

Customer Satisfaction's Mediating Effect on Brand Image, Service Quality, and Customer Loyalty in The Indonesian Automotive Sector

Ina Sakinah¹⁾, Muhamad Fulaisum Firdaus²⁾, Nafiz Annas³⁾, Feby Arma Putra⁴⁾

^{1,2} Universitas Al-Khairiyah, Indonesia, ³ Politeknik PGRI Banten, Indonesia, ⁴ Universitas Pamulang, Indonesia

Email: ina.dokumentasi@gmail.com¹⁾, firdausfules29@gmail.com²⁾, nafiz@politeknikpgribanten.ac.id³⁾, dosen03429@unpam.ac.id⁴⁾

Abstract: *This study seeks to investigate how brand image and service quality affect customer loyalty. Using survey information gathered from 100 clients of PT Tunas Toyota Ciputat, an authorized Toyota dealer in Indonesia, a quantitative explanatory research methodology was used. Purposive sampling was used to choose the respondents, and Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4 was used to analyze the data. The outcomes reveal that customer satisfaction is positively and significantly impacted by both brand image and service quality. Customer loyalty is also strongly influenced by brand image, customer contentment, and service quality, with service quality being the best indicator of consumer satisfaction. Additionally, the mediation study shows that the relationship between brand image, service quality, and customer loyalty is partially mediated by customer satisfaction. In order to improve customer happiness and cultivate long-term customer loyalty in the Indonesian automobile sector, our findings emphasize the strategic significance of enhancing brand image and consistently increasing service quality. By offering empirical proof of the mediating function of customer happiness in explaining customer loyalty within the framework of the Indonesian automotive sector, this study adds to the body of literature on marketing.*

Abstrak : *Penelitian ini bertujuan untuk mengkaji bagaimana citra merek dan kualitas layanan memengaruhi loyalitas pelanggan. Penelitian ini menggunakan metodologi kuantitatif eksplanatori dengan data survei yang dikumpulkan dari 100 pelanggan PT Tunas Toyota Ciputat, sebuah dealer resmi Toyota di Indonesia. Teknik purposive sampling digunakan untuk memilih responden, dan analisis data dilakukan menggunakan metode Partial Least Squares Structural Equation Modeling (PLS-SEM) dengan perangkat lunak SmartPLS 4. Hasil penelitian menunjukkan bahwa kepuasan pelanggan dipengaruhi secara positif dan signifikan oleh citra merek maupun kualitas layanan. Loyalitas pelanggan juga sangat dipengaruhi oleh citra merek, kepuasan pelanggan, dan kualitas layanan, di mana kualitas layanan merupakan indikator terkuat bagi kepuasan konsumen. Selain itu, analisis mediasi menunjukkan bahwa hubungan antara citra merek, kualitas layanan, dan loyalitas pelanggan dimediasi secara parsial oleh kepuasan pelanggan. Temuan ini menekankan pentingnya langkah strategis untuk meningkatkan citra merek dan kualitas layanan secara konsisten guna meningkatkan kepuasan serta membangun loyalitas pelanggan jangka panjang di sektor otomotif Indonesia. Dengan menyajikan bukti empiris mengenai peran mediasi kepuasan pelanggan dalam menjelaskan loyalitas pelanggan di sektor otomotif Indonesia, penelitian ini memberikan kontribusi terhadap literatur pemasaran..*

Keywords: *Brand Image; Service Quality; Customer Satisfaction; Customer Loyalty; Indonesian Automotive Industry; PLS-SEM*

INTRODUCTION

The automotive industry is a strategic sector that contributes significantly to Indonesia's economic growth through job creation, increased investment, and contribution to gross domestic product. As the

number of motor vehicle manufacturers and dealers increases, competition in the Indonesian automotive industry is becoming increasingly intense. Companies are encouraged by this circumstance to concentrate not only on the quality of their products but also on their capacity to establish enduring relationships with clients by offering exceptional value, experience, and service (Faisal et al., 2025). According to Kotler et al. (2021), a company's success in the modern marketing paradigm is now determined by its capacity to maintain client loyalty rather than only generate sales..

