



Factors influencing customer satisfaction within Indonesian taxi providers

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Abstract

This study aims to investigate the effect of service quality, company image and promotion on customer satisfaction and loyalty in Indonesian taxi service providers. This research uses explanative, descriptive and quantitative designs. The sample involved in the study was 100 respondents who were selected by a purposive sampling method. Data collection was carried out using a questionnaire. Data were analyzed using structural equation modelling with partial least square approach. The results showed that service quality has a significant influence on customer satisfaction and loyalty. Company image and promotion also have a significant influence on customer satisfaction and loyalty. Meanwhile, customer satisfaction does not significantly influence consumer loyalty.

Keywords: service quality, corporate image, promotion, satisfaction and loyalty

1. Introduction

In the development of a nation, transportation has a strategic position to mobilize economic sectors throughout the country. In realizing the development goals, integrated traffic and road transport have a strategic role. In fulfilling the needs of transportation services, the development trend of taxi as one of the means of public transportation continues to increase. This is in line with the increasing level of education, income, and changes in people's lifestyles. During 2015-2017, the number of taxis in Jakarta was 41,950 fleets with the following percentage of ownership: Blue Bird Group (59.59%), Express Taxi (23.84%), Taxi Putra (7.03%), Gamy Taxi (4.77%), and Taxiku (4.77%).

Recent years, along with the development of digital technology, Indonesia has experienced changes in the transportation sector. This is indicated by the emergence of online-based transportation models in major cities in Indonesia.

As a result, competition among taxi service providers has become tighter. Therefore, each company strives to provide the best service with the aim of providing satisfaction and loyalty to their consumers. Literature stated that customer satisfaction is a very important factor for facing a very fierce competition (Anderson *et al.*, 2004; Chang *et al.*, 2013) ^[2, 8]. In this case, there is a big difference in loyalty between customers who are merely satisfied and who are truly satisfied. Customers who are satisfied are likely to be captured by competitors. But consumers who are truly satisfied will remain loyal despite attractive offers from competitors (Foster and Gadogan, 2000) ^[14]. In the face of competition and maintaining market position, Blue Bird Group has collaborated with online-based taxi service providers (Go-Jek) to promote that Blue Bird Group taxi has lower fares than non-fare taxis, adding services to the original fleet of only 4 passengers to fleet that has a capacity of 7 passengers, and build a pool near the housing, so pick up time is faster.

At present, there is an understanding that profit is no longer the company's goal. However, profits are the result of a

company's ability to create value and customer satisfaction. In hence, it is assumed that with perceived value and satisfaction, customers will be loyal to the company's products (Innis and La Londe, 1994) ^[21]. The literature suggested that there are several determinants that influence consumer satisfaction: namely service quality, corporate image, and promotion (Ismail *et al.*, 2006; Jin *et al.*, 2004) ^[23, 24]. Quality of service comes from the efforts that companies are working to meet customer expectations. Service quality is a measure of how well a service meets the desires and expectations of customers. Service quality is shaped by a long-term and comprehensive evaluation of the company's appearance or performance. Service quality indicates the extent to which service features conform to organizational specifications and requirements (Pasaruraman *et al.*, 1988) ^[28]. Therefore, service quality is a measure of company performance in ensuring the achievement of customer satisfaction. When customers get a positive experience with the quality of service they get, the company will be able to increase customer satisfaction. Many experts recognize that service quality is a major factor determining customer satisfaction. In this case, an increase in customer satisfaction is directly proportional to an increase in the quality of company service (Mubarak, 2017; De Ruyter *et al.*, 1997) ^[27, 13].

The second factor thought to have influenced consumer satisfaction is the company's image. The company's image shows the public's perception of the company's identity. Building a company image is an effort to prepare consumers to know the company's products and positive employee perceptions of their company. The corporate image is a function of the experience and expectations of consumers for the quality of company services (Weiwei, 2007; Sallam, 2015) ^[35, 32]. Previous studies found evidence of the relationship between company image, customer satisfaction, and consumer loyalty. Previous study also found the relationship between company image, quality of service, customer satisfaction, and customer loyalty (Ishaq, 2012; Galiyah and Mubarak, 2017; Abd-El-Salam *et al.*, 2013) ^[22, 15, 1].

