

ABSTRACT

The development of the processed food industry has encouraged micro, small, and medium enterprises (MSMEs) to improve product quality to maintain customer loyalty. Nugscrumb is an example of a business that processes healthy nuggets made from carrots and mushrooms. This business emerged as a response to current developments that encourage innovation in the processed food industry, both in terms of production processes and the selection of healthier and higher-quality raw materials. This study aims to analyze the effect of product quality on customer loyalty, with customer satisfaction as a mediating variable in the nugget business brand Nugscrumb.Id.

This study used a quantitative approach with a survey method using a closed-ended questionnaire. The population in this study was all customers who had purchased and consumed Nugscrumb.Id products. The sampling technique used a non-probability sampling method using quota sampling, with 100 respondents residing in Semarang City and having made at least two purchases in the past year. Data were analyzed using SEM-PLS with SmartPLS 4.0.

The results showed that both customer satisfaction and product quality had a positive and significant effect on customer loyalty. Customer satisfaction also had a significant direct effect on customer loyalty. The indirect effect test shows that product quality has a positive and significant effect on customer loyalty through customer satisfaction, so that customer satisfaction can be stated as a mediating variable that strengthens the relationship between product quality and customer loyalty. This finding indicates that improving product quality, especially in aspects of taste, durability, and conformity to standards, not only increases customer satisfaction but also can build sustainable customer loyalty. The results of this study are expected to be a strategic consideration for MSMEs Nugscrumb.Id in formulating strategies to improve product quality to maintain and increase customer loyalty.

Keywords : *Product Quality, Customer Satisfaction, Customer Loyalty, Nugscrumb.Id, PLS-SEM.*