

CHAPTER II

LITERATURE REVIEW

2.1 Theoretical Background

2.1.1 Service Quality

Service quality can be defined as the degree of excellence or superiority of a service in meeting or exceeding customer expectations. It is a complex construct that includes various dimensions such as reliability, responsiveness, tangibles, assurance, and empathy. According to Cronin and Taylor (1992), service quality can be defined as "a form of attitude representing the overall assessment of a service provider by a consumer with respect to a set of evaluative criteria." They emphasize the importance of customer expectations in defining service quality and argue that customers' perceptions of service quality are influenced by their experiences and comparisons with alternatives.

Another definition of service quality is provided by Parasuraman et al. (1985), who define it as "the degree and direction of discrepancy between customers' expectations and perceptions of service performance." They argue that service quality is influenced by five dimensions: tangibles, reliability, responsiveness, assurance, and empathy. In recent years, researchers have also emphasized the importance of the customer experience in defining service quality. For example, Grönroos (2011) defined service quality as "the customer's evaluation of a service encounter based on the comparison between expectations and perceptions during or after the service encounter."

Overall, service quality can be defined as a complex construct that includes various dimensions and is influenced by customer expectations, perceptions, and experiences. Experts have identified various types or dimensions of service quality. The most commonly used typology is the SERVQUAL model developed by Parasuraman et al. (1985), which includes five dimensions: tangibles, reliability, responsiveness, assurance, and empathy. Meanwhile, other researchers have proposed different typologies, including:

1. Technical quality and functional quality: Technical quality refers to the core product or service features, while functional quality refers to the quality of the interactions between the service provider and the customer. This typology was proposed by Grönroos (1984) and has been widely used in service quality research.
2. Outcome quality and process quality: Outcome quality refers to the results or outcomes of the service, while process quality refers to the quality of the service delivery process. This typology was proposed by Parasuraman et al. (1985) and has been used in various service quality models.
3. Service encounter quality and service delivery quality: Service encounter quality refers to the quality of the interaction between the customer and the service provider, while service delivery quality refers to the quality of the overall service delivery process. This typology was proposed by Caruana et al. (2000) and has been used in studies of service quality in various contexts.
4. Physical environment quality and social environment quality: Physical environment quality refers to the quality of the physical surroundings in which the service is delivered, while social environment quality refers to the quality of the social interactions that take place during the service encounter. This typology was proposed by Baker et al. (2002) and has been used in studies of service quality in hospitality and tourism contexts.

Overall, the types or dimensions of service quality can vary depending on the context and the specific needs of the service provider and customer. However, the most widely used typology is the SERVQUAL model, which includes five dimensions of service quality. In this study, the authors examined the determinants of dining satisfaction and post-dining behavioral intentions in a restaurant setting. The results showed that service quality has a positive effect on perceived value, which in turn has a positive effect on both dining satisfaction and post-dining behavioral intentions. This suggests a positive relationship between service quality and perceived value. According to Wang & Shieh (2006) The results indicate that the overall service quality has a significantly positive effect on overall user satisfaction. A study by Ngo & Nguyen (2016) investigated the relationship

between service quality and customer loyalty in the retail banking sector. This study provides evidence that service quality is an important determinant of customer loyalty. Study from Dam & Dam (2021) showed that there was a positive relationship between service quality and brand image.

2.1.2 Perceived Value

Perceived value can be defined as "the overall assessment of the benefits a customer receives from a product or service in relation to the costs or sacrifices incurred to obtain those benefits" (Dodds et al., 1991). In other words, it is the customer's subjective evaluation of the value they receive from a product or service, based on their perceptions of its attributes, benefits, and costs. There are different types of perceived value, including functional value, social value, and emotional value. Functional value refers to the practical benefits or features that a product or service provide, such as convenience or reliability. Social value relates to the social status or image that a product or service conveys to the customer. Emotional value pertains to the feelings or emotions that a product or service evokes in the customer, such as happiness or excitement.

According to Hapsari et al. (2016) found that perceived value has a significant positive effect on customer satisfaction. According to Ramadhan & Siagian (2019) found that perceived value has a significant effect on customer loyalty. According to Itani et al. (2019) found that perceived value has a significant effect on customer engagement.

2.1.3 Customer Satisfaction

Customer satisfaction is defined as "a customer's overall evaluation of the performance of an offering to meet his or her needs and expectations" (Zeithaml & Bitner, 2021). In other words, it is the extent to which a customer feels that a product or service has met or exceeded their expectations. Furthermore, according to Kotler and Keller (2022), customer satisfaction is a key driver of customer loyalty and can have a significant impact on a company's long-term success. When customers are

satisfied with a product or service, they are more likely to continue purchasing from the company, recommend the company to others, and remain loyal over time.

