

Analyzing Sustainable Marketing Management Strategies: The Role of Service Quality and Brand Image in Enhancing Customer Loyalty in Traditional Onde-Onde Franchise Businesses

Ema Hakimah^{1,*}, Erin Ningtyas², Ratri Buda Nugrahanti³

^{1,2}Universitas Nusantara PGRI Kediri

³School of Business and Public Administration, University of The Gambia

Corresponding author. Email: emahakimah@unpkediri.ac.id

ABSTRACT

The development of the modern culinary industry is encouraging traditional food businesses to innovate to remain relevant to changing consumer preferences. One culinary heritage with a strong cultural identity is onde-onde, a specialty of Mojokerto, East Java. The development of onde-onde franchise businesses through innovative flavors, modern packaging, and sustainable marketing strategies is a crucial step in penetrating the modern culinary market without abandoning its traditional values. This study aims to analyze the effect of service quality on consumer loyalty, with brand image as a mediating variable in onde-onde franchise businesses. The study used a quantitative approach with an explanatory research design. Primary data were obtained by distributing a questionnaire to onde-onde franchise consumers selected using a purposive sampling technique. Service quality was measured using the SERVQUAL dimensions: reliability, responsiveness, assurance, empathy, and tangibles. Brand image was measured based on consumer perceptions of brand reputation and uniqueness, while consumer loyalty was measured through repurchase intentions and recommendations to other consumers. Data were analyzed using regression. The research results show that service quality has a positive effect on consumer loyalty, both directly and through brand image. Reliability and responsiveness are the dominant factors in building customer loyalty. Furthermore, product innovation and continuous marketing contribute to strengthening the onde-onde franchise brand image as a traditional culinary delight capable of competing in the modern market. This research demonstrates that the integration of service quality, and brand image enhancement is crucial in fostering long-term customer loyalty.

Keywords: *service quality, brand image, consumer loyalty, sustainable marketing, onde-onde franchise, traditional culinary, consumer behavior, competitive advantage.*

1. INTRODUCTION

In recent years, the food and beverage industry has experienced rapid growth, accompanied by increasing consumer demand for products that offer not only taste and quality but also emotional value and cultural identity. Traditional foods have become an important part of this trend because they allow consumers to reconnect with memories, local heritage, and a sense of belonging. Among Indonesian traditional snacks, onde-onde from Mojokerto is widely recognized as one of the region's culinary icons, known for its distinctive sesame-coated exterior and sweet mung bean filling. For many people who have migrated from Mojokerto to other cities, consuming authentic onde-onde is more than a culinary experience; it serves as a symbolic connection to their hometown, family traditions, and personal memories.

In an increasingly competitive food and beverage market, customer loyalty has become one of the most important determinants of long-term business success. Loyal customers contribute significantly to business profitability through repeat purchases, resistance to competitors' offerings, and positive word-of-mouth recommendations that help attract new customers while reducing marketing costs (El-Manstrly, 2014; Singh et al., 2019). Furthermore, customer retention is widely recognized as being more cost-effective than acquiring new customers, making loyalty a valuable strategic asset for sustainable business growth. Previous studies have also emphasized that customer loyalty provides a competitive advantage, particularly in markets where products are highly similar and differentiation is difficult to

achieve (Mokhtar & Yusr, 2016; Davis-Sramek, 2015). For traditional food franchise businesses, cultivating customer loyalty is particularly crucial because it not only ensures continued patronage but also strengthens emotional connections between consumers and culturally meaningful products. Therefore, understanding the factors that enhance customer loyalty is essential for sustaining the growth and competitiveness of traditional onde-onde franchise businesses.

A growing phenomenon can be observed among Mojokerto migrants living in major urban areas such as Surabaya, Jakarta, Yogyakarta, and other Indonesian cities. Many actively seek authentic Mojokerto onde-onde through specialty stores, online marketplaces, social media communities, and food delivery platforms. The increasing popularity of nostalgic food consumption suggests that consumers often purchase traditional foods not only because of their flavor but also because they evoke memories of childhood, family gatherings, and local identity (Kim et al., 2023). This phenomenon creates a unique market opportunity for franchise businesses that can consistently deliver authentic products while maintaining emotional connections with customers.