Because devoted customers are more likely to make repeat purchases, use a business's services again, and refer it to other prospective clients, customer loyalty is one sign of a successful marketing plan (Mendorfa et al., 2024). Because it is based on a steady, long-term customer experience, client loyalty is another form of competitive advantage that is challenging for rivals to replicate (Kotler & Keller, 2016). In the automotive industry, customer loyalty holds high strategic value given the relatively long vehicle purchase cycle and is supported by ongoing after-sales service activities. Therefore, companies need to understand the factors that can build and maintain customer loyalty amidst increasingly dynamic market competition.

Numerous studies have demonstrated the importance of brand image in determining consumer loyalty (Montgomery et al., 2018). Long-term relationships between customers and the business can be fostered by a positive brand image, which can boost consumer trust in product quality and company trustworthiness (Bungai et al., 2024). According to research by Jasin et al. (2022), consumer loyalty is positively impacted by brand image, both directly and by higher customer satisfaction. In a similar vein, Yuliantoro et al.'s research from 2022 demonstrated that favorable brand perceptions enhance consumer satisfaction and loyalty in the automotive sector. These results show that, in the face of growing market rivalry, a company's ability to successfully develop a brand image is critical to keeping customers.

Customer happiness and loyalty are significantly influenced by service quality in addition to brand image. Service quality in the automotive business includes not only the sales process but also consultation, administration, financing, routine maintenance, the supply of spare parts, and the resolution of client complaints. Customer satisfaction rises when service is prompt, accurate, professional, and responsive. While research by Jasin et al. (2022) showed that service quality is a critical factor in boosting customer loyalty thru customer satisfaction, research by Wahyuni and Ghazali (2022) showed that service quality significantly influences customer satisfaction and loyalty in the service sector.

Though a lot of study has been done on the relationship between brand image, service quality, customer satisfaction, and customer loyalty, the results of earlier studies indicate that customer satisfaction plays a mediating function and that the influence of each variable varies. While some research show a partial mediation, others find that customer pleasure fully mediates the association

between brand image and customer loyalty. Additionally, the majority of research has been done in the banking, healthcare, e-commerce, and other service sectors; however, there is comparatively little study that particularly looks at the relationship between these four variables in the Indonesian automobile industry. In the context of the automotive business, this circumstance points to a research opportunity to offer more precise empirical proof.

The Indonesian automotive industry has distinct characteristics compared to other service sectors because vehicle purchasing decisions involve high levels of consumer involvement, large transaction values, and long-term relationships through after-sales service. As a result, a company's success depends not just on the caliber of its cars but also on the dealer's capacity to establish a solid reputation and deliver services that satisfy clients. In this perspective, customer happiness is that to have a strategic significance as a method that explains how service quality and brand image can boost customer loyalty.

METHOD

In order to understand the causal linkages between brand image, service quality, customer satisfaction, and customer loyalty thru hypothesis testing, this study uses a quantitative technique utilizing explanatory research (Sugiyono, 2023). The PT Tunas Toyota Ciputat customers who have bought a car or used after-sales services make up the study population. Purposive sampling, a non-probability sampling method, was applied. Respondents had to meet three requirements: (1) be at least 17 years old; (2) be willing to fill out the entire questionnaire; and (3) have purchased a Toyota vehicle or used service facilities at PT Tunas Toyota Ciputat. One hundred responders made up the sample size. This figure complies with Hair et al.'s (2022) guideline that, depending on model complexity, PLS-SEM models can be examined using a sample of at least 100 respondents.

A questionnaire using a five-point Likert scale, from 1 (strongly disagree) to 5 (strongly agree), was used to collect primary data for the study. The variables—brand image, service quality, customer happiness, and customer loyalty—were modified to reflect the features of the automobile sector after being adapted from instruments used in studies by Jasin et al. (2023) and Wijaya and Putra (2023). SmartPLS was used for data analysis. Convergent validity, discriminant validity, composite reliability, and Cronbach's alpha were used to test the outer model. R² f² and Q² values were used to test the inner model, and the bootstrapping process was used to test hypotheses. If the t-statistic value was greater than 1.96 and the p-value was less than 0.05, the hypothesis was deemed accepted (Hair et al., 2022).

