

Customer Satisfaction, Customer Engagement, and Customer Retention Intent among Customers of Local Non-Alcoholic Beverage Chains in Valenzuela City: Evidence for a Customer Engagement-Satisfaction-Retention Framework

Evelyn D.R Tanangonan ^{1*} and Kristy Aireen G. Reamillo ^{1,2}

¹Graduate Studies, Pamantasan ng Lungsod ng Marikina, Philippines

*etanangonan@grc.edu.ph, ²kristyaireen.reamillo@plmar.edu.ph

Date Submitted:
August 14, 2026

Date Accepted:
September 09, 2026

Date Published:
October 08, 2026

DOI:
10.5281/zenodo.23238647

ABSTRACT

Customer retention has become increasingly important for organizations operating in highly competitive service industries. In the local non-alcoholic beverage sector, businesses continuously seek strategies that can strengthen customer relationships and encourage long-term patronage. Despite the recognized importance of customer satisfaction and customer engagement, limited studies have examined how these variables collectively influence customer retention within local beverage enterprises. Guided by Expectancy Disconfirmation Theory, the Consumers' Online Brand-Related Activities Framework, and Service-Profit Chain Theory, this study examined customer satisfaction, customer engagement, and customer retention intent among customers of selected local non-alcoholic beverage chains in Valenzuela City.

The study further investigated demographic differences, examined the relationships among the variables, evaluated the mediating role of customer engagement, and developed a Customer Engagement-Satisfaction-Retention Framework. Findings revealed that respondents generally demonstrated favorable levels of customer engagement, customer satisfaction, and customer retention intent. Product quality emerged as the most influential component of customer satisfaction, while cognitive engagement was the strongest dimension of customer engagement. The results further showed that customer satisfaction significantly influences customer engagement and customer retention intent. Customer engagement likewise significantly affects customer retention intent and serves as an important mechanism through which satisfaction translates into stronger retention-related behaviors. The proposed Customer Engagement-Satisfaction-Retention Framework highlights the importance of integrating service excellence, customer engagement initiatives, and customer satisfaction strategies to achieve sustainable customer loyalty and long-term business success. The findings contribute to customer relationship management literature and provide practical insights for local beverage enterprises seeking to improve competitiveness and customer retention.

Keywords: *customer engagement, customer retention intent, customer satisfaction, local beverage industry, structural equation modeling*

INTRODUCTION

Customer retention has emerged as a critical determinant of organizational sustainability, profitability, and long-term competitiveness within contemporary service industries. As market competition intensifies and consumer choices continue to expand, organizations increasingly recognize that retaining existing customers is considerably more cost-effective than continuously acquiring new ones. Retained customers contribute to repeat purchases, positive word-of-mouth communication, brand advocacy, and enhanced customer lifetime value, making customer retention a strategic objective among organizations seeking sustained business growth and market stability (Chaudhari et al., 2025; Ejibenam et al., 2021).

Within the food and beverage industry, customer satisfaction remains one of the most influential determinants of customer behavior. Customer satisfaction refers to customers' evaluations of products, services, pricing, and overall experiences in relation to their expectations. Satisfied customers are more likely to repurchase products, recommend businesses to others, and maintain favorable relationships with organizations. Existing research consistently emphasizes the positive influence of customer satisfaction on loyalty and retention outcomes (Widianti & Astuti, 2023; Septian & Harsoyo, 2023).

Customer engagement has likewise become a prominent concept in relationship marketing and customer relationship management literature. Customer engagement encompasses customers' cognitive, emotional, and behavioral involvement with a brand beyond simple transactional exchanges. Highly engaged customers establish stronger psychological connections with organizations, actively participate in brand-related activities, and are more likely to demonstrate favorable behavioral outcomes such as loyalty, advocacy, and continued patronage (Sim et al., 2022; Kulikovskaja et al., 2023).

The present study is anchored on three complementary theoretical perspectives. First, Expectancy Disconfirmation Theory posits that customer satisfaction develops when perceived product or service performance meets or exceeds customer expectations (Oliver, 1977, 1980). Second, the Consumers' Online Brand-Related Activities Framework explains customer engagement through cognitive, emotional, and behavioral participation in brand-related interactions (Shao, 2009). Third, the Service-Profit Chain Theory suggests that customer satisfaction and relationship quality contribute directly to customer loyalty, retention, and organizational performance (Heskett et al., 1997).

