

Antecedents and Consequences of Alfagift Customer Satisfaction

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ABSTRACT

The rapid growth of Indonesia's retail industry has made shopping easier. Customer behavior driven by impulsive needs and wants is driving this expansion. The emergence of shopping apps further supports transactions, driving customer activity and propelling the expansion of the retail industry. This study to examine and assess the relation among service quality, information quality, system quality, customer satisfaction, and customer loyalty. The participants of this study were individuals who live in Cirebon City and Regency and used Alfagift. This research method uses purposive sampling with 200 respondents through distributing online questionnaires distributed to Alfagift users. Data analysis was analyzed using structural equation modeling (SEM) and partial least squares (PLS) methods through the SmartPLS version 4.0 application. This study reveals that service quality is devoid of a positive and significant effect on Alfagift user loyalty. Conversely, however, Information Quality and System Quality are demonstrated to possess a positive and significant influence on Alfagift User Satisfaction. This study also discovered that Alfagift user fulfillment has a positive and significant effect on customer loyalty. Furthermore, customer satisfaction acts as a mediator that positively and significantly affects the relation among service quality and customer loyalty. In different terms, increasing service quality doesn't automatically raise customer loyalty in the absence of higher satisfaction, which ultimately contributes to increasing customer loyalty to the Alfagift application.

1. INTRODUCTION

The retail industry Indonesia's economy is expanding quickly annually. Thus, it is easier for people to buy the products they need. Consumptive customer behavior for primary and secondary needs or impulsive desires makes the retail industry grow. The rapid development of the retail industry is in line with the existence of purchases through applications. With utilizing application media as a means of assist in making these transactions, the application can be used as a facility that supports the purchase of goods so that customer is more active in shopping, triggering the growth of the retail industry.

Customer loyalty is an effort to build loyalty to the product or service offered (Ghani & Assistant, 2021). In 2023, Alfamart was listed as the second-largest retailer in Indonesia (Kusnandar, 2024). Alfamart's history began in 1989 when Djoko Susanto established a trade and distribution business. In 1999, the company began to expand into the minimarket sector. Alfamart provides a variety of basic needs at affordable prices.

Alfamart's revenue and profit increased in January-September 2023-2024 (Ahdiat, 2024). Increased revenue and profit resulted in the opening of more retail outlets, indicating aggressive expansion of the retail industry. Along with the fast progress of digital information and communication systems (ICT), easy internet access, and various digital payment options, online shopping has become an important part of the lifestyle of modern society. It has changed consumption patterns while creating new business opportunities that are increasingly competitive. With various benefits offered, such as easy access, time flexibility, and a wide selection of products at competitive prices, online shopping is no longer just a trend but has become a widely accepted lifestyle, especially among the younger generation who are familiar with digital technology.

A loyalty program is an integrated marketing tool designed to build customer loyalty through various planned gifts (incentive gifts) and tiered service levels provided to customers based on previous purchase history (Curatman & Suroso, 2020). The retail industry continues to grow with various online shopping services that offer convenience and efficiency. Among the many options, Alfagift from Alfamart attracts attention because it provides a fast, practical shopping experience, and is integrated with customer loyalty programs, Alfagift is a platform that facilitates the Alfamart loyalty program, Alfagift offers various benefits for loyal customers, customers can collect points from each purchase transaction and exchange them for various attractive prizes. The purpose of the loyalty program is to understand customer habits and build engagement (Curatman & Suroso, 2020).