Another factor that is considered a factor that influences consumer satisfaction is promotion. Promotion is a means for companies to inform, persuade, and confirm consumers about the company's products, as well as for purchasing decisions. Promotion is a collection of various incentive tools, mostly short-term, designed for consumers to buy products or services faster or larger (Chen and Kao, 2011; Pi and Huang, 2011) ^[10, 29]. This study aims to investigate the relationship between service quality, corporate image, and promotion in determining customer satisfaction and loyalty of taxi service users in Indonesia

2. Literature Review

2.1 Service Quality

Service quality is an important variable for service providers to compete with their rivals. Services differ from products because they are intangible, heterogeneous, perishable and inseparable; thus, their evaluation is more complex than product evaluation (Aydin and Ozer, 2005) ^[4]. In the increasingly competitive environment, service quality as an important strategy for success and survival has attracted increasing interest over the past 20 years). The organization strives to gain strategic competitive advantage by providing high quality services in order to create customer satisfaction. Researchers generally agree that companies need to recognize and respond immediately to customer needs efficiently and effectively, the results in order to increase customer satisfaction which in turn will increase company profits (Abd-El-Salam *et al.*, 2013) ¹. Therefore, companies must continually ask themselves: what do customers want from us, and how can we improve customer perceptions about our current services. As a result, many marketing researchers believe that service quality, customer satisfaction, and customer loyalty are three distinctive elements that must be fought by service organizations (Hong and Goo, 2004; Ismail *et al.*, 2004) ^[19].

Quality of service as defined by Parasuraman *et al.* (1988) resulted from the comparison of customer expectations with the service performance received. Literature widely describes service quality as an overall assessment of customers about service excellence offered by companies. Service quality is also influenced by the ability of organizations to meet customer needs (Cronin *et al.*, 2000) ^[11]. The literature stated that customer loyalty is very important and has been recognized as the main instrument to improve the company's financial performance in today's competitive markets. Among many interpretations, meeting or exceeding customer expectations have been accepted as the most common definition for service quality (Blackmon and Chase, 2004; De Ruyter *et al.*, 1997) ^[5, 13]. Parasuraman *et al.* (1988) have developed SERVQUAL, a well-known service quality scale for measuring service quality quantitatively. However, according to the findings of several researchers, the SERVQUAL model will not always produce consistent service quality results. This has led to the acceptance of the New SERVQUAL scale which emphasizes a simplified assessment of customer motivation and actual behaviour purely from performance alone. Some studies find a correlation between service quality and customer satisfaction, while service quality has been considered a major driver of loyalty (Cronin *et al.*, 2000) ^[11].

According to Parasuraman *et al.* (1988), in an effort to build service quality, there are five service dimensions that

companies can do: namely reliability, responsiveness, assurance, empathy, and tangibles. Literature widely argues that service quality consists of three dimensions, namely the technical dimension or results, functional dimensions, and corporate image (Ismail *et al.*, 2006) ^[23]. Meanwhile, other experts set four dimensions of service quality, namely attention and care, spontaneity, problem solving, and recovery (Ismail *et al.*, 2006; Mubarak, 2017) ^[23, 27]. Meanwhile, Zeithaml *et al.* (1996) ^[36] holds that service quality is determined by three dimensions, namely technical quality, this relates to the quality of service that consumers can evaluate before and after purchase; functional quality, this relates to the quality of the shipping method; and company image, this relates to the profile, reputation, general image, and special appeal of the company. A number of research results indicate that service quality has a positive effect on customer satisfaction and loyalty (Cronin *et al.*, 2000; Mubarak, 2017; Ghaliyah and Mubarak, 2017) ^[11, 27].

2.2 Corporate Image

Literature widely stated that corporate image and corporate identity are two different things, but are closely related. Corporate identity describes the identity displayed by the company, while corporate image shows the public perception of identity itself. In hence, identity can help companies remind people of their image (Weiwei, 2007) ^[35]. There are two main elements in corporate identity, i.e. names (brands) and logos, a combination of both called corporate symbols. Identity can be used in a relatively short term, while the image is built in a relatively long time. Good identity is one of the important factors in forming a positive corporate image. The company image needs to be popularized through the promotion mix, especially in the target segment (Sallam, 2015) ^[32]. The promotion efforts are through advertisements that have the following main objectives: building awareness of the target segment towards the company; forming public perceptions of company identity; and maintaining perception as long as possible. Advertisements about image are the company's efforts to prepare consumers to get to know updated products or new products to be marketed. Building image in the eyes of employees also needs to be done, as an effort to remind the importance of building positive perceptions of employees towards the company (Darti *et al.*, 2018; LeBlanc and Nguyen, 1996) ^[12, 26].

