The Effect of Brand Image on Customer Loyalty: A Comparative Study of Modern and Conventional Pharmacies in Kendari

Natalia Christiani Putri[1], Adryan Fristiohady[1*], Ruslin[1], Wahyuni[1], Suryani[1], Nur Illiyyin Akib[1]

[1]Faculty of Pharmacy, Halu Oleo University, Indonesia

*Corresponding Author, Email: adryanfristiohady@uho.ac.id

Abstract

Many pharmacies are opening up in Indonesia, especially in Kendari City. It makes competing harder, so it is even more important to have good branding strategies to keep customers returning. This study examines the impact of brand image on customer loyalty in two types of pharmacies: modern (K) and traditional (P). We employed the SmartPLS software to conduct Structural Equation Modelling-Partial Least Squares (SEM-PLS) to interpret the numerical data. There were 200 people in the study, 100 of whom were customers of P Pharmacy and 100 of whom were customers of K Pharmacy. The results show that how people feel about a brand significantly and positively affects how loyal customers are to both pharmacies. The path coefficient for K Pharmacy was 0.662, and the F-squared was 0.781, which means it had a significant effect. However, P Pharmacy had a path coefficient of 0.852 and an F-squared of 2.645, meaning it had an even bigger effect. The R-square study shows that 43.9% of the changes in customer loyalty are due to K Pharmacy's brand image, while 72.6% are due to P Pharmacy's brand image. These results show that P Pharmacy's branding strategies work better to make customers feel like they belong to the store and want to return. The survey says that pharmacies today should care more about the quality of their products and how their customers feel about them. On the other hand, traditional pharmacies should work on their business image and emotional ties to keep customers returning.

Keywords: Brand Image, Conventional Pharmacy, Customer Loyalty, Modern Pharmacy.

INTRODUCTION

In recent years, Indonesia's pharmaceutical industry has experienced rapid expansion. According to data from the Ministry of Health's Indonesian Health Profile, there were more than 31,995 pharmacies in Indonesia in 2023, a significant increase (Kementrian Kesehatan, 2024). As healthcare service providers, pharmacies have expanded their focus beyond pharmaceutical services to include innovations in business management and brand image development. The growth of several kinds of pharmacies, from traditional independent establishments to contemporary pharmacies utilising retail chain systems and information technology, signifies the evolving dynamics of this industry (Raharja & Aksari, 2019). Elevated public knowledge of healthcare service quality has heightened competitiveness among pharmacies, rendering brand image building essential for sustaining and augmenting client loyalty (Sayekti & Dwiridotjahjono, 2022).

The increase in pharmacies is also seen in Kendari City, the capital of Southeast Sulawesi Province. Discussions with the Head of the Pharmacy Section of the Kendari City Health Office indicate that by mid-2024, the number of pharmacies would increase to 217 units, up from 203 units at the end of 2023 (Balai Pom di Kendari, 2023). This growth has incited competition, leading each pharmacy to implement distinct marketing techniques to enhance brand identity and draw consumers (Kotler & Keller, 2016). The old pharmacy model currently coexists with the contemporary retail pharmacy model, which provides self-service options and digital technology (Dysyandi et al., 2019). The variations in service concepts provide distinct brand images for each pharmacy, influencing consumer choices based on perceptions developed via encounters.

Brand image refers to customers' impressions of a brand shaped by direct experiences, marketing communications, and social interactions associated with the brand. In the realm of pharmacies, brand image includes factors such as faith in the quality of pharmaceutical items, the professionalism of pharmacy personnel, the comfort of facilities, and the reliability of information and services provided (Anggraeni & Kurniawati, 2020; Andria & Setiadi, 2023). Numerous studies demonstrate that a robust brand image enhances customer trust and emotional connection, fostering loyalty (Darmawan & Djati, 2018; Mardiani et al., 2024). Loyal consumers not only engage in repeat purchases but also frequently endorse the pharmacy to others and exhibit a reduced propensity to transition to rival pharmacies, especially when presented with lower

costs (Dachi, 2020; Fujiyanti et al., 2022). Additional research corroborates that a favourable brand image and high-quality service can elevate consumer happiness, directly influencing loyalty (Denelsky & Hussein, 2024). A superior brand image correlates with increased consumer loyalty (Richard, 1999). Extremely loyal clients engage in repeat purchases and willingly serve as active advocates for the brand within their social networks, enhancing revenue for pharmacies (Intan Dameria, 2016).

The disparities in managerial methodologies and branding tactics between contemporary and traditional pharmacies make this topic pertinent for further examination. Contemporary pharmacies typically implement standardised, technology-driven service systems, whereas traditional pharmacies prioritise personal connections and interpersonal ties between pharmacists and clients (Yolanda et al., 2022; Hidayatulloh & Sudarwanto, 2022). These disparities prompt an inquiry into whether brand image exerts a comparable effect on client loyalty in both categories of pharmacies or if notable distinctions exist. An empirical study is essential to delineate the impact of brand image on customer loyalty according to pharmacy type and to offer pragmatic insights for the advancement of marketing strategies within the pharmacy industry (Liubana et al., 2023; Imtihan & Irwandi, 2021).