While previous studies have independently examined customer satisfaction, customer engagement, and customer retention across retail, hospitality, and digital service environments, relatively few investigations have explored customer engagement as a mediating mechanism linking customer satisfaction and customer retention intent within local beverage enterprises. Moreover, limited studies have employed Structural Equation Modeling to simultaneously examine the direct and indirect relationships among these constructs in the Philippine beverage industry context (Sim et al., 2022; Kulikovskaja et al., 2023).

Therefore, this study examined customer satisfaction, customer engagement, and customer retention intent among customers of selected local non-alcoholic beverage chains in Valenzuela City. Specifically, the study determined the levels of the major variables, examined demographic differences, investigated their relationships, evaluated the mediating role of customer engagement, and developed a Customer Engagement-Satisfaction-Retention Framework.

METHODS

Research Design

This study employed a quantitative research approach utilizing descriptive, comparative, correlational, mediation, and Structural Equation Modeling (SEM) designs. The quantitative approach was appropriate because the study sought to objectively measure customer engagement, customer satisfaction, and customer retention intent and statistically examine the relationships among these constructs. Quantitative methods are particularly

useful for testing theoretical propositions, measuring latent variables, and generating empirical evidence for model validation (Hair et al., 2022; Kline, 2023).

Furthermore, mediation analysis was conducted to examine whether customer engagement functions as a mediating mechanism between customer satisfaction and customer retention intent. SEM was utilized to validate the proposed Customer Engagement-Satisfaction-Retention Framework because it allows simultaneous examination of direct and indirect relationships among latent constructs (Byrne, 2022; Hair et al., 2022; Kline, 2023).

Research Locale

The study was conducted in selected local non-alcoholic beverage chain branches operating in Valenzuela City, Metro Manila, Philippines. Valenzuela City is one of the highly urbanized cities in the National Capital Region and has experienced substantial growth in the food and beverage sector, particularly in the establishment of milk tea stores, cafés, coffee shops, and specialty beverage outlets.

The increasing number of beverage establishments has intensified competition within the local market, prompting businesses to adopt various customer relationship strategies aimed at improving customer satisfaction, strengthening customer engagement, and encouraging customer retention. These circumstances provide an appropriate context for examining customer behavior and customer relationship dynamics within the local beverage industry.

Data collection was conducted during regular business operations to ensure that respondents reflected actual customers with recent consumption experiences. The participating branches were selected based on accessibility, customer traffic volume, operational stability, and management approval.

Participants and Sampling Technique

The participants of the study consisted of customers of selected local non-alcoholic beverage chains in Valenzuela City. To qualify for inclusion, respondents were required to be actual customers who had recently purchased products from the participating establishments.

A total of 369 respondents participated in the study. The sample size exceeded the minimum requirement recommended for structural equation modeling and was considered sufficient for descriptive, comparative, correlational, mediation, and structural analyses.

A convenience-based cluster sampling technique was utilized. Selected beverage chain branches served as clusters, while customers who met the inclusion criteria and voluntarily agreed to participate were invited to respond to the survey questionnaire. This sampling approach was considered appropriate because of operational accessibility and the absence of a comprehensive customer sampling frame.

Table 1. *Distribution of Respondents*

Category	Frequency	Percentage
Total Respondents	369	100.0

The sample size provided adequate representation of customers from the participating beverage establishments and supported the statistical requirements of the analytical procedures employed in the study.

Research Instrument

The primary data-gathering instrument was a structured survey questionnaire consisting of four sections. The first section collected the demographic profile of the respondents, including age, sex, frequency of visit, and branch visited. The second section measured customer engagement through its dimensions of cognitive engagement, emotional engagement, and behavioral engagement. The third section assessed customer satisfaction in terms of product quality, service quality, price and value, and overall experience. The fourth section measured customer retention intent through indicators of repurchase intention, referral intention, and brand loyalty.

The questionnaire items were adapted from established literature on customer engagement, customer satisfaction, and customer retention and were aligned with the theoretical foundations of the study. Responses were measured using a four-point Likert scale, with higher scores indicating stronger agreement with the statements presented.

To facilitate interpretation of the weighted mean scores, the scale shown in Table 2 was utilized.

