

# Sales Promotion Strategies and Customer Satisfaction among Retail Customers in Jakarta

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## ABSTRACT

Retail competition requires firms to design promotional programs that create customer value and support satisfaction. This study examined the relationship between sales promotion strategies and customer satisfaction among retail customers in Jakarta, Indonesia. A quantitative cross-sectional survey was conducted with 210 respondents selected through purposive sampling, and the data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The measurement model demonstrated satisfactory validity and reliability, with indicator loadings above 0.70, AVE values above 0.50, composite reliability above 0.70, and an HTMT value of 0.464. Sales promotion strategies were positively and significantly associated with customer satisfaction ( $\beta = 0.380$ ,  $t = 7.084$ ,  $p < 0.001$ ), while the model explained 14.4% of the variance in customer satisfaction ( $R^2 = 0.144$ ). The findings suggest that Jakarta retail businesses should develop attractive, clear, and value-oriented promotions while recognizing that customer satisfaction also depends on factors beyond sales promotion.

## ABSTRAK

Persaingan ritel menuntut perusahaan merancang program promosi yang menciptakan nilai pelanggan dan mendukung kepuasan. Penelitian ini menguji hubungan antara strategi promosi penjualan dan kepuasan pelanggan pada konsumen ritel di Jakarta, Indonesia. Survei kuantitatif potong lintang dilakukan terhadap 210 responden yang dipilih melalui purposive sampling, dan data dianalisis menggunakan Partial Least Squares Structural Equation Modeling (PLS-SEM). Model pengukuran menunjukkan validitas dan reliabilitas yang memadai, dengan loading indikator di atas 0,70, AVE di atas 0,50, reliabilitas komposit di atas 0,70, dan HTMT sebesar 0,464. Strategi promosi penjualan berhubungan positif dan signifikan dengan kepuasan pelanggan ( $\beta = 0,380$ ;  $t = 7,084$ ;  $p < 0,001$ ), sedangkan model menjelaskan 14,4% varians kepuasan pelanggan ( $R^2 = 0,144$ ). Temuan ini menyarankan bisnis ritel Jakarta untuk mengembangkan promosi yang menarik, jelas, dan berorientasi nilai, sambil mengakui bahwa kepuasan pelanggan juga dipengaruhi faktor di luar promosi penjualan.



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## 1. INTRODUCTION

Contemporary firms operate in contexts characterized by persistent competitive pressure and heightened customer demands, which obliges organizations to respond strategically to preserve their market continuity and performance. In this setting, companies increasingly seek differentiation not only through the technical quality of what they offer but also through marketing actions designed to strengthen competitiveness and market outcomes (Malpartida-Meza et al., 2022). Consistent with this strategic orientation, the promotion component of the marketing mix is commonly framed as a mechanism to stimulate sales performance, while broader marketing decisions (including distribution and digital channels) are simultaneously associated with customer-related outcomes such as satisfaction (Ávila-Peralta et al., 2024). In parallel, the diffusion of digital marketing and data-driven technologies (e.g., analytics and AI) has been discussed as enabling more precise and personalized interactions, potentially enhancing marketing effectiveness and

customer satisfaction by adapting messages and offers to observed consumer behavior (Salgado-Reyes & León-Torres, 2024).

Customer satisfaction, in turn, is widely conceptualized as a post-consumption evaluative judgment that emerges from comparing expectations before consumption with perceived performance after consumption (Valenzuela-Pérez et al., 2021). This expectation-perception comparison underscores satisfaction as a psychological and experiential response rather than a purely technical assessment of service attributes (Tobar-Ruiz et al., 2022). Empirically and conceptually, satisfaction is repeatedly linked to behavioral consequences that matter for long-term business viability, such as repurchase intentions, recommendation (word-of-mouth), complaint behavior, and switching intentions, thus positioning satisfaction as a pivotal driver of retention-related outcomes (Ceseña, 2022). Accordingly, organizational approaches oriented to process and quality management explicitly aim to improve the organization's capability to consistently deliver conforming products and services, thereby raising customer satisfaction (Lema & Loayza, 2021). Evidence across multiple service contexts further indicates that deficiencies in service-quality dimensions (e.g., responsiveness, reliability, communication, empathy) commonly coincide with moderate-to-low satisfaction outcomes, reinforcing the managerial relevance of satisfaction as an indicator of competitive health (León, 2024).