This research investigates the influence of brand image on customer loyalty in contemporary and conventional pharmacies in Kendari City. The results are anticipated to furnish a foundation for pharmacy business stakeholders to formulate more focused managerial strategies. The findings may also enhance academic literature on consumer behaviour regarding pharmaceutical services, especially in metropolitan regions of Indonesia (Putra, 2021; Bhagaskara & Shihab, 2022; Afina & Widarmanti, 2022).

METHODS
Type of Research
The research is explanatory, intended to clarify the relationship between two variables. A descriptive study delineates causal relationships between variables based on predetermined possibilities. This research utilises a quantitative framework for systematic data analysis (Darwin et al., 2021). An online questionnaire gathered this study's essential information and data, and interviews were completed via a Google Form by respondents from KS pharmacies and PS pharmacies who provided informed consent. The research occurred over several months, from October 2024 to February 2025.

Population and Sample
The research sample was obtained from the complete K and P pharmacy customers. Employing the Slovin algorithm, a sample of 100 responders was obtained from each pharmacy (Putri & Kartika, 2017). The results of this study align with the sample size guidelines proposed by Roscoe, which suggest that a sample size greater than 30 but not surpassing 500 is appropriate for most research endeavours (Sekaran & Bougie, 2013; Baby Silvia Putri, 2017).

Research Instruments and Data Analysis
The principal instrument employed in this investigation was a questionnaire developed using Google Forms. The evaluation employed a Likert scale from 1 to 5, where one indicated extreme disagreement, and five denoted the utmost agreement (Darwin et al., 2021; Iba & Wardhana, 2024). The collected data will be assessed utilising SEM analysis procedures using SmartPLS software (Sarstedt et al., 2017; Hair et al., 2022).

Table 1. SEM PLS Data Analysis

PLS Model Evaluation	Statistical Measures	Description
Measurement Model Evaluation	Outer Loading ≥ 0.60	Denotes the degree of validity of indicators/dimensions in quantifying variables (Sarstedt et al., 2017)
	Cronbach's Alpha ≥ 0,60 dan Composite Reliability ≥ 0,7	Denotes the degree of reliability or internal consistency of the measurement (Sarstedt et al., 2017)
	Average Variance Extracted ≥ 0,50	Demonstrates convergent validity (Sarstedt et al., 2017)
	Fornell-Larcker (AVE root > correlation between variables)	Articulating discriminant validity (Sarstedt et al., 2017; Hair et al., 2022)
Structural Model Evaluation	p-value < 0.05 or t-value > t-table (1.96) is significant	Hypothesis testing (Hair et al., 2022)
	F-squared values of 0.02 signify minimal influence, 0.15 denote moderate influence, while 0.35 represents considerable influence	Denotes the interrelationship among variables at the structural level (Hair et al., 2022)
Model Suitability and Goodness Evaluation	The qualitative R-squared values are 0.19 for low, 0.33 for moderate, and 0.66 for large	Elucidates the influence exerted by the independent variables on the dependent variables (Chin & Newsted, 1998)
	A Q-square value of 0 denotes minimal impact, 0.25 suggests moderate influence, and 0.50 signifies substantial influence	This indicates the accuracy of the prediction or the degree to which any change in the exogenous variable can predict the endogenous variable (Hair et al., 2019)

RESULTS AND DISCUSSION

Sociodemographic Profile of Respondents

The research was performed at two pharmacies employing distinct service approaches. K Pharmacy is a subsidiary of a pharmacy chain that operates a uniform management structure. As a pharmacy that adopts contemporary pharmaceutical retail procedures, it is widely recognised among the residents of Kendari. P Pharmacy, a traditional pharmacy, has been functioning for nearly ten years, providing family doctor services in partnership with the Social Security Agency as a Primary Health Care Facility. The subsequent information pertains to age, education, and occupation consumer demographics. These three profiles served as demographic data.

According to Table 2, the predominant age group of K Pharmacy clients is 31–40 years, comprising 43%, followed by 21–30 years at 28%, 41–50 years at 19%, 51–60 years at 9%, and individuals above 60 years at 1%. The predominant demographic of visitors consists of individuals in their productive years. The educational profile of the respondents indicates that 73% of K Pharmacy customers own a college degree, 54% with a bachelor's degree, 3% with a master's degree, and 16% with a diploma. The remaining 27% possess a high school education. According to the work characteristics data, the predominant demographic of K Pharmacy clients comprises employees, representing 56%, which includes government employees (31%), private sector employees (24%), and state-owned company employees (1%). The remaining 27% are entrepreneurs, while 17% are homemakers.

