Assessing the Relationship between Corporate Reputation, Customer Satisfaction, Behavioural Intentions and Customer Loyalty

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Assessing the Relationship between Corporate Reputation, Customer Satisfaction, Behavioural Intentions and Customer Loyalty

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Corporate reputation is an intangible asset of organisations that could help to sustain a competitive advantage for a long period; however, ineffective development of corporate reputation by organisations could reduce the competitive advantage in the global market. To address this issue, this study aims to examine the effect of corporate reputation on customer satisfaction, customer loyalty and behavioural intention in the restaurant industry of Indonesia. Using a cross-sectional research design, 600 questionnaires were distributed among managers in the restaurant industry of Indonesia. A convenient sampling technique was used, which yielded a 58.33\% response rate. The Structural Equation Modelling technique was used to analyse the data. The findings have shown a positive and significant association between corporate reputation, customer satisfaction, customer loyalty, and behavioural intention. This study contributed to the extant literature and also provided valuable insights upon which organisations may capitalize to improve corporate reputation and sustain a competitive advantage.

\textbf{Key words:} Corporate reputation, customer satisfaction, customer loyalty, behavioural intention, Indonesia, restaurant industry.
Introduction

Corporate reputation (CR) is one of the vital intangible resources of an organisation, which increases value creation and sustained competitive advantage over a long period (Alsop, 2004). For various stakeholders, CR is the complete and final attribution about an organisation (Fombrun & Rindova, 1996). CR consists of present and past activities that describe the ability of an organisation to achieve a valuable result for different stakeholders (De Castro, López, & Sáez, 2006; Dortok, 2006). The reputation of the organisation is created over time through the bettering provision goods and services (Brewer & Zhao, 2010). Therefore, organisations can gain customer benefits from a positive corporate reputation in various ways, such as through cost advantage, qualified and experienced employees, increased product advancement, and accruing more customer loyalty (de Leaniz & del Bosque Rodríguez, 2016).

Accordingly, if companies want to maintain their CR, they should mainly emphasis the behavioural effects on the customer (Kircova and Esen (2018) because customers are considered to be key stakeholders in evaluating the reputation of a company (Helm, Eggert, & Garnefeld, 2010). Therefore, building positive behavioural intentions and customer loyalty toward organisations is important due to extreme competition and saturated market condition (Gul, 2014). After recognizing the importance of CR, organisations need to make the utmost effort to improve their customer loyalty and behavioural intentions to increase their competitive position. In the current era of competition, past research has shown that it is important for managers to build robust relations with their customers for long-lasting business (Helm et al., 2010). For this purpose, reputation is considered an important tool that could help companies to achieve competitive advantage by enhancing their credibility (Gul, 2014). Furthermore, reputations can also help companies during the crisis by changing their customers’ behaviour (Haery, Ghorbani, & Zamani, 2014). Nevertheless, any negative event could damage the reputation of a company, which could change the behaviour of individual customers towards certain products. As Gul (2014) suggests, organisations take over twenty years to construct a reputation, but it takes just five minutes to destroy it.

Therefore, the reputation of a company and its product influence the buying behaviour of their customers from the supplier (Brown & Dacin, 1997). Consumers' good brand impressions reflect the good reputation of the company, which is considered to be more reliable for a company's performance than a poor reputation. Furthermore, the reputation of a brand also reflects the quality of its product (Kirmani & Rao, 2000). Thus, this shows that a well-reputed brand could help to diminish the perceived risk related to performance imprecision and information symmetry, which could lead to positive purchase intention (De Castro et al., 2006). Various other researchers, like Rose and Thomsen (2004); Aramburu and Pescador (2019), also describe the features of reputation. They emphasise more the past
and future with different stakeholders for establishing the reputation of an organisation (Gardberg, Zyglidopoulos, Symeou, & Schepers, 2019). Finally, it is further described by Kircova and Esen (2018) that CR is considered a comprehensive idea that combines the manifold dimensions of companies and their stakeholders to discriminate between reputation and mere corporate image. With the preceding discussions, it could be explained that CR should be considered a multidimensional variable when coupled with an extensive range of stakeholders (Walsh, Dinnie, & Wiedmann, 2006). Therefore, in the current research, CR has been measured by three dimensions: media visibility, corporate social responsibility, and brand image.

Furthermore, previous researches have mainly focused on the influence of CR over the performance of organisations (De la Fuente Sabaté & De Quevedo Puente, 2003; Eberl & Schwaiger, 2005; Roberts & Dowling, 2002). Similarly, studies have also shown the influence of CR on customers’ behavioural intention (Keh & Xie, 2009; Kircova & Esen, 2018; Walsh, Mitchell, Jackson, & Beatty, 2009). In contrast, there is a lack of attention to the influence of corporate reputation on the loyalty of customers (Gul, 2014).

