



The Effect of Customer Perceived Ethicality, Electronic Word of Mouth (EWOM) and Product Quality on Customer Loyalty with Customer Trust and Satisfaction as Mediation in Pinkflash Brand Cosmetics in Padang City

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ABSTRACT

This research aims to analyze the effect of Customer Perceived Ethicality, Electronic World of Mouth and Product Quality on Customer Loyalty with the role of Customer Trust and Satisfaction as mediating variabel on the Pinkflash Cosmetic Product in Padang City. 275 respondents were the samples of this study. Data processing by SmartPLS and collected from online questionnaire. The outcomes of this demonstrated that Customer Perceived Ethicality and Electronic Word of Mouth has a significant positive impact on Customer Loyalty. While Product Quality has negative impact on Customer Loyalty. Customer Trust and Satisfaction as mediation variable has positive significant on Customer Perceived Ethicality, Electronic Word of Mouth and Product Quality.

INTRODUCTION

Advanced of technological developments, especially from digital era, has had a significant impact on people's consumption patterns. One sector that has undergone a major transformation is the beauty industry, which now relies not only on physical stores but also digital platforms to reach consumers. According to release from the Republic of Indonesia's Coordinating Ministry for Economic Affairs, the country's cosmetics industry has experienced remarkable growth, with amount of companies in the sector increasing from 913 in 2022 to 1,010 in mid-2023, a 21.9% increase (Ekon, 2024).

The high volume of beauty industry consumers has led to changes in people's behavior that make skincare and makeup a daily necessity. This becomes the need for beauty care products needed by women, of course, in increasing their sense of loyalty for cosmetic product. (Aldulaimi et al., 2024) stated that a firmly held commitment to buy or reuse products consistently in the future is the definition of Customer Loyalty. Where consumers like products that are in line with their desires and support companies that show their loyalty practices to customers. At Brand Pinkflash, the loyalty program carried out to customers includes discount vouchers, participating in free events such as charity or free walks with Pinkflash, and getting product bonuses for every purchase above Rp100,000. This shows that Customer Long-term client connections, profitability, and sustainability are all seen to be significantly impacted by loyalty.

(Mahmud et al., 2024) stated that Customer Trust is the level of customer confidence in loyalty that has the influence to convey statements that are considered clear. The level of trust between customers and companies has been shown to positively influence sustainability in building loyalty.

Satisfaction or consumer satisfaction with a product or service so as to increase customer commitment to product or service providers in the future (Nuryakin et al., 2023).

Customer Perceived Ethicality (CPE) relates to the customer's perception of the product or service to be consumed. Meanwhile, the information contained in marketing ethics clearly reduces the risks and doubts that consumers feel when buying goods or services (Amoako et al., 2020).

Electronic Word of Mouth (EWOM) are reviews made by customers about products and services that are considered reliable and trustworthy than other sources (Aldulaimi et al., 2024). (Paschalidou et al., 2023) stated that EWOM is proven to have a positive effect on the value of customer loyalty, which indicates that the higher the implementation of Electronic Word of Mouth (EWOM) carried out by marketers will have an impact on increasing the value of customer loyalty.

Pinkflash brand, the quality of products marketed to customers is very important to ensure customer satisfaction and remain competitive. Pinkflash brand cosmetic products that attract consumers in choosing all product categories to be used as products used for daily needs show that product quality can build long-term loyalty to Pinkflash cosmetic brand customers.

Currently, Badan Pengawas Obat dan Makanan (BPOM) has revoked the distribution licenses of 55 cosmetic products that are considered to contain hazardous ingredients. One of the products whose distribution license is prohibited is the brand of Pinkflash. BPOM testing results show that some Pinkflash products contain harmful coloring ingredients such as K3 and K10 dyes. These ingredients are known to cause skin irritation and even increase the risk of cancer. If the product launched does not meet the standards, then consumers tend to reduce their sense of loyalty to the product and switch to products with other brands of the same quality and price. Because according to (Abigail et al., 2024), Customer Loyalty is influenced by variables of perceived consumer ethical value, trust, satisfaction, and word of mouth.