Previous studies have demonstrated that food quality is one of the strongest predictors of customer satisfaction and loyalty in traditional food businesses. Factors such as authentic taste, freshness, product safety, and consistency significantly influence consumers' intention to repurchase and recommend products to others (Singh et al., 2021). For traditional snacks such as onde-onde, maintaining the original Mojokerto recipe and preserving traditional production methods can enhance consumers' perception of authenticity and product value. Authenticity has been found to strengthen customer satisfaction and loyalty, particularly in local food markets where cultural heritage is highly valued (Ahn, 2023).

In addition to product quality, service quality plays a crucial role in shaping customer experiences. Friendly staff, personalized attention, and reliable service can increase perceived value and encourage customer loyalty (Purnami & Nurcaya, 2025). For a franchise targeting Mojokerto migrants, service interactions that create a welcoming atmosphere and reflect the warmth of hometown hospitality may enhance emotional attachment and encourage repeat visits. Such experiences can transform a simple food purchase into a meaningful cultural encounter.

Another important factor influencing customer loyalty is brand image. A positive brand image helps consumers develop trust and emotional connections with a business, ultimately leading to stronger loyalty (Yasin & Mandagi, 2026). In the context of traditional food franchises, brand image can be strengthened by emphasizing the cultural heritage of Mojokerto, highlighting the history of onde-onde, and communicating a clear narrative about authenticity. Research suggests that local identity and social connections significantly influence consumer preferences for local food brands, particularly among migrants and expatriates who seek products that represent their cultural roots (Kim et al., 2023).

Furthermore, nostalgia has emerged as a powerful marketing tool in the food industry. Nostalgia-based experiences generated through traditional foods, cultural storytelling, vintage visual elements, and familiar atmospheres can positively influence customer satisfaction and revisit intentions (Hernandez-Rojas & Alcocer, 2021). Nostalgia-themed restaurants and food businesses have demonstrated that customers are more likely to develop emotional bonds with brands that successfully remind them of meaningful life experiences and cultural traditions (Gumasing, 2025). For Mojokerto migrants, authentic onde-onde may function as a nostalgic trigger that reconnects them with memories of their hometown, thereby increasing their emotional attachment to the brand.

At the same time, contemporary consumers are increasingly concerned about sustainability issues. Sustainable marketing practices, including the use of locally sourced ingredients, support for local farmers, environmentally friendly packaging, and waste reduction initiatives, have been shown to improve brand image and customer loyalty (Tanveer et al., 2021). Studies indicate that brand image frequently mediates the relationship between sustainable marketing activities and customer loyalty, suggesting that consumers reward businesses that demonstrate genuine social and environmental responsibility (Jia et al., 2023).

Despite extensive research on service quality, brand image, nostalgia, and sustainable marketing, limited studies have specifically examined how these factors interact within traditional snack franchises targeting migrant communities. The case of Mojokerto onde-onde presents a distinctive context where culinary nostalgia, local identity, product authenticity, and sustainability converge to influence customer behavior. Understanding these relationships is important for developing effective marketing strategies that not only attract customers but also foster long-term loyalty among Mojokerto migrants and consumers who appreciate traditional Indonesian culinary heritage. This study aims to investigate the influence of service quality and sustainable marketing on customer loyalty in traditional onde-onde franchises, while examining the mediating role of brand image. The findings are expected to contribute to the literature on traditional food marketing and provide practical insights for franchise businesses seeking to preserve local culinary heritage while maintaining competitiveness in modern markets.