This definition and understanding of customer satisfaction highlight its importance as a critical aspect of business success and emphasizes the need for companies to prioritize efforts to meet and exceed customer expectations. There are types of customer satisfaction according to experts:

1. Cognitive satisfaction: This type of satisfaction is based on a customer's perception of how well a product or service has met their expectations and needs (Zeithaml & Bitner, 2021).
2. Affective satisfaction: This type of satisfaction is based on a customer's emotional response to a product or service and how it has made them feel (Oliver, 2021).
3. Behavioral satisfaction: This type of satisfaction is based on a customer's willingness to continue purchasing from a company, recommending it to others, and remaining loyal over time (Kotler & Keller, 2022).

Understanding the different types of customer satisfaction is important for companies as it can help them identify areas where they may be falling short in meeting customer expectations and where they need to focus their efforts to improve overall customer satisfaction and loyalty. Saleem & Raja (2014) found that customer satisfaction has a significant effect on brand image. According to a study by Abror et al. (2019), there is a positive relationship between customer satisfaction and customer engagement. According to Gul (2014) there is a positive relationship between customer satisfaction and customer loyalty.

2.1.4 Brand Image

Brand image can be defined as "the perception that customers have of a brand based on their interactions, experiences, and beliefs about the brand" (Keller, 2022). In other words, brand image is the set of associations, emotions, and beliefs that customers have about a brand. There are various types of brand images based on experts' opinions. For example, according to David A. Aaker (1991), a well-known brand identity theorist, there are five types of brand images:

1. Functional Image: It reflects the functional benefits that a brand provides to its customers, such as quality, durability, or convenience.
2. Emotional Image: It reflects the emotional benefits that a brand provides to its customers, such as feeling happy, satisfied, or fulfilled.
3. Social Image: It reflects the social benefits that a brand provides to its customers, such as status, affiliation, or self-expression.
4. Symbolic Image: It reflects the symbolic benefits that a brand provides to its customers, such as personality, culture, or identity.
5. Experiential Image: It reflects the experiential benefits that a brand provides to its customers, such as sensory, aesthetic, or intellectual stimulation.

According to Hung (2008) found that brand image has a positive relation to customer loyalty. Study from Islam & Rahman (2016) found that brand image has a positive relationship to customer engagement.

2.1.5 Customer Engagement

"Customer engagement refers to customers' interactions with brands, including their experiences, behaviors, and emotions, which can influence their loyalty and advocacy towards the brand." (Hollebeek et al., 2019). According to Hollebeek et al. (2019) customer engagement, defined as "customers' cognitive, emotional, and behavioral investment in specific firm-related activities that ultimately lead to value co-creation," can lead to customer loyalty. The authors propose a conceptual framework that integrates customer value, co-creation, and network theory to explain the relationship between customer engagement and loyalty. They suggest that customer engagement is a key driver of customer loyalty and that firms can increase engagement by creating value co-creation opportunities and leveraging network relationships.

Customer engagement can be classified into three types: behavioral engagement, emotional engagement, and cognitive engagement. Behavioral engagement refers to a customer's observable actions or behavior with the company or its products/services. Emotional engagement reflects the customer's feelings or affective reactions towards the brand, product or service. Cognitive engagement

pertains to a customer's level of involvement in the decision-making process, including the effort expended to understand and evaluate the brand, product or service. Study from Hapsari et al. (2015) found that customer engagement has a positive effect on customer loyalty.

2.1.6 Customer Loyalty

According to Oliver (2014), customer loyalty is defined as "a deeply held commitment to re-patronize a preferred product or service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior." According to Verhoef et al. (2010), there are three types of customer loyalty:

1. Behavioral Loyalty: This refers to the customer's repeat purchase behavior due to satisfaction with the product or service.
2. Attitudinal Loyalty: This refers to the customer's emotional attachment to the brand and positive attitude towards it, even if they do not make repeat purchases.
3. Sense of Community: This refers to the customer's feeling of belonging to a community of customers who share similar values and beliefs.
4. Inertia Loyalty: This refers to the customer's loyalty due to the high cost of switching to a competing brand.

This current study measures customer loyalty as a customer's intention to re-patronize and recommend a service to other people and remain loyal to the organization.

