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Customer Satisfaction as a Mediating Variable Between Service Quality, Business Innovation, and Repeat Chartering Decisions at PT Pagar Mulya Karyatama

Nooh Isman Sarante¹, Marihot Simanjuntak², Marudut Bernadtua Simanjuntak³, Arif Hidayat⁴, April Gunawan Malau⁵, Vidya Selasдини⁶

¹Sekolah Tinggi Ilmu Pelayaran Jakarta, Indonesia, nisarante@gmail.com

²Sekolah Tinggi Ilmu Pelayaran Jakarta, Indonesia, marts1528@gmail.com

³Sekolah Tinggi Ilmu Pelayaran Jakarta, Indonesia, bernadmarudut@gmail.com

⁴Sekolah Tinggi Ilmu Pelayaran Jakarta, Indonesia, arifkalk_plap35@yahoo.com

⁵Sekolah Tinggi Ilmu Pelayaran Jakarta, Indonesia, aprilgunawan22@gmail.com

⁶Sekolah Tinggi Ilmu Pelayaran Jakarta, Indonesia, selasdini.vidya@gmail.com

Corresponding Author: nisarante@gmail.com¹

Abstract: This study aims to analyze the relationships of service quality and business innovation with customer satisfaction and repeat chartering decisions at PT Pagar Mulya Karyatama. The main problems faced by the company include inconsistent service quality, limited business innovation, uncertainty regarding operational schedules and tariffs, and the absence of effective loyalty programs, which may affect customers' decisions to reuse chartering services. This study employs an explanatory quantitative research design involving 110 respondents representing organizations that had experience using PT Pagar Mulya Karyatama's chartering services. Data were collected using questionnaires and analyzed using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method with SmartPLS 4. The results show that service quality has a positive and significant effect on customer satisfaction ($\beta = 0.484$; $t = 4.052$; $p < 0.001$), while business innovation also has a positive and significant effect on customer satisfaction ($\beta = 0.476$; $t = 5.200$; $p < 0.001$). Furthermore, service quality significantly affects the decision to reuse chartering services ($\beta = 0.261$; $t = 3.024$; $p = 0.003$), as does business innovation ($\beta = 0.262$; $t = 4.121$; $p < 0.001$). Customer satisfaction has a positive and significant effect on the decision to reuse chartering services ($\beta = 0.584$; $t = 7.829$; $p < 0.001$). The indirect effect analysis indicates that customer satisfaction significantly mediates the relationship between service quality and the decision to reuse chartering services ($\beta = 0.283$; $t = 3.079$; $p = 0.002$), as well as the relationship between business innovation and the decision to reuse chartering services ($\beta = 0.278$; $t = 4.662$; $p < 0.001$). These findings indicate that service quality and business innovation contribute both directly and indirectly to customers' decisions to reuse chartering services through customer satisfaction. The study provides practical implications for PT Pagar Mulya Karyatama in strengthening service quality, developing customer-oriented business innovation, and improving customer satisfaction to support repeat transactions and sustainable competitiveness in the chartering industry.

Keywords: Service Quality, Business Innovation, Customer Satisfaction, Reuse Decision, Chartering Services

INTRODUCTION

The ship chartering industry in Indonesia continues to develop alongside the increasing demand for logistics distribution, domestic trade, and international maritime transportation. This growth creates greater opportunities for chartering companies but also increases competition among service providers. In this context, companies are required not only to provide reliable vessel and operational services but also to develop customer-oriented strategies that can create satisfaction and encourage customers to reuse their services. Service quality and business innovation therefore become important factors in maintaining competitiveness and strengthening long-term relationships with chartering customers.

PT Pagar Mulya Karyatama (PT PMK), as a company engaged in ship chartering services, has sought to improve its service quality and business innovation to meet customer requirements. However, several operational challenges remain, including limited fleet availability, uncertainty in operational schedules, unclear communication regarding tariffs, and customer relationship management that has not yet been optimized. These conditions may create uncertainty among customers when considering contract extensions or repeat chartering transactions. If such conditions are not addressed appropriately, customers may consider alternative service providers that are perceived to offer more reliable and responsive services (Jabir et al., 2022; Wulandari & Amaliyah, 2025).

Repeat chartering decisions are particularly important in the chartering business because repeat transactions are closely related to customer retention and the sustainability of company revenue. At PT PMK, several aspects of repurchase decisions require attention, including transactional interest, referential interest, preferential interest, exploratory interest, loyalty, and resistance to competitors. Unclear communication regarding schedules and tariffs may reduce customers' willingness to conduct repeat transactions, while inconsistent service experiences may weaken their willingness to recommend the company. Furthermore, if customers do not perceive PT PMK as their primary chartering provider, they may explore alternative providers. The absence of distinctive customer retention programs and competitive advantages may further reduce customer loyalty and resistance to competitors' offers (Wahyono & Waluyo, 2024; Ramadhan et al., 2022).