Furthermore, corporate image is also referenced as a belief, idea, and impression that someone has. In this sense, image has two main components, namely functional components and emotional concepts. Functional components related to the psychological dimensions that manifest in feelings and attitudes towards a company while emotional concepts related to tangible characteristics that are easily measured (Ishaq, 2012; Chattanon and Meredith, 2007) ^[22, 9]. The corporate image is not a single entity, but depends on the perceptions of each group of people and the type of experience and contact they have with the company. Different experiences and information will create different perceptions on each object, so the company's image will be perceived differently by everyone (LeBlanc and Nguyen, 1996) ^[26]. There are several reasons why the image becomes so important for the company, i.e. telling hope through an external marketing campaign; as a filter that influences perceptions of company activities; as a function of

consumer experience and expectations for the quality of company services; and having an important influence on internal management (Abd-El-Salam *et al.*, 2013; Hu and Huang, 2011) ^[1, 20]. In the service business, there are five potential factors that can affect customer perceptions of a service company's image, i.e. corporate identity, displaying identity that differentiates it from other companies; reputation, the company's consistency in organizational behaviour; level of services, service processes performed by management about the company; tangible cues, places used to assist the operation process; and contact person, direct interaction with customers in assessing company image (Chattananon and Meredith, 2007) ^[9].

The literature generally recognizes that a company's image has a positive impact on customer satisfaction and loyalty. In this case, there are several factors that must be met to build a good corporate image: the implementation of good quality management, obtain measurable income, high attention to the environment; good impression from employees; always creating innovation; always oriented to the desires of consumers; important contribution to the economy; hope to develop better in the future; superior quality of goods and services; and actively providing information about the company to the public (Hu and Huang, 2011; Chattananon and Meredith, 2007) ^[20, 9]. Furthermore, the literature identifies three main dimensions of organizational image, namely visual elements, verbal elements, and behavioural elements. Visual elements related to management and the results of an organization, verbal elements related to things that can be known verbally by customers or stakeholders, behavioural elements related to management and the results of an organization. This view shows that company image is an important aspect to study because it is one of the factors that determine customer satisfaction and loyalty (Hu and Huang, 2011; Ghaliyah and Mubarak, 2017) ^[20].

2.3 Promotion

Promotion is a means of organization for the purpose of notifying, persuading, and reminding consumers both directly and indirectly about their products and brands (Kotler and Keller, 2012) ^[25]. Promotional strategies are designed by combining advertising, individual sales, sales promotions, and publicity into an integrated program to communicate with buyers and influence buying decisions (Grover and Srinivasan, 1992; Ubeja, 2014) ^[16, 34]. The term integrated promotion was later developed into the term integrated marketing communication. This is due to the word promotion connotes one-way information flow, while marketing communication emphasizes two-way interaction. The promotion is perceived as a form of mass communication, while integrated marketing communication is more personal or individual. The term integrated also shows harmony or integration in terms of goals, focus, and strategic direction between promotional mix elements (Shamsi and Khan, 2018; Foster and Gadogan, 2000) ^[33, 14]. Furthermore, literature holds that integrated marketing communication is comprehensive, integrated, targeted, coordinated, and productivity in achieving goals. However,

using the term promotion or communication, promotional programs are designed for the purpose of consumer purchases of a product or service faster, bigger, and buyers or customers feel satisfied (Rothschild, 1987; Rasmansyah, 2017) ^[31, 30].

According to Kotler and Keller (2012) ^[25], the main activities of promotion include: sales promotion, advertising, personal selling, and public relations. Literature showed that promotion has a significant positive effect on customer satisfaction. Customers who are satisfied with their experience will recommend to other parties in the form word of mouth advertisement and will create customer loyalty (Pi and Huang, 2011; Foster and Gadogan, 2000) ^[20, 14]. The results of a number of studies indicate that promotion has a positive effect on customer loyalty. On the other hand, other results of a number of researchers explain that promotion has a negative effect on customer loyalty (Shamsi and Khan, 2018; Rasmansyah, 2017; Ghaliyah and Mubarak, 2017)

2.4 Customer satisfaction

The concept of customer satisfaction generally refers to the evaluation of emotions that consumers use about the products they use consistently. Customer satisfaction also reflects the level of customer confidence that ownership or use of services triggers positive feelings. In addition, customer satisfaction is often referred to as an important strategy for companies to create a variety of positive benefits (Chang *et al.*, 2013; Jin *et al.*, 2004) ^[19, 24]. According to Kotler and Keller (2012) ^[25] customer satisfaction is the level of customer feeling after comparing perceived service performance and service expectations. Customer satisfaction is determined by positive confirmation or disconfirmation, whereas customer dissatisfaction is determined by the disconfirmation of negative expectations (Ismail *et al.*, 2007; Cronin *et al.*, 2000) ^[23, 11]. Expectations and disconfirmations are two cognitive processes in customer satisfaction. Customer expectations are a reference to assess the company's service performance, while positive disconfirmation (performance beyond expectations) and negative deformation (performance is lower than expectations) gives results that greatly affect satisfaction and dissatisfaction (Bricci *et al.*, 2016; Innis and La Londe, 1994) ^[21, 8].