2.2 Previous Research

Table 2.1
Previous Research

Journal Title & Author (Year)	Variable In Research	Analytical Tools	Research Results
The impact of service quality, customer engagement and selected marketing constructs on airline passenger loyalty Hapsari et al. (2017)	<ul style="list-style-type: none"> • Service Quality • Perceived Value • Customer Satisfaction • Brand Image • Customer Engagement • Customer Loyalty 	The analytical tool for this study is SPSS. The perceptions of 250 Indonesian airline passengers were used to examine the interrelationships among the constructs. The data set was analyzed using confirmatory factor analysis and structural equation modeling.	The empirical results demonstrate that customer engagement has the most influential effect on passenger loyalty, followed by customer satisfaction. Customer satisfaction has the largest total effect on customer engagement. Service quality, perceived value and customer satisfaction also indirectly affect customer loyalty through mediation.
Determinants of dining satisfaction and post-dining behavioral intentions Ladhari et al. (2008)	<ul style="list-style-type: none"> • Perceived Service Security • Positive emotions • Negative emotions • Satisfaction • Recommendation • Loyalty • Willingness to pay more 	Structural equation modeling using EQS 6.1 was performed in order to test the model proposed. A self-administered survey was distributed in class to students in the first half of 2005. The respondents were given questionnaires containing measures of service quality, satisfaction, emotional responses to consumption experiences and behavioral intentions.	Results reveal that there exist three sources of customers' satisfaction with restaurant services: positive emotions, perceived service quality and negative emotions. Positive emotions have more impact on customers' satisfaction than negative emotions. In addition, emotions mediate the impact of perceived service quality on dining satisfaction. Finally, satisfaction has a significant impact on recommendation, customer loyalty and willingness to pay more

Journal Title & Author (Year)	Variable In Research	Analytical Tools	Research Results
<p>The relationship between service quality and customer satisfaction: The example of CJCU Library</p> <p>Wang & Shieh (2006)</p>	<ul style="list-style-type: none"> • Service Quality • Customer Satisfaction 	<p>The data analysis tool used is Anova. A questionnaire survey was applied to investigate the degree of importance held by respondents toward every service attribute and the performance of CJCU Library</p>	<p>The results indicate that the overall service quality has a significantly positive effect on overall user satisfaction. Among these five dimensions except responsiveness, all of them have a significantly positive effect on overall user satisfaction. In addition, the top five important service quality features ranked by users are: collections, loaning and returning service, overall atmosphere, electronic database system, and online reservation and renewal. Furthermore, the perceived importance of service quality dimensions has no significant difference among institutes and status.</p>
<p>The relationship between service quality, customer satisfaction and customer loyalty: An investigation in Vietnamese retail banking sector.</p> <p>Ngo & Nguyen (2016)</p>	<ul style="list-style-type: none"> • Service quality • Customer satisfaction • Customer loyalty 	<p>The proposed mediating relationship between overall service quality, customer satisfaction, and customer loyalty are tested by structure equation modelling using Amos 22.0. The hypotheses are proposed and tested using confirmatory factor analysis (CFA) and the structural equation modelling technique (SME)</p>	<p>The analysis reveals that service quality and customer satisfaction are important antecedents of customer loyalty and customer satisfaction mediates the effects of service quality on customer loyalty. These findings suggest that there are non-linear relationships between three constructs and emphasize the need to treat customer loyalty management as a process which includes plenty of factors interacting with each other.</p>

Journal Title & Author (Year)	Variable In Research	Analytical Tools	Research Results
<p>Relationships between Service Quality, Brand Image, Customer Satisfaction, and Customer Loyalty</p> <p>Dam & Dam (2021)</p>	<ul style="list-style-type: none"> • Service Quality • Brand Image • Customer Satisfaction • Customer Loyalty 	<p>PLS-SEM was conducted to test the relationships in the conceptual model. The authors have estimated the scale's reliability by Cronbach's alpha values and composite reliability values. Moreover, The authors have evaluated discriminant validity by the Fornell-Larcker standard</p>	<p>The findings showed that service quality positively affects the brand image, customer satisfaction, and customer loyalty. Likewise, the results also confirmed brand image had a positive impact on customer satisfaction and customer loyalty. Moreover, the outcomes also disclosed that customer satisfaction had a positive relationship with customer loyalty. The research suggested implications for managers, limitations, and directions for future research from the above findings.</p>
<p>The mediating role of perceived value on the relationship between service quality and customer satisfaction: Evidence from Indonesian airline passengers.</p> <p>Hapsari et al. (2016)</p>	<ul style="list-style-type: none"> • Service Quality • Customer Satisfaction • Perceived Value 	<p>Two hundred observations was used to test the hypothesis. The data were analyzed by using Confirmatory factor Analysis and Structural Equation Modelling</p>	<p>The results illustrate that perceived value plays a partial mediating role between the service quality and customer satisfaction constructs.</p>