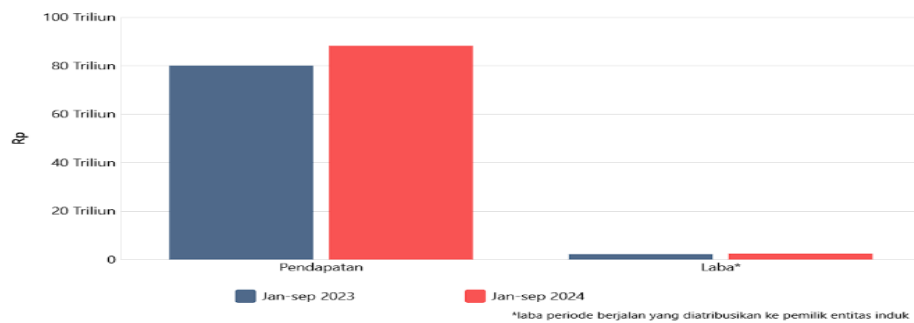


Figure 1. Alfamart's Revenue and Profit Increase until the Third Quarter of 2024

Source: Databooks, 2024

Service quality is the overall benchmark for excellence or perfection in a business's offerings, it includes fulfilling or beyond customer expectations in a number of service delivery areas (Singh et al., 2023). Service quality focuses more on customer perceptions of the services provided and the previous process, compared to the expected comparison and results (Lai et al., 2022). Quality service is determined by the level of its ability to meet and exceed customer expectations. Based on existing research, it is revealed that the majority of customers have specific criteria in assessing service quality, namely expecting processes to be carried out accurately, consistently, professionally qualified, and have a deep personal touch (Tsai et al., 2006; Gorla et al., 2010; Zhou, 2013) in (Yuan et al., 2020). Research that has been conducted by (Gonu et al., 2023) showed that service quality possesses a positive and significant affects customer fulfillment, this is allign with study by (Chan et al., 2022).

Cirebon is experiencing significant growth in the retail and digital lifestyle sectors, as the adoption of technology by the public increases. The change in consumer behavior that now prefers online shopping encourages various digital platforms to compete to offer the best services. This phenomenon makes Cirebon an interesting example to investigate how digital transformation affects consumption patterns in growing urban areas. In this context, Alfagift is one of the platforms worth exploring because it is able to respond to local needs with practical features and services that. Information quality is the precise information shown on the website to assist customers to comprehend the products being sold and influence their purchasing decisions (Cang & Wang, 2021). Information quality can also be interpreted as information that explained in detail to educate customer (Amarin & Wijaksana, 2021). Based on (Yuan et al., 2020), information quality includes properties expected from a system, such as relevance, consistency, accuracy, and timeliness. In addition, information quality also refers to the fact that the information supplied is relevant and consistent with the customer's knowledge needs (Kim et al., 2021). Some studies have representing that information quality affects customer satisfaction. Research by (Patma et al., 2021) showed that information quality possesses a positive and significant affects customer satisfaction, and similar outcomes were also found by (Franque et al., 2021).

System quality is a aspect that impacting customer satisfaction in the use of technology-based services. System quality includes the mix of software and hardware in a system (Amarin & Wijaksana, 2021). According to (Yuan et al., 2020), in research on m-payment services, system quality is defined as customer assessments of aspects such as speed, convenience, ease of navigation, and visual appeal. Good system quality may get better user experience, which consequently raises customer satisfaction. Research by (Atmojo & Widodo, 2022) found that system quality possesses a positive and significant affects customer satisfaction, and similar outcomes were also found by (Salameh et al., 2018).

Customer satisfaction is when customers compare what they get from a product with what they expected before, feelings of pleasure or disappointment arise. This satisfaction is a natural response that arises spontaneously and purely without any pressure from any party, but rather arises from their own personal assessment (Kotler & Keller, 2010). Factors for customer satisfaction include feelings of satisfaction with products and services, as well as the fulfillment of customer expectations after purchasing the product (Dirsehan & Cankat, 2021). Meanwhile, according to (Sheu and Chang 2022) in (Katili et al., 2024), customer satisfaction can be indicated by the tendency of customers to always use the product. In addition, (Agarwal et al. 2022) in (Katili et al., 2024) highlighted that the perceived effectiveness is also an aspect of customer satisfaction. Research by (Molinillo et al., 2022) showed that customer satisfaction possesses a positive and significant affects customer loyalty. This is supported by research from (Naini et al., 2022) that found the similar thing.

Customer loyalty is an effort to build loyalty to the provided goods or services. (Ghani & Assistant, 2021). In a business context, customer loyalty describes the willingness of customer to continuously select and use products or services from a business over an extended time frame. The sustainability of a business is largely determined by its customers, so when customer feel satisfaction with the product or service provided, they will build emotional bonds and loyalty in the brand (Abigail et al., 2024). According to (Kim et al., 2021), one of the indicators of customer loyalty is brand loyalty. Meanwhile, according to (Sheu and Chang 2022) in (Katili et al., 2024), customer loyalty can be measured through some aspects, such as the tendency to recommend products or services to others, the frequency of using services, and the disinterest in switching to services from other companies. Research by (Ramadhan & Fikriah, 2024) found that the good quality of service given, the larger customer loyalty will upgrade through increased customer satisfaction as an intermediary variable. According to studies performed by (Hizam et al., 2021) also identified the comparable thing.