According to the respondent profile data of P Pharmacy presented in Table 2, the predominant demographic of P Pharmacy consumers falls within the productive age group, comprising roughly 77%, with the following age distribution: Individuals aged 21–30 years constitute 42%, those aged 31–40 years represent 28%, individuals aged 41–50 years account for 4%, and those aged 51–60 years make up 3%. Adults under 20 constitute 22%, while the remaining 1% comprises elderly adults over 60. The educational background of

the respondents indicates that 74% of P Pharmacy consumers possess a college degree, containing 61% with a bachelor's degree, 9% a master's degree, and 4% an associate's degree. Twenty-six per cent possess a high school education. In terms of occupational demographics, the predominant clientele of P Pharmacy comprises employees participating in the BPJS family doctor capitation program, representing roughly 64%, which includes 36% from the private sector, 23% from the government, and 5% from state-owned enterprises. The remaining participants are entrepreneurs (26%) and homemakers (10%).

Table 2. Sociodemographic Data of Respondents

Sociodemographic	Respondent			
	from K Pharmacy		from P Pharmacy	
	Frequency	Percentage	Frequency	Percentage
Age Profile				
< 20 Years	-	-	22	22%
21 - 30 Years	28	28%	42	42%
31 - 40 Years	43	43%	28	28%
41 - 50 Years	19	19%	4	4%
51 - 60 Years	9	9%	3	3%
> 60 Years	1	1%	1	1%
Education Profile				
Junior High School	5	5%	-	-
Senior High School	26	26%	26	26%
Diploma	15	15%	4	4%
College	51	51%	61	61%
Master's Degree	3	3%	9	9%
Job Profile				
Civil Servants	31	31%	23	23%
Homemakers	17	17%	10	10%
SOE Employees	1	1%	5	5%
Private Employees	24	24%	36	36%
Entrepreneurs	27	27%	26	26%

Partial Least Squares (PLS)

This study employs a multivariate statistical method extensively utilised to assess concurrent correlations among variables, primarily aimed at generating forecasts, discerning relationship patterns, or developing intricate structural models. The evaluation process within the Partial Least Squares (PLS) framework includes analyzing the measurement and structural models and assessing the overall model fit and quality (Sarstedt et al., 2017). This research utilizes a reflective measurement model, wherein indicators are viewed as manifestations of the latent constructs being assessed, signifying that alterations in the constructs will be directly mirrored in variations in the indicator values (Hair et al., 2022).

Evaluation of Measurement Model (Outer Model)
Convergent Validity

Convergent validity is a metric that signifies a positive correlation between a variable and other measures that assess it. In every study, each variable must satisfy established validity criteria. This study employed a reflective measurement methodology to investigate variables such as brand image, service quality, and customer loyalty as representations of latent structures. The reflective model was evaluated using several criteria: factor loading ≥ 0.7, composite reliability and Cronbach's alpha > 0.7, and Average Variance Extracted (AVE) ≥ 0.5 (Sarstedt et al., 2017).

Table 3. Statistics of Reflective Measurement Model Evaluation
K Pharmacy

Variable	Aspect	Indicator	Outer Loading	Cronbachs Alpha	Composite Reliability	AVE
Brand Image	Corporate Image	BI 02	0,767	0,919	0,931	0,576
		BI 03	0,759			
	User Image	BI 05	0,764			
		BI 07	0,749			
		BI 08	0,738			
		BI 09	0,778			
	Product Image	BI 10	0,711			
		BI 11	0,708			
		BI 13	0,819			
		BI 14	0,790			
Customer Loyalty	Trust	CL 01	0,715	0,884	0,908	0,587
		CL 02	0,795			
	Psychological Commitment	CL 03	0,727			
		CL 04	0,755			
	Price Change	CL 05	0,756			
	Publicity Behavior	CL 06	0,814			
		CL 07	0,795			

Source: Data processing results from SmartPLS 4.0.
P Pharmacy

Variable	Aspect	Indicator	Outer Loading	Cronbachs Alpha	Composite Reliability	AVE
Brand Image	Corporate Image	BI 01	0,869	0,935	0,949	0,755
		BI 02	0,767			
		BI 03	0,886			
	User Image	BI 06	0,828			
	Product Image	BI 10	0,848			
		BI 16	0,869			
Customer Loyalty	Trust	CL 02	0,837	0,959	0,965	0,776
	Psychological Commitment	CL 03	0,896			
		CL 04	0,779			
	Price Change	CL 05	0,891			
	Publicity Behavior	CL 06	0,854			
		CL 07	0,886			
	Cooperation	CL 08	0,845			
		CL 09	0,731			

Source: Data processing results from SmartPLS 4.0.

