The Effect of Service Quality and Supply Chain Agility on Customer Satisfaction Mediated by Customer Trust

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Abstract

The aim of this study is to examine how supply chain agility and service quality affect customer happiness, with customer trust serving as a mediating factor. This method of this study is a quantitative research methodology. A total of 266 valid replies were gathered from the online questionnaire and offline paper-based surveys used to collect the data. SEM-PLS was used to evaluate the data. The results show that customer satisfaction is positively impacted by customer trust, service quality has a direct impact on customer satisfaction, supply chain agility has an impact on customer satisfaction, and service quality positively influences customer trust.

Keywords: customer satisfaction, customer trust, service quality, supply chain agility

INTRODUCTION

With an industrial growth rate of about 5% in 2023 and steady performance during the Covid-19 pandemic, Indonesia's food and beverage sector is a key driver of economic growth (Islamiati, 2023). An important part of this industry, the bakery sector, has seen a rise in demand from business owners. White bread became the most popular product between 2014 and 2018, when its consumption increased by around 500% per capita, further supporting this trend. On the other hand, the consumption of semprong, cookies, and pastries grew by almost 200%, surpassing the growing rate of 100% for white rice (Hidayat & Rahmawati, 2017). The bakery sector has experienced an average annual growth of 10% from 2014 to 2020, encompassing micro, small, and medium enterprises (MSMEs), mass industries, and artisan bakeries. The distribution of goods from producers to end customers relies heavily on the role of distributors. A distributor is a business entity authorized by a supplier or producer to manage marketing activities under an agreement between both parties. Typically, producers offer special pricing to distributors, who generate profit from the difference between the sales and purchase prices. The MSME sector plays a pivotal role in Indonesia's economic growth, with the majority of businesses located in Java, particularly in East Java, which leads the nation with 103 industries (Ernestivita, Subagyo, & Kumar, 2019; Nugroho, 2022).

This study focuses on CV JAFAS (formerly UD. JAFAS), a baking ingredient distribution company based in Surabaya, East Java. Founded by Petrus Sjamsudin in 1997, the company transitioned to its current status as CV JAFAS

in 2011. At present, CV JAFAS has established distribution partnerships with several food and beverage companies in Indonesia, including Colatta Chocolate, RedBell, and Sinar Mas, serving East Java and Eastern Indonesia. Customer satisfaction is a key determinant in distribution services, and companies often implement various strategies to attract market interest. However, CV JAFAS's services have been assessed as inadequate in fully meeting the demands of its consumers, particularly among MSMEs in the bakery sector. Furthermore, cost efficiency remains a critical concern for the company in managing its operational expenses.

The Resource-Based View (RBV) is a theory in strategic management that analyzes and identifies a company's competitive advantages through its resources, including assets, capabilities, and intangible assets. Resources that confer a competitive advantage are unique and difficult for competitors to imitate or substitute (Sukma, 2017; Chatzoglou et al., 2018). The theoretical framework for this study is grounded in the RBV model developed by Fahy & Smithee (1999), which emphasizes achieving sustainable competitive advantage through the effective utilization of a company's resources and assets to support strategic management. RBV is applied practically by mapping the connections between skills, resources, and value creation to determine how businesses may perform better (Kosiol et al., 2023).

Customers' evaluations of the quality of the services provided by distribution companies are shaped by their varied service systems, which are impacted by the resources they have. The comparison of customer expectations and perceptions of the company's services, as well as the overall assessment of the product or service's superiority, constitute the definition of service quality. Three interconnected factors—consumer perception, product/service quality, and process consistency—have an impact on high service quality. Each component's quality affects the others, and preserving uniformity among the three is crucial to guaranteeing excellent service quality. Service quality is an essential resource that sets businesses in the distribution service sector apart from rivals, increasing profitability and providing a long-term competitive edge (Mushavhanamadi & Ratlhagane, 2018; Uzir et al., 2021). Additionally, providing excellent customer service sets the foundation for gaining the trust of customers, which in turn affects their loyalty and dependability and eventually results in repeat business. Customer satisfaction and service quality are therefore closely related since they guarantee that the company's services and the expectations of the client are in line (Kalia et al., 2021; Nurzali & Sidharta, 2023).

By facilitating a quick, flexible, and responsive supply chain that satisfies customer demand, supply chain agility plays a crucial role in building customer confidence. External factors that make it difficult for distribution organizations to adjust to competitive pressures and preserve consumer confidence include market unpredictability, rapid technical improvements, and growing market segmentation (Gligor et al., 2020; Atmaja, Nuryakin, & Pribadi, 2022). Distribution businesses must therefore have supply chain agility in order to react swiftly and efficiently to changes in the market and obtain a competitive edge. Businesses must strategically use their resources and work with suppliers and customers to integrate operational operations into supply chain management in order to take advantage of market opportunities (Jindal et al., 2021; Firmansyah & Siagian, 2022).