In light of what was discovered of the theoretical explanation, the hypothesis in this study are: **H1: “Service quality has a positive and significant affects customer loyalty of Alfagift users”**. Service qualities such as fast, reliable, personalized, and personalized service can increase customer satisfaction and trust. When customers feel well served, they tend to have positive experiences that encourage loyalty to the service. Therefore, the higher the service quality that customers perceive, the more likely they are to remain loyal.

H2: “Service quality has a positive and significant affects customer satisfaction of Alfagift users”. Service quality is one of the important factors in building customer satisfaction. In the context of the Alfagift application, service quality includes timely, reliable, personalized, professional service. When customers feel well served, they will feel a positive experience that increases satisfaction. Therefore, it is assumed that the higher the quality of service perceived by Alfagift customers, the higher the level of customer satisfaction.

H3: “Information quality has a positive and significant affects customer satisfaction of Alfagift users”. Information quality refers to the relevance, consistency of information, accuracy, timeliness presented in the Alfagift application, such as product details, prices, promos, and delivery status. Information that is complete and easy to understand will help customers make decisions and increase trust in the application. If the information provided is of high quality, then customers will feel satisfied because their expectations are met or even exceeded.

H4: “System quality has a positive and significant affects customer satisfaction of Alfagift users”. System quality refers to the technical aspects of the Alfagift application, such as speed, convenience, navigation, visual appeal. A reliable system will provide a comfortable usage experience and minimal technical barriers. Thus, good system quality will increase the level of customer satisfaction with Alfagift.

H5: “Customer satisfaction has a positive and significant affects customer loyalty of Alfagift users”. Customer satisfaction is the main factor that drives loyalty. Indicators of customer satisfaction are feelings of satisfaction, fulfillment of expectations, always using the product, perceived effectiveness. In the context of Alfagift, if customers are satisfied with the shopping experience through the application, then they tend to become loyal and continue to use Alfagift as their main shopping platform.

H6: “Customer satisfaction mediates the relationship between service quality and customer loyalty of Alfagift users”. In addition to direct influence, service quality, information quality, and system quality can also affect customer loyalty indirectly through customer satisfaction. Indicators of customer loyalty are brand loyalty, recommending products or services to others, frequency of service use, not interested in switching to other products or services, this means that although service quality, information, or systems contribute to loyalty, these contributions will be stronger if customers are satisfied first. Therefore, customer satisfaction acts as a mediating variable in this relationship.

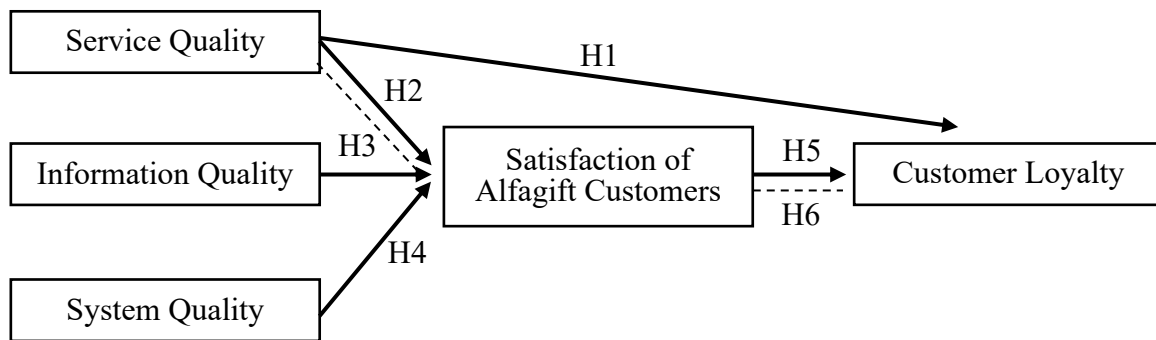


Figure 2. Conceptual Framework

Source: Data processed by researcher, 2025

RESEARCH METHODS

By using a survey method within a quantitative approach framework, this study desire to analyze and attest the existence of a causal relation among several variables including service quality, information quality, system quality, customer satisfaction, and customer loyalty. The quantitative approach was chosen because it can test hypotheses empirically and allows research results to be generalized through reliable statistical analysis (Bellibaş et al., 2022). This study is classified as explanatory research, which is focused on efforts to reveal the causal relation among variables by systematically testing hypotheses. This approach is used to explore how and why the phenomenon of customer loyalty is formed through various factors that influence it (Asiati et al., 2019).