Furthermore, literature suggests that customer expectation is dynamic and shaped by many factors, including past shopping experiences, friends and relatives' opinions, as well as information and promotion of companies and competitors (Rasmansyah, 2017; Ubeja, 2014) ^[31, 34]. In measuring the level of satisfaction, there are five methods that can be used, i.e. customer satisfaction surveys, responses and feedback from customers; complaint and suggestion systems, customer suggestions, opinions and complaints; personal attentive frontline, collecting information from front-line employees; ghost shopping, some people is given the role of buyers; and customer defection analysis, re-contacting customers who have stopped (Hatta *et al.*, 2018; Kotler and Keller, 2012) ^[18, 25]. Customer satisfaction is an important aspect to study

because it is one of the factors that determine customer loyalty. The result of some study shows that satisfaction has a positive effect on customer loyalty (Chang *et al.*, 2013; Bricci *et al.*, 2016; Hu and Huang, 2011) ^[19, 7, 20].

2.5 Customer loyalty

Loyalty is a sense of love that is inherent in a person for a product, service, and the people involved (Kotler and Keller, 2012) ^[25]. Customers show their loyalty in repurchase behaviour that tends to only use services from the same company. Along with market changes, the concept of loyalty undergoes four stages of development. First is the idea that customer loyalty is synonymous with customer satisfaction. Second, there is an assumption that the most important thing in building customer loyalty is customer retention. Third, in order to create customer loyalty, companies must be proactive and not wait for them to come. Fourth is the idea that customer loyalty does not always have to be measured by the desire to buy back, but rather at the level of enthusiasm to spread the good news and recommend the use of the product to others (Aydin and Ozer, 2005; Bloemer and Ruyter, 1999) ^[4, 6].

Customer loyalty arose as a result of the relationship process that occurs between customers and employees who provide services, between people and companies and between companies. In building customer loyalty, there are two main factors, i.e. attention to the value of the product or service produced, and the development of relationships with customers (Abd-El-Salam *et al.*, 2013; Galiyah and Mubarak, 2017) ^[1, 15]. Previous studies show that loyalty in a service transaction is highly dependent on interpersonal relationships that occur. In this sense, it was stated that customer loyalty is built on the customer's trust in the company, and the quality of customer relations with company employees they meet. Based on some of the thoughts above, it shows that satisfaction has the most direct and greatest influence on customer loyalty behaviour. In order to retain customers, mastering the knowledge of customer demands and competitor is very important. Therefore, the customer's trust in the company and the quality of customer relations with the company and with company employees determine the creation of loyalty (Foster and Gadogan, 2000) ^[14]. The things that underlie the company's effort to strive by continuously performing various customer loyalty programs are as follows, the greater the volume of purchases is followed by the lower costs of sales and distribution; the emergence of positive images delivered by word of mouth and continued to other parties; and the willingness of customers to pay higher is equivalent to the value obtained (Hong and Goo, 2004; Chang *et al.*, 2013) ^[19, 8].

Previous studies concluded that there were four benefits the company obtained if the customer recommended a product or service to another party, i.e. Increasing new customers

who hold a positive image of the company; new customers with positive recommendations tend to be loyal; increased income as a result of many loyal customers; and decreased promotional and advertising costs. In measuring loyalty, there are four dimensions that can be used, i.e. positive word of mouth, telling positive things and recommend to others; complaint behaviour, complaining about problems experienced by employees or their leaders; switching behaviour, trying to move to another company or be tempted by another company; and willingness to pay more, the willingness of consumers to continue to pay even though there are price increases (Aydin and Ozer, 2005; Bricci *et al.*, 2016) ^[4, 7].