Journal Title & Author (Year)	Variable In Research	Analytical Tools	Research Results
<p>Impact of customer perceived value on loyalty: In Context CRM</p> <p>Ramadhan & Siagian (2019)</p>	<ul style="list-style-type: none"> • Perceived Value • Loyalty • Customer Relationship Management (CRM) 	<p>This research is a quantitative approach, associative type. In this study, the population studied were 120 customers who were already members of Abbott Family Club loyalty as well who contacted via customer service on Pediasure Vanilla 850gr dairy products. And with samples that can describe population, then in determining the sample of this study using the technique non probability sampling with method Convenience Sampling.</p>	<p>This research showed that Customer Perceived Value significantly influenced Loyalty. On the other hand, Customer Perceived Value have significant impact on Loyalty, while Customer Perceived Value influenced CRM. These results indicated that member loyalty Abbott Family Club doing by customers to obtain Pediasure Vanilla 850gr through customer service get a positive customer experience regarding information about a product.</p>
<p>Value get, value give: The relationships among perceived value, relationship quality, customer engagement, and value consciousness.</p> <p>Itani et al. (2019)</p>	<ul style="list-style-type: none"> • Customer Perceived Value • Relationship Quality • Customer Engagement 	<p>The research builds on the theory of engagement and relationship marketing literature to propose that customer perceived value (CPV) and relationship quality (RQ) are antecedents of CE. In addition, a mediated relationship between CPV and CE through RQ is examined to better understand the effects of CPV on CE.</p>	<p>Findings demonstrate support to the relationships hypothesized. Further, the study develops the 'value get, value' framework to extend research on customer relationship and engagement. Findings are discussed in detail with implications for theory and practice.</p>

Journal Title & Author (Year)	Variable In Research	Analytical Tools	Research Results
Corporate brand image and customer satisfaction on loyalty: An empirical study of Starbucks Coffee in Taiwan Tu et al. (2012)	<ul style="list-style-type: none"> • Brand Image • Customer Satisfaction • Customer Loyalty 	Survey was employed, and respondents were from the customers of Starbucks Coffee in the Taipei area. There were 199 usable questionnaires to analyze descriptive statistics, reliability, validity, and SEM models.	The research found that corporate brand image significantly affects customer satisfaction and customer loyalty, and customer satisfaction has a strong impact on customer loyalty for the sample.
The impact of service quality on customer satisfaction, customer loyalty and brand image: evidence from hotel industry of Pakistan Saleem & Raja (2014)	<ul style="list-style-type: none"> • Service Quality • Customer Satisfaction • Customer Loyalty • Brand Image 	The primary data was collected from 5 and 8 star hotels of Pakistan. The response rate was 86%. Structural equation modeling (SEM) technique was used to analyze the data	The findings suggested that high quality of services boost up the customer satisfaction and then afterward this satisfaction will strengthen the customer loyalty. Last but not the least strong customer loyalty directly related to strong brand image
Service quality, religiosity, customer satisfaction, customer engagement and Islamic bank's customer loyalty Abror et al. (2019)	<ul style="list-style-type: none"> • Service Quality • Religiosity • Satisfaction • Customer Engagement • Customer Loyalty 	This study is a survey of 335 Islamic bank customers in West Sumatra, Indonesia. This research deployed purposive sampling and analyzed the data by using covariance based structural equation modeling.	Service quality and customer engagement has a positive and significant impact on customer satisfaction. Religiosity has a significant and negative moderating impact on the service quality–customer satisfaction relationship. Service quality has no significant influence on customer loyalty. Finally, customer satisfaction is a significant antecedent of customer engagement and loyalty.

Journal Title & Author (Year)	Variable In Research	Analytical Tools	Research Results
<p>The Relationship between Reputation, Customer Satisfaction, Trust, and Loyalty</p> <p>Gul (2014)</p>	<ul style="list-style-type: none"> • Customer Satisfaction • Customer Loyalty • Trust • Reputation 	<p>Data for this research study was taken from the Islamia University, Quaid-e-Azam Medical College, and different banks located at various geographic locations of Bahawalpur region of Pakistan. Data was collected through self administered questionnaire and analyzed by using regression through SPSS</p>	<p>The results have been drawn from 150 users of NISHAT LINEN and it was found that there is positive and significant relationship among reputation, customer satisfaction, trust and customer loyalty. Hence the studies give the positive sign that with the increment of reputation, customer satisfaction and trust the customer loyalty enhances.</p>
<p>The Effect of Brand Image on Public Relations Perceptions and Customer Loyalty</p> <p>Hung (2008)</p>	<ul style="list-style-type: none"> • Public Relation Perception • Brand Image • Customer Loyalty 	<p>Empirical finding based on a survey of 367 consumers with insurance experience in the Taiwan region. The study used a 7 point Likert scale.</p>	<p>The findings demonstrate that brand image has a significant positive effect on both public relations perceptions and customer loyalty. In other words, customers who perceive a brand to have a positive image are more likely to view the brand's public relations efforts positively and to be loyal to the brand.</p>