LITERATURE REVIEW

Sosial Exchange Theory

Social Exchange Theory involves the exchange of plus and minus in people thinks about emotional, satisfaction or behavior about certain advantages or disadvantages that appear in a bond, including the relationship between consumers and companies (Azer & Ranaweera, 2022). Research from (Casper Ferm & Thaichon, 2021) theory views motivation as a personal and individual thing that gets a sense of pleasure, satisfaction and things that are emotional. (Aldulaimi et al., 2024) stated that SET is a key hypothesis for studying the connection between eWOM, Customer Trust, and Customer Loyalty. As a result, this study built its research model around two theories. Previous research has not developed an integrated model to quantify Customer Trust and Customer Loyalty that takes into account the dual roles of CPE and eWOM, including Satisfaction and Social Exchange Theory. There has been less focus on determining CT and CL using ST and SET to account for the dual functions of Customer Perceived Ethicality and eWOM. (Batool et al., 2023).

Theory of Planned Behavior

Theory of Planned Behavior (TPB) is a theory developed by (Ajzen, n.d.) a theory that reflects the fact that attitudes and the perceived likelihood of engaging in certain behaviors are related. TPB is typically understood to be an individual's overall assessment of a thing, someone, or location that essentially influences loyalty in consumers (Paschalidou et al., 2023). According to (Katili et al., 2024) this theory has a positive attitude towards behavior, accepts support from others and thinks that consumers can actively participate in implementing these behaviors depending on the resources, time and opportunity to implement them. (Abbasi et al., 2021) stated that TPB model was expanded to better understand Chinese consumers' aspirations to stay at eco-friendly hotels. The expanded model is more robust than the original model, according to the results. Theory of Planned Behavior (TPB) is one of the models that can be used to assess a person's behavior, and is recognized as a model in understanding changes in loyalty behavior (Sun, n.d.). TPB asserts that societal influences, perceived control over behavior, and brand attitudes all have an impact on consumer loyalty, trust, and word-of-mouth advertising.

Interestingly, perceived ethics seems to play a significant role in shaping customer opinions (Paschalidou et al., 2023).

Customer Perceived Ethicality and Customer Loyalty

(Suhartanto et al., 2021) state that customer loyalty is a composite approach that defines loyal consumers by exhibiting positive behavior toward the product and accurately forecasting future purchasing patterns. Research by (Aldulaimi et al., 2024) states that the company's ethical behavior towards customers can foster trust and loyalty among customers so that they feel respected. (Paschalidou et al., 2023) think that customer perceived ethicality is positively influenced by the overall ethical image of an organization which is important in shaping customer loyalty. In addition, (Berki-Kiss & Menrad, 2022) show that consumers who have ethical perceptions of product purchases can influence long-term relationships with companies. Customer perceived ethicality has a direct effect on customer loyalty because ethical behavior is main factor to consider geet along relationships for their consumer (Batool et al., 2023). Hence, the researchers formulated the following hypothesis:

H1: Customer Perceived Ethicality has a significant positive effect on Customer Loyalty

Electronic Word of Mouth and Customer Loyalty

According to (Chen et al., 2022), Electronic Word of Mouth (EWOM) involves forming long-term relationships with customers to foster customer loyalty and develop business success in the company. In addition (Salah et al., 2023), state that Electronic Word of Mouth (EWOM) includes reviews, recommendations and comments received by customers who have purchased, former customers or potential customers in a positive or negative manner. Loyal customers show a higher tendency to engage in positive EWOM activities and advocate for a brand (Aldulaimi et al., 2024). (Ismagilova et al., 2021) also observed that EWOM builds trust, improves the relationship between consumers and brands, and promotes customer loyalty when it is regarded as reliable. Similarly, research (Batool et al., 2023) proposes that two important factors in shaping EWOM are satisfaction and customer loyalty because they generate profits and resilience to the company's competitive strategy. (Mahmud et al., 2024) found the good relationship of active contribution to EWOM and loyalty as measured by the willingness to recommend products to other consumers. Then, the researches formulated hypthesis as follows:

H2: Electronic Word of Mouth has a significant positive effect on Customer Loyalty

Product Quality and Customer Loyalty

Product quality has a major role in regulating consumer perceptions of performance related to existing product or service attributes. basically, customers will see and evaluate the quality of products on the market before making a purchase (Rua et al., 2020). (Ampadu et al., 2023) states that customers will prefer and choose products that have more quality and are willing to pay any cost to buy these quality products to achieve their needs and desires.

(Taufik et al., 2022) states that product quality is a feature of a product based on its competence in providing a sense of loyalty to customers explicitly or implicitly. (Albari, 2019) Additionally, it demonstrates that most devoted consumers are those that use products of best before using, suggesting that customer loyalty is favorably strengthened by product quality. Based on previous findings, the researchers formulated a hypothesis with the following statement:

H3: Product Quality has a significant positive effect on Customer Loyalty

Customer Perceived Ethicality and Customer Trust

Customer Perceived Ethicality interpreted as customer perceptions regarding the extent to which the behavior of a subject such as a company, brand, product, or service (Zahira et al., 2023). Building, developing, maintaining, and testing customer trust is a logical process that takes time (Halimatussakdiah et al., 2023). (Aldulaimi et al., 2024) research shows that customers no longer consider product satisfaction and quality after purchasing products but rather consider the behavior and social and ethical commitments of companies in marketing products. Customers perceptions of ethical brands that the brand offers products that match what is promoted to customers, resulting in a significant positive influence (Huang et al., 2022). Based on the description of previous research, the research can be formulated with the following hypothesis:

H4: Customer Perceived Ethicality has a significant positive effect on Customer Trust

Customer Perceived Ethicality and Satisfaction

(Mainardes et al., 2023) in research shows that retailers with ethical practices can build good relationships with customers so that they get satisfaction from them. Therefore, satisfaction being the main stimulant can contribute positively to consumer perceptions of fair and ethical business practices as a link between online retailers and customer satisfaction (Zollo, 2021). (Mansouri et al., 2022) thinks that satisfaction tends assess whether the performance of the product or service is in accordance with meeting the needs, so it is very important for future purchase intentions and customer loyalty. (Berki-Kiss & Menrad, 2022) stated that consumers by their experience either joy or dissatisfaction because they believe the product has been purchased matches the expectations that consumers have felt. From the previous discussion, it can be postulated that:

H5: Customer Perceived Ethicality has a significant positive effect on Satisfaction

Electronic Word of Mouth and Customer Trust

(Paschalidou et al., 2023) state that positive reviews that appear honest and authentic increase customer trust in certain products, thereby increasing the credibility and authenticity of reviews on products. According to (Samed Al-Adwan et al., 2020) many online customers observe other consumers who have purchased certain products and these reviews represent other people's

opinions regarding customer trust. According to (Anaya-Sánchez et al., 2020) found a positive relationship between electronic word of mouth and customer trust because it affects the willingness of individuals to exchange information and content with others about the products used. Hence, it is hypothesized that:
H6: Electronic Word of Mouth has a significant positive effect on Customer Trust

Electronic Word of Mouth and Customer Satisfaction

According to (Ruiz-Alba et al., 2022) EWOM is considered a reliable indicator of satisfaction because customers who experience digital platforms positively are more likely to become loyal and spread EWOM widely. Many customers read and share information about their satisfaction in using products on social media, so monitoring EWOM becomes very important to the company (Guanqi & Nisa, 2023). (Padma & Ahn, 2020) in the research highlights that if customers are satisfied, the result is a positive evaluation in reviewing their experience online of the product that has been used. Based on these previous findings, hypothesis that:

H7: Electronic Word of Mouth has a significant positive effect on Satisfaction

Product Quality and Satisfaction

(Abigail et al., 2024) states that products that are of high quality or exceed customer expectations will affect customer satisfaction. Research conducted by (Sambo et al., n.d.) supports the notion that higher customer satisfaction is closely correlated with higher-quality products. (Rua et al., 2020) states that it is important to prioritize and improve product quality to drive customer satisfaction. (Albari, 2019) found of the relationship between product quality, satisfaction and customer loyalty in prioritizing product quality to ensure competitive satisfaction is positive and significant. Based on the findings of the results of previous studies, it is indicated that the hypothesis:

H8: Product Quality has a significant positive effect on Satisfaction

Customer Trust and Customer Loyalty

(Suhartanto et al., 2021) Consumers who have high trust in the product or service is likely to recommend it to others so that it can help build customer loyalty. (Cardoso et al., 2022) states that the brand's relationship with customers is based on trust that fosters confidence and long-term commitment to customers with the company. (Batool et al., 2023) found that when there is a sense of trust in customers in a product, the doubts and risks that occur in the product are reduced and Customers' dedication and loyalty to the product will increase. Because customers evaluate their direct interactions with sellers and determine whether or not the seller's performance meets their needs, customer satisfaction directly affects customer loyalty. (Flavián et al., 2022). based on these previous findings, the following hypothesis formulation is obtained:

H9: Customer Trust has a significant positive effect on Customer Loyalty

Satisfaction and Customer Loyalty

Customers who are happy with the value they receive are more likely to stick with a business even if prices fluctuate because happy customers are more inclined to keep utilizing its products (Mansouri et al., 2022). According to (Kataria & Saini, 2020) satisfaction can be positively influenced by customer loyalty because satisfied customers are considered less concerned with price because they already have strong brand ties with the manufacturer. Increasing customer satisfaction benefits a company's reputation, attracts new customers, and reduces costs. According to (Kusumawati & Sri Rahayu, 2020), customer perceived value and quality of experience are considered as variables that can influence customer loyalty. (Cheng & Jiang, 2020) shows that customer satisfaction can increase customers long-term commitment to repurchase or become loyal customers to the product. Based on these consistent findings, it can be inferred that:

H10: Satisfaction has a significant positive effect on Customer Loyalty

Mediation Role of Customer Trust

(Aldulaimi et al., 2024) explains that relationship between customer loyalty and perceived ethical behavior is mediated by trust; when consumers believe a brand behaves ethically, they are more likely to have faith in it. Research from (Kanwal & Ahmed Siddiqui Associate Professor, n.d.) found an indirect effect between the variable customer perceived ethicality on customer loyalty which is mediated by trust and produces a positive and significant effect. (Paschalidou et al., 2023) thinks that customer trust in a brand is one of the mediators of customer loyalty to electronic word of mouth because customers who get a sense of satisfaction with the product will share their positive experiences with others. The mediating effect of customer trust on electronic word of mouth (ewom) and customer loyalty is an indirect effect where the electronic word of mouth (ewom) The stimuli organism response model explains how a variable affects a customer's loyalty to commercial websites (Park, 2020). From the previous discussion, it can be inferred that:

H11: Customer Trust mediates the relationship between Customer Perceived Ethicality and Customer Loyalty

H13: Customer Trust mediates the relationship between Electronic Word of Mouth and Customer Loyalty

Mediation Role of Satisfaction

(Suttikun & Meeprom, 2021) in his research states that a good customer experience will increase satisfaction, which in turn strengthens customer loyalty. therefore, the perception of customer ethics can affect loyalty if customers get satisfaction to repurchase and recommend products to others. (Serra-Cantalops et al., 2018) states that the effect of EWOM on customer loyalty produces a significant positive effect where satisfaction plays an important role as a mediator of these two variables. Previous studies by (Das Guru & Paulssen, 2020) claim that consumer happiness plays a role in mediating the relationship between product quality and brand loyalty; if customers believe the product they bought is the best, they will be content and

likely to stick with the brand. The researchers therefore developed the following hypothesis in light of earlier observations:

H12: Satisfaction mediates the relationship between Customer Perceived Ethicality and Customer Loyalty

H14: Satisfaction mediates the relationship between Electronic Word of Mouth and Customer Loyalty

H15: Satisfaction mediates the relationship between Product Quality and Customer Loyalty

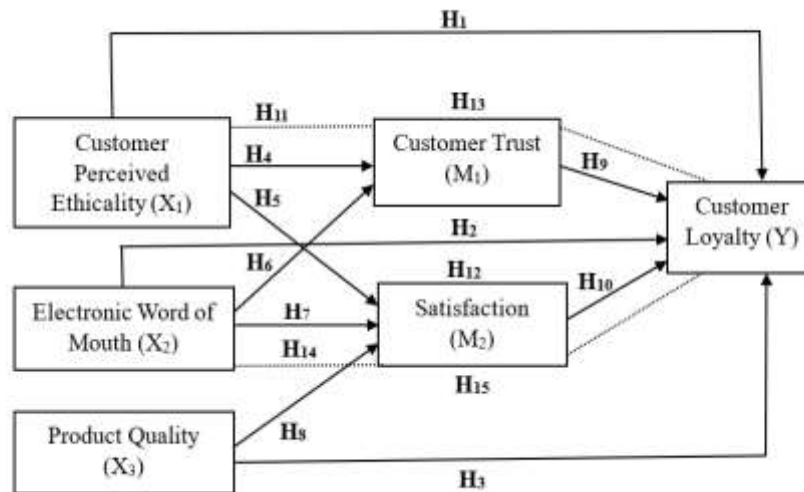


Figure 1. Conceptual Framework

METHODOLOGY

Sample and Data Collection

The questionnaire was guided by previous studies using a five-point Likert scale and distributed for Pinkflash consumer in Padang City. For minimum sample size was 260 at an explanatory power of 0.95 and a 0.05 significance level. The study target population was consumers of cosmetic brand Pinkflash who had repeated more than twice in a month. After 331 replies were finally collected and 56 questionnaires with partial answers were removed, 275 legitimate responses were found to be sufficient for analysis. The survey was completed by respondents of various demographic data, such as 93.5% females and 6.5% males. Data was managed and safely kept. Additionally, the confidentiality and anonymity of the participant were maintained in order to address ethical concerns.

Measurement

The scale used to measure the constructs proposed in the research model (figure 1). All items were calculated using a five-point Likert scale from 1= strongly disagree to 5 strongly agree. Customer loyalty: Five-point scale adapted from (Suhartanto et al., 2021) and (Paschalidou et al., 2023) and modified in the context of cosmetics. Customer perceived ethicality was measured using six item scale adapted from (Brunk, 2012), (Aldulaimi et al., 2024) and (Paschalidou et al., 2023) and modified in the context of cosmetics.

Electronic word of mouth using four item scales by (Aldulaimi et al., 2024), (Samed Al-Adwan et al., 2020) and (Samed Al-Adwan et al., 2020). For the Product quality used five scale adapted from (Abigail et al., 2024) and (Das Guru & Paulssen, 2020) and modified with topic elements of cosmetic products. For the mediation variabel, Customer trust used three item scale adopted from (Aldulaimi et al., 2024) and (Paschalidou et al., 2023) modified in the context of cosmetics. Satisfaction used three item scale from (Suhartanto et al., 2021) for the cosmetic product context.

Data Analysis Technique

This study utilizes a quantitative descriptive survey design. For the purposes of gathering primary data this researcher employed a questionnaire survey approach. Through the use of a Google Form questionnaire were distributed at random online. PLS data analysis with measurement model and structural model testing classification. The ideal method for creating and evaluating a research model using prediction and explanation is the PLS-SEM methodology. While evaluating the output of Cronbach's alpha and composite reliability, using the structural model through evaluation of the r square model, q square, and goodness of fit that will be evaluated after carrying out a validity test to see the effect, reliability is assessed. The direction of the relationship between variables as well as assessing the significance between variables.