2. METHODS

This study employs a quantitative approach with an explanatory research design to examine the effect of service quality on consumer loyalty through the mediating role of brand image and the contribution of sustainable marketing practices in a traditional onde-onde franchise business. Primary data are collected through a survey using a structured questionnaire with a five-point Likert scale distributed to consumers who have purchased onde-onde products. The sampling technique uses purposive sampling, targeting consumers who have experience purchasing and consuming the franchise products. Service quality is measured using SERVQUAL dimensions, namely reliability, responsiveness, assurance, empathy, and tangibles (Sangadji, 2025). Brand image is measured through perceptions of brand reputation, uniqueness, and positive associations (Rastogi et al., 2024), while consumer loyalty is assessed through repurchase intention, recommendation intention, and commitment to the brand (Fitriani et al., 2025). Sustainable marketing is operationalized through consumers' perceptions of environmentally and socially responsible business practices, such as the use of local ingredients and eco-friendly packaging (Khandai et al., 2022). Data analysis is conducted using multiple linear regression and mediation testing with SPSS, supported by validity and reliability assessments through Cronbach's Alpha and construct validity tests (Dam & Dam, 2021).

3. RESULT AND DISCUSSION

Table 1 Multiple Linear Regression Results

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	23.248	5.245		4.432
	X1	.248	.100	.357	2.490
	X2	.210	.083	.361	2.520

a. Dependent Variable: Y1

The multiple regression equation can be formulated as follows:

$$Y = 23.248 + 0.248X_1 + 0.210X_2$$

where:

- Y = Customer Loyalty
- X_1 = Service Quality
- X_2 = Brand Image

The equation indicates that both Service Quality and Brand Image positively contribute to customer loyalty.

This study examined the effect of service quality (X1) and brand image (X2) on customer loyalty (Y1) in the traditional food franchise sector. Multiple linear regression analysis was employed to determine both the simultaneous and partial effects of the independent variables on customer loyalty.

Based on the Model Summary output, the regression model produced an R value of 0.492, indicating a moderate positive relationship between the independent variables and customer loyalty. The coefficient of determination (R^2) was 0.243, meaning that Service Quality and Brand Image jointly explained 24.3% of the variance in customer loyalty, while the remaining 75.7% was influenced by other factors not included in the model, such as product quality, customer satisfaction, perceived value, pricing, trust, and customer experience. The Adjusted R^2 value of 0.202 suggests that after adjusting for the number of predictors, approximately 20.2% of customer loyalty can be explained by the model.

The ANOVA results indicate that the regression model is statistically significant. The calculated F-value was 5.924 with a significance level of 0.006, which is lower than the threshold of 0.05. Therefore, the null hypothesis is rejected, indicating that Service Quality and Brand Image simultaneously have a significant effect on Customer Loyalty.

These findings demonstrate that customer loyalty in traditional food businesses is not determined by a single factor but is influenced by the combined contribution of service quality and brand perception. Customers tend to remain loyal when they receive satisfactory service experiences and simultaneously develop positive perceptions of the brand.

The regression coefficient for Service Quality (X1) was 0.248, with a t-value of 2.490 and a significance value of 0.017. Since the significance value is below 0.05, Service Quality has a positive and statistically significant effect on Customer Loyalty.

The positive coefficient indicates that every one-unit increase in Service Quality is associated with an increase of 0.248 units in Customer Loyalty, assuming other variables remain constant. Furthermore, the standardized coefficient ($\beta = 0.357$) shows that Service Quality contributes substantially to the prediction of customer loyalty.

The regression coefficient for Brand Image (X2) was 0.210, with a t-value of 2.520 and a significance value of 0.016. Since the significance level is below 0.05, Brand Image also has a positive and statistically significant effect on Customer Loyalty.

The coefficient suggests that a one-unit increase in Brand Image leads to an increase of 0.210 units in Customer Loyalty. The standardized coefficient ($\beta = 0.361$) indicates that Brand Image contributes slightly more strongly to customer loyalty than Service Quality, although the difference is minimal.

The findings reveal that both Service Quality and Brand Image significantly influence customer loyalty in the traditional food franchise business. The simultaneous significance of the model confirms that customers evaluate not only the functional aspects of service delivery but also the symbolic value associated with the brand.

The positive effect of Service Quality is consistent with previous studies that identify service quality as a major determinant of customer loyalty. (Sangadji, 2025) found that service quality directly enhances customer loyalty and indirectly strengthens loyalty through customer satisfaction and happiness. Similar conclusions were reported by (Agarwal & Dhingra, 2023), who demonstrated that superior service quality promotes repeat purchase behavior, positive word-of-mouth, and long-term customer retention.