RESULTS AND DISCUSSION

This study involved 100 respondents who are customers of PT Tunas Toyota Ciutat. Gender-wise, 62% of the respondents were men and 38% were women. In terms of age, the majority belonged to the

31–40 age group (41%), followed by the 21–30 age group (34%), the 41–50 age group (18%), and the over 50 age group (7%). By occupation, the respondents consisted primarily of private-sector employees (56%), entrepreneurs (23%), civil servants (11%), and individuals in other professions (10%).

Considering most respondents (68%) had utilized PT Tunas Toyota Ciputat's services more than twice, they were deemed to have enough experience to assess customer loyalty, brand image, service quality, and customer happiness. The result of loading factor of all indicator $> 0,7$. The result AVE (Average Variance extracted) of all construct $> 0,5$. The result of realibility Cronbach alpa $> 0,8$. These findings show that every instrument is reliable and valid.

Table 1. Coefficient of Determination (R^2)

Variable	R^2	Variation in the model	Category
Consumer Satisfaction	0,721	72,1%	Strong
Customer Loyalty	0,786	65,6%	Strong

Source: Data Processing Results SmartPLS (2026)

With an R^2 value of 0.721, brand image and service quality account for 72.1% of the variation in customer satisfaction, with external factors influencing the remaining 27.9%. Additionally, the R^2 value of 0.786 shows that customer satisfaction, brand image, and service quality account for 65,6% of customer loyalty, with other factors accounting for the remaining 34.4%. These R^2 values fit into the considerable category according to the standards set by Hair et al. (2022).

The following are the results of the research hypothesis testing:

Table 2. Research hypothesis results

	Hypothesis	Coefficient	t-statistic	p-value	Notes
H1	Brand Image $\rightarrow$ Consumer Satisfaction	0,673	9,646	0,000	Significant
H2	Service Quality $\rightarrow$ Consumer Satisfaction	0,938	10,971	0,000	Significant
H3	Brand Image $\rightarrow$ Customer Loyalty	0,573	7,818	0,002	Significant
H4	Service Quality $\rightarrow$ Customer Loyalty	0,653	8,944	0,001	Significant
H5	Consumer Satisfaction $\rightarrow$ Customer Loyalty	0,478	9,412	0,000	Significant
H6	Brand Image $\rightarrow$ Consumer Satisfaction $\rightarrow$ Customer Loyalty	0,369	3,551	0,000	Significant
H7	Service Quality $\rightarrow$ Consumer Satisfaction $\rightarrow$ Customer Loyalty	0,648	7,223	0,000	Significant

Source: Data Processing Results SmartPLS (2026)

All research hypotheses were accepted because all relationships between variables produced t-statistics larger than 1.96 and p-values less than 0.05. Additionally, these findings show that customer satisfaction plays a major mediating role in the relationship between customer loyalty and brand image and service quality.

The study's findings demonstrate that at PT Tunas Toyota Ciputat, brand image significantly and favorably affects customer happiness. According to this research, a customer's degree of happiness

following a purchase or after-sales service is positively correlated with their view of the Toyota brand. A favorable brand image can increase consumer confidence in the caliber of the product, the professionalism of the business, and the assurance of service. In the automotive industry, brand image is a key consideration for consumers because purchasing a vehicle is a high-involvement decision. Therefore, a positive perception of the Toyota brand is a factor that drives sustainable customer satisfaction (Kotler & Keller, 2016).