RESEARCH RESULT

In the external measurement model, the instrument's validity and dependability will be examined. A validity test is necessary to assess the quality of current instruments, demonstrate the validity of the instrument, and determine how well a measure can be used to understand a concept. Its goal is to determine how effectively the measuring instrument can measure what we want to examine. (Hair et al. , 2018) Convergent validity requires that the loading factor value be larger than 0.7 and the average variance extract (AVE) value be greater than 0.5 in order to pass the validity test (Noyan & Simsek, 2012). This research has fulfilled the validity test requirements. Outer loading results for the details in Table 1.

Table 1. Measurement Model Assessment

Variabel	Indikator	Outer Loading	Cronbach Alpha	Composite Reliability	AVE
<i>Customer Trust (M₁)</i>	CT 1	0.911	0.848	0.908	0.768
	CT 2	0.877			
	CT 3	0.839			
<i>Satisfaction (M₂)</i>	SAT 1	0.905	0.871	0.921	0.796
	SAT 2	0.919			
	SAT 3	0.851			
<i>Customer Perceived</i>	CPE 1	0.782	0.893	0.918	0.651
	CPE 2	0.868			

Variabel	Indikator	Outer Loading	Cronbach Alpha	Composite Reliability	AVE
<i>Ethicality (X₁)</i>	CPE 3	0.794			
	CPE 4	0.815			
	CPE 5	0.812			
	CPE 6	0.768			
<i>Electronic Word of Mouth (X₂)</i>	EWOM 1	0.823	0.856	0.902	0.69
	EWOM 2	0.844			8
	EWOM 3	0.808			
	EWOM 4	0.867			
<i>Product Quality (X₃)</i>	PQ 1	0.783	0.848	0.891	0.62
	PQ 2	0.812			1
	PQ 3	0.749			
	PQ 4	0.795			
			0.845	0.890	0.61
<i>Customer Loyalty (Y)</i>	CL 1	0.823			9
	CL 2	0.833			
	CL 3	0.751			
	CL 4	0.797			
	CL 5	0.723			

Source: Primary Data 2025

From Table 1, It is evident that the outer loading of every variable's indication is more than 0.7. so that the analysis can proceed after it has been determined that each of these indicators is reliable or practical for use in research. The Average Variant Extracted (AVE) value for each of these variables is shown to be more than 0.5. Because of their high convergent validity value in the creation of each variable, it can be said that X1, X2, X3, Y, M1, and M2 are valid. Since each variable's Composite Reliability and Cronbach Alpha values are greater than 0.7, it can be stated all of the variables have satisfied the requirements and are regarded as credible.

The existance of Discriminatory Validity Using cross-loading values with latent variables, validity testing aims to quantify reflexive indications. If the measurement value is higher than the value of another construct, the indication is considered valid. These are the outcomes of cross-loading, such as:

Table 2. Cross Loading

Var	CL (Y)	CPE (X1)	EWOM(X2)	PQ(X3)	CT(X4)	SAT(X5)
CL1	0.823	0.579	0.551	0.545	0.606	0.512
CL 2	0.833	0.656	0.570	0.532	0.581	0.515
CL 3	0.751	0.583	0.531	0.472	0.476	0.457
CL 4	0.797	0.577	0.510	0.458	0.525	0.557
CL 5	0.723	0.503	0.440	0.413	0.413	0.438
CPE 1	0.684	0.782	0.598	0.631	0.599	0.554