Within this competitive landscape, promotional activity is often expected to create favorable customer responses and support market positioning, particularly when integrated with broader customer experience and service-quality efforts (Ávila-Peralta et al., 2024). However, available evidence also suggests that promotional efforts may not be sufficient to secure satisfaction when other elements of the customer experience are weak. For example, research discussing mobile telephony service evaluations highlights dissatisfaction in contexts where customers report problems with the received service and cite limited promotions alongside poor service attention, implying that promotional insufficiency and/or misalignment can co-occur with broader service failures that depress satisfaction (Llana et al., 2023). Relatedly, the service-quality literature synthesized in tourism and other services indicates that even when organizations invest in customer-facing initiatives, customers' post-experience evaluations can still yield complaints, switching intentions, or reduced repurchase likelihood when expectations are not met (Ceseña, 2022). This pattern is consistent with the expectation-disconfirmation logic of satisfaction: if promotional communications elevate expectations but operational delivery does not match them, the outcome may be dissatisfaction rather than durable loyalty (Tobar-Ruiz et al., 2022).

Consequently, an important practical and scholarly problem emerges: while promotion is frequently deployed to stimulate short-term demand and attract attention, the extent to which such actions translate into sustained customer satisfaction, and thus into longer-term relational outcomes, remains uncertain and context-dependent (Ceseña, 2022). This concern is amplified in digital environments where marketing technologies can intensify personalization and targeting (potentially increasing expectations), making it even more critical that delivered value and service quality remain aligned with the promises implicit in promotional activity (Silva, 2024). Framed this way, the central gap is not whether promotions can generate immediate market responses, but whether

promotional strategies, implemented in real competitive conditions, produce satisfaction outcomes consistent with sustainable customer relationships, especially when satisfaction is known to be shaped by the broader service experience and the expectation–perception comparison.

Based on the identified problem, this study seeks to answer the main research question: whether sales promotion strategies are significantly associated with customer satisfaction among retail customers in Jakarta. In line with this question, the primary objective is to examine the relationship between sales promotion strategies and customer satisfaction in the Jakarta retail context. This study is expected to provide meaningful contributions both theoretically and practically. From a theoretical perspective, it contributes to marketing management literature by providing empirical evidence on the association between sales promotion strategies and customer satisfaction. From a practical standpoint, the findings aim to assist retail practitioners in Jakarta in designing more effective, customer-oriented promotional strategies that support customer satisfaction.

## **2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

### ***2.1 Sales Promotion Strategies***

Sales promotion is commonly treated as a core element of the promotion/marketing-communications mix, alongside tools such as advertising and public relations, and is typically conceptualized as a set of mostly short-term incentive instruments intended to accelerate purchase behavior and lift sales in the near term (Izadi et al., 2021). Accordingly, contemporary studies frame sales promotion as reward-based tactics, including price discounts and other consumer rewards, deployed to generate faster and greater purchasing responses (Abdulraheem & Imouokhome, 2021). In digital and mobile commerce contexts, frequently observed promotional forms include discounts, "buy-one-get-one" offers, vouchers, free shipping, and cashback (Quayson et al., 2023), mobile wallets similarly operationalize promotion through rewards such as cashback, loyalty points, and coupons to increase engagement (Anindita & Perdana, 2022).

Empirically, sales promotion is often linked to purchase decisions via perceived value, reflecting a benefits–sacrifices trade-off that can mediate promotion effectiveness (Izadi et al., 2021). Sales promotions are also discussed as shaping satisfaction-related responses (e.g., pleasure or anticipated reward), though responses may vary by consumer orientations and fairness perceptions (Alanmi & Alharthi, 2023). Evidence on downstream behavioral outcomes is not fully consistent; for example, some e-commerce studies report positive effects on purchase decisions, while others report non-significant effects, suggesting context dependence and boundary conditions (Abdulraheem & Imouokhome, 2021). Customer satisfaction is often positioned as a pathway to loyalty, and sales promotion is repeatedly listed among the drivers of satisfaction and patronage in competitive service settings (Haudi et al., 2022).