Businesses that put an emphasis on supply chain agility will be better equipped to handle unpredictable market situations, like the Covid-19 outbreak in Indonesia. A a client-focused skill that helps distribution businesses better meet customer demands is supply chain agility. By enabling businesses to be more adaptable and sensitive to the demands and preferences of their customers, it gives them a competitive edge (Gligor et al., 2020; Atmaja, Nuryakin, & Pribadi, 2022). Furthermore, supply chain agility is essential for connecting customer needs to financial performance, managing the unpredictabilities of the business environment, and guaranteeing that customers receive accurate and timely services (Sutanto, Harianto, & Balkan, 2023; Cahyono et al., 2023). A key component of the connection between service providers and customers, especially in the service industry, is customer trust. It shows how confident customers are in the dependability of service providers' claims and their capacity to keep their word. Because they believe the service provider will behave consistently, customers who have faith in them are more likely to be willing to do business with them again. Thus, perceived dangers are decreased and future contacts are made possible (Cardoso et al., 2022; Nurzali & Sidharta, 2023; Hugo & Sudyasjayanti, 2023).

H1: Service quality significantly influences customer trust among CV JAFAS's consumers.

Kalia et al. (2021) examine the relationship between service quality and customer trust, emphasizing that customer trust is cultivated through the provision of high-quality service, which, in turn, fosters consumer loyalty. Fast and reliable service forms the foundation of customer trust, leading to increased reliability and commitment, ultimately resulting in repeat purchases. Elizar, Indrawati, & Syah (2020) further argue that consumers are central to business success, as companies cannot generate revenue or sustain operations without a solid customer base.

H2: Supply chain agility significantly influences customer trust among CV JAFAS's consumers.

Supply chain agility fosters transparency between service/product providers and consumers, as long as providers can access and effectively utilize the information at their disposal to deliver optimal service and meet consumer needs. This, in turn, cultivates a sense of trust. Customer trust cannot be developed in isolation but companies must leverage supply chain agility to deliver high-quality service and build trust with consumers (Firmansyah & Siagian, 2022; Atmaja, Nuryakin, & Pribadi (2022). On the other hand, customer satisfaction is the pleasure consumers experience when their outcomes exceed expectations, while disappointment arises when results fall short. As a result, customer satisfaction is often used as a key indicator for projecting future profits (Kotler & Armstrong, 2016; Cahyono et al., 2023). Agus & Vidyanata (2022) categorize customer satisfaction into two dimensions: (1) satisfaction with price, where consumers are content when prices are lower than expected, and (2) satisfaction with product quality, where consumers are satisfied when the product meets or exceeds their quality expectations.

H3: Customer trust significantly influences customer satisfaction among CV JAFAS's consumers.

Customer satisfaction and customer trust are interrelated and mutually reinforcing, such that an increase in customer trust enhances customer satisfaction, and vice versa. Building customer loyalty requires both client happiness

and trust, especially in e-commerce and digital industries. Research indicates that loyalty and trust are positively impacted by customer satisfaction (Uzir et al., 2021; Mursid & Wu, 2021; Kurniadi & Rana, 2023). The relationship between customer trust and customer satisfaction is influenced by several factors, including prior shopping experiences, information about related industries, and the enthusiasm of the parties involved (Hidayat, Akhmad, & Machmud, 2015).

H4: Service quality significantly influences customer satisfaction among CV JAFAS's consumers.

Recent studies confirm the strong correlation between service quality and customer satisfaction across various industries. Service quality is a key factor in achieving high levels of customer satisfaction. Service quality is a fundamental component of customer-centric companies, as it enhances the customer experience and helps exceed consumer expectations when using a company's services or products (Uzir et al., 2020; Kim, 2021; Omar et al., 2021). Aspects of service quality in digital services, such as trust, zeal, and sensitivity, are important in determining customer satisfaction. Customer satisfaction and loyalty are significantly enhanced in the Islamic banking industry by aspects of service quality, especially responsiveness and empathy (Demirel, 2022; Fida et al., 2020).

H5: Supply chain agility significantly influences customer satisfaction among CV JAFAS's consumers.

Supply chain agility is a critical factor that enables companies to adapt dynamically to consumer demand, making customers feel valued and understood. This, in turn, positively impacts customer satisfaction, as meeting consumer expectations fosters greater openness and satisfaction with the company's products

or services (Gligor et al., 2020; Atmaja, Nuryakin, & Pribadi, 2022). To maintain a competitive edge, companies must differentiate themselves through an effective, efficient, and flexible supply chain. Such a strategy ensures fast and reliable service, even under unpredictable conditions (David, 2011; Ellinger et al., 2012; Rahman, Bakri, & Hardiani, 2023).

