business success, reflecting customers' commitment to repeatedly purchase from a specific brand or supplier. According to Oliver (1999), customer loyalty is the result of a positive emotional connection and consistent satisfaction, which drives customers to choose a brand over competitors. Aaker (1991) emphasizes that loyalty is not just about repeat purchases but also includes brand preference, where customers actively choose the brand even in the

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face of alternatives. Furthermore, Dick & Basu (1994) argue that customer loyalty is a multidimensional construct, involving cognitive, affective, and conative components, with each dimension contributing to a deeper commitment and resistance to switching brands. Thus, fostering customer loyalty requires a combination of satisfaction, trust, and emotional attachment, all of which are essential for maintaining strong, enduring customer relationships..

RESEARCH FRAMEWORK

Based on the description and explanation of theoretical investigations and hypotheses, a research model can be created which is used in this research. This research model is shown in the following figure:

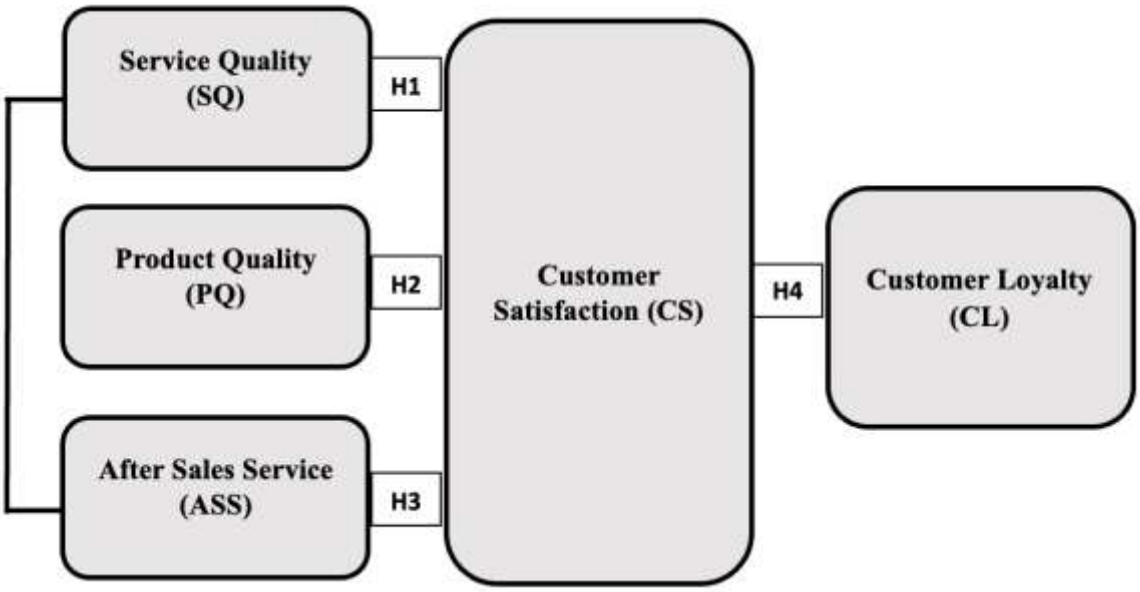


Figure 1. Research Framework

RESEARCH METHODS

This study employs a quantitative research design with a causal-explanatory approach, aiming to identify the relationships between independent and dependent variables. Data is collected using structured questionnaires distributed to a sample of 250 respondents, who are employees from client companies of PT. MIG. The study uses descriptive analysis to summarize the data systematically and employs Structural Equation Modeling (SEM) with Partial Least Squares (PLS) for statistical analysis to

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examine the relationships among variables such as service quality, product quality, after-sales service, customer satisfaction, and customer loyalty. The research aims to provide a comprehensive understanding of these relationships in a B2B context.

Sampling is conducted using a purposive non-probability sampling method, selecting respondents based on specific criteria such as their roles in marketing and company relations, with at least four years of experience at PT. MIG's client companies. The minimum sample size is determined to be 135 respondents, but the researcher opts to distribute 250 questionnaires to ensure validity and minimize errors. The collected data will be analyzed using SEM PLS to assess the impact of the identified variables, ensuring statistical reliability and accurate conclusions.