Table 2. Scale for the Interpretation of Weighted Mean Scores

Mean Range	Verbal Interpretation
3.26-4.00	Strongly Agree
2.51-3.25	Agree
1.76-2.50	Disagree
1.00-1.75	Strongly Disagree

Prior to the conduct of the study, the instrument underwent expert validation to establish content validity. A pilot test involving ten respondents outside the target population was conducted at a branch located in Malabon City to assess reliability and determine the internal consistency of the questionnaire. Reliability was evaluated through Cronbach's alpha coefficient, and the results are presented in Table 3.

Table 3. Cronbach's Alpha Reliability Test of the Research Instrument

Scale/Variable	Number of Items (k)	Cronbach's Alpha (α)	Interpretation
Customer Engagement	28	0.96	Excellent Reliability
Customer Satisfaction	32	0.96	Excellent Reliability
Customer Retention Intent	24	0.97	Excellent Reliability
Overall Instrument	84	0.96	Excellent Reliability

Note. The pilot test involved 10 respondents outside the target population. Cronbach's alpha coefficients ranging from .96 to .97 indicate excellent internal consistency of the instrument. The overall questionnaire demonstrated excellent reliability and was considered suitable for administration in the actual study.

The reliability results demonstrate that all instrument dimensions exceeded the commonly accepted threshold for internal consistency, indicating that the questionnaire items consistently measured the intended constructs. Based on these findings, the instrument was deemed appropriate for use in the full-scale data collection.

Data Gathering Procedure

Prior to data collection, permission was obtained from the management of the participating beverage establishments. Upon approval, customers were informed regarding the purpose of the study, the voluntary nature of participation, and the confidentiality of the information to be collected.

Data collection was conducted using both printed survey questionnaires and online survey forms. Customers present during the data collection period were invited to participate voluntarily. Printed questionnaires were personally distributed and retrieved by the researcher, while online responses were collected through a secure electronic platform.

Upon completion, all responses were screened, coded, tabulated, and verified to ensure data accuracy and completeness. The finalized dataset was subsequently subjected to statistical analyses.

Statistical Treatment of Data

The statistical procedures employed in the study are presented in Table 4.

Table 4. *Statistical Treatment of Data*

Research Objective	Statistical Tool
Describe respondent demographics	Frequency and Percentage
Determine levels of customer engagement, satisfaction, and retention intent	Mean and Standard Deviation
Determine significant differences among groups	Independent Samples t-Test and One-Way ANOVA
Determine relationships among variables	Pearson Product-Moment Correlation
Determine mediation effect	Mediation Analysis
Validate the proposed framework	Structural Equation Modeling

Frequency and percentage distributions were utilized to describe respondent characteristics. Mean and standard deviation were employed to determine the levels of customer engagement, customer satisfaction, and customer retention intent.

Independent samples t-test and one-way analysis of variance (ANOVA) were used to determine significant differences among respondent groups. Pearson Product-Moment Correlation Coefficient was employed to establish the strength and direction of the relationships among the major variables.

Mediation analysis was conducted to determine whether customer engagement significantly mediates the relationship between customer satisfaction and customer retention intent.

Finally, Structural Equation Modeling was employed to evaluate the direct and indirect relationships among the latent constructs and validate the proposed Customer Engagement-Satisfaction-Retention Framework.

Ethical Considerations

The conduct of the study adhered to established ethical principles governing research involving human participants. Permission to conduct the study was secured from the management of the participating beverage establishments prior to data collection. Respondents were informed regarding the purpose of the study, their rights as research participants, the voluntary nature of participation, and their freedom to withdraw from the study at any point without penalty.

Confidentiality and anonymity were strictly maintained throughout the research process. No personally identifiable information was collected from respondents, and all information obtained was used exclusively for academic and research purposes.

Furthermore, all sources utilized in the study were properly acknowledged to uphold academic integrity and ethical scholarship. Data collection, analysis, interpretation, and reporting were conducted objectively and without misrepresentation of findings.

RESULTS AND DISCUSSION

Table 5. *Summary of Customer Engagement Dimensions*

Dimension	Mean	SD	Interpretation	Rank
Cognitive Engagement	3.15	0.46	Agree	1
Emotional Engagement	3.13	0.44	Agree	2
Behavioral Engagement	3.03	0.48	Agree	3
Overall Mean	3.10	0.46	Agree	

The findings indicate that respondents generally exhibited a favorable level of customer engagement. Among the engagement dimensions, cognitive engagement obtained the highest rating, followed by emotional engagement and behavioral engagement.