Journal Title & Author (Year)	Variable In Research	Analytical Tools	Research Results
<p>Examining the effects of brand love and brand image on customer engagement: An empirical study of fashion apparel brands.</p> <p>Islam & Rahman (2016)</p>	<ul style="list-style-type: none"> • Brand Love • Customer Engagement • Brand Image • Customer Loyalty 	<p>To collect data, self-administered questionnaires were distributed to 430 students, of whom 403 students returned the completed questionnaires. Structural equation modeling (SEM) using AMOS 20.0 software was used to test the hypotheses.</p>	<p>Results reveal that brand image and brand love significantly influence customer engagement. Brand love was also found to act as a mediator between brand image and customer engagement. The results also reveal that customer engagement influences customer loyalty. The results can prove helpful to practitioners in engaging customers while branding and marketing their fashion apparel brands so as to build a loyal customer base. The development of the research model can also provide a stage for scholars to undertake future research.</p>
<p>The Role of Customer Engagement in Enhancing Passenger Loyalty in Indonesian Airline Industry: Relationship Marketing Approach.</p> <p>Hapsari et al. (2015)</p>	<ul style="list-style-type: none"> • Perceived Value • Customer Engagement • Customer Loyalty 	<p>The methods used to analyse the data are Confirmatory Factor Analysis (CFA) to test the model fit and Structural Equation Modelling (SEM) to test the hypothesis. Sobel's test is also used to test the mediating role of customer engagement</p>	<p>The findings of this study indicate while customer perceived value consistently influences loyalty, customer engagement is also proven to be an antecedent of loyalty. Furthermore, customer engagement is also proven to play a mediating role which strengthens the relationship between perceived value and loyalty. The results of the empirical analysis is supported by previous studies that suggest customer engagement is a new construct that has an important role to play in enhancing passenger loyalty.</p>

Journal Title & Author (Year)	Variable In Research	Analytical Tools	Research Results
<p>The effect of service quality and brand image on loyalty with perception of value as a mediation variable.</p> <p>Hasby et al. (2018)</p>	<ul style="list-style-type: none"> • Service Quality • Brand Image • Perceived Value • Customer Loyalty 	<p>The research surveyed 120 Uber users in DKI Jakarta, through an online questionnaire. Research data were analyzed with Partial Least Square operated through SmartPLS program.</p>	<p>The results of the analysis show that perceived value mediates the relationship between service quality and customer loyalty fully, and perceived value mediates the relationship between brand image and customer loyalty partially.</p>
<p>Relationships and impacts of service quality, perceived value, customer satisfaction, and image: an empirical study</p> <p>Hu et al. (2009)</p>	<ul style="list-style-type: none"> • Service Quality • Perceived Value • Customer Satisfaction • Corporation Image • Behavioral Loyalty 	<p>The model was tested in the hotel industry with data collected from the customers of selected hotels located in Mauritius. Descriptive statistics including mean and standard deviation of each variable used in the proposed model were presented. The assessment of the measurement properties of the scales and the test of the hypothesised relationships presented in the conceptual model were undertaken with the use of LISREL 8 (Joreskog & Sorbom, 1993). The hypothesised relationships were then tested with the structural equation model.</p>	<p>The proposed model indicates that delivering high quality service and creating superior customer value can result in achieve high customer satisfaction, thus effecting the firm's corporate image, and ultimately leading to consumer retention.</p>

Journal Title & Author (Year)	Variable In Research	Analytical Tools	Research Results
<p>The mediation effect of customer satisfaction on the relationship between product quality, perceived price justice and customer loyalty.</p> <p>Da Silva et al. (2022)</p>	<ul style="list-style-type: none"> • Product Quality • Perceived Price Justice • Customer Satisfaction • Customer Loyalty 	<p>The data collection of this study used a questionnaire adopted by previous studies, and data analysis used SMART-PLS 3.0</p>	<p>The findings of this study indicated that product quality has no significant effect on the loyalty of the customer. Still, the perception of a fair price that is satisfied by the customer significantly affects the loyalty of the customer. The customer is satisfied with the significant mediating effect on the relationship between product quality and fair perception of the customer's loyalty.</p>
<p>The Impact of Customer Engagement and Selected Higher Order Marketing Constructs on Customer Loyalty: An Empirical Investigation of the Indonesian Airline Industry</p> <p>Hapsari (2015)</p>	<ul style="list-style-type: none"> • Perceived Value • Customer Satisfaction • Service Quality • Customer Loyalty • Gender • Brand Image • Customer Engagement 	<p>The sample used in this study was based on the perceptions of 250 Indonesian airline passengers in Surabaya and Malang. The data set was analyzed using Confirmatory Factor Analysis (CFA), Structural Equation Modelling (SEM) and a multi-group comparison, to satisfy the three research objectives of this study.</p>	<p>The results show that customer engagement has the most influential effect on passenger loyalty, followed by customer satisfaction. This current study also demonstrate that customer satisfaction has the largest direct effect on customer engagement. In addition to the direct relationships among the investigated constructs, this current study also found that service quality, perceived value and customer satisfaction also indirectly affect customer loyalty through the mediating variables. Moreover, gender has been identified as an important variable that moderates the interrelationships among: brand image, customer satisfaction and customer engagement constructs.</p>