## ***2.2 Customer Satisfaction***

Customer satisfaction is widely grounded in the expectation–disconfirmation logic, in which customers form pre-consumption expectations and subsequently compare them with perceived performance to generate satisfaction judgments (Ariyanto & Astuti, 2023). In this view, satisfaction reflects an overall evaluative reaction (cognitive and/or affective) to a product/service experience at a given time, making it central for explaining continued usage intentions. Operationally, satisfaction is commonly modeled as being driven by perceived quality/service quality, perceived value, and broader customer experience constructs (Westin et al., 2022). For example, established satisfaction frameworks (e.g., EPSI) position customer expectations, product/service quality, and perceived value as key antecedents of satisfaction and downstream loyalty, while service-quality models (SERVQUAL/E-S-QUAL) are frequently used to quantify quality dimensions that predict satisfaction in digital services (Yum & Yoo, 2023). Evidence further links satisfaction to favorable behavioral intentions, including loyalty, repurchase intention, and positive word of mouth, across online shopping and mobile service settings (Maziriri et al., 2023). Conversely, lower satisfaction is associated with retention risks and churn management concerns, motivating firms to monitor experience signals (e.g., review-derived metrics) to reduce switching in competitive contexts (Dhameeth, 2024).

## ***2.3 Competitive Market Context***

Competitive markets feature heightened rivalry and abundant customer choice, which encourages firms to pursue differentiation and customer-oriented marketing strategies (Alanmi & Alharthi, 2023). In this study, however, competitive market conditions are treated as the contextual background rather than as a measured construct. The empirical model does not operationalize or test market competitiveness; instead, it focuses specifically on retail customers in Jakarta and examines the relationship between sales promotion strategies and customer satisfaction. Accordingly, references to competition provide contextual justification for studying promotion and satisfaction in the Jakarta retail setting, while the statistical analysis is limited to the two measured constructs.

## ***2.4 Relationship Between Variables***

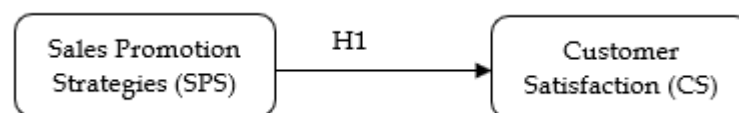
The linkage between sales promotion strategies and customer satisfaction is commonly explained through perceived value and expectation–disconfirmation: customers compare experienced performance (including promotional benefits) against prior expectations, and satisfaction increases when perceived benefits meet or exceed these expectations (Ariyanto & Astuti, 2023). Perceived value, often framed as a benefits-to-sacrifice assessment, has repeatedly been found to predict customer satisfaction across service and retail contexts positively, providing a mechanism through which promotions (e.g., discounts, cashback) can improve satisfaction by raising perceived value (Erdiansyah & Imaningsih, 2021). However, empirical findings are mixed and contingent. While some

studies report that promotion-related incentives and promotion tactics are associated with improved satisfaction and loyalty outcomes in platform-based services (e.g., online food delivery) (Erdiansyah & Imaningsih, 2021), other work emphasizes that satisfaction effects depend on how promotions are evaluated by customers, including perceived price fairness and the effort-reward balance, and that perceived value-satisfaction relationships themselves can vary by context (Fam et al., 2021). Thus, promotion effectiveness depends on design features that sustain value perceptions and fairness judgments rather than solely increasing promotional frequency or depth.

Expectation-disconfirmation logic conceptualizes customer satisfaction as an evaluative outcome arising from comparing experienced performance with prior expectations; when experiences meet/exceed expectations, satisfaction increases (Izadi et al., 2021). In this framing, sales promotions can elevate satisfaction insofar as they enhance customers' experienced benefits relative to the sacrifices they entail (i.e., perceived value), which is repeatedly posited as an antecedent of satisfaction in retail and service settings (Liani & Mu'am, 2023). Supermarket analytics research similarly argues that sales promotions and discounts can be designed to enhance customer satisfaction, consistent with a value-enhancement mechanism (Abdulraheem & Imouokhome, 2021). Empirically, multiple studies report a positive and significant association between promotional activities (monetary and non-monetary) and customer satisfaction in platform-based and service contexts (Quayson et al., 2023). However, the evidence is not uniformly consistent: some studies report non-significant promotion-satisfaction links, suggesting context- and perception-dependence (Anindita & Perdana, 2022). Equity/fairness perceptions further qualify promotion outcomes, as consumers' perceived promotion fairness can shape satisfaction-related responses (Haudi et al., 2022). Based on the theoretical framework and previous studies, the following hypothesis is proposed: **H1**: Sales promotion strategies are positively and significantly associated with customer satisfaction.

## 2.5 Conceptual Framework

The conceptual framework illustrates the hypothesized relationship between sales promotion strategies and customer satisfaction. Sales promotion strategies are specified as the predictor construct, while customer satisfaction is the outcome construct. The model tests whether respondents' evaluations of sales promotion strategies are positively associated with their reported customer satisfaction. Competitive market conditions are not operationalized as a variable and serve only as contextual background for the Jakarta retail setting. The conceptual research model is shown in Figure 1.



