

ABSTRACT

Intensifying competition in the furniture industry has pushed companies to think toward retaining the ones they already have, a challenge ZyTH Living, a furniture brand based in Jepara, shares, even as a pattern of repeat purchases among many of its customers points to a retention trend worth examining more closely. Drawing on Self-Congruity Theory and Social Identity Theory, this study examines how Cultural Identity Fit and Perceived Ethicality shape Customer Retention among ZyTH Living's consumers, traced through three intervening variables, Green Brand Satisfaction, Value Congruence Advantage, and Green Perceived Value. The study centers specifically on the pathway from Cultural Identity Fit to Customer Retention through Value Congruence Advantage, a mechanism that remains largely unexplored in prior literature.

This study takes a quantitative, explanatory approach, designed to test the causal relationships proposed among its variables. Data were collected from 246 consumers who had purchased ZyTH Living products and agreed to take part, using non-probability purposive sampling, through questionnaires distributed both online and offline, with the offline portion administered in person at ZyTH Living's showroom. All six variables were measured using scales adapted from established, previously validated literature, with several adjusted to fit the furniture product context, then analyzed through Structural Equation Modeling in.

Of the eight hypotheses tested, five were supported: Cultural Identity Fit was found to significantly influence Value Congruence Advantage, while Perceived Ethicality significantly shaped all three intervening variables, Green Brand Satisfaction, Value Congruence Advantage, and Green Perceived Value alike. Within the full model, however, only Green Perceived Value showed a significant direct effect on Customer Retention; neither Green Brand Satisfaction nor Value Congruence Advantage carried a meaningful direct influence of its own, and mediation testing confirmed that Perceived Ethicality reaches Customer Retention indirectly through Green Perceived Value, while the hypothesized mediation of Cultural Identity Fit through Value Congruence Advantage did not hold.

Keywords: *Cultural Identity Fit, Perceived Ethicality, Value Congruence Advantage, Green Perceived Value, Customer Retention.*