3. Research methodology

The research design used in this study is descriptive and quantitative explanatory. The population in this study were users of taxi transportation services in Jakarta that were recorded in the database of PT. Blue Bird Morante Pool Milling as many as 635 customers per day x 30 days = 19,050 customers. This study uses a non-probability purposive sampling method. The criteria used in selecting samples are as follows: (1) Users of Blue Bird Morante taxi transportation services in Jakarta in at least the last three months; (2) At least 17 years old; (3) Not a driver or employee of PT. Blue Bird Morante. By using the Slovin formula, a sample of 100 respondents was obtained. The technique of collecting data through a survey using a questionnaire instrument is based on a Likert scale. This study uses statistical analysis of structural equation modelling (SEM) technique based on the partial least square (PLS) method. This SEM-PLS method is used for limited samples and assumptions of data that are not strict (Hair, *et al.*, 2010) ^[17]. Since the SEM-PLS does not directly calculate the significance test, the level of significance is calculated using the help of bootstrapping. Figure 1 depicts the conceptual framework of this study.

Based on the conceptual framework proposed in the study, the following hypotheses were put forward:

H1: Company image has a positive and significant influence on customer satisfaction

H2: Company image has a positive and significant influence on customer loyalty

H3: Service quality has a positive and significant influence on customer satisfaction

H4: Service quality has a positive and significant influence on customer loyalty

H5: Promotion has a positive and significant influence on customer satisfaction

H6: Promotion has a positive and significant influence on customer loyalty

H7: Customer satisfaction has a significant influence on customer loyalty

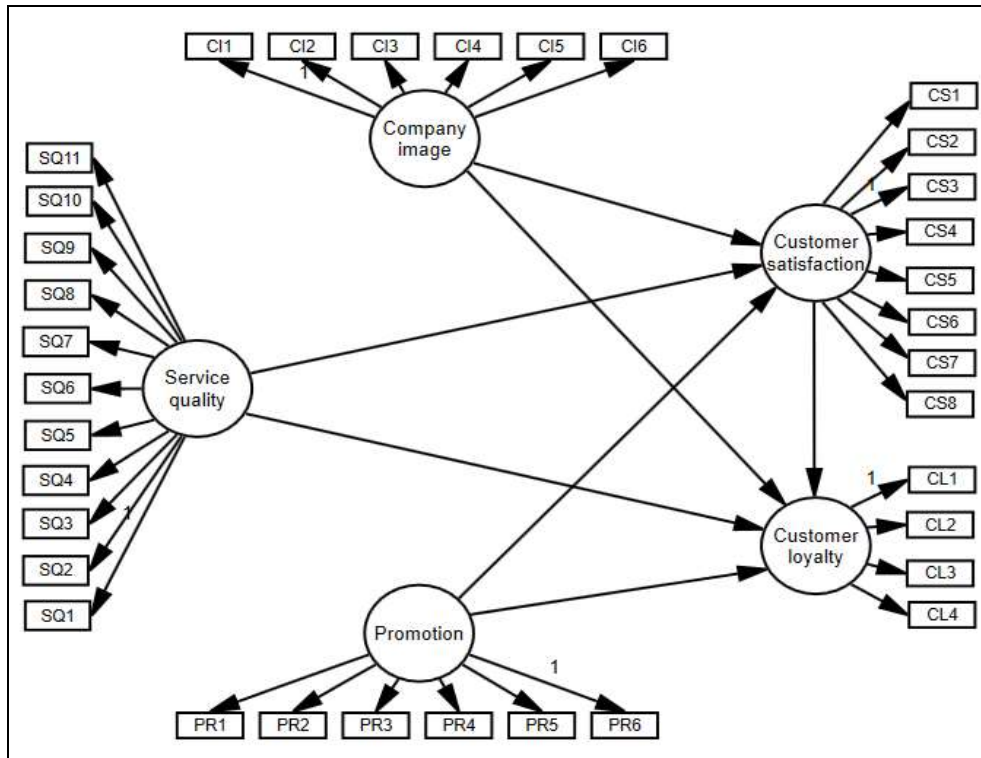


Fig 1: Conceptual framework of this study

4. Results

4.1 Measurement Model

This study considered company image, service quality, promotion, customer satisfaction, and customer loyalty as first-order constructs. Table 1 summarizes the results of first-order measurement model test for these five constructs. As can be seen in Table 1, company image initially has 6 indicators; service quality has 11 indicators; promotion has 6 indicators, customer satisfaction has 6 indicators, and

customer loyalty has 4 indicators. Yet, the analysis confirms that some indicators should be removed as their factor loadings are lower than 0.70. After removing all invalid indicators, Cronbach’s alpha was calculated to assess the reliability of variables. The analysis provided that factor loadings of all indicators are higher than 0.70 and the all Cronbach’s alpha are higher than 0.80 supporting the validity and reliability of all variables investigated in the study.