The prominence of cognitive engagement suggests that customers actively evaluate information, brand reputation, and product quality before developing deeper emotional and behavioral connections with the brand. This finding supports the Consumers' Online Brand-Related Activities Framework, which posits that customer engagement develops through interconnected cognitive, emotional, and behavioral processes (Shao, 2009).

The findings are likewise consistent with Sim et al. (2022), who reported that customer engagement is influenced by customer involvement, trust, and willingness to interact with brands. Similarly, Kulikovskaja et al. (2023) found that social media interactions and digital content significantly influence customer engagement and lead to favorable outcomes such as loyalty, advocacy, and stronger customer-brand relationships.

Table 6. *Summary of Customer Satisfaction Dimensions*

Dimension	Mean	SD	Interpretation	Rank
Product Quality	3.25	0.43	Agree	1
Price and Value	3.20	0.43	Agree	2
Overall Experience	3.19	0.45	Agree	3
Service Quality	3.17	0.44	Agree	4
Grand Mean	3.20	0.44	Agree	

The results indicate that respondents expressed favorable levels of customer satisfaction. Product quality emerged as the strongest contributor to customer satisfaction, followed by price and value, overall experience, and service quality.

The findings support Expectancy Disconfirmation Theory, which explains that customer satisfaction occurs when organizational performance meets or exceeds customer expectations (Oliver, 1977, 1980). Customers who perceive superior product quality and positive service experiences are more likely to develop favorable evaluations toward the organization.

The results also support the findings of Widiyanti and Astuti (2023), who emphasized that customer satisfaction serves as an important mechanism linking service-related attributes to customer loyalty. Likewise, Septian and Harsoyo (2023) concluded that experiential marketing, perceived value, and brand image significantly contribute to customer satisfaction outcomes.

Table 7. *Summary of Customer Retention Intent Dimensions*

Dimension	Mean	SD	Interpretation	Rank
Repurchase Intention	3.17	0.44	Agree	1
Referral Intention	3.10	0.44	Agree	2
Brand Loyalty	3.10	0.45	Agree	3
Overall Mean	3.12	0.44	Agree	

The findings revealed favorable levels of customer retention intent among respondents, with repurchase intention emerging as the strongest dimension.

The results support the Service-Profit Chain Theory, which argues that customer satisfaction and positive service experiences contribute to customer retention and organizational performance (Heskett et al., 1997). Customers who perceive greater value and positive experiences are more likely to maintain long-term relationships with organizations.

The findings are consistent with Chaudhari et al. (2025), who highlighted the importance of customer retention in sustaining organizational profitability, and Ejibenam et al. (2021), who emphasized that retained customers contribute significantly to organizational growth through repeat patronage and referrals.

Table 8. Summary of Significant Differences in Customer Engagement, Customer Satisfaction, and Customer Retention Intent Across Demographic Characteristics

Demographic Variable	Engagement	Satisfaction	Retention Intent
Age	Significant	Significant	Not Significant
Sex	Significant	Significant	Significant
Frequency of Visit	Significant	Significant	Significant
Branch Visited	Not Significant	Significant	Significant

Note. Significance was determined using Independent Samples t-test and One-Way Analysis of Variance (ANOVA) at $\alpha = .05$.

The findings indicate that demographic and situational characteristics significantly influence customer engagement, customer satisfaction, and customer retention intent. Age significantly affected engagement and satisfaction, suggesting that younger customers are generally more responsive to customer relationship and digital engagement initiatives. This finding supports the studies of Sim et al. (2022) and Kulikovskaja et al. (2023), which emphasized the role of customer participation and digital interaction in strengthening customer engagement.

Sex significantly influenced all three variables, indicating differences in customer perceptions and behavioral responses across customer groups. Consistent with Septian and Harsoyo (2023) and Pranadetha et al. (2025), the findings suggest that customer experiences and engagement levels may vary according to demographic characteristics.

Among the variables examined, frequency of visit emerged as the strongest differentiating factor. Customers who visited more frequently reported higher engagement, satisfaction, and retention intent, supporting the view that repeated interactions strengthen customer relationships and loyalty (Ejibenam et al., 2021; Mathew, 2021). This finding also aligns with the Service-Profit Chain Theory, which posits that positive customer experiences contribute to long-term retention and loyalty (Heskett et al., 1997).

Branch location significantly affected satisfaction and retention intent but not engagement. This finding suggests that operational and service-related differences across branches may influence customer evaluations and retention behaviors. Similar observations were reported by Widiandi and Astuti (2023) and Chaudhari et al. (2025), who highlighted the importance of service quality and customer experience in sustaining customer retention.