RESULTS

From the results of the questionnaires distributed, 250 respondents were obtained. From a number of respondents, data analysis was then carried out using model evaluation. The evaluation of the measurement model was tested using several indicators, including:

Statistics Analysis

a. Outer Model Testing (Measurement Model)

1. Convergent Validity Testing

An indicator is said to be valid if the loading factor of an indicator is positive and greater than 0.7 and the AVE value is more than 0.5. The loading factor value shows the weight of each indicator/item as a measure of each variable. An indicator with a large loading factor indicates that the indicator is the strongest (dominant) measure of the variable.

Table 1. Convergent Validity Testing Results

Variable	Item	Loading Factor	AVE	Results
Service Quality	SQ1	0.841	**0.764**	**Valid**
	SQ2	0.892		**Valid**
	SQ3	0.878		**Valid**
	SQ4	0.885		**Valid**
Product Quality	PQ1	0.925	**0.832**	**Valid**
	PQ2	0.893		**Valid**

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	PQ3	0.906		**Valid**
	PQ4	0.924		**Valid**
After Sales Service	ASS1	0.890	**0.780**	**Valid**
	ASS2	0.864		**Valid**
	ASS3	0.896		**Valid**
	ASS4	0.894		**Valid**
	ASS5	0.872		**Valid**
Customer Satisfaction	CS1	0.867	**0.777**	**Valid**
	CS2	0.890		**Valid**
	CS3	0.877		**Valid**
	CS4	0.894		**Valid**
	CS5	0.879		**Valid**
Customer Loyalty	CL1	0.924	**0.865**	**Valid**
	CL2	0.923		**Valid**
	CL3	0.937		**Valid**
	CL4	0.936		**Valid**

Based on table 2, it is known that the loading factor value produced by each indicator is more than 0.7 and the AVE value is more than 0.5. Thus, these indicators are declared valid as a measure of the latent variables.

2. Discriminant Validity Testing

Discriminant validity measures the validity of the model by examining the cross loading value and the Fornell-Larcker criterion, which shows the correlation between the construct and its indicators compared to other constructs. Discriminant validity is considered good if the square root value of the Average Variance Extracted (AVE) of each construct is higher than the correlation between the construct and other constructs in the model.

Table 2. Fornell Larcker Criterion

Variable	After Sales Service	Customer Loyalty	Customer Satisfaction	Product Quality	Service Quality
After Sales Service	**0.883**				

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Customer Loyalty	-0.004	**0.930**			
Customer Satisfaction	0.338	0.469	**0.882**		
Product Quality	0.387	0.438	0.354	**0.912**	
Service Quality	0.436	0.371	0.426	0.396	**0.874**

Table 3. Cross Loading Results

Item	After Sales Service	Customer Loyalty	Customer Satisfaction	Product Quality	Service Quality
ASS1	**0.890**	-0.032	0.303	0.340	0.379
ASS2	**0.864**	0.010	0.289	0.351	0.377
ASS3	**0.896**	-0.037	0.282	0.374	0.381
ASS4	**0.894**	-0.036	0.247	0.366	0.399
ASS5	**0.872**	0.060	0.350	0.293	0.391
CL1	0.014	**0.924**	0.451	0.381	0.315
CL2	0.003	**0.923**	0.433	0.405	0.386
CL3	-0.006	**0.937**	0.417	0.391	0.321
CL4	-0.026	**0.936**	0.443	0.450	0.358
CS1	0.282	0.394	**0.867**	0.322	0.354
CS2	0.276	0.464	**0.890**	0.363	0.335
CS3	0.315	0.399	**0.877**	0.294	0.407
CS4	0.316	0.435	**0.894**	0.333	0.383
CS5	0.299	0.370	**0.879**	0.242	0.400
PQ1	0.297	0.434	0.351	**0.925**	0.369
PQ2	0.375	0.417	0.320	**0.893**	0.405
PQ3	0.402	0.352	0.281	**0.906**	0.365
PQ4	0.351	0.385	0.332	**0.924**	0.308
SQ1	0.412	0.311	0.360	0.354	**0.841**
SQ2	0.374	0.386	0.375	0.378	**0.892**
SQ3	0.395	0.293	0.332	0.335	**0.878**
SQ4	0.350	0.305	0.412	0.319	**0.885**

Based on tables 2 and 3, the cross loading value on each item has a value > 0.70, and also each item has the largest value when connected to its latent

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variable compared to when connected to other latent variables. This shows that each variable in this study has correctly explained its latent variable and proves that the discriminant validity of all items is valid.