According to the data in Table 3, point (a), the results of the reflection measurement test at KS pharmacies indicate that the outer loading values for all indicators exceed 0.70, ranging from 0.708 to 0.819 for the Brand Image variable and from 0.715 to 0.814 for the Customer Loyalty variable. These numbers demonstrate that each indicator sufficiently represents the construct, fulfilling the indicator validity requirements (Hair et al., 2022). Cronbach's Alpha demonstrated an internal dependability of 0.919 for Brand Image and 0.884 for Customer Loyalty, exceeding the minimum threshold of 0.70, thereby categorising the instrument's internal consistency as extremely good. The Composite Reliability values are

0.931 for Brand Image and 0.908 for Customer Loyalty, indicating that the instrument is dependable for measuring the construct. The AVE values for each construct satisfy the criteria for convergent validity, with Brand Image at 0.576 and Customer Loyalty at 0.587, both beyond the threshold of 0.50, indicating that the respective constructs account for over 50% of the variance in the indicators.

Table 3 point (b) about PS pharmacies presents uniform results, with all indicators exhibiting outer loading values over 0.70, specifically ranging from 0.767 to 0.886 for Brand Image and from 0.731 to 0.896 for Customer Loyalty. The scores for Cronbach's Alpha and Composite Reliability were 0.935 and 0.949 for Brand Image, and 0.959 and 0.965 for Customer Loyalty. The AVE values satisfied the convergent validity criterion, with Brand Image at 0.755 and Customer Loyalty at 0.776. The examination of the reflective measurement model in both pharmacies demonstrates that all indicators, as well as reliability and validity, are satisfactorily met, affirming that the research instrument possesses sufficient measurement quality for subsequent structural analysis.

A subsequent examination of the reflecting model of K Pharmacy indicates that the product image indicator yields the most significant contribution to the brand image construct. The highest outer loading value is observed in BI13 at 0.819, succeeded by BI14 at 0.790, both above the indications from the Corporate Image dimension (BI02 = 0.767; BI03 = 0.759) and User Image (BI05 = 0.764; BI07 = 0.749; BI08 = 0.738; BI09 = 0.778). This discovery substantiates that product quality and attributes influence brand perception more than corporate image or brand congruence with user identity. Within the Customer Loyalty construct, indicator CL06 (Publicity) exhibited the highest value of 0.814, succeeded by CL07 (Behaviour) and CL02 (Trust), both at 0.795. This situation suggests that consumer loyalty at KS pharmacies is primarily affected by publicity and actual behavioural experiences rather than trust, psychological commitment, or sensitivity to price fluctuations. This conclusion indicates that communication methods, marketing, and the establishment of consistent client experiences are essential for fostering loyalty.

The analytical outcomes for PS pharmacies have a distinct trend. Within the Brand Image construct, the Corporate Image component significantly contributes, with BI03 achieving the most significant value of 0.886, while BI02 records the lowest at 0.767. The BI06 indicator in the User Image dimension has a score of 0.828, signifying that brand alignment with customer identity plays a substantial role. Simultaneously, the Product Image dimension consistently delivered a significant contribution, with BI10 at 0.848 and BI16 at 0.869, signifying that product quality and appeal are the primary foundations of brand image development. Cronbach's Alpha of 0.935, Composite Reliability of 0.949, and AVE of 0.755 indicate excellent reliability. Within the Customer Loyalty construct, the Psychological Commitment (CL03) indicator recorded the highest score of 0.896, signifying that emotional attachment exerts a greater influence on customer loyalty than plain functional pleasure. The Price Change (CL05) metric, valued at 0.891, indicates that customers generally exhibit loyalty despite fluctuations in price. In contrast, the Cooperation indicator (CL09) exhibits the minimal contribution of 0.731, signifying that consumer engagement through cooperation is not yet a predominant feature. Additional variables, such as Publicity Behaviour (CL07 = 0.854; CL08 = 0.845), demonstrate the significant impact of consumers' propensity to promote the drugstore as a concrete manifestation of loyalty.

The findings from the two pharmacies reveal discrepancies in their strategic focus on developing their brand image and customer loyalty. At K Pharmacy, the brand image is predominantly reinforced by product attributes, whilst customer loyalty is shaped by marketing and authentic experiences. In contrast, at P Pharmacy, brand image is mainly determined by general impressions of the company and its products, whereas customer loyalty is significantly affected by emotional attachment, psychological commitment, and consumer resilience to price fluctuations. This comparison suggests that pharmacy image enhancement tactics must correspond with each pharmacy's predominant characteristics, where enhancing product quality and service consistency is vital for K Pharmacy, whilst reinforcing business image and emotional connections is more beneficial for P Pharmacy.