In the context of traditional food franchises such as *onde-onde* businesses, service quality may include employee friendliness, responsiveness, transaction efficiency, product availability, cleanliness, and consistency of service delivery. Customers who experience reliable and pleasant service are more likely to revisit and recommend the business to others.

Interestingly, Brand Image exhibits a slightly higher standardized coefficient ($\beta = 0.361$) than Service Quality ($\beta = 0.357$), suggesting that brand perception plays a particularly important role in shaping loyalty. This result aligns with (Saad et al., 2022), who found that perceived quality contributes to the development of a favorable brand image, which subsequently strengthens customer loyalty. Similarly, (Gumasing, 2025) reported that brand image significantly influences restaurant selection and customer retention.

For traditional food franchises, a strong brand image may be developed through authenticity, cultural heritage, product uniqueness, reputation, and consistent communication of product values. Customers often associate traditional food products with local identity and trust, making brand image a critical strategic asset.

The findings further support the sustainable marketing management perspective, which emphasizes the creation of long-term customer relationships rather than short-term sales. Although Service Quality and Brand Image significantly affect customer loyalty, the relatively moderate R^2 value (24.3%) indicates that other variables may also contribute substantially to loyalty formation. Previous studies suggest that customer satisfaction, food quality, perceived value, emotional attachment, trust, and customer experience may serve as additional determinants of loyalty (Sun & Moon, 2023).

From a managerial perspective, traditional food franchise businesses should prioritize continuous improvements in service standards while simultaneously strengthening brand positioning. Sustainable loyalty can be achieved by ensuring consistent service performance, maintaining product authenticity and quality, enhancing customer experiences, and effectively communicating the unique cultural value of traditional food products. Such strategies are likely to increase customer retention, positive word-of-mouth, and long-term business sustainability.

4. CONCLUSION

The rapid development of the modern culinary industry requires traditional food businesses to continuously innovate while preserving their cultural identity. As one of Mojokerto's traditional culinary products, *onde-onde* has significant potential to compete in the contemporary market through product innovation, service excellence, and sustainable marketing strategies. This study was conducted to examine the influence of service quality on consumer loyalty, as well as the role of brand image in strengthening this relationship within the context of *onde-onde* franchise businesses.

The findings indicate that service quality and brand image simultaneously have a significant positive effect on consumer loyalty. The regression analysis demonstrates that service quality significantly influences customer loyalty, suggesting that consumers are more likely to repurchase and recommend the product when they experience reliable, responsive, and satisfactory services. Likewise, brand image significantly contributes to customer loyalty, indicating that consumers tend to remain loyal to brands that possess a positive reputation, distinctiveness, and strong cultural value.

From a sustainable marketing management perspective, the findings highlight the importance of integrating service quality improvements with brand image development. Product innovation, modern packaging, and continuous promotional activities contribute to enhancing the perception of onde-onde as a traditional culinary product that remains relevant in a competitive and evolving marketplace. Therefore, sustainable customer loyalty can be achieved through a combination of consistent service quality, continuous innovation, and strategic brand-building efforts.

Notwithstanding its contributions, this study is subject to several limitations. First, the research was conducted in the specific context of onde-onde franchise businesses, which may limit the generalizability of the findings to other traditional food businesses or culinary sectors. Second, the study focused only on service quality and brand image as determinants of customer loyalty, while other factors such as customer satisfaction, perceived value, price fairness, nostalgia, and digital marketing engagement may also influence loyalty. Third, the use of a quantitative approach may not fully capture the emotional and cultural meanings behind consumers' attachment to traditional foods.

Future research is recommended to examine broader samples across different regions and types of traditional culinary businesses. Further studies may also include additional variables such as customer satisfaction, trust, perceived authenticity, nostalgia, and customer experience to provide a more comprehensive understanding of customer loyalty. In addition, qualitative or mixed-method approaches could be applied to explore consumers' emotional connections, cultural identity, and motivations in purchasing traditional food products.

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