Overall, the findings underscore the importance of customer segmentation, service consistency, and relationship-building strategies in enhancing customer engagement, satisfaction, and retention among local beverage consumers (Sim et al., 2022; Kulikovskaja et al., 2023)

Structural Relationships Among Customer Satisfaction, Customer Engagement, and Customer Retention Intent

Structural equation modeling analysis was conducted by examining the significance, strength, and direction of the hypothesized relationships among customer satisfaction, customer engagement, and customer retention intent. The analysis focused on evaluating direct effects, indirect effects, and mediation pathways in support of the proposed Customer Engagement-Satisfaction-Retention Framework.

The significant structural relationships obtained from the model provide empirical support for the theoretical proposition that customer satisfaction contributes directly to customer retention and indirectly through customer engagement.

Table 9. *Structural Equation Modeling Results*

Structural Path	β	p-value	Interpretation
Customer Satisfaction $\rightarrow$ Customer Engagement	0.93	< .001	Significant
Customer Engagement $\rightarrow$ Customer Retention Intent	0.38	.004	Significant
Customer Satisfaction $\rightarrow$ Customer Retention Intent	0.57	< .001	Significant
Indirect Effect (CS $\rightarrow$ CE $\rightarrow$ CR)	0.36	.004	Significant
Total Effect	0.92	< .001	Significant

The structural model revealed that customer satisfaction significantly influences customer engagement. This finding suggests that customers who perceive favorable service experiences, superior product quality, and greater value are more likely to develop stronger cognitive, emotional, and behavioral engagement with the brand.

The finding is consistent with Pranadetha et al. (2025), who reported that customer satisfaction significantly contributes to customer engagement and customer loyalty outcomes. Similarly, Sim et al. (2022) found that positive customer evaluations and experiences strengthen customer engagement behaviors.

The results further established that customer engagement significantly influences customer retention intent. The finding supports previous studies indicating that engaged customers demonstrate stronger loyalty, advocacy, and continued patronage intentions (Sim et al., 2022; Kulikovskaja et al., 2023).

The significant direct effect of customer satisfaction on customer retention intent reinforces previous literature emphasizing satisfaction as a primary determinant of customer loyalty and retention (Widianti & Astuti, 2023; Chaudhari et al., 2025).

Most importantly, the mediation analysis confirmed that customer engagement functions as a significant mechanism through which customer satisfaction influences customer retention intent. This finding supports contemporary customer relationship management perspectives that position engagement as a critical bridge between customer experiences and long-term loyalty outcomes (Sim et al., 2022; Kulikovskaja et al., 2023).

Table 10. *Summary of Hypotheses Testing Results*

Alternative Hypothesis	Statement	Statistical Basis	Decision
Ha ₁	There are significant differences in customer engagement when respondents are grouped according to demographic characteristics.	Comparative Analysis Results	Accepted
Ha ₂	There are significant differences in customer satisfaction when respondents are grouped according to demographic characteristics.	Comparative Analysis Results	Accepted
Ha ₃	There are significant differences in customer retention intent when respondents are grouped according to demographic characteristics.	Comparative Analysis Results (partially supported)	Partially Accepted
Ha ₄	Customer satisfaction significantly influences customer engagement.	$\beta = .93, p < .001$	Accepted
Ha ₅	Customer engagement significantly influences customer retention intent.	$\beta = .38, p = .004$	Accepted
Ha ₆	Customer satisfaction significantly influences customer retention intent.	$\beta = .57, p < .001$	Accepted
Ha ₇	Customer engagement significantly mediates the relationship between customer satisfaction and customer retention intent.	Indirect Effect = .36, $p = .004$	Accepted
Ha ₈	The proposed Customer Engagement-Satisfaction-Retention Framework is supported by significant structural relationships among the latent constructs.	Structural Model Validation Results	Accepted

The results revealed significant differences in customer engagement and customer satisfaction across selected demographic groups, while customer retention intent varied only across certain demographic characteristics. Specifically, age significantly influenced customer engagement and customer satisfaction but did not significantly affect customer retention intent. Meanwhile, sex and frequency of visit significantly affected customer engagement, customer satisfaction, and customer retention intent. Branch visited was found to significantly influence customer satisfaction and customer retention intent but not customer engagement. These findings suggest that demographic and situational factors contribute to variations in customer perceptions and relationship outcomes. Similar observations have been reported in customer relationship and engagement studies, which indicate that customer characteristics influence engagement, satisfaction, and behavioral responses toward organizations (Sim et al., 2022; Pranadetha et al., 2025).