Service quality is one of the factors that may explain these conditions. The SERVQUAL framework developed by Parasuraman et al. and widely discussed in service management literature identifies five dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy. In the context of PT PMK, the tangible dimension is associated with the availability and condition of supporting facilities and ship operational equipment. The reliability dimension relates to the company's ability to provide services according to agreed schedules and standards, while responsiveness concerns the ability of personnel to respond promptly to customer requests and complaints. Assurance is related to employees' competence and ability to create customer confidence, whereas empathy reflects the company's attention to individual customer needs (Tjiptono, 2015).

Several service quality issues at PT PMK are reflected in operational conditions, particularly regarding schedule delays, responsiveness to customer requests, and differences in competency among service personnel. In addition, the company needs to ensure that operational agents receive adequate training so that customer complaints and service requests can be handled consistently. Preliminary observations and initial interactions with customers indicated that responsiveness and assurance were among the aspects requiring further attention. However, because these preliminary findings were exploratory in nature, they are not presented as quantitative evidence of the overall customer population. A systematic

measurement involving the research respondents is therefore necessary to determine the extent to which service quality influences customer satisfaction and subsequent repurchase decisions (Tjiptono, 2015; Wulandary et al., 2023).

In addition to service quality, business innovation represents another factor that may influence customer perceptions and behavioral intentions. PT PMK has implemented several forms of business innovation, including a change in its chartering arrangement from Freight Charter (FC) to Time Charter (TC), which provides customers with greater flexibility in fleet utilization and operational planning. The company has also sought to strengthen human resource capabilities through operational training and certification requirements for ship crews that exceed applicable minimum regulatory standards. These initiatives demonstrate efforts to improve service value and operational professionalism in response to changing customer requirements.

Nevertheless, the implementation of business innovation at PT PMK still encounters several challenges. Limited investment in technology, insufficient development of innovative service offerings, weaknesses in customer communication, and work systems that are not fully integrated with third-party partners may constrain the effectiveness of innovation. Innovation that is not sufficiently aligned with customer needs may limit the company's ability to create additional value and differentiate its services from competitors. Therefore, business innovation needs to be understood not merely as changes in operational procedures but also as an organizational capability to develop services, processes, technology, and customer interactions that respond to market requirements (Rahman et al., 2024; Bakır et al., 2024).

Customer satisfaction represents an important intermediate outcome because it reflects customers' evaluation of the value and performance of services received. At PT PMK, customer satisfaction KPI data show fluctuations during the 2022–2024 period. The realization reached 78% in 2022, increased to 83% in 2023, and subsequently decreased to 75% in 2024. The decline in 2024 indicates that the improvement observed in the previous year was not sustained. Preliminary observations also identified perceived service value and the fulfillment of changing customer needs as areas requiring further attention. Customers may evaluate whether the benefits obtained from chartering services are proportional to the costs incurred and whether the services provided are sufficiently responsive to their evolving operational requirements.

The relationship between service quality, business innovation, customer satisfaction, and repurchase decisions is consequently important for the sustainability of PT PMK's chartering business. Improvements in vessel operational standards, crew certification, and the implementation of the Time Charter system represent positive initiatives; however, operational priorities, including the allocation of vessels for internal group activities, may also affect the availability of services for external chartering customers. Maintaining consistent service performance while developing innovations that provide tangible customer value can contribute to stronger satisfaction. Satisfied customers may subsequently demonstrate stronger intentions to conduct repeat transactions, recommend the company's services, and maintain their relationship with the provider (Tjiptono, 2015; Wahyono & Waluyo, 2024).

Based on these phenomena and the identified research gap, this study examines the influence of service quality and business innovation on customer satisfaction and the subsequent effect of customer satisfaction on repurchase decisions for chartering services at PT Pagar Mulya Karyatama. Previous studies have examined these relationships in contexts such as e-commerce, online transportation, and international shipping, while empirical research specifically addressing Indonesia's ship chartering industry remains relatively limited. Therefore, this study is expected to contribute to the literature by providing empirical evidence regarding the relationships among service quality, business innovation, customer satisfaction, and repurchase decisions within the ship chartering context. Practically, the

findings may assist PT PMK in identifying service and innovation factors that require improvement to strengthen customer satisfaction, encourage repeat transactions, and support sustainable competitiveness in Indonesia's ship chartering industry (Ramadhan et al., 2022; Rahman et al., 2024; Jabir et al., 2022; Wulandari & Amaliyah, 2025).

Catatan penting untuk revisi reviewer: pada paragraf 6 saya sengaja mengubah kalimat “*preliminary survey results indicate...*” menjadi “*preliminary observations and initial interactions with customers...*” karena reviewer benar bahwa jika disebut *preliminary survey*, sebaiknya harus ada informasi jumlah responden, periode survei, dan hasil/skor.

METHOD

This study employs an explanatory quantitative research design to examine the influence of service quality and business innovation on customer satisfaction and its impact on repurchase decisions for chartering services at PT Pagar Mulya Karyatama. The research uses a cross-sectional design, in which the independent, intervening, and dependent variables are measured simultaneously. Primary data were collected through questionnaires distributed to respondents during November–December 2025, while secondary data were obtained from company documents and operational records. The questionnaire used a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree to measure respondents' perceptions of service quality, business innovation, customer satisfaction, and repurchase decisions. The target population consisted of organizational customers that had used PT Pagar Mulya Karyatama's chartering services. Using purposive sampling, 110 individual respondents were selected from these customer organizations based on their direct experience with the company's chartering services. The respondents included company leaders, supervisors, and operational staff.