**Figure 1** *Conceptual Model*

### **3. RESEARCH METHOD**

#### ***3.1 Research Design***

This study employed a quantitative, cross-sectional explanatory design to examine the relationship between sales promotion strategies and customer satisfaction. Because the data were collected at one point in time and respondents were selected through non-probability purposive sampling, the design was used to estimate statistical associations and test the proposed directional hypothesis, not to establish temporal or experimental causality. Primary data were collected through a structured questionnaire survey, consistent with quantitative satisfaction research that operationalizes constructs using multi-item scales (Creswell & Creswell, 2018). The hypothesized relationship was estimated using partial least squares structural equation modeling (PLS-SEM), which provided path coefficients, explained variance, and bootstrapped significance tests. The resulting coefficients were interpreted as associations within the observed sample rather than proof of cause-and-effect relationships.

#### ***3.2 Population and Sample***

The study population comprised retail consumers in Jakarta, Indonesia, who had been exposed to sales promotion programs. Because the population was large and not precisely enumerated, non-probability purposive sampling was used to select respondents who met the predefined eligibility criteria (Bakkalbasioglu, 2020). Consistent with the questionnaire and the respondent-profile reporting, eligible respondents were customers who had interacted with or used retail promotional activities within the last three months, ensuring recent and relevant experience for evaluating promotion-related perceptions. A total of 210 respondents participated in the study. This sample was considered adequate for the specified PLS-SEM model, while recognizing that purposive sampling limits statistical generalization beyond the sampled Jakarta retail consumers.

#### ***3.3 Data Collection Methods***

Data were collected as primary quantitative data through an online survey using a structured questionnaire, a common approach for collecting standardized perceptual measures from retail consumers in positivist, quantitative designs (Butkouskaya et al., 2023). Online distribution channels enable efficient access to dispersed retail customers and are widely used to administer structured instruments for quantitative hypothesis testing in retail contexts (Arachchi & Samarasinghe, 2022). All items were measured on a 5-point Likert scale ranging from 1 ("strongly disagree") to 5 ("strongly agree"), consistent with prior retail- and consumer-satisfaction studies that operationalize perceptions using 1–5 agreement scales for subsequent statistical modeling (Yani & Maisarah, 2023). The instrument captures respondents' perceptions of sales promotion strategies and their customer satisfaction evaluations, aligning with the established practice of measuring

satisfaction and related marketing constructs via questionnaire-based self-reports (Dahehsihari et al., 2024).

### 3.4 Operational Definition of Variables

To enable consistent measurement, each construct is operationalized as observable indicators assessed via a structured questionnaire, with items adapted from prior studies to improve measurement consistency and reliability (Firdausa et al., 2022). All indicators are rated on a 5-point Likert scale from 1 (strongly disagree) to 5 (strongly agree), consistent with common survey operationalization in marketing and consumer research (Putri & Miran, 2023). Independent variable: Sales promotion strategies (X). The retained measurement model contains four questionnaire indicators coded SPS1, SPS2, SPS3, and SPS4. These construct-aligned codes are used consistently in the operational table and PLS figures. Dependent variable: Customer satisfaction (Y). Customer satisfaction is measured using three retained questionnaire indicators coded CS1, CS2, and CS3, representing respondents' evaluative responses to their consumption experience, consistent with comparable questionnaire-based satisfaction measures (He et al., 2021). The operational definitions of the variables are shown in Table 1.

**Table 1** Operational Definition of Variables

| Variable                       | Definition                                                                                               | Indicators                                                                                                                                                                    | Measurement Scale  |
|--------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Sales Promotion Strategies (X) | Short-term marketing incentives aimed at encouraging purchase behavior                                   | 1. Attractiveness of promotions (SPS1)<br>2. Frequency of promotional offers (SPS2)<br>3. Clarity of promotional information (SPS3)<br>4. Perceived value of promotion (SPS4) | Likert Scale (1-5) |
| Customer Satisfaction (Y)      | Level of customer contentment resulting from a comparison between expectations and perceived performance | 1. Perceived quality (CS1)<br>2. Perceived value (CS2)<br>3. Overall satisfaction (CS3)                                                                                       | Likert Scale (1-5) |