CPE 2	0.570	0.868	0.558	0.605	0.525	0.531
CPE 3	0.601	0.794	0.541	0.563	0.592	0.449
CPE 4	0.557	0.815	0.558	0.550	0.525	0.546
CPE 5	0.605	0.812	0.588	0.579	0.611	0.539
CPE 6	0.543	0.768	0.484	0.501	0.432	0.450
EWOM 1	0.539	0.600	0.823	0.575	0.488	0.550
EWOM 2	0.574	0.544	0.844	0.587	0.596	0.539
EWOM 3	0.532	0.542	0.808	0.559	0.612	0.490
EWOM 4	0.575	0.623	0.867	0.628	0.566	0.585
PQ 1	0.450	0.535	0.489	0.783	0.439	0.539
PQ 2	0.521	0.555	0.632	0.812	0.556	0.534
PQ 3	0.446	0.561	0.604	0.749	0.506	0.458
PQ 4	0.565	0.568	0.504	0.795	0.533	0.546
PQ 5	0.444	0.589	0.552	0.800	0.562	0.583
CT 1	0.582	0.578	0.569	0.547	0.911	0.525
CT 2	0.567	0.631	0.572	0.569	0.877	0.503
CT 3	0.599	0.585	0.637	0.614	0.839	0.538
SAT 1	0.573	0.545	0.566	0.611	0.548	0.905
SAT 2	0.560	0.599	0.587	0.606	0.519	0.919
SAT 3	0.558	0.560	0.580	0.593	0.531	0.851

Source: Primary Data, 2025

When compared to other variables, Table 2 above shows that each indicator of each variable has the highest cross-loading value on the generated variable. Therefore, it can be said that Y, M1, M2, X1, X2, and X3 are valid. This is due to their high discriminant validity value in each variable's preparation.

DISCUSSION

In order to test the study hypothesis, the following statistical processing findings are generated following data analysis utilizing the PLS-SEM analysis technique:

The final results of the study prove the influence of the Customer Perceived Ethicality variable on Customer Loyalty has a positive and significant effect. In a study (Aldulaimi et al., 2024) stated that customer perceived ethicality has a significant positive effect on customer loyalty because consumers' ethical perceptions of the company in meeting their needs can be fulfilled properly so that a sense of user loyalty to the Pinkflash cosmetic for the product can be achieved.

The results showed that electronic word of mouth variables have a positive and significant effect on customer loyalty. The results of this study according to (Batool et al., 2023) states that Pinkflash brand cosmetic products can strengthen

their loyalty to consumers because of the reviews received online for products that have been used.

For the testing result variable of Product Quality has no significant effect on Customer Loyalty. This research is also supported by previous research by (Fernandes Da Silva et al., 2019) showing that good product quality has an insignificant effect on customer loyalty, it means that even though the company improves product quality, it does not help in increasing customer loyalty.

For the research results, it is explained that Customer Perceived Ethicality variable get positive and significant effect on Customer Trust. The results of this study by previous research from (Paschalidou et al., 2023) showing that when customers see a brand has an ethical attitude towards consumers, these consumers trust the brand.

The results prove that the variable customer perceived ethicality has a positive and significant effect on satisfaction. The results of this study are in line with (Suhartanto et al., 2021) argues that when customers feel that a company or brand behaves ethically, customers get a feeling of satisfaction with the product purchased.

The results of research on electronic word of mouth variables have a positive and significant effect directly on customer trust. Positive reviews, recommendations or shared experiences from other consumers can provide social evidence that reduces the risky uncertainty associated with purchasing product (Mahmud et al., 2024).

The results of the study prove that the Electronic Word of Mouth variable has a positive and significant effect on Satisfaction. Research by (Serra-Cantalops et al., 2018) shows that the influence of electronic word of mouth has a positive side on customer satisfaction where reviews and recommendations from others are positively and significantly accepted, strengthen customers positive perceptions of the brand or product they choose.

The results prove that the product quality variable has a positive and significant effect on satisfaction. Previous research from (Abigail et al., 2024) stated that product quality has a significant effect on satisfaction. Where high quality products can meet or even exceed expectations it can increase customer satisfaction.

