Corporate image and service quality: Evidence from Indonesia Mass Rapid Transport

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ABSTRACT

This research aims to identify the factors, including service quality, corporate image, and perceived value, that contribute to Mass Rapid Transit Jakarta's customer satisfaction. Mass Rapid Transit is a mass transportation that has become necessary due to the prevalence of private automobiles in Jakarta. This study employs a descriptive quantitative methodology using a survey of 165 Mass Rapid Transit passenger respondents and descriptive statistical analysis and modeling with the Structural Equation Modeling-Partial Least Square. The results showed that the Quality of Service has a positive effect on passenger satisfaction, the corporate image does not affect passenger satisfaction, the perceived value has a positive contribution to passenger satisfaction, and the Quality of Service has a positive effect on the perceived value. Furthermore, the corporate image positively contributes to perceived value, service quality positively affects customer satisfaction mediated by perceived values, and the corporate image does not affect passenger satisfaction mediated by perceived value. Therefore, mass Rapid Transit Jakarta needs to make various innovations to improve service quality mediated by service quality dimensions that refer to service quality. In addition, the human capital of service officers at Mass Rapid Transit Jakarta needs to be improved in terms of Quality and competency so that passengers' opinions of the service staff are more favorable, increasing both perceived value and customer satisfaction.

Keywords: Quality of Service, Corporate Image, Perceived Value, Passenger Satisfaction, Mass Rapid Transit

1. Introduction

With a growing global population and economy, transportation demands are also increasing in modern times. The much higher need for vehicle space compared to other forms of transport contributes significantly to the problem of traffic congestion, especially in medium-sized and large-sized cities (Kwan et al., 2018). Beirão and Cabral (2006) in their research state that public transportation faces increasingly tight competition. In order to become the main alternative, private cars as public transportation must continuously improve their Quality and services delivered to the market. Dahlan and Fraszczuk (2019) state that most respondents in Jakarta are willing to make a mode switch to the services of MRT Jakarta in the future. Severe congestion occurs every day during weekdays in the Jakarta metropolitan area, which consists of several cities, including Jakarta, Bogor, Depok, Tangerang, and Bekasi. According to Farda and Lubis (2018) and Triana et al. (2022), the increasing number of private vehicles and the increasing volume of activity on the road leads to a higher probability of traffic jams. The solution offered by the government is to use public transportation, including Jakarta Bus Rapid Transit, KRL Commuter Line, and Mass Rapid Transit Jakarta (Sinaga et al., 2019). Provisions should be made to reassure end users of acceptable Quality of services, such as reliability and convenience (Ricardianto et al., 2022; Raharjo et al., 2022; Tumsekcali et al., 2021).
Several studies have shown that customer satisfaction is essential to improving service (Santoso & Aprianingsih, 2017; Pasharibu et al., 2018; Ni et al., 2020; Wahyuni et al., 2022). Wulandary et al. (2022) that the Quality of Service does not directly contribute to the Perceived Value of passenger satisfaction; nevertheless, the perceived value significantly contributes passenger satisfaction with the mode of transportation. Another study conducted by Dam and Dam (2021) tries to see the relationship between service quality, brand image, customer satisfaction, and customer loyalty to supermarkets. In the hospitality business, according to Rather and Camilleri (2019), conformity to consumer brand values and the provision of high-Quality Service were identified as significant antecedents of consumer brand identification and engagement. Most research concerning satisfaction during travel is based on user satisfaction using a particular transportation system (Zhao & Li, 2019). Many previous studies have examined the relationship between service quality, corporate image, and perceived value to passenger satisfaction. However, more research still needs to address perceived value as an intervening variable. In addition, only a few discuss the MRT Jakarta mode of transportation as a research object with variables of service quality, corporate image, and passenger satisfaction with perceived value. Objects used in previous studies include public transportation in China (Ni et al., 2020), toll road transportation modes (Wulandary et al., 2022), online transportation (Pasharibu et al., 2018), and the banking industry (Indrasari et al., 2022).