### 3.5 Data Analysis Technique

Data analysis was conducted using partial least squares structural equation modeling (PLS-SEM) to estimate and test the hypothesized relationship between the latent constructs. The analysis began with measurement-model (outer-model) evaluation by examining indicator loadings, convergent validity using average variance extracted (AVE), and internal consistency reliability using Cronbach's alpha, rho\_A, and composite reliability. Discriminant validity was assessed using the heterotrait-monotrait ratio (HTMT). The structural (inner) model was then evaluated using the path coefficient ( $\beta$ ) and coefficient of determination ( $R^2$ ), followed by bootstrapping to assess the statistical significance of the

hypothesized association using t-statistics and p-values. These analyses were used to evaluate association and explanatory power rather than establish causality.

## 4. RESULT and DISCUSSION

### 4.1. Analysis Results

#### 4.1.1. Respondent Profile

Understanding respondent characteristics is important to ensure that the data reflect relevant consumer behavior in the context of sales promotion. This study involved 210 respondents who had prior experience with promotional programs in the retail sector. The profile is presented by age and gender (see Table 2).

**Table 2** *Respondent Profile*

| Characteristics | Category    | Frequency | Percentage |
|-----------------|-------------|-----------|------------|
| Age             | 21–30 years | 109       | 52%        |
|                 | 31–40 years | 59        | 28%        |
|                 | > 40 years  | 42        | 20%        |
| Gender          | Male        | 97        | 46%        |
|                 | Female      | 113       | 54%        |
| Total           |             | 210       | 100%       |

The results show that the majority of respondents were aged 21–30 years, indicating that younger consumers dominated the sample. The gender distribution was relatively balanced, with a slightly higher proportion of female respondents. Furthermore, respondents met the eligibility criterion of having interacted with or used retail promotional activities within the last three months, including promotions such as discounts, cashback offers, and loyalty programs. This recent exposure provided an appropriate experiential basis for reporting perceptions of sales promotion strategies and customer satisfaction in the Jakarta retail context.

#### 4.1.2 Descriptive Analysis

A descriptive analysis is conducted to provide an overview of respondents' perceptions of the main variables in this study: sales promotion strategies and customer satisfaction. This analysis uses mean scores to indicate the general tendency of responses, where higher values reflect more positive perceptions (see Table 3).

**Table 3** *Descriptive Analysis of Variables*

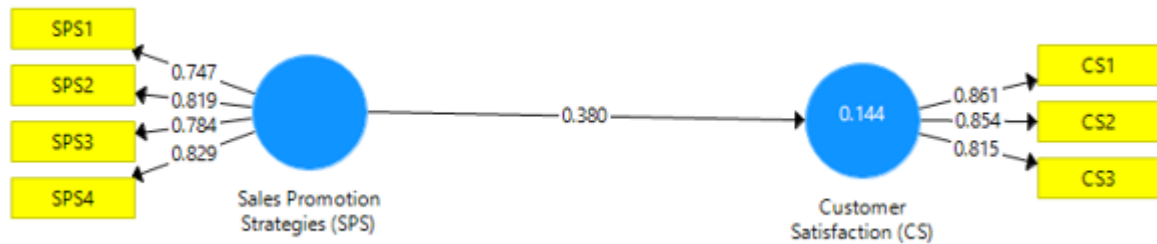
| Variable                   | Mean | Category |
|----------------------------|------|----------|
| Sales Promotion Strategies | 4.12 | High     |
| Customer Satisfaction      | 4.05 | High     |

The results indicate that respondents had a positive perception of sales promotion strategies, as reflected by a mean score of 4.12, which falls into the high category. Promotional activities such as discounts, cashback, and loyalty programs were therefore perceived as attractive and valuable by the sampled customers. Customer satisfaction also recorded a high mean score of 4.05. These descriptive results characterize the perceptions

of the Jakarta retail sample; they do not by themselves establish that promotional strategies caused higher satisfaction. The relationship between the constructs was evaluated separately in the structural model.

#### 4.1.3 Measurement Model Evaluation

The measurement model evaluation assesses the validity and reliability of the constructs used in this study (see Figure 2).



**Figure 2** Results of the PLS Algorithm

This step ensures that the indicators accurately measure their respective variables before proceeding to structural model analysis. The evaluation includes tests of convergent validity, discriminant validity, and internal consistency reliability (see Table 4).

