

ABSTRACT

Retail business development in Indonesia has been growing rapidly and modernly due to get influenced by the changing of consumer's lifestyle and behavior which shifts from traditional market to modern one. As minimarkets could offer completion, affordability, and guaranteed quality, they can encourage the success of this business. This also applies for Indomaret, which continuously innovates to increase their revenue and brand index by adding more outlets. However, the result goes against their initiative's main purpose, Indomaret's massive newly open outlets did not generate revenue growth as expected.

Hence, this research was conducted to discover the influence of service quality and store image to customer loyalty through customer satisfaction at Indomaret in Semarang. The population was Indomaret's customers in Semarang, and the sample criteria was those who ever shopped more than twice at Indomaret. Total samples used were up to 130 respondents which collected using Purposive Sampling Method. The method of data collection was through questionnaire and scientific study. This research utilized Structural Equation Modeling (SEM) for analysis technique and AMOS 23.0 for the analysis tool.

The result of this research indicated that both service quality and store image had positive significant influence to customer satisfaction and customer loyalty, yet customer satisfaction had positive insignificant influence to customer loyalty.

Keywords: *Service quality, brand image, customer satisfaction, customer loyalty*