This result is consistent with study by Harimurti and Indriani (2023), which claims that consumer happiness in the Indonesian automobile sector is positively impacted by brand image. According to the study, a strong brand image can boost customer confidence in the caliber of the goods and services they receive and raise favorable expectations prior to a purchase. The study's findings also support Kotler et al. (2021)'s Marketing 5.0 theory, which holds that businesses must be able to combine customer experience and brand value in order to generate long-term satisfaction. Therefore, PT Tunas Toyota Ciputat must continue to maintain Toyota's reputation as a quality, innovative, and trusted brand in the eyes of the public.

The findings of the research also demonstrate that customer satisfaction is positively and significantly impacted by service quality, which even has the highest path coefficient when compared to other factors. This result suggests that at PT Tunas Toyota Ciputat, customer satisfaction is primarily influenced by service quality. Customers not only assess the quality of the vehicle they purchase but also pay attention to how the company provides service, from the consultation process, purchase transaction, administrative processing, workshop services, and handling of customer complaints. Customer satisfaction increases with the speed, friendliness, responsiveness, and professionalism of the service.

These findings corroborate the findings of Riyadi and Erdiansyah's (2023) study, which found that customer happiness in the service industry is positively impacted by service quality. This result is also consistent with study by Jasin et al. (2023) published in an international publication with a Scopus index, which claims that one of the primary factors influencing customer happiness is service quality. In the context of PT Tunas Toyota Ciputat, the service provided by sales consultants, customer service officers, and workshop technicians is part of the overall customer experience. Therefore, improving human resource competency, service speed, and the ability to handle customer complaints are crucial strategies for increasing customer satisfaction.

This study also showed that consumer loyalty is positively impacted by brand image. The findings show that consumers who have a favorable opinion of Toyota are more inclined to stick with the brand when buying their next car. Furthermore, customers who trust Toyota's reputation are also more likely to recommend PT Tunas Toyota Ciputat's products and services to family and colleagues. This

demonstrates that a strong brand image can create an emotional connection between customers and the company, thus increasing customer loyalty.

The investigation also discovered that customer loyalty is positively impacted by service quality in addition to brand image. A positive experience is produced by satisfactory service, which encourages clients to use the business's services again. Customer loyalty in the automobile industry is demonstrated not only by recurring car purchases but also by customers' desire to use authentic Toyota spare parts and have their vehicles serviced on a frequent basis at authorized facilities. In light of the growing intense competition between authorized dealers and car brands, service quality is therefore essential to keeping clients.

The research also shows that customer satisfaction has a positive and significant impact on customer loyalty. This means that customers who are satisfied with PT Tunas Toyota Ciputat's products and services are more likely to make repeat purchases, reuse authorized service providers, and provide positive recommendations to other potential customers. Satisfaction serves as a sign that the company has been able to meet or even surpass customer expectations in order to establish a strong connection between customers and the company.

This study indicates that customer satisfaction mediates the relationship between brand image and service quality and customer loyalty based on the mediation analysis. This suggests that by improving customer happiness, brand image and service quality have an indirect as well as direct impact on customer loyalty. These results show that PT Tunas Toyota Ciputat cannot increase customer loyalty by focusing only on enhancing service quality or building brand image. To develop a client experience that boosts satisfaction and encourages long-term customer loyalty, the business must incorporate both components. As a result, the study has practical implications: in order to stay competitive in the automotive sector, PT Tunas Toyota Ciputat must consistently improve the reputation of the Toyota brand, improve service quality at all customer touchpoints, and regularly assess customer satisfaction.

CONCLUSION

The results of the study reveal that customer satisfaction at PT Tunas Toyota Ciputat is positively and significantly impacted by brand image and service quality. The factor that has the biggest impact on raising customer happiness is service quality. Additionally, customer loyalty is positively and significantly influenced by brand image, service quality, and customer satisfaction; this suggests that customers are more likely to stick with PT Tunas Toyota Ciputat's goods and services when they have a positive opinion of the company and receive satisfactory service. Additionally, the study shows that customer happiness serves as a mediating factor, strengthening the influence of service quality and brand

image on customer loyalty. These results show that enhancements in service quality and brand image have an indirect impact on customer loyalty thru higher customer satisfaction. As a result, maintaining long-term client relationships requires careful consideration of customer satisfaction. Practically speaking, it is advised that PT Tunas Toyota Ciputat keep bolstering the Toyota brand image and improving service quality, particularly with regard to customer service speed, correctness, responsiveness, and professionalism. In order to produce more thorough findings with more generalizability, future research should strive to extend the model by adding other factors like customer trust, customer experience, or perceived value. It should also use larger sample sizes and a wider scope of study.