Discriminant Validity

The subsequent phase involves assessing the discriminatory validity after verifying the reliability and validity of the convergence of the automatically evaluated variables. The goal of this analysis is to find

out how much a variable differs from other variables by looking at correlation levels and making sure that each indication only shows the variable that was meant to be shown. Several tests, such as the Fornell-Larcker Test and HTMT (Heterotrait-Monotrait Ratio) < 0.90, are used to check for discriminant validity. These tests ensure that all variables show apparent differences (Hair et al., 2022). Fornell and Larcker's standards are met when the square root of the AVE (average variance extracted) for a variable is greater than its correlation with other variables (Hair et al., 2022). HTMT is a better way to find possible problems with discriminant validity than other methods, like the Fornell-Larcker Criterion.

Table 4. Statistics of Fornell-Larcker and Heterotrait Monotrait Ratio (HTMT)

K Pharmacy

Statistics Fornell-Larcker		
	Brand Image	Customer Loyalty
Brand Image	0,759*	
Customer Loyalty	0,662	0,766*

Statistics Heterotrait Monotrait Ratio (HTMT)		
	Brand Image	Customer Loyalty
Brand Image		
Customer Loyalty	0,681	

P Pharmacy

Statistics Fornell-Larcker		
	Brand Image	Customer Loyalty
Brand Image	0,869*	
Customer Loyalty	0,852	0,881*

Statistics Heterotrait Monotrait Ratio (HTMT)		
	Brand Image	Customer Loyalty
Brand Image		
Customer Loyalty	0,893	

The diagonal values * are AVE roots, and the other values are correlations.
Source: SmartPLS 4.0 output data analysis results.

The discriminant validity of the two pharmacies was evaluated using the criteria developed by Fornell-Larcker and the Heterotrait Monotrait Ratio (HTMT). The results at K Pharmacy revealed that the AVE (average variance extracted) values for brand image (0.759) and customer loyalty (0.766) surpassed the correlation between these constructs (0.662). This signifies that the constructs possess sufficient discriminant validity. The HTMT test indicated an inter-construct correlation of 0.681, which remains below the threshold, concluding the absence of multicollinearity among the latent variables. In contrast to K Pharmacy, P Pharmacy exhibited superior AVE values, namely for Brand Image (0.869) and Customer Loyalty (0.881), with a construct correlation of 0.852. This value stayed beneath each construct's AVE, affirming superior discriminant validity relative to K Pharmacy. The HTMT test for P Pharmacy produced a value of 0.893, marginally above that of K Pharmacy. Nonetheless, this number remains within the acceptable range with a threshold of 0.90 (Hair et al., 2022), albeit it approaches the critical threshold. This suggests that the correlations among dimensions in P Pharmacy are close, yet remain statistically distinct. The primary distinction was observed in the superior discriminant validity strength at P Pharmacy relative to K Pharmacy. At K Pharmacy, the relationship between brand image and customer loyalty demonstrated a clear distinction. However, at P Pharmacy, the association between both constructs was stronger and might result in conceptual overlap if not adequately addressed. In PS pharmacies, brand image is strongly associated with consumer loyalty, indicating that it is essential for fostering loyalty. The correlation is significant in Kansas pharmacies, yet the distinction among components

remains, indicating that factors beyond brand image may also significantly influence customer loyalty.

Structural Model Evaluation (Inner Model)

Structural model analysis in SmartPLS is essential for evaluating the relationships among latent variables within the PLS-SEM framework. This evaluation aims to ensure that the built model accurately represents the data and shows how the latent variables are related in a way that can be understood. The analytical procedure includes hypothesis testing and impact size assessment using the f^2 metric (Sarstedt et al., 2017).

Hypothesis Testing

Testing a hypothesis in Smart PLS models is a way to see if the proposed connections or effects in the PLS-SEM model are real. This evaluation ascertains the statistical significance of the interconnections among latent constructs within the structural model. The testing method involves analyzing path coefficients to ascertain the strength and significance of the relationship between constructs. T-statistics, path coefficients, and p-values are used to test hypotheses. The t-statistic's critical value is 1.96 at a significance level of 5% ($\alpha = 0.05$). If the t-statistic is more than 1.96, the relationship between the constructs is considered significant at a 5% significance level. A connection is statistically significant when the p-value is less than or equal to 0.05. A high t-statistic and a low p-value support the hypothesis, showing that the examined constructs are strongly related. When the t-statistic is low and the p-value is significant, the hypothesis is rejected. This means that the relationship between the constructs is weak. Path coefficients are used to figure out which way the connection being looked at is going. Path coefficients usually fall between -1 and +1. Values close to +1 show a strong positive relationship, while values close to -1 show a negative relationship. In certain instances, path coefficient values may exceed this range (Sarstedt et al., 2017; Hair et al., 2017; Hair et al., 2022; Hair et al., 2019). It is also important to look at the estimated route coefficients, 95% confidence intervals, and the f^2 value. The f^2 value shows how much a variable directly affects the structural model. The f^2 value quantifies the influence of one construct on another inside the model. A bigger f^2 number signifies a more substantial influence, whereas a smaller value denotes a weak impact. F^2 values are categorized as follows: $f^2 > 0.35$ indicates a substantial influence; $0.15 \leq f^2 < 0.35$ represents a moderate influence; $f^2 < 0.15$ suggests a minimal influence (Hair et al., 2022).