As a result, the researcher proposed that the perceived value be used as an intervening variable between service quality and passenger satisfaction, as well as corporate image and service quality in the mode of transportation, namely MRT Jakarta. Based on the background stated above, this research will identify the proper service needs of MRT Jakarta users. The relationship between MRT Jakarta's service quality and the company's customer satisfaction image is mediated by the perception of the intervening variable. Therefore, this study aims to build a passenger satisfaction index model of MRT Jakarta based on four aspects: service quality, corporate image, passenger satisfaction, and perceived value. Furthermore, the study proposes an integrated corporate image framework that contributes to passenger satisfaction based on SERVQUAL. The Corporate image is also a supporting parameter that will be applied in measuring the fixed customer satisfaction index referring to SERVQUAL (Ni et al., 2020).

2. Literature Review

2.1 Quality of Service

Kotler and Armstrong (2018) say that Quality directly contributes to service performance. According to Pakurâr et al. (2019), there are eight dimensions of service quality: tangibles, responsiveness, empathy, assurance, reliability, access, financial aspects, and employee competencies that contribute to customer satisfaction to identify each factor’s potential Contribution to the banking sector. Service is any activity required to receive, process, deliver and fulfill customer orders, and follow up on any activity that contains errors. Parasuraman (2010), Zeithaml and Bitner (2011), and Piche and Mesta (2021) put forward five service quality dimensions to measure service quality: tangible, reliable, responsive, assurance, and empathy. The five measurements are often known as SERVQUAL. Previous studies stated that the Quality of Service is a precursor to the corporate image and positively Contribution to the company's image. Other investigations, according to Hsieh et al. (2018), Putro and Rachmat (2019), Harahap et al. (2021), and Miranda (2018), says that service quality is a predictor of customer satisfaction and has a positive contribution to customer satisfaction. In addition, service quality positively contributes to the Perceived value, meaning that passengers get the benefits of high-Quality Service and are commensurate with the ticket price issued (Riccardioto et al., 2023; Ansory & Safira, 2018).

2.2 Corporate Image

Image can be attached to any individual or company, mediated by positive or negative responses depending on the image formation and interpretation process (Kim & Kim, 2019). Corporate image has become an essential issue for academics and practitioners because it plays a significant role in customers' decision-making process when purchasing (Pahala et al., 2021; Horng et al., 2018). As an intangible asset, a firm's corporate image is complex for competitors to imitate, and as a result, it Contributions customers' overall perception of the firm (Kant et al., 2017). Gürlek et al. (2017) viewed corporate image as the concrete outcome of a company’s various stakeholders’ emotions, opinions, interactions, and impressions regarding an organization. A good corporate image is a crucial factor influencing customer satisfaction and behavioral intentions (Chien & Chi, 2019). Corporate image is a belief and an impression of a particular company (Kaur & Soch, 2018; Kim & Kim, 2019). Corporate image can be in the form of positive responses in support, participation, active role, and other positive actions and negative responses in the form of rejection or other negative forms from a company (Balmer et al., 2020). Corporate image is the main factor in determining the overall assessment of the company's performance based on the accumulated experience of the company (Kissel & Büttgen, 2015).

The Corporate image can provide information on a service advantage and positioning so that the image is seen as consumers' overall impression of service performance (Zameer et al., 2015). Corporate image can also be assessed from reputation, trust, and growth potential (Kang & Kim, 2019). The link between brand image and customer satisfaction is acknowledged in previous research by Anwar et al. (2019), indicating that brand image predicts customer satisfaction and positively contributes to satisfaction. Corporate image positively and significantly Contributions perceived Value (Boonchunone et al., 2021; Ni et
which means that it will be essential for MRT Jakarta to maintain its image as a trusted operator, adhere to equality and be a source of pride for its users.