The findings further demonstrated that customer satisfaction significantly influences customer engagement and customer retention intent. Customers who perceive favorable product quality, service quality, price and value, and overall experiences are more likely to develop stronger engagement and exhibit retention-related behaviors. These results support the propositions of Expectancy Disconfirmation Theory and are consistent with previous studies emphasizing the importance of customer satisfaction in strengthening customer relationships and loyalty outcomes (Oliver, 1977, 1980; Widiанти & Astuti, 2023).

Customer engagement was likewise found to significantly influence customer retention intent. This finding indicates that cognitively, emotionally, and behaviorally engaged customers are more likely to continue patronizing the organization, recommend its products and services, and remain loyal to the brand. The result supports the Consumers' Online Brand-Related Activities (COBRA) Framework and aligns with the findings of Sim et al. (2022) and Kulikovskaja et al. (2023), who reported that customer engagement serves as an important driver of loyalty, advocacy, and long-term customer relationships.

Most importantly, mediation analysis confirmed that customer engagement significantly mediates the relationship between customer satisfaction and customer retention intent. Thus, H_{a7} was accepted. This finding suggests that customer satisfaction contributes to customer retention both directly and indirectly through the development of customer engagement. The result highlights the importance of transforming satisfied customers into engaged customers to strengthen long-term loyalty and retention outcomes. The finding is consistent with contemporary customer relationship management literature, which recognizes customer engagement as a critical mechanism linking positive customer experiences to sustainable retention and loyalty behaviors (Sim et al., 2022; Kulikovskaja et al., 2023; Pranadetha et al., 2025).

Overall, the findings provide empirical support for the proposed Customer Engagement-Satisfaction-Retention Framework and affirm the theoretical propositions of Expectancy Disconfirmation Theory, the Consumers' Online Brand-Related Activities Framework, and Service-Profit Chain Theory. The validated framework demonstrates that customer satisfaction remains a primary driver of customer retention, while customer engagement functions as a significant relational mechanism that strengthens and sustains long-term customer loyalty.

