ABSTRACT

In the increasingly competitive local fashion industry, product quality and customer trust have become crucial factors in determining customer satisfaction. Local brands such as Compass continue to compete amid the growing popularity and increasing consumer preference for domestically produced goods. This study aims to analyze the effect of product quality on customer satisfaction, with customer trust serving as a mediating variable in the context of the Compass brand in Indonesia.

This research adopts a quantitative approach using a survey method through an online questionnaire distributed to 391 respondents who are Compass customers and have purchased the products. The sampling technique applied is non-probability sampling, and data analysis is conducted using the Structural Equation Modeling (SEM) method with the assistance of SmartPLS version 4 software.

The results reveal that product quality has a positive and significant effect on both customer trust and customer satisfaction. Additionally, customer trust significantly influences customer satisfaction. These findings indicate that customer trust mediates the relationship between product quality and customer satisfaction. This study contributes theoretically to the marketing literature in the context of local brands in Indonesia and offers practical recommendations for companies to develop strategies that enhance product quality and customer trust to improve customer satisfaction.

Keyword: Product Quality, Customer Trust, Customer Satisfaction, Local Brand