2.3 Customer Satisfaction

Satisfaction is a feeling of pleasure resulting from job evaluation of someone’s work performance (Kotker & Armstrong, 2018). Colquitt et al. (2015), Oliver (2010), and Morfoulaki et al. (2010) add that pleasurable fulfillment is the factor in giving hope to satisfy passengers. Satisfaction is the impact of a stronger desire and becomes someone’s motivation to finish his job (Virgiawan et al., 2021; Allen et al., 2019). According to Lovelock and Wirtz (2011), satisfaction is someone’s attitude based on the experience he gains. The users who feel satisfied with their job will be more innovative and productive (Mwesigwa et al., 2020; Riyanto et al., 2021). In addition, passenger satisfaction with public transportation is the determining factor in getting new and retaining existing passengers (Javid et al., 2013; Ricardianto et al., 2021). Factors affecting satisfaction are; (1) Product quality; (2) Quality of Service or Service, (3) Emotion, and (4) Cost. Consumers will be satisfied if the expectations are the same as those obtained (Akob et al., 2021; Javed & Wu, 2020; Simanjuntak, 2021).

2.4 Perceived Value

The Perceived Value of services is a combined evaluation of consumer perception of benefits and sacrifices, including Quality and price (Boksberger & Melsen, 2011). Trust is an essential tool needed for success in any industry and is developed based on interaction with others in practical forms (Panigrahi, 2019; Umarella et al., 2022). Trust is a rational process built, developed, and taken care of actively and tested occasionally (Rimawan et al., 2017). Trust contribution by customer satisfaction proved that customer satisfaction is an antecedent of trust (Leninkumar, 2017). Undoubtedly, consumers feel that they get the perceived value or benefits obtained by the sacrifices issued by consumers so that it will form trust in the minds of consumers. The Perceived value can have an increased positive contribution when it functions as a mediating variable (intervening) between the corporate Image and MRT passenger satisfaction and according to the corporate image, it has a positive but not significant Contribution to the satisfaction of public transport passengers in China mediated by perceived values (Ni et al., 2020). Wulandary et al. (2022) stated that the perceived value positively and significantly contributes to the satisfaction of MRT passengers, proving that the comparison between the ticket prices and the benefits obtained for MRT passengers is still a significant concern.

2.5 Hypotheses

H1: Service quality has a direct contribution to passenger satisfaction.
H2: Corporate Image has a direct contribution to passenger satisfaction.
H3: Perceived Value has a direct contribution to passenger satisfaction.
H4: Service quality has a direct contribution to perceived value.
H5: Corporate Image has a direct contribution to perceived value.
H6: Service quality indirectly contributes to passenger satisfaction mediated by perceived value.
H7: Corporate Image indirectly contributes to MRT passenger satisfaction mediated by perceived value.

3. Research Methods

This research uses a quantitative approach method. Data collection was carried out descriptively using the questionnaire method, data analysis, and multiple linear regression analysis modeling using SEM-PLS. The variables to be tested in the

![Fig. 1. Conceptual Model](image-url)
study are X1: Quality of Service, X2: Corporate Image, Y1: Customer Satisfaction, and Z: Perceived value, which is an intervening variable. The number of samples for this study was 165 respondents of MRT Jakarta passengers. Based on the annual report MRT Jakarta 2021, the users as population of MRT Jakarta was 7,189,862 people, with an average service user of 19,659 people daily. The survey was conducted to collect data from passengers using MRT in Jakarta, and the respondents were based on demographics and type of work. This study analyzes multiple linear regression modeling data using SEM-PLS. According to SEM-PLS, the results are assessed first on Hair et al. (2018) outer model consisting of reliability, convergent validity, and discriminant validity of the measurement model, then the inner model, namely the predictability of structural models measured by the Coefficient of Determination ($R^2$), Effect Size ($f^2$) and cross-validated redundancy ($Q^2$).