**Table 4** Measurement Model Evaluation Results

| Variable                   | Indicator Loadings | AVE   | Cronbach's Alpha | rho_A | Composite Reliability |
|----------------------------|--------------------|-------|------------------|-------|-----------------------|
| Sales Promotion Strategies | SPS1 = 0.747       | 0.632 | 0.808            | 0.819 | 0.873                 |
|                            | SPS2 = 0.819       |       |                  |       |                       |
|                            | SPS3 = 0.784       |       |                  |       |                       |
|                            | SPS4 = 0.829       |       |                  |       |                       |
| Customer Satisfaction      | CS1 = 0.861        | 0.711 | 0.797            | 0.798 | 0.881                 |
|                            | CS2 = 0.854        |       |                  |       |                       |
|                            | CS3 = 0.815        |       |                  |       |                       |

**Table 5** HTMT Discriminant Validity

| Construct Pair                                       | HTMT  |
|------------------------------------------------------|-------|
| Sales Promotion Strategies <-> Customer Satisfaction | 0.464 |

The measurement model results in Table 4 demonstrate satisfactory convergent validity and internal consistency reliability for both constructs. For Sales Promotion Strategies, indicator loadings range from 0.747 to 0.829, while Customer Satisfaction has loadings ranging from 0.815 to 0.861. Because all loadings exceed the recommended threshold of 0.70, the indicators adequately represent their respective constructs. The AVE values of 0.632 for Sales Promotion Strategies and 0.711 for Customer Satisfaction are above 0.50, confirming adequate convergent validity. Internal consistency is also established. Cronbach's Alpha values are 0.808 and 0.797, rho\_A values are 0.819 and 0.798, and Composite Reliability values are 0.873 and 0.881 for Sales Promotion Strategies and

Customer Satisfaction, respectively. All values exceed the commonly accepted threshold of 0.70, demonstrating satisfactory construct reliability. Furthermore, Table 5 reports an HTMT value of 0.464 between Sales Promotion Strategies and Customer Satisfaction. As this value is substantially below the conservative threshold of 0.85, discriminant validity is established. Overall, the measurement model demonstrates satisfactory indicator reliability, convergent validity, internal consistency reliability, and discriminant validity, supporting its suitability for subsequent structural model and hypothesis testing.

#### 4.1.4 Structural Model Evaluation

The structural model evaluation examines the relationships among variables and assesses the model's predictive capability. This analysis focuses on the coefficient of determination ( $R^2$ ) and the path coefficient ( $\beta$ ) to determine how well sales promotion strategies explain customer satisfaction (see Table 6).

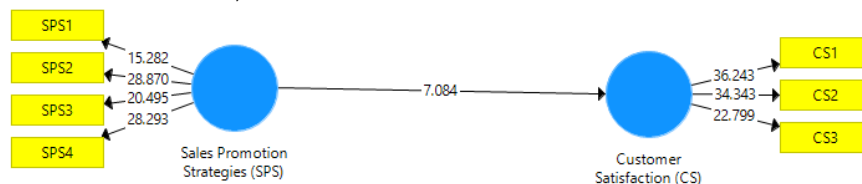
**Table 6** Structural Model Evaluation Results

| Relationship                                       | Path Coefficient ( $\beta$ ) | $R^2$ | Interpretation                                |
|----------------------------------------------------|------------------------------|-------|-----------------------------------------------|
| Sales Promotion Strategies → Customer Satisfaction | 0.380                        | 0.144 | Positive relationship; weak explanatory power |

Table 6 shows that Sales Promotion Strategies have a positive relationship with Customer Satisfaction, as indicated by the path coefficient of  $\beta = 0.380$ . This result suggests that higher evaluations of sales promotion strategies are associated with higher customer satisfaction. The  $R^2$  value of 0.144 indicates that Sales Promotion Strategies explain 14.4% of the variance in Customer Satisfaction, while the remaining 85.6% is attributable to other factors outside the model. Thus, the model has relatively weak explanatory power for Customer Satisfaction. Factors such as product quality, service quality, price fairness, brand image, and customer experience may account for additional variation. Overall, the results indicate that sales promotion strategies are relevant to customer satisfaction, but their explanatory contribution is limited. The statistical significance of this relationship should be determined separately through bootstrapping results using the t-statistic and p-value rather than inferred from the path coefficient or  $R^2$  alone.

#### 4.1.5 Hypothesis Testing

Hypothesis testing is conducted to determine whether the proposed relationship between variables is statistically significant. In this study, the bootstrapping method in SEM-PLS is used to evaluate the significance of the path coefficient by examining the t-statistic and p-value (see Figure 3 and Table 7).