Table 5. Hypothesis Testing

	T statistics	Path Coefficient	p values	97.5% Confidence Interval Path Coefficient		f square
				Lower Limit	Upper Limit	
K Pharmacy Brand Image -> Customer Loyalty	12,753	0,662	0.000	0,567	0,772	0,781
P Pharmacy Brand Image -> Customer Loyalty	18,160	0,852	0.000	0,752	0,931	2,645

Source: SmartPLS 4.0 output data analysis results.

The results of the hypothesis testing in Table 5 demonstrate that the variable brand image strongly affects customer loyalty in both K Pharmacy and P Pharmacy. The p-values of 0.000 (<0.05) in both instances substantiate the acceptance of the hypothesis. Consequently, brand image is demonstrated to be a significant determinant in fostering client loyalty. At K Pharmacy, the path coefficient of 0.662 and t statistic of 12.753 signify a robust positive impact of brand image on customer loyalty. The 97.5% confidence interval (0.567–0.772) demonstrates the reliability of the parameter estimates. According to Cohen's criterion, the f-square value of 0.781 indicates a substantial effect, demonstrating that brand image considerably influences the variation in customer loyalty at this drugstore. At P Pharmacy, the influence of brand image on customer loyalty was significant, demonstrated by a path coefficient of 0.852 and a t statistic of 18.160. The confidence interval (0.752–0.931) indicates a broader estimation range than K

Pharmacy. The f-square value 2.645 signifies a substantial effect, surpassing Cohen's interpretive threshold. This suggests that brand image significantly influences customer loyalty at P Pharmacy more than at K Pharmacy. A comparison of the two outcomes reveals that while brand image significantly impacts both pharmacies, the magnitude of its influence varies. P Pharmacy has effectively established a more robust brand image, allowing it to enhance client loyalty to a greater extent than K Pharmacy. This data reveals disparities in the brand image methods employed by the two pharmacies, with P Pharmacy demonstrating greater efficacy in fostering favourable views and emotional connections with clients, ultimately resulting in enhanced loyalty. This discovery aligns with the brand equity concept, which posits that brand image cultivates associations, trust, and preferences that influence repurchase intentions and loyalty (Aaker, 1996; Keller, 1993). From a behavioural perspective, customer loyalty results from cognitive-affective assessments that culminate in a commitment to a single provider (Oliver, 2015). Consequently, when brand perceptions are favourable and consistent, the likelihood of retention and advocacy rises. The disparity in influence strength between the two pharmacies suggests that P Pharmacy excels in establishing a distinct and credible brand identity, exemplified by its reputation, service consistency, and differentiation, which cultivate trust and commitment while enhancing perceived customer value (Zeithaml et al., 1988). Strengthening loyalty at K Pharmacy necessitates an intensive brand-building initiative, including refining brand positioning, highlighting quality evidence (clinical testimonials/distinctive pharmacy services), and ensuring consistent customer experiences across all touchpoints. Simultaneously, P Pharmacy must uphold uniqueness and enhance emotional connections (community engagement, loyalty initiatives, personalised communication) to guarantee the sustainability of its already robust brand impact. A strategic amalgamation of functional performance and emotional branding is anticipated to sustain the stability of the path coefficient over the long term and mitigate the danger of loyalty loss stemming from price rivalry.

Model Goodness Evaluation (Goodness of Fit)

The evaluation of model quality seeks to quantify the model's capacity to elucidate data patterns and the interrelations among its constructs. In Smart PLS, the evaluation comprises two primary metrics: R-square (R^2), the Coefficient of Determination, and Q-square (Q^2), called Predictive Relevance. R^2 quantifies the degree to which independent variables explain the variations in dependent variables. A higher R^2 value means that the model better shows how the constructs are related. There are different levels for understanding R^2 values: 0.19 means a weak impact, 0.33 means a medium impact, and 0.66 means a substantial impact (Chin & Newsted, 1998). On the other hand, Q^2 is a way to measure how well the model can guess values that have not been seen yet and how well it can predict new data. This is how to understand the Q^2 value: A score of 0 means weak predictive ability, a score of 0.25 means moderate predictive ability, and a score of 0.50 means strong predictive ability (Hair et al., 2019).

The analysis shows that the R-square value for customer loyalty at K Pharmacy is 0.439. This means that the brand image variable explains 43.9% of the differences in customer loyalty. According to Hair et al. (2022), this number is in the moderate range. This means that other factors outside of the model affect loyalty at the pharmacy. On the other hand, the R-square score for P Pharmacy is high at 0.726. This means that 72.6% of the changes in customer loyalty can be linked to the brand image. This value is significant, which means that the brand image at P Pharmacy is an important part of building customer loyalty. From a forecasting standpoint, the Q-square value exhibits a consistent trend. K Pharmacy achieved a Q-square score of 0.406, indicating that the model had reasonably excellent prediction capabilities, although it is not yet ideal. P Pharmacy exhibited a Q-square value of 0.724, significantly higher, showing the model's robust predictive capacity for client loyalty. This affirms that the brand image at PS is both statistically significant and extremely pertinent in forecasting future loyalty behaviour.