4. Result and Discussion

Data analysis was performed descriptively, and multiple linear regression analysis modeling. Data analysis is divided into outer models: validity tests (convergent validity and discriminant validity), reliability calculations, and inner models. Finally, test the hypothesis on SEM-PLS using the bootstrapping method.

4.1. Direct Contribution Testing

Table 1
Results of Testing the Direct Contribution of the Path Coefficient

<table>
<thead>
<tr>
<th>Model</th>
<th>Original sample (O)</th>
<th>t_statistic</th>
<th>p_values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Quality $\rightarrow$ Passenger Satisfaction ($X_1 \rightarrow Y$)</td>
<td>0.460</td>
<td>4.046</td>
<td>0.000</td>
</tr>
<tr>
<td>Quality of Service $\rightarrow$ Perceived Value ($X_1 \rightarrow Z$)</td>
<td>0.536</td>
<td>5.091</td>
<td>0.000</td>
</tr>
<tr>
<td>Corporate Image $\rightarrow$ Passenger Satisfaction ($X_2 \rightarrow Y$)</td>
<td>0.113</td>
<td>1.212</td>
<td>0.226</td>
</tr>
<tr>
<td>Corporate Image $\rightarrow$ Perceived Value ($X_2 \rightarrow Z$)</td>
<td>0.268</td>
<td>2.510</td>
<td>0.012</td>
</tr>
<tr>
<td>Perceived Value $\rightarrow$ Passenger Satisfaction ($Z \rightarrow Y$)</td>
<td>0.345</td>
<td>3.226</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Fig. 2. Direct Contribution Based on the Coefficient Path Value and P Values

4.2. Indirect Contribution Testing

The results of hypothesis testing for indirect contributions between variables are shown in Table 2.

Table 2
Indirect contribution Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Original sample (O)</th>
<th>t_statistic</th>
<th>p_values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of Service $\rightarrow$ Perceived Value $\rightarrow$ Passenger Satisfaction ($X_1 \rightarrow Z \rightarrow Y$)</td>
<td>0.185</td>
<td>2.354</td>
<td>0.019</td>
</tr>
<tr>
<td>Corporate Image $\rightarrow$ Perceived value $\rightarrow$ Passenger Satisfaction ($X_2 \rightarrow Z \rightarrow Y$)</td>
<td>0.093</td>
<td>1.956</td>
<td>0.051</td>
</tr>
</tbody>
</table>

The results of the hypothesis test can be concluded as follows:

$H_6$: The Quality of Service positively contributes to passenger satisfaction mediated by perceived value.

$H_7$: The corporate Image has no Contribution to passenger satisfaction mediated by perceived value.
4.3. Mediation Testing

The total Contribution between variables is the Contribution between independent variables and dependent variables without involving intervening variables. The actual relationship between the variables of this study (Table 3).

<table>
<thead>
<tr>
<th>Model</th>
<th>Original sample (O)</th>
<th>t-statistic</th>
<th>P-values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of Service → Passenger Satisfaction (X₁ → Y)</td>
<td>0.644</td>
<td>7.093</td>
<td>0.000</td>
</tr>
<tr>
<td>Quality of Service → Perceived value (X₁ → Z)</td>
<td>0.536</td>
<td>5.091</td>
<td>0.000</td>
</tr>
<tr>
<td>Corporate Image → Passenger Satisfaction (X₂ → Y)</td>
<td>0.205</td>
<td>2.180</td>
<td>0.029</td>
</tr>
<tr>
<td>Corporate Image → Perceived value (X₂ → Z)</td>
<td>0.268</td>
<td>2.510</td>
<td>0.012</td>
</tr>
<tr>
<td>Perceived Value → Passenger Satisfaction (Z → Y)</td>
<td>0.345</td>
<td>3.226</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Based on Table 3, The indirect Contribution of the corporate Image (X₂) on passenger satisfaction (Y) mediated by the perceived Value (Z) is insignificant or has no effect, or in other words, the perceived value variable does not work out to be a mediating variable between the corporate image and passenger satisfaction. Figure 3 shows the hypothesis test results of the relationship between variables.