2.3 Hypotheses Development

2.3.1 The effect between customer engagement and customer loyalty

Based on the findings of the previous research of Hapsari et al. (2017), customer engagement positively influences customer loyalty. It is supported by Abror et al. (2019) which mentioned that customer engagement positively influenced customer loyalty.

Study from Hapsari et al. (2015) stated that customer engagement positively affects customer loyalty. Another study from Hapsari (2015) stated the same about customer engagement positively affects customer loyalty. Study from Islam & Rahman (2016) also found that customer engagement positively influenced customer loyalty. Therefore, according to the support of previous research above, the hypothesis proposed is:

H1. There is a significant relationship between customer engagement and customer loyalty.

2.3.2 The effect between service quality and perceived value

Based on the findings of the previous research of Hapsari et al. (2017) service quality positively influences perceived value. It is supported by Hasby et al. (2018) which mentioned that service quality positively influenced perceived value.

Study from Hu et al. (2009) stated that service quality positively influenced perceived value. Another study from Hapsari (2015) stated the same about service quality positively influences perceived value. Another study from Hapsari et al. (2016) also found that service quality positively influenced perceived value. Therefore, according to the support of previous research above, the hypothesis proposed is:

H2. There is a significant relationship between service quality and perceived value.

2.3.3 The effect between service quality and brand image

Based on the findings of the previous research of Hapsari et al. (2017) service quality positively influences brand image. It is supported by Hapsari (2015) which mentioned that service quality positively influences brand image.

Study from Saleem & Raja (2014) stated that service quality positively influences brand image. Another study from Dam & Dam (2021) stated the same about service quality positively influences brand image. Study from Hu et al. (2009) also found that service quality positively influences brand image. Therefore, according to the support of previous research above, the hypothesis proposed is: H3. There is a significant relationship between service quality and brand image.

2.3.4 The effect between service quality and customer satisfaction

Based on the findings of the previous research of Hapsari et al. (2017) service quality positively influences customer satisfaction. It is supported by Hu et al. (2009) which mentioned service quality positively influences customer satisfaction.

It is supported by Hapsari (2015); Saleem & Raja (2014); Abror et al. (2019); Wang & Shieh (2006); Ngo & Nguyen (2016); Dam & Dam (2021); Da Silva et al. (2022); Hapsari et al. (2016). Which also stated that service quality positively influences customer satisfaction. Therefore, according to the support of previous research above, the hypothesis proposed is:

H4. There is a significant relationship between service quality and customer satisfaction.

2.3.5 The effect between service quality and customer loyalty

Based on the findings of the previous research of Hapsari et al. (2017) service quality has a negative effect on customer loyalty. In contrast, Saleem & Raja (2014) found that service quality has a positive effect on customer loyalty.

Another study from Ngo & Nguyen (2016) found that service quality has a positive effect on customer loyalty. Study from Dam & Dam (2021) also found that service quality has a positive effect on customer loyalty. Therefore, according to the support of previous research above, the hypothesis proposed is:

H5. There is a significant relationship between service quality and customer loyalty.

2.3.6 The effect between perceived value and customer satisfaction

Based on the findings of the previous research of Hapsari et al. (2017) perceived value positively influences customer satisfaction. It is supported by a study from Hu et al. (2009) which stated that perceived value positively influences customer satisfaction.

Study from Hapsari (2015) also found that perceived value positively influences customer satisfaction. Another study from Hapsari (2016) also found the same about perceived value positively influences customer satisfaction. Therefore, according to the support of previous research above, the hypothesis proposed is: H6. There is a significant relationship between perceived value and customer satisfaction.

2.3.7 The effect between perceived value and customer loyalty

Based on the findings of the previous research of Hapsari et al. (2017) perceived value has a negative effect on customer loyalty. In contrast, a study from Hu et al. (2009) found that perceived value has a positive influence on customer loyalty.

Another study from Hasby et al. (2018) mentioned that perceived value has a positive influence on customer loyalty. It is also supported with a study from Hapsari et al. (2015) that found perceived value has a positive influence on customer loyalty. Ramadhan & Siagian (2019) also found that perceived value has a positive influence on customer loyalty. Therefore, according to the support of previous research above, the hypothesis proposed is:

H7. There is a significant relationship between perceived value and customer loyalty.