METHOD

The primary objective of this study is to examine the effect of service quality and supply chain agility on customer satisfaction, with customer trust serving as a mediating variable. This research adopts a quantitative approach, which involves a systematic process from data collection to analysis (Sekaran & Bougie, 2016). The scope of this study is limited to customers of CV JAFAS who have made at least one purchase and are located in East Java Province. The population consists of CV JAFAS customers categorized as B2B consumers, including retail stores, bakeries, hotels, restaurants, cafés (HORECA), and the breadline industry. According to the company's database, there were 793 active customers who made purchases between 2022 and 2024. Slovin's formula was used to determine the sample size (Bhalerao & Kadam, 2010; Daniel, 2012), indicating that the minimum sample size for this study is 266 respondents.

Data collection for this study was conducted through a questionnaire, which was distributed both online via an online questionnaire and offline in paper format, as not all respondents were technologically adept. A 5-point Likert scale was used to measure responses, assisting respondents in completing the scale (Sekaran & Bougie, 2016). In addition to primary data, secondary data sources, including

journal articles, books, news reports, and statistical data, were utilized to provide a deeper analysis. The study examines four variables: service quality and supply chain agility as independent variables, customer trust as the mediating variable, and customer satisfaction as the dependent variable. Descriptive statistics, along with Structural Equation Modeling (SEM), were employed for data analysis. The analysis included both outer and inner model tests. Additionally, JASP (Jeffrey's Amazing Statistics Program) software was used for further analysis, comparing direct and indirect effects based on consumer location within CV JAFAS's service

Table 1 Variables and Items

Variables	Items	Sources
Service Quality	**Tangibility**	Uzir et al., 2021
	The employees of CV JAFAS is good-looking and well dressed	
	The employees bring delivery tools and device	
	Excellence coordination in delivery service	
	Responsiveness	
	The employees of CV JAFAS do not rush in delivering to customers	
	The employees of CV JAFAS is willing to help with customers' difficulties	
	The delivery service of CV JAFAS is quick	
	The employees of CV JAFAS have proper attention to the customers	
	Reliability	
	The employees of CV JAFAS delivers to a convenient location	
	CV JAFAS has delivery records of the customers	
	The delivery service of CV JAFAS is on time	
	CV JAFAS keeps the privacy of customers	
	Assurance	
	CV JAFAS recruits expert employees	
	The employees of CV JAFAS have good manners with the customers	
	The employees of CV JAFAS give clear answers to the customers' questions	
	I feel comfortable with the delivery service of CV JAFAS	
	Empathy	
	The employees of CV JAFAS have the initiative to fulfil the customers' needs	
	CV JAFAS have clear operational hours	
	Customers' interest is the priority of CV JAFAS	
	The employees of CV JAFAS has made extra efforts to fulfil special requests from customers	
Supply Chain Agility	**Accessibility**	Jindal et al., 2021
	CV JAFAS utilizes technology for the distribution service	
	Information related CV JAFAS can be obtained by suppliers and customers easily	
	Alertness	
	CV JAFAS can forecast stock availability	
	CV JAFAS has employees that can support operational activities	
	Flexibility	
	CV JAFAS has capable managers	
	CV JAFAS can fulfil customer's special requests out of the regular schedule	
	Swiftness	
	The service of CV JAFAS is adaptable to the changes	
Customer Trust	I am proud to be a customer of CV JAFAS	Cardoso et al., 2022
	I believe with the service of CV JAFAS	
	I believe the products distributed by CV JAFAS is safe to be consumed	
	CV JAFAS can give solutions to the obstacles during the delivery service	
Customer Satisfaction	The overall service of CV JAFAS meets my expectations	Uzir et al., 2021
	I believe in choosing CV JAFAS as my supplier is the right decision	
	I will shop at CV JAFAS in the future	
	I will recommend CV JAFAS to my family/ friends/college	
	The employees of CV JAFAS give satisfactory service	

area. Table 1 outlines the items associated with each variable in this study.

RESULTS

The data collected revealed that 157 respondents were female and 109 were male. The respondents represented a variety of business types, including bakeries, retail stores, HORECA (hotels, restaurants, cafés), and breadline bakeries. Geographically, all respondents were located in East Java Province, with the majority residing in Surabaya (33.5%), while the remaining respondents were from other cities within the province. The outer model (Figure 1) is a component of the research framework that describes the relationship between latent variables and their corresponding indicators. The purpose of the outer model is to assess the validity

and reliability of the research constructs by examining how well the indicators represent the underlying latent variables. This evaluation ensures that the constructs used in the study are appropriately measured and reliable for further analysis.