Fig. 3. Hypothesis Testing Results

4.4. Discussion

**H1. Service Quality and Passenger Satisfaction**

The path coefficient resulting from the calculation in which service quality positively and significantly contributes to passenger satisfaction is as significant as 0.460. This positive path coefficient value indicates that higher service quality can increase passenger satisfaction, where the value of the obtained t-statistic is 0.460. Cronin and Taylor (2014), Ahlina and Ishak (2022), and Park (2007) state that the Quality of Service has a positive and significant contribution to satisfaction. This research is in line with the study by Beirão and Cabral (2006), Ekwiriyaton and Hamra (2022), and Mani (2021), explaining that public transportation, including Bus Rapid Transit, must continuously improve the quality and services and the critical factor to achieve the goal is having delighted passengers. The result of this research is also in line with the findings by Tyrimopoulos and Antoniou (2009) that passenger perception of transit performance evaluates the implication of service quality related to the variability of public transportation user satisfaction. In general, this research is in line with the studies by Malik et al. (2012), De Oña et al. (2016), Devi and Yasa (2020), and Ibrahim and Borhan (2020) that service quality has the strongest correlation and each increase of service quality will positively impact customer satisfaction. From this description, the premise proposed is that there is a causal relationship between service quality and passenger satisfaction.

**H2. Corporate Image and Passenger Satisfaction**

From the calculation, the path coefficient in which corporate image does not significantly contribute to passenger satisfaction is as significant as 0.113. This positive value of the path coefficient shows that the corporate image has remained the main issue for passengers. This research is also in line with what Kuo and Tang (2013) found, that corporate image has a positive and significant influence on the satisfaction of express train passengers, especially older adults. Whereas another research by
providing high-quality services and creating excellent perceived values can result in high customer satisfaction. The result of value are statistically significant. This research also aligns with Hu et al. (2009) and Parahoo et al. (2018), showing that Transit (KMRT) in Taiwan, revealing all the causal relationships among service quality, passenger satisfaction, and perceived improved. The result of this research is in line with what is found by Lai and Chen (2011) related to Kaohsiung Mass Rapid depend only on service quality. However, a higher quality level is also beneficial if the customers believe the value has satisfaction is positive and significant in the service sector. From this description, the premise proposed is that there is a causal relationship between corporate image and passenger satisfaction.

H3. Perceived Value and Passenger Satisfaction

From the calculation, the path coefficient in which the perceived value positively and significantly contributes to passenger satisfaction is as significant as 0.345. Therefore, the path coefficient is positive, indicating that enhancing perceived value can increase passenger satisfaction. This research supports the studies by Devi et al. (2021) and Samudro et al. (2020), stating that perceived value positively and significantly influences customer satisfaction. This research is also in line with the finding by Chen (2008), Kusumawati and Rahayu (2020), and Özkan et al. (2020), revealing that all the causal relationships between perceived value and passenger satisfaction are statistically significant. Furthermore, Wulandary et al. (2022) and Ahlina and Ishak (2022) convey that the perceived value positively and significantly contributes to passenger satisfaction. From this description, the premise proposed is that there is a causal relationship between perceived value and passenger satisfaction.

H4. Service Quality and Perceived Value

From the calculation, the path coefficient in which the service quality positively contributes to perceived value is as significant as 0.536. Therefore, this positive path coefficient value means that passengers benefit from enhancing service quality. In general, this research is in line with the study by Hu et al. (2009) that a company's management should focus not only on increasing customer satisfaction but also on improving customer perception of the whole service quality and enhancing the value perceived by consumers. Furthermore, Ansory and Safira (2018) and Özkan et al. (2020) believe that service quality positively and significantly contributes to perceived value. In addition, the research by Cronin and Taylor (2014) indicates that service quality is an essential control of consumers' perceived value.