The research variables consisted of service quality (X1) and business innovation (X2) as independent variables, customer satisfaction (Y) as the intervening variable, and repurchase decision (Z) as the dependent variable. The research instrument was developed based on relevant theories and previous studies. Service quality (X1) was measured using 10 indicators adapted from Tjiptono (2015) covering five SERVQUAL dimensions: tangibles, reliability, responsiveness, assurance, and empathy. Business innovation (X2) was measured through indicators covering product/service innovation, process innovation, marketing innovation, and organizational innovation. Customer satisfaction (Y) was measured through indicators reflecting overall satisfaction, conformity between expectations and performance, satisfaction with the service experience, and willingness to continue using the service. Meanwhile, repeat chartering decision (Z) was measured through indicators reflecting customers' intention and willingness to use the company's chartering services again, together with their preference for continuing the relationship with the company. All indicators were measured using a five-point Likert scale.

The collected data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with SmartPLS 4 software. The analysis included measurement model (outer model) evaluation, structural model (inner model) evaluation, and hypothesis testing. The outer model was evaluated through convergent validity, discriminant validity, and reliability testing. Convergent validity was assessed using outer loading and Average Variance Extracted (AVE) values, while discriminant validity was evaluated using cross-loading and AVE criteria. Reliability was assessed using Cronbach's Alpha and Composite Reliability. In addition, because the study used self-reported questionnaire data collected from the same respondents, a Common Method Variance (CMV) test using Harman's single-factor test was conducted to assess the potential for common method bias. The results of the CMV test are reported in the Results section, with substantial common method bias considered unlikely when a single factor does not account for the majority of the total variance.

The structural model was evaluated using R-square (R^2), Q-square (Q^2), effect size (f^2), and path coefficients to assess the explanatory and predictive capabilities of the model and the strength of relationships among the constructs. Hypothesis testing was conducted using the bootstrapping procedure in SmartPLS 4, with t-statistics and p-values evaluated at a 5% significance level ($\alpha = 0.05$). The analysis examined the direct effects of service quality and business innovation on customer satisfaction and repurchase decisions, as well as the indirect effects through customer satisfaction. These analytical procedures were used to empirically assess the relationships among service quality, business innovation, customer satisfaction, and repurchase decisions for chartering services at PT Pagar Mulya Karyatama.

RESULT AND DISCUSSION

Result

Based on the respondent characteristics, the majority of respondents were male, totaling 82 respondents or 74.5% of the sample. Most respondents were between 21–30 years old, with 57 respondents or 51.8%, indicating that the respondents were generally in a productive working age category. In terms of educational background, most respondents had completed senior high school education, totaling 45 respondents or 40.9%. Furthermore, the majority of respondents worked in operational positions, with 75 respondents or 68.2%, showing that operational employees dominated the respondents involved in this study.

