

## ABSTRACT

Sport is a good activity for the continuity of someone's health. In supporting sports activities, tools are needed that can facilitate and make sports activities more optimal. One of the tools needed to support sports activities is sports shoes. Sports shoes are one of the essential tools and are needed in sports activities. Now customers can choose the variant of sports shoes they need, with the features provided by each sports shoe manufacturer. Sports activities are activities that are in great demand by the millennial generation. According to the results of a survey conducted by the Center Strategic and International Studies (CSIS) in 2017, 30.8% of the 600 respondents in 34 provinces and the millennial generation chose sports as the number 1 choice to become a hobby of interest. According to a survey conducted by PT. Frontier, 3 shoe brands that are very well known and in demand by the public are Adidas, Nike, and Reebok. In the world market, Nike is a huge company with a value that is too far from its competitors. However, in Indonesia itself, especially Semarang, Nike experienced instability in loyal customers using Nike sports shoes. This can be illustrated by the Top Brand Index Survey conducted by PT. frontier.

This study aims to analyze the influence of product quality and brand image on customer loyalty with the role of customer satisfaction as a mediating variable on the millennial generation object that uses Nike sports shoes in Semarang. The number of samples used in this study were 130 respondents who were customers aged between 19-29, used Nike shoes for 1 year, or had purchased Nike sports shoes more than once. This study uses the Structural Equation Model (SEM) analysis method with Partial Least Square (PLS) as a data processing tool.

The results of this study indicate that product quality and brand image and customer satisfaction have a positive and significant impact on customer loyalty.

**Keywords:** Product Quality, Brand Image, Customer Satisfaction, Customer Loyalty, Sports Shoes