Data collection was conducted using the cross-sectional method, which measures all variables at the same time. The survey method was chosen because it is effective in collecting data from a large sample representing the population at a relatively low cost, and has been proven effective in previous studies (Aloka, 2023). The research instrument was a structured questionnaire prepared from the operationalization of variables from previous studies that used a similar approach in data collection (Ayyildiz et al., 2021).

The gathered data was analyzed by Structural Equation Modelling (SEM) with the Partial Least Squares (PLS) approach. This approach was selected for its robustness in testing complex models with many constructs and indicators simultaneously and can overcome data that is not normally distributed (Pamungkas et al., 2019). This research model consisted of five latent variables; Service Quality (KL) with four indicators, Information Quality (KI) with four indicators, System Quality (KS) with four indicators, Customer Satisfaction (KP) with four indicators, and Costomer Loyalty (L) with four indicators. Each of the five variables used in this study has four indicators, where each indicator is measured using one statement instrument adapted from the (Katili et al., 2024).

Based on calculations with the Hair formula, the minimum sample size required was 200 respondents ($n = 10 \times 20$) the 10-times rule proposed by (Hair et al., 2011), the minimum required sample size is determined by multiplying the maximum number of indicators pointing to a single latent variable by 10. This study exceeded the minimum sample size recommended

by the 10-time rules, with 200 respondents used to enhance statistical power and generalizability of findings. In this research, the sampling technique used was non-probability sampling, which basically means that not all the elements in the population have an identical opportunity to be chosen as part of the research sample. Specifically, the researcher applies a purposive sampling technique, it indicates that the selection of samples is done intentionally by considering specific criteria that are appropriate and support the research objectives to be achieved.

This study measured five constructs operationalized with various dimensions and indicators for each variable. Measurement is done utilizing a 5-point Likert scale, from 1 (Strongly Disagree) to 5 (Strongly Agree). This research model examined six hypotheses (H1-H6) that investigated the causal relationship, both directly and indirectly, between service quality, information quality, and system quality on customer loyalty, with customer satisfaction as a mediating variable. This analytical approach provides a deeper understanding of how various quality aspects affect customer loyalty, directly as well as via the intermediary of customer satisfaction.

Instrument reliability was verified using the Cronbach's Alpha method. Reliability assessment standards are determined based on a minimum Cronbach's Alpha value of 0.70 for every latent variable. If these criteria are met, it can be concluded that the study constructs have a great degree of regularity and the questionnaire used is reliable. After in-depth analysis, the results show that every variables have exceeded the minimum limit of reliability standards, with Cronbach's Alpha scores over 0.70. This suggests that the research instruments utilized reliable and have high consistency.

2. RESULTS & DISCUSSION

Respondents are the primary informational resource for research. There were 200 responders in all. answered the research questionnaire. Respondents served as the primary source of information for this study. A total of 200 individuals participated by completing the research questionnaire. Data collection was conducted using an online survey method, which allowed the researchers to reach Alfagift users efficiently. The research was initiated in November 2024, with the data collection phase carried out between February 7 and February 23, 2025. The study participants are visible in Table 1.

Table 1. Respondents' Characteristics

No	Description	Total	%
1.	Gender		
	Male	77	38,5
	Female	123	61,5
	Total	200	100
2.	Age		
	17-25 years old	164	82
	26-35 years old	35	17,5

No	Description	Total	%
	>36 years old	1	0,5
	Total	200	100
3,	Respondents' Education		
	Senior High School	44	22
	Bachelor	156	78
	Total	200	100
4.	Length of Alfagift Usage		
	1 year	108	54
	2 years	74	37
	3 years	15	7,5
	>4 years	3	1,5
	Total	200	100

Source: Result of Research, 2025

Based on the data from research respondents, most respondent users are women, with a total of 123 people (61.5%), while men are 77 people (38.5%). It shows that women are more dominant in utilizing this service. With regard to age, most of the of respondents are within the scope of 17-25 years, as many as 164 people (82%), followed by the age group 26-35 years, as many as 35 people (17.5%), and only 1 person (0.5%) is over 36 years old. This data indicates that Alfagift is more widely used by the younger generation, who are generally more familiar with digital technology and online shopping applications. From the level of education, most of the respondents are S1 graduates with a total of 156 people (78%), while 44 people (22%) have a high school education. It shows that Alfagift users generally come from groups of people with relatively high levels of education, which may make it easier to access and utilize the features available in the application. Then, based on the length of use of Alfagift, 108 people (54%) have used this application for 1 year, 74 people (37%) for 2 years, 15 people (7.5%) for 3 years, and only 3 people (1.5%) have used it for more than 4 years. From this data, the bulk of responders are new users, having only begun using Alfagift within the last one to two years, it can be assumed. Overall, the outcomes of this study illustrated that Alfagift is mostly used by young women who are highly educated and tend to be new to using this service.