Outer Model Result

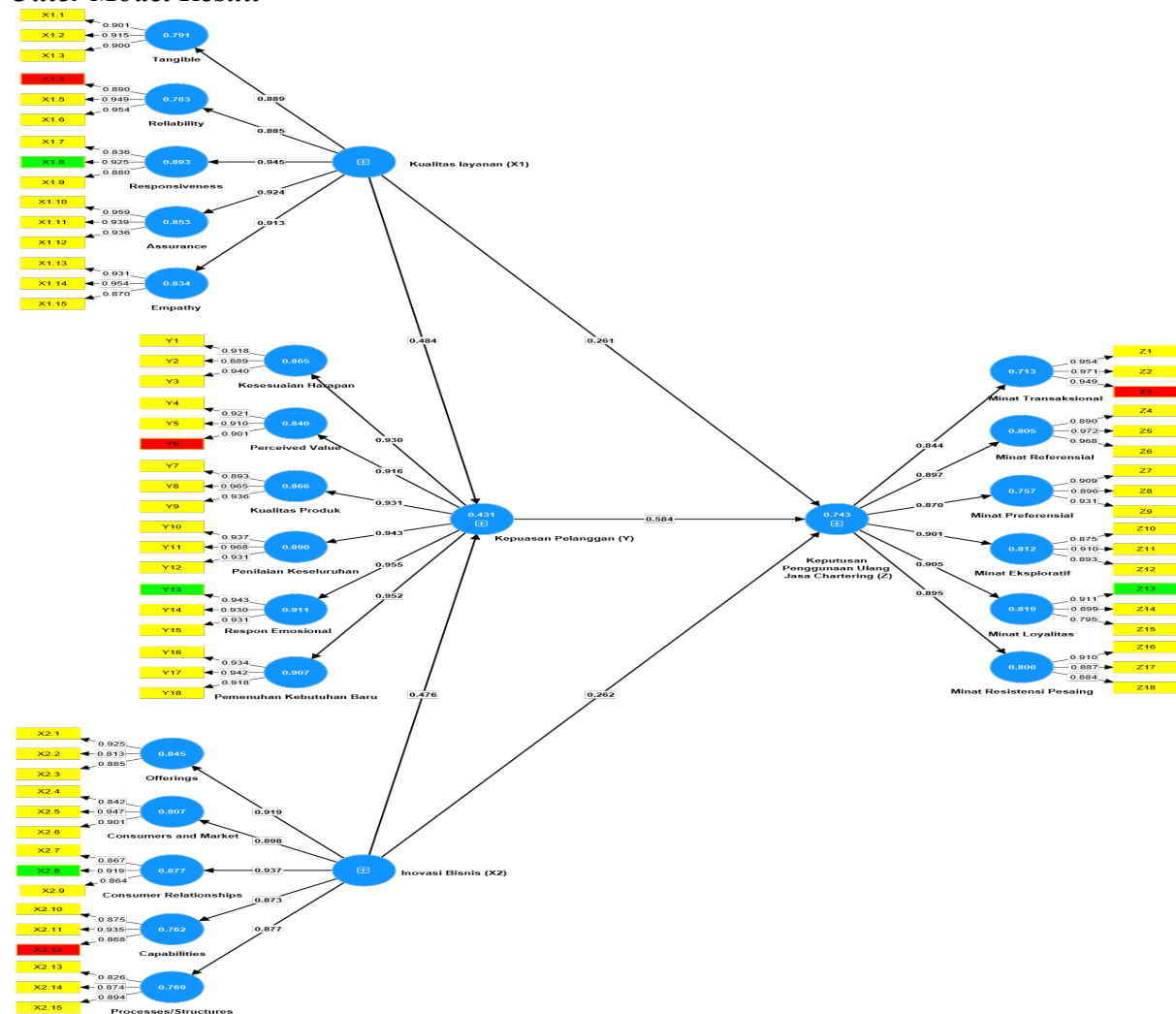


Figure 1. Outer Model Results

Convergent Validity Test

The convergent validity test was conducted to evaluate the strength of indicators in representing their latent constructs. The results showed that all outer loading values exceeded the recommended threshold of 0.70, indicating that all indicators used in this study were valid and capable of representing their respective constructs. In the Service Quality construct (X1), the Responsiveness dimension showed a loading of 0.945, while indicator X1.8 had an outer loading of 0.925. These results indicate that responsiveness was strongly represented within the measurement model. In the Business Innovation variable (X2), the Consumer Relationships dimension had the highest loading factor of 0.937, with indicator X2.8 scoring 0.919, indicating the importance of customer relationships in supporting business innovation. Furthermore, the Emotional Response dimension in Customer Satisfaction (Y) showed the highest loading factor of 0.955, while the Loyalty Interest dimension in Repurchase Decision (Z) recorded the highest loading factor of 0.905, confirming that customer loyalty was the dominant factor influencing repurchase decisions for chartering services.

Discriminant Validity Test

The discriminant validity test was conducted using cross-loading analysis to ensure that each indicator had a stronger correlation with its own construct compared to other constructs. The results demonstrated that all indicators had higher loading values on their respective latent variables than on other variables, indicating that each construct possessed good discriminant validity. This finding confirms that all indicators used in the study were able to distinctly measure their intended variables without significant overlap with other constructs. Therefore, the model successfully fulfilled the discriminant validity requirements and proved that each variable in the research model was empirically distinct from one another.

Table 1. Reliability and Validity Results

Variable	AVE	Cronbach's Alpha	Composite Reliability	Rule of Thumb	Result
Service Quality (X1)	0.697	0.969	0.972	> 0.70	Reliable & Valid
Business Innovation (X2)	0.632	0.958	0.963	> 0.70	Reliable & Valid
Customer Satisfaction (Y)	0.758	0.981	0.983	> 0.70	Reliable & Valid
Repurchase Decision of Chartering Services (Z)	0.651	0.968	0.971	> 0.70	Reliable & Valid

Average Variance Extracted (AVE)

The Average Variance Extracted (AVE) test was used to further evaluate convergent validity by measuring the amount of variance captured by each construct relative to the variance caused by measurement error. The results showed that all AVE values exceeded the recommended threshold of 0.50, indicating that all constructs had adequate convergent validity. The Customer Satisfaction variable (Y) obtained the highest AVE value of 0.758, followed by Service Quality (X1) with 0.697, Repurchase Decision (Z) with 0.651, and Business Innovation (X2) with 0.632. These results confirm that all latent constructs were able to explain more than 50% of the variance of their indicators, indicating strong construct validity in the research model.

Reliability Test

The reliability test was conducted using Composite Reliability and Cronbach's Alpha to measure the consistency and reliability of the research constructs. The results indicated that all constructs had Composite Reliability values above 0.70 and Cronbach's Alpha values above 0.70, meaning that all variables were highly reliable. Customer Satisfaction (Y) showed

the highest Composite Reliability value of 0.983 and Cronbach's Alpha value of 0.981, indicating excellent internal consistency. Similarly, Service Quality (X1), Business Innovation (X2), and Repurchase Decision (Z) also demonstrated strong reliability values, confirming that all indicators consistently measured their respective constructs. Therefore, all variables used in this study fulfilled the reliability requirements and were appropriate for further hypothesis testing.