2.3.8 The effect between perceived value and customer engagement

Based on the findings of the previous research of Hapsari et al. (2017) perceived value has a negative effect on customer engagement. Hapsari (2015) also found that perceived value has a negative effect on customer engagement.

In contrast, a study from Itani et al. (2019) found that perceived value has a positive relationship on customer engagement. Therefore, according to the support of previous research above, the hypothesis proposed is:

H8. There is a significant relationship between perceived value and customer engagement.

2.3.9 The effect between customer satisfaction and brand image

Based on the findings of the previous research of Hapsari et al. (2017) customer satisfaction has a positive effect on brand image. It is supported with a study from Hu et al. (2009) that found customer satisfaction has a positive effect on brand image.

Another study from Hapsari (2015) found that customer satisfaction has a positive effect on brand image. Study from Saleem & Raja (2014) also found customer satisfaction has a positive effect on brand image. Therefore, according to the support of previous research above, the hypothesis proposed is:

H9. There is a significant relationship between customer satisfaction and brand image.

2.3.10 The effect between customer satisfaction and customer engagement

Based on the findings of the previous research of Hapsari et al. (2017) customer satisfaction has a positive effect on customer engagement. It is supported by Abror et al. (2019) that found customer satisfaction has a positive effect on customer engagement.

Another study from Hapsari (2015) also found that customer satisfaction has a positive effect on customer engagement. Therefore, according to the support of previous research above, the hypothesis proposed is:

H10. There is a significant relationship between customer satisfaction and customer engagement.

2.3.11 The effect between customer satisfaction and customer loyalty

Based on the findings of the previous research of Hapsari et al. (2017) customer satisfaction has a positive effect on customer loyalty. It is supported by study from Saleem & Raja (2014); Abror et al. (2019); Ngo & Nguyen (2016); Dam & Dam (2021); Hapsari (2015); Da Silva et al. (2022); Tu et al. (2012); Gul (2014).

Which all stated that customer satisfaction have a positive effect on customer loyalty. Therefore, according to the support of previous research above, the hypothesis proposed is:

H11. There is a significant relationship between customer satisfaction and customer loyalty.

2.3.12 The effect between between brand image and customer loyalty

Based on the findings of the previous research of Hapsari et al. (2017) brand image has a negative effect on customer loyalty. In contrast, a study from Dam & Dam (2021) found that brand image has a positive effect on customer loyalty.

Another study from Tu et al. (2012) found the same about brand image has a positive effect on customer loyalty. Studies from Gul (2014) Hu et al. (2009); Hasby et al. (2018); Hung (2008) also found that brand image has a positive effect on customer loyalty. Therefore, according to the support of previous research above, the hypothesis proposed is:

H12. There is a significant relationship between brand image and customer loyalty.

2.3.13 The effect between brand image and customer engagement

Based on the findings of the previous research of Hapsari et al. (2017) brand image has a negative effect on customer engagement. Another study from Hapsari (2015) also found that brand image has a negative effect on customer engagement.

In contrast, a study from Islam & Rahman (2016) found that brand image has a positive relationship between customer engagement. Therefore, according to the support of previous research above, the hypothesis proposed is:

H13. There is a significant relationship between brand image and customer engagement.

2.3.14 The mediation effect between service quality and customer loyalty through perceived value

Based on the findings of the previous research of Hapsari et al. (2017) perceived value mediates the effect of service quality on customer loyalty. The mediation type found by this previous research are fully mediated. It is supported by a study from Hasby et al. (2018) that found perceived value mediates the effect of service quality on customer loyalty.

Another study from Hapsari (2015); Hapsari et al. (2016) also found perceived value mediates the effect of service quality on customer loyalty. Therefore, according to the support of previous research above, the hypothesis proposed is:

H14a. Perceived value mediates the effect of service quality on customer loyalty.

2.3.15 The mediation effect between service quality and customer loyalty through brand image

Based on the findings of the previous research of Hapsari et al. (2017) brand image does not mediate the effect of service quality on customer loyalty. The mediation type found by this previous research is not mediated. Another study from Hapsari (2015) also found that brand image does not mediate the effect of service quality on customer loyalty.

In contrast, a study from Hu et al. (2009) found that brand image mediates the effect of service quality on customer loyalty. Therefore, according to the support of previous research above, the hypothesis proposed is:

H14b. Brand image mediates the effect of service quality on customer loyalty.

2.3.16 The mediation effect between service quality and customer loyalty through customer satisfaction

Based on the findings of the previous research of Hapsari et al. (2017) customer satisfaction mediates the effect of service quality on customer loyalty. The mediation type found by this previous research are fully mediated. It is supported by Hapsari (2015) that found customer satisfaction mediates the effect of service quality on customer loyalty.