3. Reliability Testing

Table 4. Reliability Testing Results

Variable	Cronbach's Alpha	Composite Reliability
After Sales Service	0.930	0.947
Customer Loyalty	0.948	0.962
Customer Satisfaction	0.928	0.946
Product Quality	0.933	0.952
Service Quality	0.897	0.928

The table above shows that the composite reliability values for all research variables are greater than 0.7, and the Cronbach Alpha values are also above 0.7. These findings suggest that each variable satisfies the criteria for composite reliability and Cronbach alpha, indicating a high level of reliability for all variables. Therefore, further analysis can proceed by evaluating the goodness of fit model through an assessment of the inner model.

b. Inner Model (Structural Model)

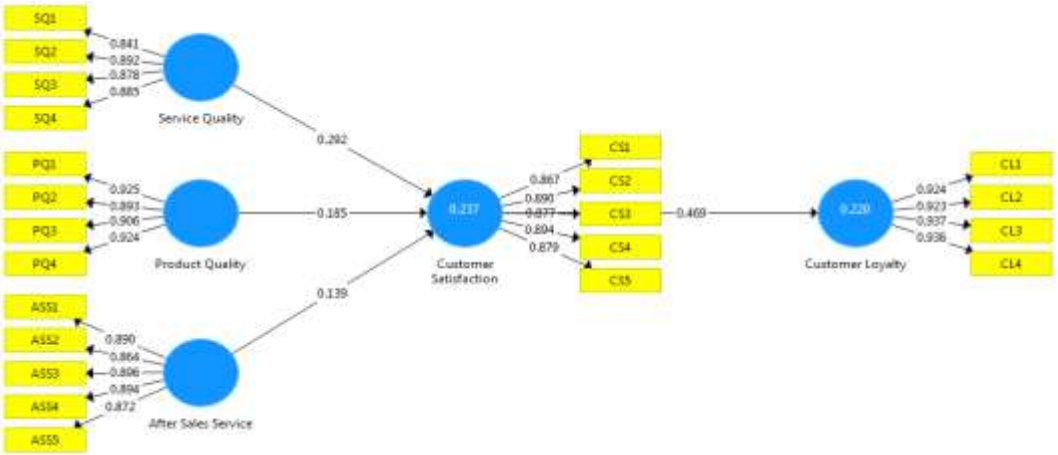


Figure 2. Structural Model

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The evaluation of the PLS structural model begins by looking at the R-square of each dependent latent variable. Table 6 is the result of the R-square estimate using PLS.

1. R-Square (R^2)

Table 5. R-Square Testing Results

Variabel	R-	R-*Square*
Customer Loyalty	0.2	0.217
Customer Satisfaction	0.2	0.227

Based on Table 5, the R-Square value for the Customer Loyalty variable is 0.220, meaning that 22.0% of Customer Loyalty can be explained by the independent variables, while the remaining 78.0% is influenced by other variables not included in this study. Similarly, the R-Square value for the Customer Satisfaction variable is 0.237, indicating that 23.7% of Customer Satisfaction can be explained by the independent variables, with the remaining 76.3% accounted for by other factors outside the scope of this research.