Table 1: The results of validity and reliability test for the four variables being investigated in this study

Company image		Service quality		Promotion		Customer satisfaction		Customer loyalty	
Items	Loading	Items	Loading	Items	Loading	Items	Loading	Items	Loading
CI1	0.770	SQ1	0.581	PR1	0.749	CS1	0.683	CL1	0.815
CI2	0.628	SQ2	0.394	PR2	0.674	CS2	0.823	CL2	0.849
CI3	0.707	SQ3	0.691	PR3	0.708	CS3	0.683	CL3	0.821
CI4	0.675	SQ4	0.584	PR4	0.782	CS4	0.756	CL4	0.802
CI5	0.762	SQ5	0.695	PR5	0.787	CS5	0.675		
CI6	0.815	SQ6	0.589	PR6	0.815	CS6	0.823		
		SQ7	0.483			CS7	0.769		
		SQ8	0.706			CS8	0.733		
		SQ9	0.716						
		SQ10	0.742						
		SQ11	0.695						

Furthermore, this study performed a discriminant validity test by comparing the average variance extracted with the correlations of the constructs (Table 2). As seen in Table 2,

it was found that the square roots of the AVE values were greater than all corresponding correlations between the constructs.

Table 2: The results of the discriminant validity test for the four variables being investigated in this study

Variables	Company Image	Service Quality	Promotion	Customer Satisfaction	Loyalty
Company Image	0.7904				
Service Quality	0.5367	0.8444			
Promotion	0.5351	0.3802	0.8451		
Customer Satisfaction	0.5493	0.5724	0.4451	0.8092	
Loyalty	0.5145	0.6699	0.4561	0.5122	0.8217

4.2 Structural Model

This study developed an SEM model to represent the relationship between company image, service quality, promotion, customer satisfaction, and customer loyalty (Figure 2). In hence, this study applied confirmatory factor analysis to assess the reliability, validity, and dimensionality of scales being used in the study. In particular, the results

indicate that overall, the structural model developed in this study fit as indicated by the Chi-square = 98.1 with its probability level = 0.054 and degrees of freedom = 76. Meanwhile, the structural model also fit as indicated by the GFI = 0.93; the TLI = 0.92; and the RMSEA = 0.04. The result is presented in Figure 2.