Inner Model Results

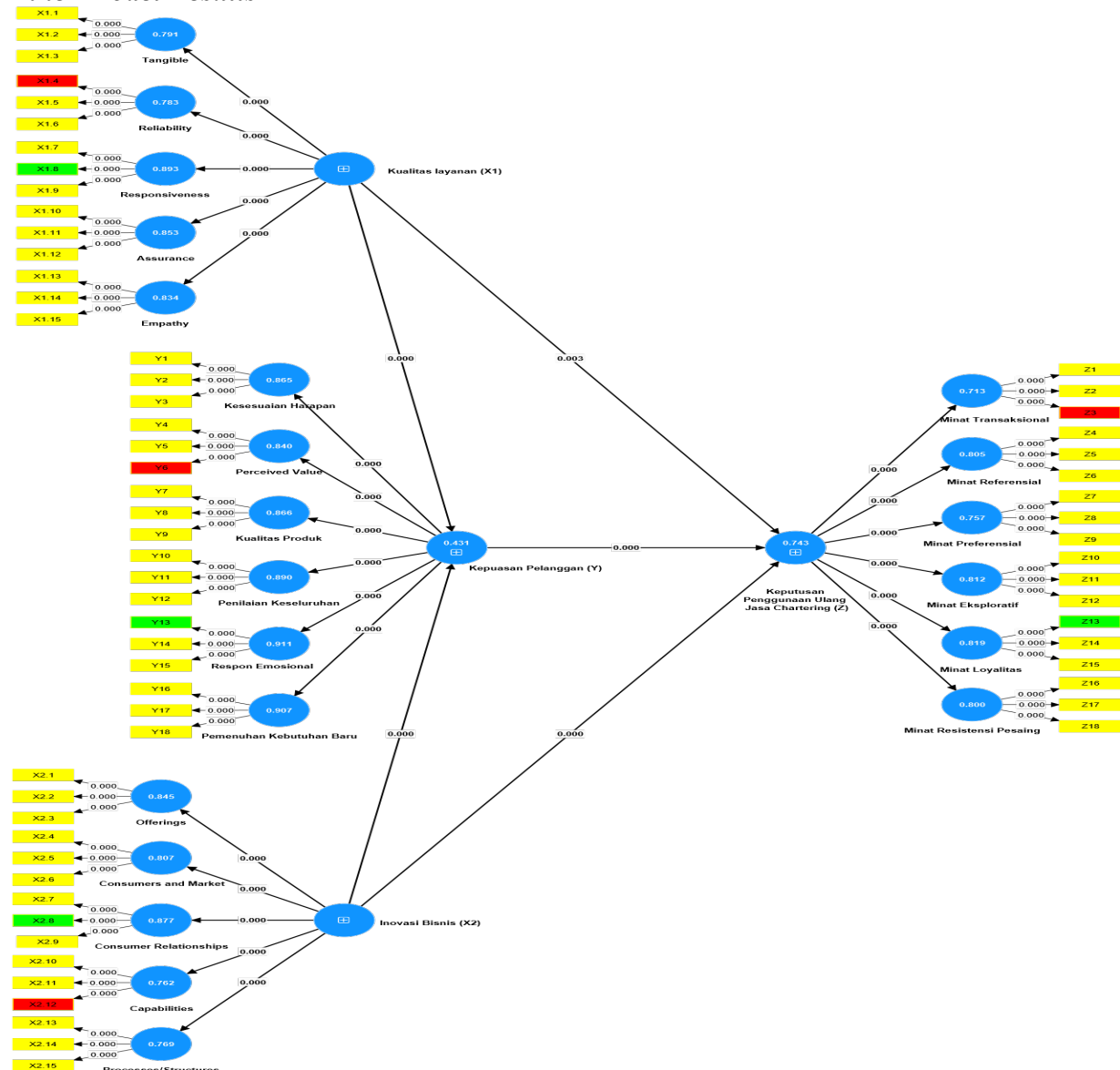


Figure 2. Inner Model Results

The bootstrapping method was used to test the significance of the relationships among variables in the structural model. Hypothesis testing was conducted by analyzing the t-statistic and p-value results. A hypothesis is accepted if the t-statistic value exceeds 1.96 and the p-value is below 0.05. The results indicated that all direct and indirect relationships in the study were statistically significant. Service Quality significantly influenced Customer Satisfaction with a path coefficient of 0.484 and a t-statistic of 4.052. Business Innovation also significantly influenced Customer Satisfaction with a coefficient of 0.476 and a t-statistic of 5.200. Furthermore, Service Quality and Business Innovation significantly affected Repurchase Decisions for Chartering Services, with coefficients of 0.261 and 0.262,

respectively. Customer Satisfaction showed the strongest direct effect on Repurchase Decisions with a coefficient of 0.584 and a t-statistic of 7.829. The mediation analysis also demonstrated that Customer Satisfaction significantly mediated the relationships between Service Quality and Repurchase Decisions, as well as between Business Innovation and Repurchase Decisions.