2. Predictive Relevance (Q-Square)

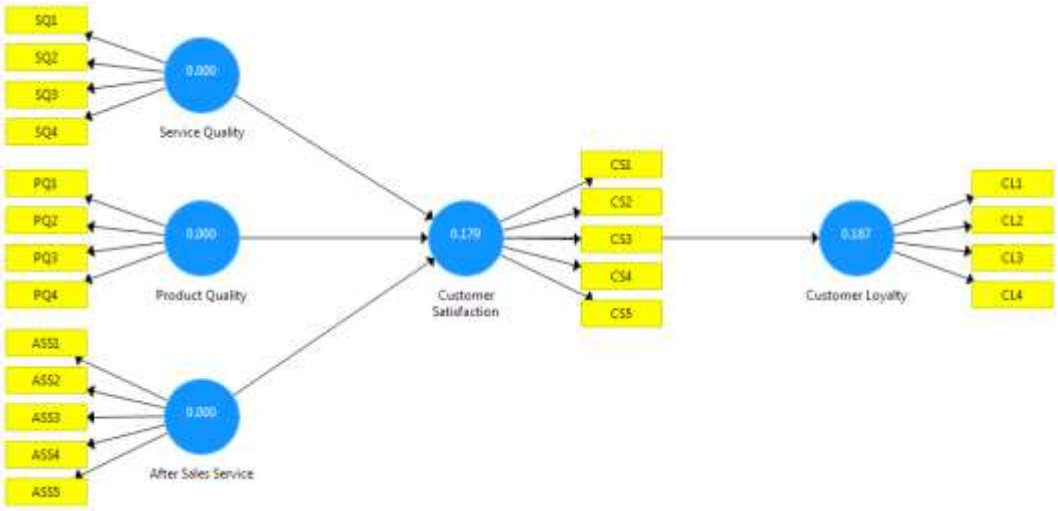


Figure 3. Predictive Relevance

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Table 6. Predictive Relevance

Variable	Q² (=1-SSE/SSO)	Results
Customer Loyalty	0.187	Has a predictive relevance value
Customer Satisfaction	0.179	Has a predictive relevance value

Based on the data presented in the table above, it can be seen that the Q square value on the dependent variable is > 0. By looking at this value, it can be concluded that this study has a good observation value because the Q square value is > 0 (zero).

3. VIF Value

Table 7. VIF Results

Item	VIF
ASS1	3.180
ASS2	2.731
ASS3	3.357
ASS4	3.635
ASS5	2.548
CL1	3.839
CL2	3.884
CL3	4.914
CL4	4.711
CS1	2.695
CS2	3.075
CS3	2.825
CS4	3.160
CS5	2.961
PQ1	3.749
PQ2	2.901
PQ3	3.522
PQ4	3.924
SQ1	2.099

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SQ2	2.856
SQ3	2.726
SQ4	2.513

Based on the VIF values in the table, it can be observed that all VIF values are below 5, indicating that the data does not exhibit high multicollinearity. This means that the variables used will not cause errors in significance assessment or weight estimation.

4. Hypotesis Testing

Table 8. Hypotesis Testing Results

Variable	Original Sample (O)	T Statistics (| O/STDEV |)	P Values
After Sales Service -> Customer Satisfaction	0.139	2.254	0.025
Customer Satisfaction -> Customer Loyalty	0.469	8.215	0.000
Product Quality -> Customer Satisfaction	0.185	2.725	0.007
Service Quality -> Customer Satisfaction	0.292	4.602	0.000

The PLS bootstrapping analysis results show that all hypotheses are accepted. The first hypothesis, which examines the effect of Service Quality on Customer Satisfaction, has a coefficient of 0.292, a p-value of 0.000, and a t-statistic of 4.602, indicating a significant positive effect. The second hypothesis, regarding Product Quality's impact on Customer Satisfaction, shows a coefficient of 0.185, a p-value of 0.007, and a t-statistic of 2.725, also supporting a significant positive relationship. The third hypothesis, examining After Sales Service's effect, shows a coefficient of 0.139, a p-value of 0.025, and a t-statistic of 2.254, indicating a significant effect. Finally, the fourth hypothesis, analyzing the effect of Customer Satisfaction on Customer Loyalty, shows a coefficient of 0.469, a p-value of 0.000, and a t-statistic of 8.215, confirming a significant positive effect.

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DISCUSSION

The results of this study support all four hypotheses tested. The first hypothesis, which examined the effect of Service Quality on Customer Satisfaction, was accepted, with a coefficient of 0.292, p-value of 0.000, and t-statistic of 4.602. These findings align with previous research by Ali et al. (2021) and Dam et al. (2021), who emphasize that good service quality positively influences customer satisfaction by meeting or exceeding customer expectations. Furthermore, Bello et al. (2021) stress the long-term relationship between high service quality and customer loyalty, supporting the conclusion that superior service quality contributes significantly to customer satisfaction.