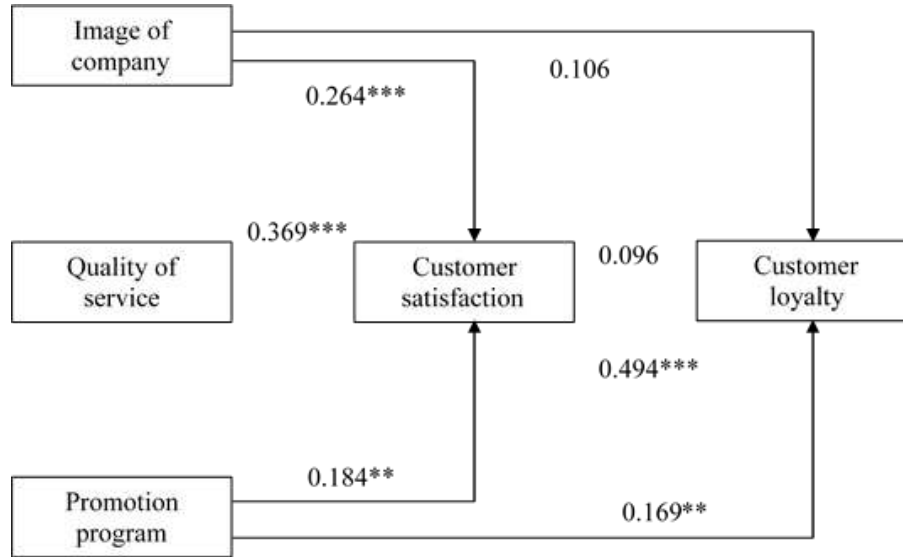


Fig 2: The results of structural model test

4.3 Discussion

The first hypothesis of this study was dealing with the relationship between company image and customer satisfaction within the Indonesian taxi service. This study hypothesized that company image would provide a significant and positive effect towards the customer satisfaction. The results indicated that company image provides a significant and positive effect towards customer satisfaction within the Indonesian taxi service ($\beta=0.263$; $p < 0.05$). Therefore, the first hypothesis is supported. According to Kotler and Keller (2012) [25], satisfaction is a feeling of pleasure or disappointment of someone who appears after comparing the performance (results) of the product thought to the expected performance (or results). In the increasingly fierce competition, customer satisfaction is a serious concern for taxi service providers. Customer service and satisfaction are important aspects in order to stay in business and competition. Meanwhile, the company's image is one of the most important parts owned by a company, both large and small companies. Literature suggests that corporate image is the result of a collection of processes in which customers compare various attributes possessed by the company. The findings of this study support the results of studies of several previous studies which stated that company image has a positive effect on customer satisfaction. This can be interpreted that the better the company's image, the higher the customer satisfaction (Darti *et al.*, 2018; LeBlanc and Nguyen, 1996) [12, 26].

The second hypothesis of this study was dealing with the relationship between company image and customer loyalty within the Indonesian taxi service. This study hypothesized that company image would provide a significant and positive effect towards the customer loyalty. The results indicated that company image provides a significant and positive effect towards customer loyalty within the

Indonesian taxi service ($\beta=0.368$; $p < 0.05$). Therefore, the second hypothesis is supported. Some researchers suggest that loyalty is a customer's commitment to a brand, shop, or supplier based on a very positive attitude and is reflected in consistently repurchases (Hu and Huang, 2011) [20]. In addition, customer loyalty refers more to the manifestation of the behavior of decision-making units for continuous purchase of the goods / services of a selected company. Company image can be formed in accordance with company identity expected by the company. Thus, the company as a taxi service provider must be able to understand and exploit the elements of the company that are formed into a brand that has a good image. Furthermore, the brand must be endeavored to have a positive image and be perceived as a brand that has overall quality according to consumer criteria. This, in turn, can create loyalty from corporate customers. The findings of this study are in line with the results of previous studies which found that company image has a positive effect on customer loyalty. In other words, the better the company's image, the higher the customer loyalty (Ishaq, 2012; Grover and Srinivasan, 1992) [22, 16].

The third hypothesis of this study was dealing with the relationship between service quality and customer satisfaction within the Indonesian taxi service. This study hypothesized that service quality would provide a significant and positive effect towards the customer satisfaction. The results indicated that service quality provides a significant and positive effect towards customer satisfaction within the Indonesian taxi service ($\beta=0.163$; $p < 0.10$). Therefore, the third hypothesis is supported. According to Zeithaml *et al.* (1996) [36], service quality is closely related to customer perceptions about the quality of service provided by the company. The level of service quality will affect the level of satisfaction felt by customers. The better the level of service quality, the more qualified the

service will be, and vice versa. Therefore, companies need to make efforts to improve the quality of their services. The findings of this study are in line with the findings of several previous studies. Some previous studies mention that service quality has a positive effect on customer satisfaction. In other words, the better the quality of service, the higher the customer satisfaction. Conversely, the lower the quality of service provided, the lower the customer satisfaction (Mubarok, 2017; Ismail *et al.*, 2006) ^[15, 23].

The fourth hypothesis of this study was dealing with the relationship between service quality and customer loyalty within the Indonesian taxi service. This study hypothesized that service quality would provide a significant and positive effect towards the customer loyalty. The results indicated that service quality provides a significant and positive effect towards customer loyalty within the Indonesian taxi service ($\beta=0.106$; $p>0.10$). Therefore, the fourth hypothesis is not supported. Previous research suggests that when customers receive better quality of service than the money they spend, they have the perception that they have received good value. Such conditions will increase consumer loyalty to service providers (Innis and La Londe, 1994; Chang *et al.*, 2013) ^[21, 8]. Customers also often can draw conclusions about the quality of a service or service based on their assessment of the place or location, people, equipment, communication tools and company image that they see before they decide to make a repurchase in the future. Other experts also mentioned that service quality has a positive effect on customer loyalty. In other words, the better the quality of service, the higher the customer loyalty. Conversely, the lower the quality of service provided the lower the customer loyalty (Ismail *et al.*, 2006; Jin *et al.*, 2004) ^[23, 24].