Table 2. Validity and Reliability

Variables	Indicator	Outer Loading	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Service Quality (X1)	SQ1	0.803	0.805	0.872	0.631
	SQ2	0.842			
	SQ3	0.796			
	SQ4	0.732			
Information Quality (X2)	IQ1	0.755	0.778	0.856	0.599
	IQ2	0.718			
	IQ3	0.820			
	IQ4	0.798			
	SQ1	0.706	0.787	0.861	0.609

Variables	Indicator	Outer Loading	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
System Quality (X3)	SQ2	0.838	0.821	0.881	0.650
	SQ3	0.784			
	SQ4	0.788			
Customer Satisfaction (Z)	SQ1	0.819			
	SQ2	0.761	0.799	0.868	0.622
	SQ3	0.833			
	SQ4	0.812			
Customer Loyalty (Y)	CL1	0.827			
	CL2	0.757			
	CL3	0.766			
	CL4	0.803			

Source: Data processed by researcher, 2025

To assess the measuring model's competence, researchers use various testing methods that include validity and reliability. These methods include convergent validity, composite reliability, and Cronbach's Alpha testing. In determining convergent validity, researchers use two main indicators, namely the outer loading value and Average Variance Extracted (AVE) (Hair et al., 2019). Convergent validity can be said to be achieved if an indicator has an outer loading 0.7 and an AVE value exceeding 0.5. When AVE reaches a minimum of 0.5, this indicates that convergent validity is adequate, meaning that the latent variable in question is able to clarify an average of more than 50% of the variance of its indicators (Ghozali, 2016). From the outcomes of Table 2 research, it is found that the results of data processing outer loading are > 0.7 and AVE value > 0.5 .

Composite reliability is used to examine each indicator's dependability on a variable. According to the opinion (Hair et al., 2019), the ideal standard for the composite reliability scores is over 0.70, however, a value of 0.60 can still be considered eligible or acceptable. In assessing the reliability of an instrument, there are practical criteria that can be used as a reference. Reliability is considered high if the composite reliability scores over 0.70. Likewise with the Cronbach's alpha, the same criteria apply where a scores over 0.7 indicates a good level of reliability (Ghozali, 2016). Referring to the information listed in Table 2, it might be observed that each variable in the study has a composite reliability value that exceeds the standard of 0.70. This condition indicates that all variables studied not only meet the composite reliability criteria, but also show a very high degree of reliability, as demonstrated by the composite reliability that is consistently over the threshold of 0.70. The R-Square test is used to assess the predictive accuracy of the model for endogenous constructs. That additional assessments help to ensure that the measurement model not only fits statistically but also meets the conceptual distinction between variables.

Table 3 R Square

Endogeneous Variable	R Square	R Square Adjusted
Customer Loyalty (Y)	0,880	0,879
Customer Satisfaction (Z)	0,870	0,868

Source: Data processed by researcher, 2025

The R Square values indicate that the research model has a strong explanatory power. The R Square for customer satisfaction is 0.870, which means that 87% of the variance in customer satisfaction can be explained by service quality, information quality, and system quality. Similarly, the R Square for customer loyalty is 0.880, indicating that 88% of the variation in customer loyalty is accounted for by customer satisfaction and service quality.

According to (Hair et al., 2019), R Square values of 0.75, 0.50, and 0.25 can be categorized as substantial, moderate, and weak, respectively. Thus, the values in this study are considered substantial, suggesting that the model has excellent predictive relevance in explaining customer behavior in the context of the Alfagift application.

These high R Square values strengthen the findings of this study and highlight the importance of maintaining high information and system quality, particularly when targeting young, digitally engaged users in regions such as Cirebon.

In this study, discriminant validity was initially assessed using the Fornell-Larcker criterion. However, as suggested by (Hair et al., 2019), this method may not always reliably detect discriminant validity issues. Therefore, a complementary analysis using the Heterotrait-Monotrait Ratio (HTMT) was conducted. The HTMT method provides a more sensitive measure of the distinctiveness between constructs. A value below 0.90 is considered acceptable for conceptually distinct constructs, whereas values above this threshold may indicate a lack of discriminant validity.