REFERENCES

- Bungai, J., Setiawan, H., Putra, F. A., Sakti, B. P., & Sukoco, H. (2024). Digital Marketing Strategy in Education Management: Increasing School Visibility and Attractiveness. *Al-Fikrah: Jurnal Manajemen Pendidikan*, 12(1), 110. <https://doi.org/10.31958/jaf.v12i1.12318>
- Faisal, M. G., Syarfiah, N., Putra, F. A., Hamdallah, H., & Hariz, M. A. (2025). The Effect of Digital Infrastructure Development on Regional Economic Growth in Indonesia : A Spatial Econometrics Approach. *Daengku: Journal of Humanities and Social Sciences Innovation*, 5(6).
- Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2022). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)* (3rd ed.). Sage Publications.
- Harimurti, P. S., & Indriani, F. (2023). Analisis pengaruh *brand image*, *perceived quality*, dan *resale value* terhadap kepuasan serta loyalitas konsumen produk otomotif China dan Jepang di Indonesia. *Jurnal Studi Manajemen Organisasi*, 20(2), 73–88. <https://doi.org/10.14710/jsmo.v20i2.57998>
- Jasin, M., Firmansyah, A., Anisah, H. U., Junaedi, I. W. R., & Haris, I. (2022). The effects of customer satisfaction, perceived service quality, perceived value, and brand image on customer loyalty. *Unpublished Thesis: Undhira*. <https://repository.undhirabali.ac.id/2828/>
- Kotler, P., Kartajaya, H., & Setiawan, I. (2021). *Marketing 5.0: Technology for Humanity*. John Wiley & Sons.
- Kotler, P., & Keller, K. L. (2016). *Marketing Management* (15th ed.). Pearson.
- Mendorfa, S. A., Sari, M. N., Martoyo, A., Putra, F. A., & et al. (2024). Manajemen Pemasaran Digital. In *CV Mega Press Nusantara* (Vol. 1, Issue 1). <http://scioteca.caf.com/bitstream/handle/123456789/1091/RED2017-Eng-8ene.pdf?sequence=12&isAllowed=y%0Ahttp://dx.doi.org/10.1016/j.regsciurbeco.2008.06.005%0Ahttps://www.researchgate.net/publication/305320484>
- Montgomery, N. V., Raju, S., Desai, K. K., & Unnava, H. R. (2018). When Good Consumers Turn Bad: Psychological Contract Breach in Committed Brand Relationships. *Journal of Consumer Psychology*, 28(3), 437–449. <https://doi.org/10.1002/jcpy.1015>

- Pudjonarko, C. A. S., & Indriani, F. (2023). Analisis pengaruh *brand image*, *service quality*, kepuasan pelanggan dan loyalitas konsumen rumah sakit. *Jurnal Studi Manajemen Organisasi*, 19(1), 15–23. <https://doi.org/10.14710/jsmo.v19i1.39387>
- Sugiyono. (2023). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Alfabeta.
- Wahyuni, S., & Ghozali, I. (2022). The impact of brand image and service quality on consumer loyalty in the banking sector. *International Journal of Economics and Business Administration*, 7(4), 395-402. <https://www.um.edu.mt/library/oar/handle/123456789/53354>
- Yuliantoro, N., Goeltom, V. A. H., Juliana, J., Pramono, R., & Purwanto, A. (2022). Customer experience, satisfaction, and loyalty in the Indonesian automotive industry *Journal of Business and Management Review* Vol. 3 No. 2 2022 Page 106-118 DOI: 10.47153/jbmr32.3002022