The second hypothesis, which explored the impact of Product Quality on Customer Satisfaction, was also accepted, showing a coefficient of 0.185, a p-value of 0.007, and a t-statistic of 2.725. This result is consistent with the studies of Charudin & Syafarudin et al. (2021), who found that high product quality improves customer satisfaction. Mahsyar & Surapati (2020) and Diputra & Yasa (2021) also highlight that product durability and functionality play a crucial role in enhancing customer satisfaction. The findings of this research emphasize that consistent product quality can lead to stronger customer relationships and greater satisfaction.

The third hypothesis, which tested the influence of After Sales Service on Customer Satisfaction, was accepted with a coefficient of 0.139, a p-value of 0.025, and a t-statistic of 2.254. This result is consistent with Shokouhyar et al. (2020) and Balinado et al. (2021), who argue that high-quality after-sales service strengthens customer relationships and satisfaction by offering ongoing support after purchase. Celik (2021) further supports these findings by noting that after-sales service plays a key role in fostering long-term relationships and enhancing customer satisfaction. Finally, the fourth hypothesis, which examined the effect of Customer Satisfaction on Customer Loyalty, was also accepted, with a coefficient of 0.469, p-value of 0.000, and t-statistic of 8.215. This is in line with Sharma et al. (2020), Abror et al. (2020), and Haeruddin & Haeruddin (2020), who all found that customer satisfaction significantly influences loyalty, as satisfied customers are more likely to develop emotional bonds with the brand and remain loyal.

CONCLUSION

The research findings indicate that service quality has a positive and significant impact on customer satisfaction, highlighting the need for companies to continuously improve service quality to maintain high customer satisfaction. Additionally, product

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quality was shown to positively influence customer satisfaction, suggesting that companies should consistently maintain product quality to foster customer satisfaction and brand loyalty. After-sales service also plays a positive role in enhancing customer satisfaction, emphasizing the importance of providing dedicated after-sales support to boost satisfaction and loyalty. Furthermore, customer satisfaction significantly affects customer loyalty, meaning that companies that successfully enhance customer satisfaction can foster greater customer loyalty, which ultimately contributes to long-term growth.

RESEARCH LIMITATIONS

This study is limited to B2B customers of PT. MIG Sulawesi in the palm oil sector, and the findings may not be fully generalizable to other industries or B2C sectors due to the unique characteristics of the palm oil supply chain and market dynamics. Additionally, the use of a 1-5 Likert scale questionnaire as the sole data collection method may restrict the depth of analysis regarding customer experiences. The study does not include in-depth interviews or other qualitative methods that could provide richer insights into the factors influencing customer satisfaction and loyalty. Furthermore, the research focuses on only three main variables—service quality, product quality, and after-sales service—while other factors, such as price or product innovation, which may also impact satisfaction and loyalty, were not explored, potentially leaving out relevant aspects of B2B business relationships.

RECOMMENDATION

Future research could explore other factors, such as price, brand perception, or customer experience, which may also play a significant role in shaping customer satisfaction. Additionally, investigating moderating variables like customer involvement or perceived fairness could offer deeper insights into how these factors influence the relationship between service quality and customer loyalty. Moreover, extending the research across different sectors, such as the service or consumer product industries, would allow for comparisons of how service and product quality impact customer satisfaction in various contexts. Lastly, longitudinal studies could be conducted to observe the long-term effects of customer satisfaction on loyalty, providing a better understanding of how sustained satisfaction influences customer loyalty over time.

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MANAGERIAL IMPLICATIONS

Management at PT MIG Sulawesi should prioritize improving service quality by ensuring responsiveness and reliability at all customer interaction points. This can be achieved through intensive training for the customer service team and enhancing technological infrastructure to support faster and more efficient communication with B2B clients. Additionally, continued investment in product innovation and development is essential to maintain consistent product quality that meets customer expectations. By offering reliable, high-quality products, PT MIG Sulawesi can strengthen its reputation in the competitive palm oil industry, boosting both customer satisfaction and loyalty. Furthermore, management should focus on enhancing after-sales services, including regular maintenance, prompt technical support, and proactive problem resolution. Strengthening after-sales services will build customer trust and loyalty, reinforcing long-term business relationships and offering a key differentiator from competitors, while also generating opportunities for referrals from satisfied customers.

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