Another study by Da Silva et al. (2022); Ngo & Nguyen (2016) also found customer satisfaction mediates the effect of service quality on customer loyalty. Therefore, according to the support of previous research above, the hypothesis proposed is:
H14c. Customer satisfaction mediates the effect of service quality on customer loyalty.

2.3.17 The mediation effect between perceived value and customer loyalty through customer satisfaction

Based on the findings of the previous research of Hapsari et al. (2017) customer satisfaction mediates the effect of perceived value on customer loyalty. The mediation type found by this previous research are fully mediated.

It is supported by Hapsari (2015) that also found customer satisfaction mediates the effect of perceived value on customer loyalty. Therefore, according to the support of previous research above, the hypothesis proposed is:
H15a. Customer satisfaction mediates the effect of perceived value on customer loyalty.

2.3.18 The mediation effect between perceived value and customer loyalty through customer engagement

Based on the findings of the previous research of Hapsari et al. (2017) customer engagement mediates the effect of perceived value on customer loyalty. The mediation type found by this previous research are fully mediated.

It is supported by research from Hapsari (2015) that found customer engagement mediates the effect of perceived value on customer loyalty. Another study from Hapsari et al. (2015) also found customer engagement mediates the effect of perceived value on customer loyalty. Therefore, according to the support of previous research above, the hypothesis proposed is:

H15b. Customer engagement mediates the effect of perceived value on customer loyalty.

2.3.19 The mediation effect between customer satisfaction and customer loyalty through customer engagement

Based on the findings of the previous research of Hapsari et al. (2017) customer engagement mediates the effect of customer satisfaction on customer loyalty. The mediation type found by this previous research are fully mediated.

It is supported by research from Hapsari (2015) that found customer engagement mediates the effect of customer satisfaction on customer loyalty. Therefore, according to the support of previous research above, the hypothesis proposed is:

H16. Customer engagement mediates the relationship between customer satisfaction and customer loyalty.

2.3.20 The mediation effect between brand image and customer loyalty through customer engagement

Based on the findings of the previous research of Hapsari et al. (2017) customer engagement mediates the effect of brand image on customer loyalty. The mediation type found by this previous research are fully mediated.

It is supported by research from Hapsari (2015) that found customer engagement mediates the effect of brand image on customer loyalty. Therefore, according to the support of previous research above, the hypothesis proposed is:

H17. Customer engagement mediates the relationship between brand image and customer loyalty.

2.4 Research Framework

The research framework below consists of service quality as independent variable towards perceived value, customer satisfaction, brand image and customer engagement. Finally, customer loyalty acts as a dependent variable. This framework is adapted from Hapsari et al. (2017) research that showed the effect of service quality, customer engagement and selected marketing construct on e-loyalty (Figure 2.1).

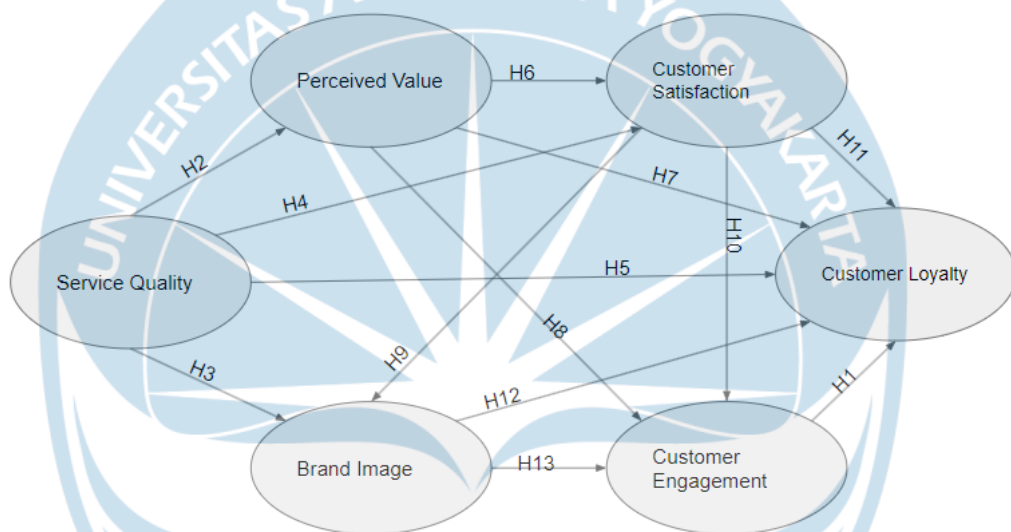


Figure 2.1
Research Framework
Source: Hapsari et al. (2017)