**Figure 3** Results of PLS Bootstrapping

**Table 7** Hypothesis Testing Results

| Hypothesis | Relationship                                       | Path Coefficient ( $\beta$ ) | t-Statistic | p-Value | Result    |
|------------|----------------------------------------------------|------------------------------|-------------|---------|-----------|
| H1         | Sales Promotion Strategies → Customer Satisfaction | 0.380                        | 7.084       | < 0.001 | Supported |

The hypothesis testing results in Table 7 show a positive and statistically significant association between Sales Promotion Strategies and Customer Satisfaction. The path coefficient of  $\beta = 0.380$  indicates that higher evaluations of sales promotion strategies were associated with higher reported customer satisfaction. The t-statistic of 7.084 exceeded the commonly used critical value of 1.96, and the p-value was below 0.001; therefore, H1 was supported. These results provide evidence of a statistically significant relationship within the sampled Jakarta retail consumers, but the cross-sectional, non-probability design does not establish temporal or experimental causality. From a managerial perspective, the finding suggests that Jakarta retail businesses may benefit from designing promotional programs that provide meaningful customer value. However, the  $R^2$  of 0.144 indicates that substantial variation in customer satisfaction is associated with factors outside the model.

## 4.2 Discussion

### 4.2.1 Sales promotion as a value-creation mechanism shaping satisfaction

The structural results ( $\beta = 0.380$ ,  $t = 7.084$ ,  $p < 0.001$ ,  $R^2 = 0.144$ ) indicate a positive and statistically significant relationship with limited explanatory power. Among the sampled retail customers in Jakarta, more favorable evaluations of sales promotion strategies were associated with greater customer satisfaction. This pattern is consistent with evidence that marketing actions can shape consumers' value perceptions and satisfaction-related evaluations by signaling and delivering benefits. Importantly, the present cross-sectional evidence should be interpreted as an association rather than as proof that promotion causes changes in satisfaction. In digital commerce settings, price and promotional offers are repeatedly identified among factors associated with user-experience satisfaction and purchase-related response (Zaini et al., 2024). In omnichannel contexts, promotions are discussed alongside product and price as marketplace cues that contribute to perceived brand quality and satisfaction (Yeğin & Ikram, 2022).

At the same time, the broader literature cautions that the role of sales promotion is context-dependent and not uniformly positive. For example, in mobile location-based advertising, the presence of a sales promotion did not significantly amplify perceived benefits in at least one study, suggesting that promotional cues may not always translate into incremental value perceptions or satisfaction-relevant benefits depending on the decision environment and the baseline relevance of the message (Ryu, 2023). Similarly, research in online impulse buying contexts reports that sales promotion did not significantly moderate the relationship between website quality and impulse buying and notes prior arguments that sales promotions can have adverse longer-term effects (e.g., purchase acceleration/stockpiling and potential harm to brand image and reference price),

indicating plausible pathways through which promotion-heavy tactics might fail to generate durable customer satisfaction (Adhi Prasetyo & Aliffia Muchnita, 2022). Evidence from online pre-sales further highlights a potential "dark side" of very low promotional prices: if prices appear "too low," consumers may become skeptical about product quality, which can depress satisfaction even when a promotion is economically attractive (Fam et al., 2021). Taken together, these findings align with the present study's emphasis on value-driven promotions (e.g., discounts, cashback) while also motivating careful managerial design to ensure promotions create credible value rather than suspicion or brand dilution.

#### **4.2.2 Why Promotion Alone Explains Only Part of Job Satisfaction (interpreting the $R^2$ )**

The  $R^2$  value of 0.144 indicates that the model explains 14.4% of the variance in customer satisfaction, leaving most variance associated with factors outside the model. This limited explanatory power is consistent with prior research showing that customer satisfaction is multidetermined and sensitive to non-promotional drivers, especially product and service performance and brand meaning. Service experience is repeatedly supported as an important antecedent of satisfaction; for example, in online quick grocery shopping, service experience is positively related to satisfaction (Kurt & Kircova, 2023). This provides a rationale for why sales promotion alone is unlikely to account for most variation in satisfaction among retail customers in Jakarta.