Table 4 HTMT Values

Construct	Y	Z	X2	X1	X3
Customer Loyalty (Y)	0,789				
Customer Satisfaction (Z)	0,938	0,806			
Information Quality (X2)	0,928	0,886	0,774		
Service Quality (X1)	0,857	0,903	0,865	0,794	
System Quality (X3)	0,857	0,905	0,888	0,920	0,781

Source: Data processed by researcher, 2025

Based on the HTMT values shown in Table 4, most construct pairs exceed the recommended threshold of 0.90, particularly between Customer Loyalty (Y) and Customer Satisfaction (Z) (HTMT = 0.938), as well as between Information Quality (X2) and other constructs. These findings suggest that several constructs in the model may not be empirically distinct. This further confirms the discriminant validity issues indicated by the Fornell-Larcker criterion, and highlights the need for future refinement of construct definitions or measurement indicators.

Tabel 5 Path Coefficients

Variable	Original sample (O)	T statistics	P values	Statement of Hypothesis
Service Quality → Customer Loyalty	0.059	1.001	0.317	Not Supported
Service Quality → Customer Satisfaction	0.356	3.355	0.001	Supported
Information Quality → Customer Satisfaction	0.307	4.289	0.000	Supported
System Quality → Customer Satisfaction	0.305	3.729	0.000	Supported
Customer Satisfaction →	0.885	15.971	0.000	Supported

Customer Loyalty				
Service Quality→Customer Satisfaction→	0.315	3.240	0.000	Supported
Customer Loyalty				

Source: Data processed by researcher, 2025

The Effect of Service Quality on Customer Loyalty. Statistical analysis shows that service quality does not have a positive and significant effect on customer loyalty among Alfagift users in this study. This is evidenced by the p-value of 0.317, which exceeds the commonly accepted significance level of 0.05, indicating that hypothesis H1 is not supported. In other words, although Alfagift may provide good service in terms of responsiveness, reliability, and employee professionalism, these efforts alone are not sufficient to ensure customer loyalty.

This result may be influenced by several contextual and demographic factors. First, the research was conducted in Cirebon City and Regency, where users might prioritize practical benefits like promo offers, ease of use, and product availability over service interaction, especially in app-based transactions where customer contact is minimal. In addition, the majority of respondents were young users aged 17–25 years, who tend to be more price-sensitive and experience-driven rather than loyal to a brand solely due to service quality. For this age group, loyalty is often formed through seamless digital experiences and incentives rather than traditional service touchpoints.

This finding is in line with previous research by (Pradana, 2018) and (Anandya, 2021), which also showed that service quality does not always have a direct effect on loyalty in digital or retail platforms. However, many of those studies did not specifically account for user demographics or regional shopping behavior, which can significantly shape perceptions of value and loyalty.

The lesson learned here is that in app-based retail ecosystems, particularly in emerging cities like Cirebon, service quality alone cannot drive loyalty unless it is complemented by other factors such as satisfaction, convenience, digital incentives, and system performance. Marketers and developers should consider a more holistic approach that aligns with the expectations and behaviors of younger, tech-savvy consumers when designing loyalty strategies.

The Effect of Service Quality on Customer Satisfaction. Statistical results show a positive and significant effect of service quality on customer satisfaction, as evidenced by a p-value of 0.001 which is below the significance threshold of 0.05. This confirms hypothesis H2 and indicates that service quality, reflected in responsiveness, reliability, and professional service, contributes meaningfully to Alfagift user satisfaction.

This result makes sense, especially when viewed in the context of digital service expectations. For Alfagift users in Cirebon, service quality may not refer to human-to-human interaction but rather to how efficiently the application handles orders, responds to complaints, or solves delivery issues. Users in this study, dominated by the 17–25 age group, are digital natives who expect fast, clear, and professional responses from app-based platforms.

Furthermore, service elements like prompt order confirmations, responsive chatbots, and smooth in-app support can generate a sense of trust and reliability, which plays a crucial role in forming satisfaction even if customer contact is minimal. This finding aligns with studies such by (Gonu et al., 2023) and supported by previous study from (Chan et al., 2022), which found that digital service quality significantly enhances user satisfaction, particularly when the interface is intuitive and responsive.