Predictive Relevance (Q-Squared)

The Q-Squared test was conducted to evaluate the predictive relevance of the structural model in explaining endogenous variables. A positive Q-Squared value indicates that the model has predictive relevance, while values between 0.25 and 0.50 indicate moderate predictive relevance. Based on the results, the Customer Satisfaction variable (Y) obtained a Q^2 value of 0.301, indicating moderate predictive relevance. Meanwhile, the Repurchase Decision of Chartering Services variable (Z) obtained a Q^2 value of 0.480, which also indicates moderate predictive relevance. These findings demonstrate that the research model has an acceptable predictive capability in explaining customer satisfaction and repurchase decisions for chartering services.

Table 2. Q-Squared Results

Variable	SSO	SSE	$Q^2 (=1-SSE/SSO)$
Business Innovation (X2)	1650.000	1650.000	0.000
Customer Satisfaction (Y)	1980.000	1384.142	0.301
Repurchase Decision of Chartering Services (Z)	1980.000	1029.708	0.480
Service Quality (X1)	1650.000	1650.000	0.000

R-Square (Coefficient of Determination)

The R-Square test was used to measure the proportion of variance in endogenous variables explained by the exogenous variables in the model. According to Hair et al. (2019), R^2 values of 0.75, 0.50, and 0.25 indicate strong, moderate, and weak explanatory power, respectively. The results showed that the Customer Satisfaction variable (Y) had an R^2 value of 0.431, indicating that Service Quality and Business Innovation explained 43.1% of the variance in Customer Satisfaction, while the remaining 56.9% was influenced by other variables outside the study. In addition, the Repurchase Decision of Chartering Services variable (Z) obtained an R^2 value of 0.743, indicating that Service Quality, Business Innovation, and Customer Satisfaction jointly explained 74.3% of the variance in repurchase decisions, while the remaining 25.7% was influenced by other external factors.

Table 3 R-Square Results

Variable	R-Square
Customer Satisfaction (Y)	0.431
Repurchase Decision of Chartering Services (Z)	0.743

HTMT Analysis

The Heterotrait–Monotrait (HTMT) ratio was used to assess the **discriminant validity** of the constructs in the research model. The HTMT values obtained from the analysis are presented below.

Table 4. HTMT

Construct	Business Innovation (X2)	Customer Satisfaction (Y)	Repurchase Decision (Z)	Service Quality (X1)
Business Innovation (X2)	—	0.458	0.523	0.112
Customer Satisfaction (Y)	0.458	—	0.841	0.463
Repurchase Decision (Z)	0.523	0.841	—	0.523
Service Quality (X1)	0.112	0.463	0.523	—

Based on the HTMT analysis, all values are below the commonly recommended threshold of **0.90**, indicating that the constructs demonstrate adequate discriminant validity. The HTMT analysis confirms adequate discriminant validity among all constructs, as all HTMT values range from 0.112 to 0.841 and remain below the recommended threshold of 0.90. Thus, Business Innovation, Service Quality, Customer Satisfaction, and Repurchase Decision are empirically distinguishable constructs.

Hypothesis Testing Results (Bootstrapping)

Table 4.. Direct and Indirect Effects

Hypothesis	Relationship	Original sample (O)	T statistics (O/STDEV)	P values	Result
H1	Service Quality (X1) → Customer Satisfaction (Y)	0.484	4.052	0.000	Significant
H2	Business Innovation (X2) → Customer Satisfaction (Y)	0.476	5.200	0.000	Significant
H3	Service Quality (X1) → Repurchase Decision of Chartering Services (Z)	0.261	3.024	0.003	Significant
H4	Business Innovation (X2) → Repurchase Decision of Chartering Services (Z)	0.262	4.121	0.000	Significant
H5	Customer Satisfaction (Y) → Repurchase Decision of Chartering Services (Z)	0.584	7.829	0.000	Significant
H6	Service Quality (X1) → Customer Satisfaction (Y) → Repurchase Decision of Chartering Services (Z)	0.283	3.079	0.002	Significant
H7	Business Innovation (X2) → Customer Satisfaction (Y) → Repurchase Decision of Chartering Services (Z)	0.278	4.662	0.000	Significant

Discussion

The Effect of Service Quality on Customer Satisfaction

The findings demonstrate that service quality has a positive and significant relationship with customer satisfaction among users of chartering services at PT Pagar Mulya Karyatama. This relationship indicates that customers tend to evaluate their satisfaction based on how consistently the company delivers the promised chartering services. In the chartering industry, service quality is not limited to interactions with employees but also encompasses operational reliability, responsiveness to requests, clarity of information, professionalism, and the company's ability to provide solutions when operational problems arise. The relatively strong contribution of service quality to customer satisfaction suggests that customers place considerable importance on the company's ability to provide predictable and responsive services throughout the chartering process.