The constructs' validity is assessed using the convergent validity test using the outer loading values (Table 2). The necessary sample size establishes the validity criterion for outer loading. The outer loading validity level in this 266-respondent study is set at 0.35 (Hair et al., 2019). All indicators are considered legitimate and appropriate for additional investigation since their outer loading values are greater than 0.35. The AVE values are used to evaluate discriminant validity (Table 2). If a variable's AVE value is higher than 0.5, it is deemed legitimate. All five variables' AVE values are more than 0.5,
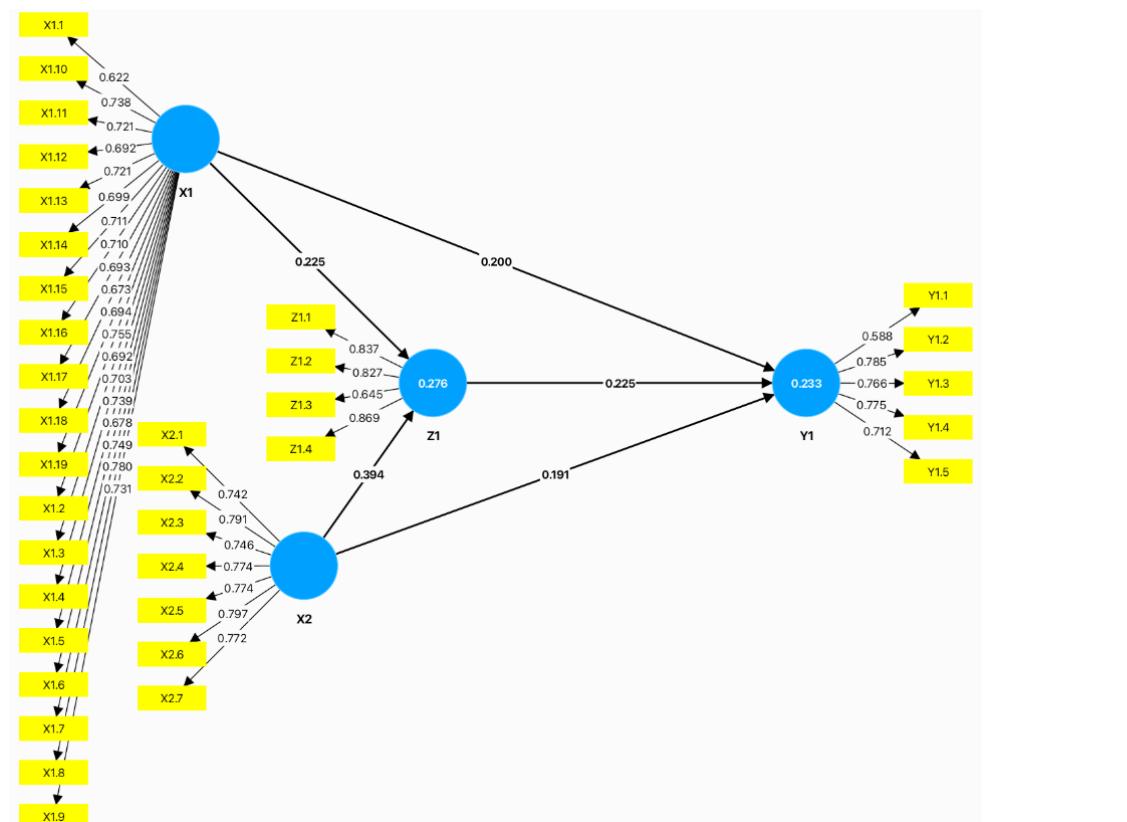

Figure 1 Empirical Model

Table 2 Outer Model Analysis Results

	Outer Loading	Cronbach's Alpha	Composite Reliability	AVE
X1.1	0.622	0.946	0.949	0.506
X1.2	0.755			
X1.3	0.692			
X1.4	0.703			
X1.5	0.739			
X1.6	0.678			
X1.7	0.749			
X1.8	0.780			
X1.9	0.731			
X1.10	0.738			
X1.11	0.721			
X1.12	0.692			
X1.13	0.721			
X1.14	0.699			
X1.15	0.711			
X1.16	0.710			
X1.17	0.693			
X1.18	0.673			
X1.19	0.694			
X2.1	0.742	0.887	0.900	0.595
X2.2	0.791			
X2.3	0.746			
X2.4	0.774			
X2.5	0.774			
X2.6	0.797			
X2.7	0.772			
Y1.1	0.588	0.776	0.815	0.531
Y1.2	0.785			
Y1.3	0.766			
Y1.4	0.775			
Y1.5	0.712			
Z1.1	0.837	0.808	0.856	0.639
Z1.2	0.827			
Z1.3	0.645			
Z1.4	0.869			

indicating the validity of all the study's latent variables.

As seen in Table 3, the Fornell-Larcker Criterion and Cross Loading are used to further evaluate discriminant validity. The four variables in this study are valid and appropriate for additional investigation, as the results show that the values for the latent variables are higher than the equivalent cross-loading values.