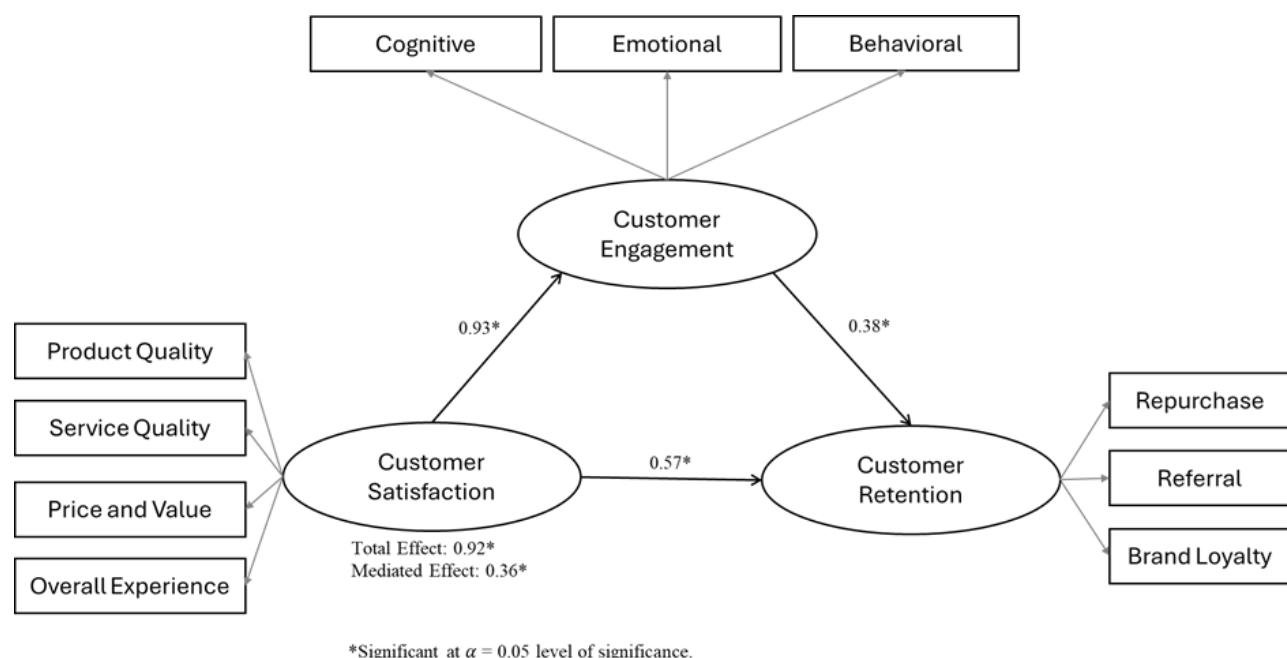


Figure 1. *Customer Engagement-Satisfaction-Retention Framework*

Note. The framework illustrates the direct influence of customer satisfaction on customer retention intent and the mediating role of customer engagement in strengthening retention-related outcomes.

The validated structural model supports the proposed Customer Engagement-Satisfaction-Retention Framework. The framework establishes customer satisfaction as the primary antecedent influencing customer retention intent both directly and indirectly through customer engagement. Specifically, customers who perceive favorable product quality, service quality, price and value, and overall experiences develop stronger cognitive, emotional, and behavioral engagement with the brand. These engagement dimensions subsequently strengthen customers' intentions to repurchase, recommend, and remain loyal to the organization.

The framework highlights that customer retention is not achieved through customer satisfaction alone. Rather, customer satisfaction becomes more effective when translated into meaningful customer engagement experiences. As customers become more engaged with a brand, stronger relational bonds develop, enhancing customers' commitment to continue patronizing the organization despite competitive alternatives.

The framework further suggests that local beverage enterprises should adopt an integrated customer relationship management approach emphasizing product excellence, service quality, customer interaction, digital engagement, and relationship-building initiatives. Through the combined influence of satisfaction and engagement, organizations may achieve stronger customer retention and long-term competitiveness.

CONCLUSION

This study examined customer satisfaction, customer engagement, and customer retention intent among customers of selected local non-alcoholic beverage chains in Valenzuela City and developed a Customer Engagement-Satisfaction-Retention Framework grounded in empirical evidence. The findings revealed that respondents generally demonstrated favorable levels of customer engagement, customer satisfaction, and customer retention intent. Cognitive engagement emerged as the strongest dimension of customer engagement, while product quality was identified as the most influential contributor to customer satisfaction. Repurchase

intention emerged as the strongest indicator of customer retention intent, highlighting customers' willingness to continue patronizing the establishments.

The comparative analyses established that customer engagement, customer satisfaction, and customer retention intent vary across selected demographic characteristics. Frequency of visit emerged as the most influential demographic factor, indicating that repeated customer interactions contribute significantly to relationship development. Differences across branch locations further suggest that operational consistency and service quality influence customer relationship outcomes.

More importantly, the structural model confirmed that customer satisfaction significantly influences customer engagement and customer retention intent. Customer engagement likewise significantly affects customer retention intent and functions as a mediating mechanism between satisfaction and retention. These findings demonstrate that satisfied customers are more likely to become cognitively, emotionally, and behaviorally engaged with a brand, which subsequently strengthens customer loyalty and retention-related behaviors. The findings support the propositions of Expectancy Disconfirmation Theory, the Consumers' Online Brand-Related Activities Framework, and Service-Profit Chain Theory. Overall, the study concludes that customer satisfaction serves as the primary driver of customer retention, while customer engagement functions as a critical relational mechanism that amplifies and sustains long-term customer loyalty.

The findings have important implications for local beverage chain owners, managers, and marketing practitioners. Since product quality emerged as the strongest contributor to customer satisfaction, organizations should continuously invest in product consistency, quality assurance, innovation, and customer experience enhancement. Customer engagement initiatives should likewise be integrated into customer relationship management strategies through meaningful interactions, personalized communication, and digital engagement activities. The significant influence of visit frequency on engagement, satisfaction, and retention further suggests the value of establishing loyalty and rewards programs that encourage repeat patronage. Moreover, the significant differences observed across branch locations highlight the need for service consistency, standardized operational procedures, and continuous employee development. The validated Customer Engagement-Satisfaction-Retention Framework may therefore serve as a useful guide for managers in evaluating customer relationship performance and formulating strategies that promote long-term competitiveness and customer loyalty.