In the context of PT PMK, responsiveness is particularly relevant because chartering activities involve operational schedules, vessel availability, documentation, cargo requirements, and coordination among multiple parties. Delays in responding to customer requests or uncertainty in operational information can directly affect customers' planning and create additional operational costs. Therefore, rapid communication, accurate information, and prompt handling of complaints can strengthen customers' perceptions of service reliability and professionalism. This finding is consistent with Reynaldi et al. (2024), Riyadi et al. (2024), Jabir et al. (2022), and Adawiyah and Taharuddin (2024), who identified service

quality as an important determinant of customer satisfaction in maritime and transportation-related services.

The Effect of Business Innovation on Customer Satisfaction

Business innovation also has a positive and significant relationship with customer satisfaction. In the chartering industry, innovation can provide value when it makes the service process more flexible, efficient, transparent, and responsive to customer requirements. Innovation may involve changes in chartering arrangements, improvements in operational procedures, technology adoption, digital communication, and development of customer-oriented services. Customers are more likely to perceive value when innovations reduce administrative complexity, improve operational coordination, or provide greater flexibility in managing vessel utilization.

For PT PMK, the implementation of the Time Charter system represents an example of an effort to provide greater operational flexibility compared with conventional arrangements. However, innovation needs to extend beyond changes in the chartering model and include integrated technology, customer communication, and coordination with operational partners. Innovation that is not accompanied by effective implementation may provide limited benefits to customers. The finding is consistent with Jalilah et al. (2025), who emphasized the relationship between service innovation and customer satisfaction, as well as Surawan et al. (2025) and Rahman et al. (2024), who highlighted the importance of business transformation and technological innovation in transportation services.

The Effect of Service Quality on Repurchase Decision

The results indicate that service quality has a positive and significant relationship with the Repurchase Decision for chartering services. This finding suggests that customers' decisions to reuse PT PMK's services are partly shaped by their previous service experiences. In a chartering relationship, customers generally face operational risks associated with vessel availability, schedules, documentation, communication, and coordination. Consistent service performance can reduce these uncertainties and provide customers with greater confidence when considering another chartering transaction.

The implication is that PT PMK needs to maintain service consistency rather than focusing only on individual transactions. Prompt responses, reliable operational execution, transparent communication, and effective problem resolution can strengthen customers' willingness to maintain their relationship with the company. This finding is supported by Bakır et al. (2024), who identified service quality as an important factor associated with repurchase intentions in the airline industry, and by Hui et al. (2024), who demonstrated the relevance of logistics service quality to customer satisfaction and repurchase intention. Thus, service quality represents not only an operational requirement but also an important component of customer retention in the chartering business.

The Effect of Business Innovation on Repurchase Decision

The findings show that business innovation has a positive and significant relationship with the Repurchase Decision. This result indicates that customers may be more willing to reuse chartering services when the company demonstrates the ability to improve its service model and respond to changing operational requirements. In a competitive chartering market, innovation can differentiate a company by providing more efficient processes, greater flexibility, better communication, and improved customer experiences.

For PT PMK, the implication is that innovation should be directed toward solutions that customers can directly experience. Examples include digital scheduling, real-time operational information, integrated documentation, more transparent tariff communication, and improved coordination with third-party service providers. Such innovations can reduce uncertainty and

transaction complexity for customers. The finding is consistent with Jalilah et al. (2025), Surawan et al. (2025), and Rahman et al. (2024), which indicate that service innovation, business transformation, and technological innovation can contribute to improved customer experiences and behavioral intentions in transportation-related services.

The Effect of Customer Satisfaction on Repurchase Decision

Customer satisfaction has the strongest direct relationship with the Repurchase Decision in this study. This finding indicates that customers who perceive their chartering experience as satisfactory are more likely to consider using PT PMK's services again. In the chartering industry, satisfaction may emerge when the company successfully fulfills operational expectations, provides reliable communication, responds to problems effectively, and delivers services that customers perceive as valuable relative to the costs incurred.

This finding has an important managerial implication because satisfaction can become a mechanism for maintaining longer-term customer relationships. A customer who has experienced consistent service performance may perceive lower risk in conducting subsequent transactions with the same provider. Consequently, PT PMK should not view customer satisfaction merely as an outcome of service delivery but also as an important strategic asset for maintaining repeat business. The finding is consistent with Hui et al. (2024), Reynaldi et al. (2024), Riyadi et al. (2024), and Rafiansyah et al. (2025), which demonstrate the importance of customer satisfaction in explaining loyalty and repurchase-related behavior.

The Mediating Effect of Customer Satisfaction on the Relationship Between Service Quality and Repurchase Decision

The indirect-effect results demonstrate that customer satisfaction significantly mediates the relationship between service quality and the Repurchase Decision. This finding means that service quality contributes to repeat usage not only through its direct relationship with repurchase behavior but also by creating a satisfactory customer experience. In the chartering context, reliable and responsive services can first generate positive evaluations of the company, which subsequently strengthen customers' willingness to conduct future transactions.