The lesson here is that in digitally driven loyalty ecosystems, “service” must be redefined. Rather than being limited to human interaction, service quality for digital natives includes design usability, real-time responsiveness, and frictionless processes. Platforms like Alfagift need to invest in improving these elements to sustain user satisfaction and, by extension, long-term engagement.

The Effect of Information Quality on Customer Satisfaction. The analysis confirms that information quality has a positive and significant effect on customer satisfaction, with a p-value of 0.000, it is lower than 0.05. This validates hypothesis H3, indicating that the clarity, accuracy, and relevance of information provided through the Alfagift app contribute substantially to user satisfaction. This outcome is particularly relevant in the context of Alfagift users in Cirebon, where digital literacy among the younger population is high, but trust in online shopping platforms may still be developing. For these users, satisfaction is closely tied to the availability of detailed and up-to-date information, such as clear product descriptions, accurate stock updates, promotional details, and order tracking. The majority of respondents in this study were between 17–25 years old, an age group that frequently compares products across platforms before purchasing. For them, incomplete or inconsistent information often results in dissatisfaction and potential churn. Thus, Alfagift’s ability to provide precise and timely information enhances their shopping confidence and experience, leading to higher satisfaction.

Previous studies by (Franque et al., 2021) and affirmed by (Patma et al., 2021) confirm the role of information quality in shaping satisfaction, but they tend to overlook the importance of local context, such as differing levels of digital familiarity or regional shopping behaviors. This study adds value by showing that even in semi-urban areas like Cirebon, information quality is a central factor in the perceived effectiveness of digital retail platforms.

The takeaway is that for digital platforms operating in emerging regions, improving the quality and transparency of information is just as important as system features or promotional offers. It directly affects user trust and satisfaction, especially among younger, detail-oriented consumers.

The Effect of System Quality on Customer Satisfaction. The results indicate that system quality has a positive and significant effect on customer satisfaction, with a p-value of 0.000, it is beneath 0.05, supporting hypothesis H4. This means that technical performance aspects such as app speed, stability, ease of navigation, and visual appeal significantly influence how satisfied users feel when using Alfagift. This finding is especially relevant in the context of Cirebon, where internet infrastructure may vary, and users often rely on mid-range smartphones. For the predominantly young respondents (17–25 years old), system quality translates directly into user experience: slow loading times, frequent bugs, or complex navigation can easily lead to frustration and abandonment.

Conversely, an app that runs smoothly, loads quickly, and provides a user-friendly interface will leave a lasting positive impression, even if service interactions are minimal.

In line with previous studies by (Salameh et al., 2018) and affirmed by (Atmojo & Widodo, 2022), this research confirms that system quality is a critical driver of satisfaction in digital platforms. However, those studies often overlook regional nuances. In areas like Cirebon, where digital habits are still stabilizing, the system's technical reliability may carry even more weight than in larger cities with more advanced digital ecosystems. For digital service providers targeting semi-urban markets, system quality is not just a technical issue, it's a customer experience issue. Inconsistent performance, slow response times, or poor visual design can become deal-breakers, especially for younger users who are accustomed to high standards from global apps. Thus, investment in reliable, intuitive, and visually appealing system design is essential for driving user satisfaction.

The Effect of Customer Satisfaction on Customer Loyalty. Statistical analysis shows that customer satisfaction has a positive and significant effect on customer loyalty, with a p-value of $0.000 < 0.05$. This supports hypothesis H5 and affirms the well-established link in marketing literature: satisfied customers are more likely to become loyal ones. In the context of Alfagift users in Cirebon, satisfaction is not just a passive emotional response, it acts as a practical filter for repeat usage. The majority of respondents (82%) are in the 17–25 age group, who are digitally savvy but highly selective. They often engage in trial-and-error behavior when using apps and are unlikely to stick around unless their expectations are consistently met.

For these users, satisfaction comes from a combination of factors: smooth transactions, complete product availability, fast delivery, relevant promotions, and clear communication. When these elements are present and function well together, satisfaction grows, and with it, the likelihood that users will return, recommend the app, or even overlook occasional minor issues.

While previous studies (Molinillo et al., 2022) and affirmed by (Naini et al., 2022) have confirmed this relationship in general, they often don't emphasize demographic-specific behavior. This study provides added depth by showing that for younger users in emerging cities, loyalty is not based on emotional attachment to a brand, but on consistent satisfaction with performance and value.

Customer loyalty in the digital retail space, especially among younger consumers, is earned, not assumed. It is built through small, repeated moments of satisfaction that prove a platform's reliability and value. For Alfagift, this means focusing not just on attracting users, but on maintaining high satisfaction across every touchpoint to nurture true loyalty.