When Cronbach's alpha and composite reliability both above 0.7, the variables' reliability is deemed adequate. All four variables' Cronbach's alpha and composite reliability are higher than 0.7, as shown in Table 1, suggesting that the variables are reliable and stable.

A score of less than 5.0 indicates the lack of multicollinearity. Collinearity is measured using the Variance Inflation Factor (VIF). All

Table 3 Fornell-Larcker Criterion

	X1	X2	Y1	Z1
X1	0.711			
X2	0.396	0.771		
Y1	0.361	0.379	0.729	
Z1	0.381	0.483	0.393	0.799

Table 4 VIF Results

	VIF
X1.1	1.767
X1.2	2.392
X1.3	1.997
X1.4	2.094
X1.5	2.243
X1.6	1.898
X1.7	2.381
X1.8	2.719
X1.9	2.144
X1.10	2.205
X1.11	2.102
X1.12	2.060
X1.13	1.961
X1.14	2.000
X1.15	1.957
X1.16	2.176
X1.17	1.889
X1.18	1.905
X1.19	1.907
X2.1	1.720
X2.2	2.165
X2.3	1.756
X2.4	1.935
X2.5	1.958
X2.6	2.016
X2.7	2.039
Y1.1	1.171
Y1.2	1.927
Y1.3	1.743
Y1.4	1.744
Y1.5	1.392
Z1.1	1.890
Z1.2	1.897
Z1.3	1.295
Z1.4	2.049

indicators' VIF values are below 5.0, as indicated in Table 4, indicating that multicollinearity is absent and that the study's latent variables are appropriate for additional examination. The links between the construct variables and their estimation strength are examined in the structural model, also known as the inner model. This is done through model feasibility tests and

Table 5 R Square and Adjusted R Square

	R-Square	R-Square Adjusted
Y1	0.233	0.224
Z1	0.276	0.271

Table 6 Standardized Root Mean Residual and Non-Fit

	Saturated Model	Estimated Model	Criteria
SRMR	0.057	0.057	≤ 0.10
d_ULS	2.039	2.039	≥ 0.05
d_G	0.682	0.682	≥ 0.05
Chi-square	962.421	962.421	Expected small
NFI	0.812	0.812	≥ 0.80

hypothesis testing, which evaluate the significance and strength of the relationships between the variables.

An R Square value between 0.50 and 0.75 indicates a moderate to strong research model, while an R Square value below 0.50 suggests a weak model (Hair et al., 2014). The R Square results presented in Table 5 show that X1 and X2 explain 27.1% of the variation in Z1, with the remaining 72.9% influenced by other factors. Z1 accounts for 22.4% of the variation in Y1, while 77.6% is influenced by other variables. In total, X1 and X2, through Z1, explain 49.5% of the variation in Y1. Although the influence of each variable on Y1 and Z1 is relatively low, the moderation effect remains significant, albeit modest.

Table 6 shows the results of the goodness of fit test, indicating that the overall research model has a high fit index. However, the Chi-square value suggests that the model match is partially at the medium or marginal level, indi-cating some discrepancies between the observed and expected values. This suggests that while the model fits well overall, there may be areas where the fit could be improved.

The value of Q^2 predicting Z1, as seen in Table 7, is 0.254 (> 0), and the value of Q^2 predicting Y1 is 0.171 (> 0). These results indicate that the latent variables can predict the dependent variables (Z1 and Y1) with a reasonable degree of accuracy over time. Specifically, since both Q^2 values are greater than 0, it suggests that the model has predictive relevance and is capable of explaining a substantial portion of the variance in the dependent variables.

Table 8 shows that there is no relationship categorized as having a high influence, while the relationship in the moderate category is observed between X2 and Z1. The majority of the variable relationships in this study fall into the low influence category, indicating that the strength of the associations between most of the variables is relatively weak. These findings suggest that while

Table 7 Q Square Results

	Q^2 Predict	RMSE	MAE
Y1	0.171	0.918	0.713
Z1	0.254	0.877	0.663

Table 8 Interpretation of F Square Analysis Results

	F Square
X1 -> Y1	0.041
X1 -> Z1	0.059
X2 -> Y1	0.034
X2 -> Z1	0.181
Z1 -> Y1	0.048

Table 9 Bootstrapping SmartPLS 4 (Direct Influence)

		Original Sample (O)	T Statistics	P-values
H1	X1 -> Y1	0.200	3.128	0.002
H2	X1 -> Z1	0.225	2.844	0.004
H3	X2 -> Y1	0.191	2.390	0.017
H4	X2 -> Z1	0.394	5.903	0.000
H5	Z1 -> Y1	0.225	2.811	0.005

there are relationships present, their impact on each other may not be substantial.