The fifth hypothesis of this study was dealing with the relationship between promotion and customer satisfaction within the Indonesian taxi service. This study hypothesized that promotion would provide a significant and positive effect towards the customer satisfaction. The results indicated that promotion provides a significant and positive effect towards customer satisfaction within the Indonesian taxi service ($\beta=0.493$; $p<0.05$). Therefore, the fifth hypothesis is supported. Promotion is a way of introducing products to customers and prospective customers through advertising, personal sales, sales promotions and direct marketing. With the promotion, the product will be known by customers and customers are expected to be interested in buying these products. Without promotion, don't expect customers to get to know the products offered. Promotion is a way to attract attention and retain customers. One of the objectives of the promotion is to inform the product being offered with the aim of providing customer satisfaction. To retain customers and customers are expected to make a repeat purchase. In addition to the promotion of producers, they must also provide good service in order to create customer satisfaction. The findings of this study are in line with previous research which shows that promotion has a positive and significant effect on customer satisfaction (Foster and Gadogan, 2000; Grover and Srinivasan, 1992) ^[14, 16].

The sixth hypothesis of this study was dealing with the relationship between promotion and customer loyalty within the Indonesian taxi service. This study hypothesized that promotion would provide a significant and positive effect towards the customer loyalty. The results indicated that promotion provides a significant and positive effect towards

customer loyalty within the Indonesian taxi service ($\beta=0.168$; $p<0.10$). Therefore, the sixth hypothesis is not supported. In general, promotion is defined as a one-way flow of information or persuasion created to direct a person or organization to actions that create exchanges in marketing. Promotion is a marketing mix that focuses on informing, persuading, and reminding consumers of the company's brands and products. According to Kotler and Keller (2012) ^[25], promotion is an activity that communicates product excellence and persuades target customers to buy it. The purpose of the promotion is to increase the company's sales and profits. In a competitive business the company must do the best possible promotion, without advertising the company will lose its market share. Promotional activities the company can do include advertising, sales promotion, personal selling, personal selling, publicity. Companies that can carry out promotions well will be better known by consumers and increase customer satisfaction. The findings of this study are in line with previous research which shows that promotion has a positive and significant influence on customer loyalty (Pi and Huang, 2011; Rasmansyah, 2017) ^[20, 30].

Lastly, the seventh hypothesis of this study was dealing with the relationship between customer satisfaction and customer loyalty within the Indonesian taxi service. This study hypothesized that customer satisfaction would provide a significant and positive effect towards the customer loyalty. The results indicated that customer satisfaction provides a significant and positive effect towards customer loyalty within the Indonesian taxi service ($\beta=0.096$; $p>0.10$). Therefore, the fifth hypothesis is not supported. This finding is not in line with the findings of several previous studies. Customer satisfaction has a strong positive relationship with customer loyalty. Customer satisfaction is the main factor or factors that have the strongest influence on customer loyalty. Thus, companies need to monitor and improve their customer satisfaction. In this case, it is believed that the higher the customer's customer satisfaction, means that the greater the possibility of customers remaining loyal. Literature also mentioned that customer satisfaction has a positive effect on customer loyalty. In other words, respondents who are satisfied when using a taxi service will provide the basis for a long-term relationship between the company and consumers. This relationship, among others, is done by repurchasing and creating loyalty towards the company (Bricci *et al.*, 2016; Hu and Huang, 2011) ^[7, 20].

5. Conclusions

The main objective of the study is to examine the influence of service quality, corporate image, and promotion factors on customer satisfaction and their impact on customer loyalty. The results of this study indicate that service quality, company image, and promotion have a significant influence on customer satisfaction. In other words, the better the quality of services provided, the better the company's image, and the more effective and attractive the promotion program is carried out, the customer satisfaction will increase. Furthermore, this study found that corporate image and promotion had a significant influence on customer loyalty. The better the image built by the company, the more effective and attractive promotional programs carried out by the company, the customer loyalty to the products they buy will be stronger.

Furthermore, it was found that service quality did not have a

significant effect on loyalty. This means that service quality has not been able to bind customer loyalty strongly. Customer satisfaction does not have a significant effect on customer loyalty. This means that the satisfaction felt by customers has not been able to build strong loyalty. Meanwhile, customer satisfaction can significantly mediate the influence of company image and promotion on customer loyalty. This means that the influence of company image and promotion on loyalty can be built through satisfaction. However, customer satisfaction cannot mediate the effect of service quality on loyalty.

Customer satisfaction shows the level of customer feeling after comparing the performance of the service they received with their expectations. Customer expectations are a reference to assess the company's service performance. If the company wants to use customer satisfaction as a strategic choice in building customer loyalty, the company needs to build a communicative, honest, and controlled promotion program, develop a salesperson's good attitude, create more professional sales methods, calculate customer resistance, find the main causes of customer loss, calculating lost profits due to lost customers, and calculating costs to reduce customer loss.

6. References

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