Several limitations should be considered when interpreting the findings. The study was limited to customers of selected local non-alcoholic beverage chain branches in Valenzuela City, which may restrict the generalizability of the results to other industries and geographic locations. The cross-sectional nature of the study captured customer perceptions at a single point in time, thereby limiting causal inferences despite the use of Structural Equation Modeling. Furthermore, the study relied on self-reported survey responses that may be influenced by subjective perceptions and response tendencies. Future studies may address these limitations by conducting longitudinal investigations, expanding the study to different industries and locations, and incorporating objective behavioral indicators such as purchase frequency, transaction records, and loyalty program participation.

Future research may also extend the proposed framework by examining additional variables such as customer trust, brand image, customer experience quality, service innovation, perceived value, switching costs, and digital marketing effectiveness. Multigroup structural analyses may likewise be conducted to determine whether the relationships among customer satisfaction, customer engagement, and customer retention differ across demographic segments and customer groups. Finally, qualitative and mixed-methods approaches may provide deeper insights into the mechanisms through which customer satisfaction and customer engagement contribute to customer retention within the beverage industry and other service-oriented sectors.

References

- Byrne, B. M. (2022). *Structural equation modeling with AMOS: Basic concepts, applications, and programming* (4th ed.). Routledge.
- Chaudhari, M., Gharge, S., Naik, R., Ammangi, N., Chhabra, G., & Pashankar, A. (2025). Customer retention: A self-learning approach. *International Journal of Accounting and Economics Studies*, 12(6), 696–702.
- Ejibenam, A., Ademola, H., Halliday, N., Onibokun, T., & Oladeji, K. D. (2021). The relevance of customer retention to organizational growth. *Journal of Frontiers in Multidisciplinary Research*, 2(1), 113–120.
- Hair, J. F., Babin, B. J., Anderson, R. E., & Black, W. C. (2022). *Multivariate data analysis* (8th ed.). Cengage Learning.
- Heskett, J. L., Sasser, W. E., Jr., & Schlesinger, L. A. (1997). *The service profit chain: How leading companies link profit and growth to loyalty, satisfaction, and value*. Free Press.
- Kline, R. B. (2023). *Principles and practice of structural equation modeling* (5th ed.). Guilford Press.
- Kulikovskaja, V., Hubert, M., Grunert, K. G., & Zhao, H. (2023). Driving marketing outcomes through social media-based customer engagement. *Journal of Retailing and Consumer Services*, 74, Article 103445. <https://doi.org/10.1016/j.jretconser.2023.103445>
- Mathew, J. (2021). Drivers of customer retention: An introspection into Indian retail customers. *Vision: The Journal of Business Perspective*, 28(5), 567–579. <https://doi.org/10.1177/09722629211043592>
- Oliver, R. L. (1977). Effect of expectation and disconfirmation on postexposure product evaluations: An alternative interpretation. *Journal of Applied Psychology*, 62(4), 480–486. <https://doi.org/10.1037/0021-9010.62.4.480>
- Oliver, R. L. (1980). A cognitive model of the antecedents and consequences of satisfaction decisions. *Journal of Marketing Research*, 17(4), 460–469. <https://doi.org/10.1177/002224378001700405>
- Pranadetha, A., Hanoum, S., & Noer, L. R. (2025). Analysis of the influence of customer-perceived values, customer engagement, and customer satisfaction on customer loyalty. *Jurnal Ilmiah Manajemen Kesatuan*, 13(1), 531–540. <https://doi.org/10.37641/jimkes.v13i1.3102>
- Septian, M. R., & Harsoyo, T. D. (2023). The effect of experiential marketing, customer perceived value, and brand image on customer satisfaction. *Jurnal Ilmiah Manajemen Kesatuan*, 11(3), 1613–1620. <https://doi.org/10.37641/jimkes.v11i3.2378>
- Shao, G. (2009). Understanding the appeal of user-generated media: A uses and gratification perspective. *Internet Research*, 19(1), 7–25. <https://doi.org/10.1108/10662240910927795>
- Sim, M., Conduit, J., Plewa, C., & Hentzen, J. K. (2022). Customer engagement with service providers: An empirical investigation of customer engagement dispositions. *European Journal of Marketing*, 56(7), 1926–1955. <https://doi.org/10.1108/EJM-12-2020-0879>
- Widianti, E., & Astuti, M. (2023). Customer satisfaction: Mediating customer loyalty in foodservice industry dynamics. *Academia Open*, 8(1). <https://doi.org/10.21070/acopen.8.2023.3519>