The analysis of Hypothesis 1 reveals a T-statistic of 3.128, which is greater than the threshold of 1.96, and a p-value of 0.002, which is less than 0.05. These results indicate a significant influence between X1 and Y1, thus Hypothesis 1 is supported. For Hypothesis 2, the T-statistic is 2.844, and the p-value is 0.004, indicating a significant relationship between X1 and Z1. Therefore, Hypothesis 2 is supported. In the case of Hypothesis 3, the T-statistic is 2.390, and the p-value is 0.017, indicating a significant influence between X2 and Y1. Hence, Hypothesis 3 is supported. The analysis of Hypothesis 4 shows a T-statistic of 5.903 and a p-value of 0.000, suggesting a significant relationship between X2 and Z1. Thus, Hypothesis 4 is supported. Finally, for Hypothesis 5, the T-statistic is 2.811, and the p-value is 0.005,

indicating a significant influence between Z1 and Y1. Therefore, Hypothesis 5 is supported.

The influence of X1 on Y1 through Z1 is not significant, as the T-statistic is 1.709 despite a p-value of 0.087. In contrast, the relationship between X2 and Y1 through Z1 is significant, with a T-statistic of 2.857 and a p-value of 0.004. Comparing the direct and indirect effects reveals that the direct influence is stronger than the indirect influence. To further explore these differences, JASP descriptive plots are employed to investigate potential reasons for the variation in results. Consumer data is categorized into two groups: those from Surabaya and those from outside Surabaya. This categorization allows for a deeper understanding of the factors influencing the variation in outcomes based on geographic location.

From the perspective of customers in Surabaya, service quality does not appear to be a

Table 10 Bootstrapping SmartPLS 4 (Indirect Influence)

|	Original Sample (O)	T Statistics	P Values
X1 -> Z1 -> Y1	0.051	1.709	0.087
X2 -> Z1 -> Y1	0.089	2.857	0.004
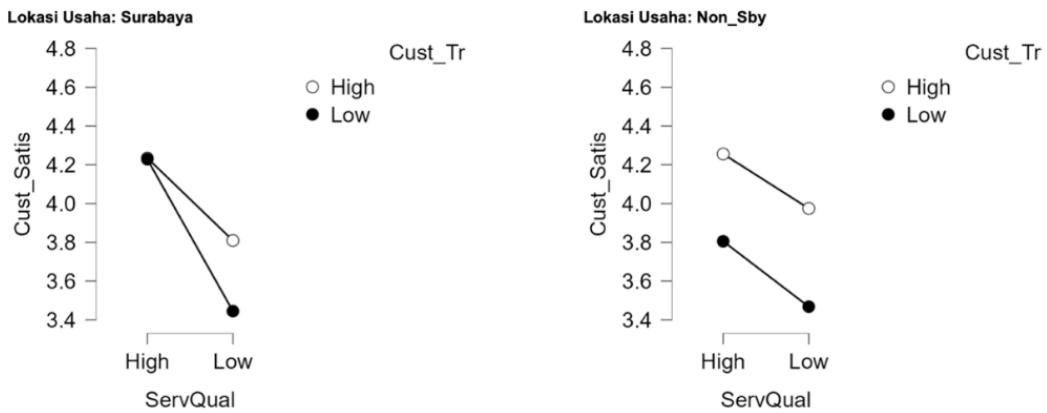
**Figure 2 Descriptive Plots of Service Quality by Business Location Inside Surabaya (left)
and Outside Surabaya (right)**

significant factor in building customer trust or creating customer satisfaction. As shown in Figure 2, customer trust can still lead to customer satisfaction, even when service quality is perceived to be low. Customer trust is a strong driver of customer satisfaction regardless of whether service quality is perceived as high or low, indicating that, for both groups, customer trust is a more influential determinant of satisfaction than service quality alone. In contrast, customers outside of Surabaya show a similar trend, where service quality does not play a crucial role in distribution services.

However, Surabaya customers are more likely to have a significant influence of customer trust on customer pleasure when a business has an agile supply chain (see Figure 3). This suggests that supply chain agility enhances the contribution of consumer trust to fostering customer happiness in Surabaya. Customers outside of Surabaya, however, exhibit unique characteristics, and their opinions of customer satisfaction and trust are unaffected by supply chain agility. This implies that the benefits of supply chain agility may vary by location, with Surabaya customers prioritizing it more in terms of confidence and satisfaction.
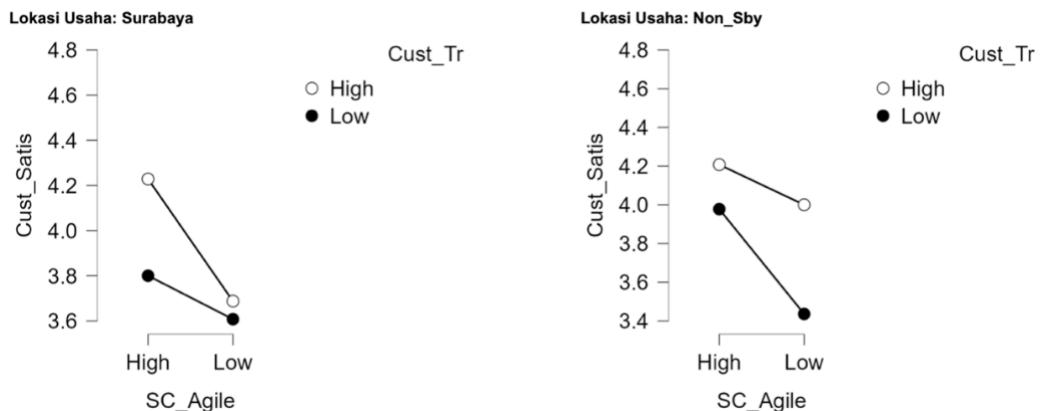
**Figure 3 Descriptive Plots of Supply Chain Agility by Business Location Inside Surabaya (left)
and Outside Surabaya (right)**