Final result for this research customer trust on customer loyalty showed a positive and significant effect. Research from (Mansouri et al., 2022) show that customer trust has a positive and significant effect on customer loyalty, if the expected brand can meet their expectations, it has long-term relationship with the brand.

The analysis is based on the data on the hypothesis which shows that satisfaction positive and significant effect by customer loyalty. Research by (R. Chen et al., 2023) shows that trust significantly affects customer loyalty. This means that when users get satisfaction with the products used, they will have a great tendency to become loyal to the brand.

The results of the Customer Trust variable as mediation between the Customer Perceived Ethicality and Customer Loyalty variables have a positive and significant effect. Research by (Aldulaimi et al., 2024) stated that customer

trust as a mediator in relationship of customer perceived ethicality and customer trust are positive and significant which shows that the ethical perception of a company will increase customer trust which ultimately fosters loyalty to customers.

Final result from Customer Perceived Ethicality variable give positive and significant effect for Customer Loyalty with Satisfaction as variable mediation. Research from (Halimatussakdiah et al., 2023) states that satisfaction as mediation has a positive and significant effect on customer perceived ethicality and customer loyalty where the company's orientation towards customers has a positive influence on the company so that it forms a good long-term relationship.

The results demonstrated that, using customer trust as a mediator, the electronic word-of-mouth variable significantly and favorably impacted customer loyalty. The relationship between electronic word-of-mouth and consumer loyalty is mediated by customer trust which is explained that the higher the level of trust formed by customers through ethical perceptions and service interactions, the greater the customer becomes loyal and positive ewom appears positive and significantly (Batool et al., 2023).

Final result from Electronic Word of Mouth had a positive and significant effect on Customer Loyalty with Satisfaction as mediation. According to (Chen et al., 2022) stated that the effect of satisfaction as mediation on electronic word of mouth variables on customer loyalty can build customer perceptions through online reviews so that they feel feelings of satisfaction and make a sense of customer loyalty to customers of cosmetic products from the Pinkflash brand..

The results from Product Quality had a positive and significant effect on Customer Loyalty with Satisfaction as mediation. Previous research by (Das Guru & Paulssen, 2020) shows that satisfaction variable as a mediator of The attachment relationship between product quality and customer loyalty is favorable and substantial, with pleased consumers tend to stay loyal for product over time due to by premium quality of product.

CONCLUSION AND RECOMMENDATION

The results further show that customer trust and in the relationship between perceived ethics and product quality and loyalty, satisfaction plays a crucial mediating role. Specifically, the perception that companies act ethically increases trust and satisfaction which in turn strengthens loyalty. EWOM also has a positive effect not only directly but also through the mediation of trust and satisfaction, confirming main point of received positive reviews from customers in customer loyalty.

Overall, this study emphasizes the importance of building strong ethical perceptions and encouraging positive customer reviews to increase loyalty. Companies should also note that product quality only impacts loyalty when accompanied by customer satisfaction. By understanding this mediating role, companies can design more effective and sustainable marketing strategies.

ADVANCED RESEARCH

An advanced research initiative on the interplay between perceived business ethics, product quality, and customer loyalty should delve deeper into

the mediating mechanisms of trust and satisfaction using a multi-method approach that combines structural equation modeling (SEM) and longitudinal consumer behavior analysis. This study would explore how ethical perceptions influence not only immediate satisfaction and trust but also long-term brand attachment and advocacy, especially in digital ecosystems shaped by electronic word-of-mouth (eWOM). By incorporating sentiment analysis of online reviews and real-time customer feedback data, researchers can quantify the indirect impact of ethical practices on loyalty. Furthermore, the research could examine cross-industry variations and cultural moderators that shape customer responses to perceived ethics, offering nuanced insights for global brand strategy. Ultimately, this research aims to provide evidence-based guidance for firms to align ethical branding, product development, and customer engagement strategies to foster durable customer relationships and sustained competitive advantage.

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