Table 6. Statistics R-squared and Q-squared

	R *Square*	Q *Square*
Customer Loyalty at K Pharmacy	0,439	0,406
Customer Loyalty at P Pharmacy	0,726	0,724

CONCLUSION

The brand image significantly and positively affects consumer loyalty in both pharmacies, but to differing extents. At K Pharmacy, brand image significantly influences loyalty, with an f-square value of 0.781, denoting a robust contribution to loyalty development. The effect is markedly pronounced at P Pharmacy, with an F-squared value of 2.645, signifying a substantial impact. The findings indicate that brand image is a vital factor in customer loyalty, especially at P Pharmacy, where its impact is more pronounced than at K Pharmacy.

REFERENCES

Aaker, D. A. (1996). Measuring Brand Equity Across Products and Markets. *California Management Review*, *38*(3), 102–120.

Afina, A., & Widarmanti, T. (2022). Pengaruh Social Media Marketing Instagram Terhadap Keputusan Pembelian Ulang Produk Scarlett Whitening. *Etnik Jurnal Ekonomi Dan Teknik*, *1*(9), 640–652.

Andria, Y. G., & Setiadi, Y. W. (2023). Pengaruh Brand Image Dan Customer Satisfaction Terhadap Loyalitas Konsumen. *(Jems) Jurnal Entrepreneur Dan Manajemen Sains*, *4*(2), 419–433.

Anggraeni, M., & Kurniawati, R. (2020). Pengaruh Celebrity Endorser Dan Persepsi Kualitas Melalui Citra Merek Terhadap Loyalitas. *Jurnal Kalibrasi*, *17*(1), 39–42.

Baby Silvia Putri, L. K. (2017). Kepuasan Pengguna Perspektif Dokter Rumah Sakit. *Jurnal Riset Manajemen Dan Bisnis*, *2*(1), 1–12.

Balai Pom di Kendari. (2023). *Laporan Tahunan Balai Pom Di Kendari*. *19*(5), 1–23.

Bhagaskara, A. S., & Shihab, M. (2022). Proses Perencanaan Pesan Dalam Membangun Citra 'Zumba Fitness Indonesia' Melalui Key Opinion Leader. *Communication*, *13*(1), 44.

Chin, W. W., & Newsted, P. R. (1998). The partial least squares approach to structural equation modeling. Modern methods for business research. *Statistical Strategies for Small Sample Research*, *April*, 295-336.

Dachi, A. (2020). Peran Mediasi Citra Merek Dalam Membentuk Hubungan Antara Kualitas Produk Terhadap Loyalitas Pelanggan (Studi Pengguna Produk Telkomsel Di Kota Bogor). *Ecobisma (Jurnal Ekonomi Bisnis Dan Manajemen)*, *7*(1), 9–19.

Darmawan, D., & Djati, P. (2018). Pengaruh Citra Merek Dan Citra Pengecer Terhadap Respon Merek Dan Respon Pengecer Melalui Kepuasan Merek Dan Kepuasan Pengecer. *Ekuitas (Jurnal Ekonomi Dan Keuangan)*, *9*(1).

Darwin, M., Mamondol, M. R., Sormin, S. A., Nurhayati, Y., Tambunan, H., Sylvia, D., Adnyana, M. D. M., Prasetiyo, B., Vianitati, P., & Gebang, A. A. (2021). *Metode Penelitian Pendekatan Kuantitatif Kualitatif* (T. S. Tambunan (ed.); Issue August). Media Sains Indonesia.

Denelsky, C., & Hussein, A. S. (2024). *Pengaruh Perceived Value, Brand Image, dan Service Quality terhadap Loyalitas Konsumen. 03*.

Dysyandi, W., Sumaryono, W., Widyastuti, S., & Lesmana, H. (2019). Bauran Pemasaran Tentang Konsep Apotek Modern Serta Strategi Pemasarannya. *JRB-Jurnal Riset Bisnis*, *3*(1), 1–8.

Fujiyanti, F., Jayadi, J., & Hasan, S. (2022). Pengaruh Brand Equity Dan Kualitas Layanan Terhadap Kepuasan Pelanggan Pada Kedai Kopi Morfati. *Center of Economic Students Journal*, *5*(2), 148–156.

Hair, J. F., Hult, G. T., Ringle, C., & Sarstedt, M. (2017). A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM) - Joseph F. Hair, Jr., G. Tomas M. Hult, Christian Ringle, Marko Sarstedt. In *Sage*.