DISCUSSION

This study uses the model created by Fahy & Smithee (1999) and is based on the Resource-Based View (RBV). RBV holds that businesses with important resources, like intangible assets and competencies, can create "unique characteristics" that set them apart from rivals and are challenging to imitate. The primary competencies of CV JAFAS in delivering distribution services to customers are represented by the independent variables of service quality and supply chain agility in this research model. Additionally, customer trust, which acts as a mediating variable, is considered an intangible asset for CV JAFAS. Customer trust is essential for building long-term business relationships and requires time and consistent effort to cultivate. These three key resources—service quality, supply chain agility, and customer trust—are continuously developed and adapted, contributing to the company's sustainable competitive advantage. As a result, distribution services that align with customer needs and expectations are likely to enhance customer satisfaction, which is a latent variable in this study. Higher levels of customer satisfaction are often reflected in improved financial performance, such as increased sales and positive trends in financial statements (Nurzali & Sidharta, 2023; Cahyono et al., 2023).

The relationship between service quality and customer trust in this study is significant, although the influence of service quality on customer trust is relatively weak (see Table 9). The results from the F-square analysis in Table 8 indicate that the effect of service quality on customer trust falls within the low category. This finding aligns with previous research which demonstrated a significant relationship between service quality and customer trust. Customer trust can be cultivated by providing high-quality service, which in turn fosters consumer loyalty (Elizar, Indrawati, & Syah, 2020; Kalia et al., 2021). Despite the weak influence observed in this study, the significant relationship underscores the importance of maintaining service quality as a means of building and strengthening customer trust.

On the other hand, supply chain agility has a greater impact on consumer trust. This effect is classified as moderate by the F-square results in Table 8. This result is in line with earlier studies that highlighted how crucial supply chain agility is to maintaining client trust in the service sector. A responsive and flexible supply chain is necessary to build customer trust, which cannot be done on its own (Gligor et al., 2020; Atmaja, Nuryakin, & Pribadi, 2022). F-square results show a low impact, suggesting that the association between customer satisfaction and consumer trust is not very strong. Given that these two factors reinforce one another, client trust is essential to promoting customer satisfaction in the service sector. An increase in customer trust typically leads to higher satisfaction, and vice versa (Elizar, Indrawati, & Syah, 2020; Uzir et al., 2021). Despite the weak direct influence observed in this study, the reciprocal relationship between trust and satisfaction indicates their significant roles in the overall customer experience.

The results regarding the influence of service quality on customer satisfaction reveal a relatively small effect. This limited influence is further supported by the F-square analysis, which categorizes the effect of service quality on customer satisfaction as low. However, when comparing the direct impact analysis with the indirect influence mediated by customer trust (see Table 10), the relationship between service

quality and customer satisfaction—mediated by customer trust—shows significant results, albeit with minimal impact. Figure 2 illustrates that, in the City of Surabaya, service quality does not emerge as a critical factor in the formation of customer trust or the creation of customer satisfaction. Conversely, for consumers outside of Surabaya, customer trust appears to foster satisfaction regardless of whether service quality is perceived as high or low. This suggests that, while service quality itself may not have a strong direct effect on satisfaction, customer trust plays a crucial role in shaping overall satisfaction levels, especially in areas where service quality may be less emphasized.

Previous research showed the interrelations between service quality, customer trust, and customer satisfaction, particularly in customer-centric industries where customer experience plays a pivotal role (Uzir et al., 2021; Liu, Lee, Hung, 2016). Providing quick and reliable service is a key competitive advantage for distribution companies, as it fosters trust and encourages repeat purchases, as long as the service meets customer expectations (Kim, 2021; Omar et al., 2021). These findings also align with the purchase decision process theory, which postulates that consumers typically follow a series of steps before making a purchase: first, they recognize their needs, then gather information about those needs, and finally evaluate alternative options. The influence of service quality on customer satisfaction, as mediated by customer trust, may reflect this process, especially in markets where consumer experiences shape decision-making.