Brand-related constructs similarly serve as important satisfaction drivers, theoretically distinct from short-run promotional value. Across several digital commerce contexts, brand image is found to positively influence e-satisfaction/e-customer satisfaction, supporting the idea that brand associations and meanings contribute incremental explanatory power beyond price-based incentives (Karaca & Baran, 2023). Relatedly, omnichannel research conceptualizes customer satisfaction as co-determined by product quality, price, and promotions delivered consistently across channels; this framing implies that promotional effectiveness depends on its integration with consistent quality and service execution rather than acting independently (Yeğin & Ikram, 2022). In online shopping research, satisfaction-relevant determinants also include convenience, security, delivery speed, customer support, and digital experience quality, all of which plausibly account for additional variance not captured by sales promotion alone and therefore help explain the variance not captured by the present model (Zaini et al., 2024). Finally, last-mile and fulfillment design choices can independently influence satisfaction in e-commerce, reinforcing that operational and service system factors can be major satisfaction drivers apart from promotional tactics.

#### **4.2.3 Managerial implications: integrate promotions with quality, experience, and brand-building**

From a managerial perspective, the findings support the use of promotions as a targeted tool to enhance perceived value. Still, they imply that promotions should be integrated with strategies that stabilize satisfaction by ensuring reliable product/service performance and coherent brand positioning. Evidence from airline services suggests that marketing communications that elevate expectations (e.g., advertising) require strong operational and frontline delivery to prevent dissatisfaction when failures occur, underscoring the need for promotion-led demand generation to be synchronized with experience delivery capabilities (Masorgo et al., 2022). Similarly, because service experience is a direct antecedent of satisfaction in online grocery/Q-commerce settings, firms that lean heavily on price promotions without investing in service experience quality risk leaving substantial satisfaction determinants unaddressed (Kurt & Kircova, 2023). In omnichannel environments, delivering consistent quality, customer relations, and after-sales service alongside discounts and payment facilities is emphasized as a route to improved perceived brand quality, reinforcing the need for cross-functional alignment between promotional calendars and experience consistency across touchpoints.

Moreover, firms should design promotions to avoid undermining quality inferences or brand meaning. Online pre-sales evidence indicates that excessively low prices can trigger skepticism about product quality and reduce satisfaction, suggesting that "stronger" promotions are not always "better" and that credibility and transparency may be crucial moderators of the promotion-satisfaction relationship. Complementarily, concerns that sales promotions can negatively impact brand image and reference price, highlighted in research reporting non-significant or potentially adverse promotion effects, imply that managers should evaluate not only short-term responses but also longer-term customer-perception risks when relying on discounts/cashback as primary competitive instruments (Prasetio & Muchnita, 2022). Given empirical evidence that brand image positively influences e-satisfaction, promotion designs that protect and reinforce brand image (rather than commoditize the offering) are likely to support more sustainable satisfaction gains.

### **5. CONCLUSION, REMARKS & IMPLICATION**

This study concludes that sales promotion strategies are positively and significantly associated with customer satisfaction among the sampled retail customers in Jakarta. The path coefficient of  $\beta = 0.380$ , t-statistic of 7.084, and  $p < 0.001$  support H1, indicating that more favorable evaluations of sales promotion strategies are associated with higher reported customer satisfaction. The  $R^2$  value of 0.144 shows that the model explains 14.4% of the variance in customer satisfaction, while substantial variance remains outside the model. The findings suggest that Jakarta retail businesses should design promotions that are attractive, clearly communicated, and capable of providing meaningful value, while

integrating them with product and service quality, price fairness, and customer-experience initiatives. Because the study used a cross-sectional survey and non-probability purposive sampling, the findings should not be interpreted as establishing causality or generalized automatically to retail consumers outside Jakarta. Future research should use longitudinal or experimental designs, probability-based samples, additional satisfaction determinants, and broader geographic settings to strengthen causal inference and external validity.

This study has several limitations. First, its cross-sectional design captures respondents' perceptions at a single point in time and therefore cannot establish temporal causality between sales promotion strategies and customer satisfaction. Second, purposive sampling limits population-level generalization. Third, the sample was restricted to retail consumers in Jakarta who had recent promotional experience within the last three months; consequently, the findings should be interpreted within this geographic and sectoral context rather than generalized to competitive markets broadly. Finally, the model included only sales promotion strategies as a predictor and explained 14.4% of the variance in customer satisfaction, indicating that future research should incorporate additional determinants and use longitudinal, experimental, or probability-sampling designs where feasible.

## STATEMENT OF USE OF GENERATIVE AI

During the preparation of this work, the author used ChatGPT to assist in improving the clarity and readability of the text. The author reviewed and edited the output and takes full responsibility for the content of the publication.

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