The simultaneous significance of the direct and indirect relationships indicates a partial mediation pattern. Therefore, improving service quality may influence Repurchase Decision through two pathways: customers can respond directly to reliable service performance, while the resulting satisfaction provides an additional mechanism that strengthens the intention to reuse the service. For PT PMK, this highlights the importance of connecting operational service improvements with systematic customer satisfaction management. The finding is consistent with Reynaldi et al. (2024), Riyadi et al. (2024), Hui et al. (2024), and Oktafiani et al. (2025), which emphasize the role of satisfaction in linking service-related factors with customer loyalty or repurchase-related outcomes.

The Mediating Effect of Customer Satisfaction on the Relationship Between Business Innovation and Repurchase Decision

Customer satisfaction also significantly mediates the relationship between business innovation and the Repurchase Decision. This result indicates that innovation can encourage customers to reuse chartering services partly because innovative improvements create better customer experiences. Innovation that simplifies processes, increases operational flexibility, improves communication, or provides greater transparency can increase the value perceived by customers. This positive evaluation may subsequently strengthen their willingness to conduct future chartering transactions with the company.

The significant direct and indirect relationships indicate a partial mediation pattern, suggesting that business innovation can influence Repurchase Decision both independently

and through customer satisfaction. This finding implies that PT PMK should ensure that innovations are designed around actual customer needs rather than being implemented solely as internal operational changes. Digital scheduling, integrated service systems, transparent information, and improved customer relationship mechanisms can create stronger value when customers can directly experience their benefits. These findings are consistent with Jalilah et al. (2025), Surawan et al. (2025), and Rahman et al. (2024), which emphasize the contribution of service innovation, business transformation, and technological innovation to customer satisfaction and customer-related behavioral outcomes.

The R^2 value of 0.431 for Customer Satisfaction indicates that service quality and business innovation jointly explain 43.1% of the variance in customer satisfaction, while the remaining 56.9% may be explained by factors outside the current research model. This result indicates that although service quality and business innovation are important determinants of customer satisfaction, customer evaluations in the chartering industry are multidimensional and cannot be explained exclusively by these two variables.

The remaining variance may be associated with factors such as price fairness, perceived value, brand image, brand trust, fleet availability, service flexibility, competitor offerings, market conditions, and customer-specific operational requirements. In particular, chartering customers may compare tariff levels with service benefits, evaluate the availability of vessels at the required time, and consider competing chartering providers before forming their overall satisfaction judgment. Therefore, future research should incorporate additional explanatory variables to provide a more comprehensive understanding of customer satisfaction in the ship chartering industry.

CONCLUSION

Based on the results of descriptive analysis and PLS-SEM, this study concludes that service quality and business innovation have positive and significant effects on customer satisfaction and repurchase decisions for chartering services at PT Pagar Mulya Karyatama. Service quality significantly affects customer satisfaction ($\beta = 0.484$; $t = 4.052$; $p < 0.001$) and repurchase decisions ($\beta = 0.261$; $t = 3.024$; $p = 0.003$), while business innovation significantly affects customer satisfaction ($\beta = 0.476$; $t = 5.200$; $p < 0.001$) and repurchase decisions ($\beta = 0.262$; $t = 4.121$; $p < 0.001$). Customer satisfaction has the strongest direct effect on repurchase decisions ($\beta = 0.584$; $t = 7.829$; $p < 0.001$). Furthermore, customer satisfaction significantly mediates the effects of service quality ($\beta = 0.283$; $t = 3.079$; $p = 0.002$) and business innovation ($\beta = 0.278$; $t = 4.662$; $p < 0.001$) on repurchase decisions, indicating that customer satisfaction represents an important mechanism through which service quality and business innovation contribute to customers' decisions to reuse chartering services.

Theoretically, these findings support the proposition that service quality and business innovation are important antecedents of customer satisfaction and repurchase decisions, while customer satisfaction functions as an important intervening mechanism in the relationship between service-related factors and repeat usage behavior. The findings extend the application of these relationships to the ship chartering service context, which has received relatively less attention than other service sectors. From a practical perspective, PT Pagar Mulya Karyatama should prioritize improvements in service responsiveness, operational reliability, customer communication, and business innovation. The company can strengthen these areas through digital scheduling and real-time service tracking, integrated business process systems, employee competency development, value-added services, transparent communication, and customer relationship or loyalty programs. These initiatives can help increase perceived service value and customer satisfaction while supporting repeat transactions and long-term customer relationships.

This study has several limitations. First, the sample is limited to 110 customers of a single company, which limits the generalizability of the findings to other chartering companies or maritime service providers. Second, the cross-sectional research design captures respondents' perceptions at a single point in time and therefore cannot fully capture changes in customer satisfaction and repurchase decisions over time. Third, the R^2 value for customer satisfaction of 0.431 indicates that 43.1% of its variance is explained by service quality and business innovation, while the remaining variance may be associated with other variables not included in the model, such as perceived price fairness, brand image, brand trust, service value, or competitive alternatives. Future research should therefore consider incorporating additional variables, such as perceived price fairness, brand trust, brand image, and competitive alternatives, and should consider using a longitudinal research design to examine changes in customer satisfaction and repurchase decisions over time. Future studies could also involve multiple chartering companies and larger samples to improve the generalizability of the findings.

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