Customer Satisfaction Mediates the Relationship Between Service Quality and Customer Loyalty of Alfagift Users. Indirect influence occurs through intermediate variables. Data analysis shows that customer satisfaction serves as a mediator linking service quality with customer loyalty. Statistical evidence supports this statement with a t-statistic score of 3.256 and a p-value of 0.001, it satisfies the requirements for statistical significance (where the t-statistic must be exceeding 1.96 and the p-value beneath 0.05). These findings have empirically

validated the hypothesis that customer satisfaction serves as a mediator between service quality and customer loyalty. This finding is particularly relevant in the case of Alfagift users in Cirebon, where service encounters may be limited due to the app-based nature of the platform. For younger users (aged 17–25), satisfaction is not derived solely from human interaction, but from how well the system performs overall, whether the app is responsive, the process smooth, and the experience convenient. Satisfaction, therefore, becomes the critical factor that translates technical or service quality into user retention.

The results add depth to previous research by (Ramadhan & Fikriah, 2024) and (Hizam et al., 2021), which also identified satisfaction as a key mediator, though without detailed attention to user demographics or localized behavior patterns. This study enhances that understanding by demonstrating that in emerging cities like Cirebon, where digital infrastructure and habits are still evolving, loyalty is largely dependent on whether service quality leads to a satisfying user experience.

Improving service quality is only effective if it results in measurable customer satisfaction. Platforms like Alfagift must ensure that their service improvements directly enhance the user experience, as satisfaction is the mechanism through which loyalty is built. In other words, customer satisfaction is the pathway that converts operational efficiency into lasting brand relationships.

The connection across the variables in a research model is depicted by this path diagram.

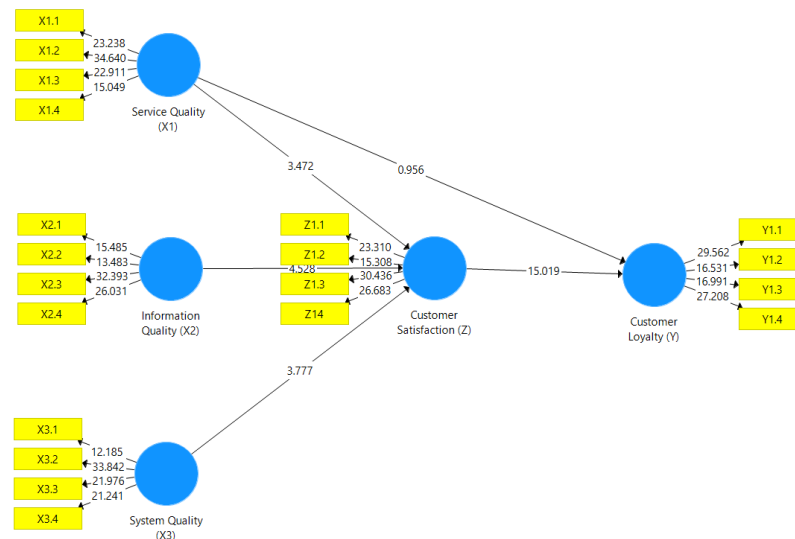


Figure 3. Model Algorithm PLS

Source: Research, 2025

3. CONCLUSION & SUGGESTION

This study aimed to examine the influence of service quality, information quality, and system quality on customer loyalty, with customer satisfaction serving as a mediating variable, using Alfagift users in Cirebon as the study population. The findings revealed that service quality alone does not directly influence customer loyalty, indicating that aspects such as timeliness,

reliability, and personalization are not sufficient to foster loyalty without customer satisfaction.

Conversely, information quality and system quality were found to significantly affect customer satisfaction, emphasizing their critical role in shaping users' positive experiences with the Alfagift application. Furthermore, the study confirmed that customer satisfaction acts as a significant mediator in the relationship between service quality and customer loyalty. This means that efforts to enhance service quality must be accompanied by strategies to improve user satisfaction in order to effectively build loyalty.

The study provides valuable insights into the dynamics of customer loyalty in app-based retail environments, particularly among digitally literate users in urban and semi-urban areas like Cirebon. However, the research is limited in scope to a single geographic area. Therefore, future studies are encouraged to extend the geographical coverage and explore additional factors, such as promotional strategies, user interface design, or emotional engagement, that may further influence customer satisfaction and loyalty across different user segments.

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