H5. Corporate Image and Perceived Value

From the calculation, the path coefficient in which the corporate image exerts a positive and significant contribution to perceived value is as big as 0.268. This positive value of the path coefficient indicates that a good corporate image can enhance the perceived value. These results in the study by Boonchunone et al. (2021), Dam and Dam (2021), and Ni et al. (2020) showed that corporate image has a positive and significant contribution to perceived value. From this description, the premise proposed is that there is a causal relationship between corporate image and perceived value.

H6. Service Quality, Passenger Satisfaction, and Perceived Value

From the calculation, the path coefficient, in which perceived values mediate the influence of service quality on passenger satisfaction, has a positive contribution and significance, is as big as 0.185. This positive value of the path coefficient indicates that enhancing perceived value and good service quality can increase passenger or customer satisfaction. Theoretically and in general, this research is in line with the studies by Cronin and Taylor (2014) and Ibrahim and Borhan (2020), stating that the increasing competitiveness among companies will relate to the height of service quality level, perceived value, and customer satisfaction in public transportation. This research is also by Caruana et al. (2000), adding that customer satisfaction does not depend only on service quality. However, a higher quality level is also beneficial if the customers believe the value has improved. The result of this research is in line with what is found by Lai and Chen (2011) related to Kaohsiung Mass Rapid Transit (KMRT) in Taiwan, revealing all the causal relationships among service quality, passenger satisfaction, and perceived value are statistically significant. This research also aligns with Hu et al. (2009) and Parahoo et al. (2018), showing that providing high-quality services and creating excellent perceived values can result in high customer satisfaction. The result of this research is still in line with the study by Samudro et al. (2020) that perceived value has a more substantial influence or Contribution to customer satisfaction. However, it does not strongly influence Quality. Boonchunone et al. (2021), Özkan et al. (2020), and Chen (2008) that the perceived value of being able to mediate the effect of service quality on customer satisfaction is positive and significant in the service sector. From this description, the premise proposed is that there is a causal relationship between service quality, passenger satisfaction, and perceived value.

H7. Corporate Image, Passenger Satisfaction, and Perceived Value

From the calculation, the path coefficient in which the perceived value provides insignificantly Contribution when it functions as a mediating (intervening) variable between corporate image and passenger satisfaction with the result found to be as big as 0.093. The negative path coefficient's resulting value indicates that corporate image does not affect passenger satisfaction
mediated by perceived value. In the study by Ni et al. (2020), the corporate image has a positive but insignificant contribution to the satisfaction of public transport passengers in China mediated by perceived value. This research also aligns with Sudin's (2011) finding, saying that the higher the corporate image and perceived value, the higher the client satisfaction overall. From the above description, the premise proposed is that there is a causal relationship between corporate image, passenger satisfaction, and perceived value.

5. Conclusion

The SERVQUAL characteristics of physical form/evidence, reliability, responsiveness, assurance, and empathy can be utilized as a starting point to examine service quality as it relates to MRT Jakarta passengers' concerns. Although this research has several limitations, it significantly advances both the field of literature and practice. First, the MRT Jakarta services are the exclusive subject of this study. Therefore, this analysis may only be generalizable to other mass transportation systems or locations where those systems operate. Second, future research should concentrate on additional elements like trust, passenger loyalty, relationship marketing, and company experience. At the same time, this study only examines and tests the relationship between service quality, corporate image, customer satisfaction, and perceived value. Third, the human capital of service officers at MRT Jakarta needs to be improved in terms of Quality and competency so that passengers’ opinions of the service staff are more favorable, increasing both perceived value and customer satisfaction. MRT Jakarta acts slowly to improve the caliber or competence of its service personnel; passengers' perceptions of its worth and contentment may remain the same. By switching to alternative forms of transportation, it could lower the number of passengers.

References


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