Hair, J. F., Ringle, C. M., Hult, G. T. M., & Sarstedt, M. (2022). A Primer on Partial Least Squares Structural Equation Modeling. *Long Range Planning*, *46*(1–2), 184–185.

Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*,

31(1), 2–24.

Hidayatulloh, M., & Sudarwanto, T. (2022). Pengaruh Citra Merk Terhadap Keputusan Pembelian Produk Telur Asin Di Umkm Mardlotillah Salty Eggs Lamongan Dengan Minat Beli Sebagai Variabel Intervening. *Jurnal Pendidikan Tata Niaga (Jptn)*, *10*(1), 1643–1649.

Iba, Z., & Wardhana, A. (2024). *Skala interval dalam penelitian kuantitatif. July*.

Imtihan, I., & Irwandi, I. (2021). Pengaruh Kualitas Produk, Harga Dan Citra Merek Terhadap Keputusan Pembelian Ulang Ikan Asin Di Kota Padang. *Jurnal Sosial Ekonomi Kelautan Dan Perikanan*, *16*(1), 75.

Intan Dameria. (2016). Loyalitas Konsumen Dalam Meningkatkan Omzet Penjualan Pada Gerai Indomaret Di Kecamatan Loceret Kabupaten Nganjuk. *Aplikasi Administrasi: Media Analisa Masalah Administrasi*, *19*(2), 100–109.

Keller, K. L. (1993). Conceptualizing, Measuring, and Managing Customer-Based Equity. *American Marketing Association*, *57*(1), 1–22.

Kementrian Kesehatan. (2024). *Profil Kesehatan*.

Kotler, P., & Keller, K. (2016). Marketing Management. In *Pearson Education Limited* (15th ed., Vol. 37, Issue 1). Global Edition.

Liubana, A., Kowey, W. O., Alfonso, P. V, & Putra, W. P. (2023). Pengaruh Strategi Pemasaran Digital, Citra Merek, Dan Loyalitas Pelanggan Terhadap Kinerja Penjualan Produk Fashion Di E-Commerce Shopee. *Jurnal Bisnis Dan Manajemen West Science*, *2*(04), 352–361.

Mardiani, E., Rasyad, R. Z., & Hasian, I. (2024). Evaluasi Efektivitas Iklan Aero Street Di Media Sosial Dengan Consumer Decision Model (CDM). *Jurnal Emt Kita*, *8*(1), 431–441.

Oliver, R. L. (2015). *Satisfaction: A Behavioral Perspective on the Consumer* (Second Ed.). Routledge.

Putra, R. A. (2021). Determinasi Kepuasan Pelanggan Dan Loyalitas Pelanggan Terhadap Kualitas Produk, Citra Merek Dan Persepsi Harga (Literature Review Manajemen Pemasaran). *Jurnal Ekonomi Manajemen Sistem Informasi*, *2*(4), 516–524.

Putri, B. S., & Kartika, L. (2017). Pengaruh Kualitas Pelayanan Bpjs Kesehatan Terhadap Kepuasan Pengguna Perspektif Dokter Rumah Sakit Hermina Bogor. *Jurnal Riset Manajemen Dan Bisnis (JRMB) Fakultas Ekonomi UNIAT*, *2*(1), 1–12.

Raharja, C. L. M., & Aksari, N. M. A. (2019). Pengaruh Persepsi Kualitas Dan Citra Merek Terhadap Loyalitas Merek Dalam Membangun Ekuitas Merek. *E-Jurnal Manajemen Universitas Udayana*, *8*(12), 7053.

Richard, L. (1999). Whence consumer loyalty. *Journal of Marketing*, *63*(Special Issue 1999), 33–44.

Sarstedt, M., Ringle, C. M., & Hair, J. F. (2017). Partial Least Squares Structural Equation Modeling. In *Handbook of Market Research* (Issue September).

Sayekti, M. D., & Dwiridotjahjono, J. (2022). Pengaruh Brand Image Dan Kualitas Produk Terhadap Loyalitas Melalui Kepuasan Konsumen Sebagai Variabel Intervening. *Al-Kharaj Jurnal Ekonomi Keuangan & Bisnis Syariah*, *5*(6), 2511–2524.

Sekaran, U., & Bougie, R. (2013). Research Methods for Business: A Skill-Building Approach. *Leadership & Organization Development Journal*, *34*(7), 700–701.

Yolanda, M. W., Ciamas, E. S., Anggraini, D., Jovando, W., & Supriyanto, S. (2022). Aspek Corporate, User, Dan Product Pada Citra Merek Terhadap Loyalitas Pelanggan Di PT. Saudara Cipta Sukses, Deli Serdang. *Sosmaniora Jurnal Ilmu Sosial Dan Humaniora*, *1*(2), 193–196.

Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, *64*(1), 12–40.