The effect of supply chain agility on customer satisfaction is significant, though the magnitude of the impact is relatively small. This low influence is further supported by the F-square results, which categorize the influence of supply chain agility on customer satisfaction as low. When compared to the indirect influence analysis (see Table 10), the relationship between supply chain agility and customer satisfaction—mediated by customer trust—remains significant, but the percentage of influence is only 8.9%. This contrasts with the direct influence, which is larger at 19.1% (see Table 8). This suggests that while supply chain agility is an important factor in driving customer satisfaction, its effect is more pronounced when acting directly rather than through mediation by customer trust. However, the continued significance of the indirect effect underscores the importance of a well-coordinated supply chain in building trust and improving overall customer satisfaction.

Figure 3 illustrates that, in Surabaya, an agile supply chain (i.e., one that is efficient and responsive) has a higher impact on customer trust, which in turn contributes to greater customer satisfaction. However, consumer characteristics outside Surabaya differ; for these consumers, the agility of the supply chain does not appear to influence customer trust or satisfaction significantly. Supply chain agility is a key factor in distribution services, as it helps build customer trust by facilitating quick and reliable service. The sense of trust between the supplier and customer is crucial, and supply chain agility enhances this by ensuring the smooth flow of information about products and services. The openness and accessibility of information between the supplier and the customer are essential in building trust (Atmaja, Nuryakin, & Pribadi, 2022; Firmansyah & Siagian (2022). The purchase decision process hypothesis, which contends that consumers' expectations and choices are impacted by their immediate sur-

roundings and availability of alternatives, might be used to analyze these findings.

Customers in Surabaya, the company's home base, are probably going to value faster service more than customers in other places, according to this study. Because there are more options available, customers in a company's primary market typically expect faster and more effective service (Uzir et al., 2021; Utari et al., 2024). This opinion is supported by Figure 3, which shows that Surabaya's strategic location as a major East Javan commerce hub makes it easier for customers to find information about goods and services. Because they can readily evaluate products from various distributors, this access not only increases their reliance on quick delivery times but also makes them more discriminating in their purchases. Customers outside of Surabaya, on the other hand, might not consider supply chain agility to be a significant determinant of their pleasure or trust since they may have fewer options or longer lead times for information. The fact that supply chain agility has a greater influence on customer trust and satisfaction in Surabaya than in other places may be explained by the differences in consumer expectations and information availability between Surabaya and other regions. This further emphasizes how crucial regional market features are in influencing customer behavior and decision-making.

The analysis of this research for CV JAFAS has a number of managerial implications. The company should focus on enhancing supply chain agility since it has a bigger impact than service quality. By doing this, CV JAFAS might gain a competitive advantage that distinguishes it from its competitors. First off, CV JAFAS can employ information technology to improve operational efficiency, reduce costs, and raise cus-

tomer satisfaction. Modern technology can help organizations provide faster, more reliable services by simplifying processes, which can increase customer satisfaction. Second, the company may benefit greatly from hiring someone with strong analytical abilities. These people would be crucial in making sure that distribution operations run well and would offer insightful information that enhances operational performance and decision-making (Nurzali & Sidharta, 2023; Mursid & Wu, 2021).

Thirdly, CV JAFAS should focus on finding a balance between management decisiveness and operational flexibility. The organization must be able to respond quickly to customer requests while still operating in accordance with its rules and regulations. The company will be able to maintain its high level of customer service while remaining productive and compliant by finding this balance. Lastly, CV JAFAS must be adaptable enough to change with the social and economic landscape. This adaptability will allow the company to keep up with shifting customer needs, market shifts, and external challenges. CV JAFAS will be in a better position to satisfy the demands of the modern, dynamic business by cultivating a culture of agility and flexibility.

This study has a number of shortcomings. First, the study is constrained by the characteristics of the respondents because their age was not inquired about in the questionnaire. This lack prevents a thorough analysis of the possible influence of age on the direct or indirect linkages in the research model. Secondly, the respondents' geographical dispersion over several East Java cities created logistical difficulties, necessitating that researchers hand out paper surveys to clients. Another drawback is the sincerity with which the respondents com-

pleted the surveys. The reliability of the data as a whole may be impacted by the respondents' quality of responses, which may be influenced by their comprehension of the questions.

CONCLUSION

This research confirmed that all five hypotheses were accepted, with supply chain agility having a greater impact on customer satisfaction than service quality in CV JAFAS's distribution services in East Java. This study shows that key factors like accessibility, responsiveness, flexibility, and speed were identified as crucial for enhancing supply chain agility, which in turn provides a competitive advantage. For future research, it is suggested that the model be applied to other sectors like HORECA and in different geographical locations to test the consistency of the findings. Incorporating more recent theories and conducting in-person surveys could also improve the accuracy and quality of responses, further refining the research approach.

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