Moreover, previous studies have a major focus on developed countries (Kircova & Esen, 2018; Suki & Suki, 2019; Wu, Cheng, & Ai, 2018). Whereas, the studies on developing countries have paid little attention to CR, customer satisfaction (CS), behavioural intentions (BI), and customer loyalty (CL), especially in the restaurant industry of Indonesia. Therefore, by seeking the significance of CR with CS, CL, and BI, this study aims to investigate how CR influence CS, BI, and CL in the restaurant industry of Indonesia.

In this paper, we used the PLS-SEM to analyse the association between CR, CS, BI, and CL in the restaurant industry of Indonesia. The findings of this study are major contributions. There is still limited research about the association of corporate reputation, customer satisfaction, customer loyalty, and behavioural intention in the restaurant industry of Indonesia. This paper is structured as follows: literature review, research hypothesis, research framework, data analysis, discussion, and conclusion. Finally, this study provides some recommendations and future directions.

**Literature Review**

**Corporate Reputation**

In the contemporary environment, corporate reputation (CR) is acknowledged as having considerable influence. According to Fombrun and Shanley (1990), CR is a perceptual representation of the company’s past actions and future predictions, which represents the overall contribution of the company, as compared to other companies. In other words, CR also describes stakeholders’ perception of an organisation’s ability to create value in its
business, as compared to their competitors (Deephouse, 2000). The definition mentioned above is in line with other scholars like Gotsi & Wilson (2001b) and Lee and Jungbae Roh (2012), who defined CR as perceptual and mostly dependent on the perception of third-party evaluation. Thus, based on these definitions, three features of a corporate reputation could be inferred. Firstly, corporate reputation is dependent on the people; secondly, it is internally and externally judgmental; and lastly, corporate reputation contains the valuation of the different stakeholder groups in the organisations (Roberts & Dowling, 2002).

The extant literature on CR suggested that it is an important, intangible asset of a company (Barney, 1991; Hall, 1992). A good reputation could serve as an effective form of uniqueness and also a source of competitive advantage that is considered to be impossible for competitors to copy (Hall, 1992). Based on previous literature, there is consensus among various scholars that CR confers benefits to its organisation by clarifying investment decisions and removing decisions from customers about choice of product (Weigelt & Camerer, 1988). On the other hand, a poor reputation may hinder the survival prospects of an organisation.

With respect to the various benefits that are attributed to reputable companies, extant literature points out that the business world is characterized by unbalanced information, which could make it difficult for stakeholders to fully recognise the range of activities attributed to an organisation (Rao, Greve, & Davis, 2001). This view is fully supported by the presence of incomplete information, which forces outside observers to depend on proxies to define rival preferences and determine their likely course of action (Weigelet and Camerer, 1988). In search of necessary, detailed responses, Fombrun and Rindova (1996) and Gotsi and Wilson (2001a) further observed that the reputation of proactive organisations builds favourable activities for the business. These activities comprise evolving direct experiences with stakeholders and widely communicating information about the comparison between a given firm’s actions and those of its competitors.

Since organisations have various kinds of stakeholders, it is apparent that the activities that are relevant reputation vary between the companies. It is further recommended by Rao et al. (2001) that various companies are considered more visible when relying on more visible activities. Therefore, CR could be considered a more visible signal. Roberts and Dowling (2002) further revealed that corporate social responsibility (CSR), media visibility (MV) and corporate image (CI) have more effect on CR. In the same vein, Rindova, Williamson, and Petkova (2010) and Inglis, Morley, and Sammut (2006) further highlighted that CI, MV, and CSR are considered to be most the important signals that can affect the perceptions of stakeholders and proved to be of considerably high validity. These dimensions are aligned with the various studies of Rindova et al. (2005) and Inglis et al. (2006), who also focused on
three dimensions of CR, which are CI, MV and CSR. Based on previous literature, the current study has operationalised CR through the following three indicators.

**Customer satisfaction**

Most of a company’s existence in the market is attributed to the satisfaction of the customer. The customers of a company are considered key factors for the existence and development of a company in the competitive market (BIESOK & WYRÓD-WRÓBEL, 2011). It is further explained that companies that are facing competition need to provide valuable and unique products to their customers or consumers that will automatically satisfy their need (BIESOK & WYRÓD-WRÓBEL, 2011). This satisfaction not only consists of feelings which are associated with the purchase process but also the atmosphere before and after the purchase execution. In this regard, Van Tonder & Petzer (2018) defined customer satisfaction (CS) as the customer fulfillment response, which they further described in terms of product or service features that have been broadly accepted by consumers. As per this explanation, satisfaction consists of short-term feelings that can be variate under certain conditions. In other words, Gray and Boshoff (2004) further clarified that satisfaction primarily consists of consumers’ perceptions about the product’s or service’s attributes, which is unique to the individual. In this regard, consumers’ express varying levels of satisfaction for a service encounter or similar experience (Java, Ueltschy, Laroche, Eggert, & Bindl, 2007). For customers of the restaurant industry who cooperate with a company brand, it should be considered that they will participate in the activities of brand marketing or have the potential to buy products in the future (Khadka & Maharjan, 2017).

**Behavioural Intention**

From a general perspective, a positive behavioural intention (BI) leads to an increased level of CL. In line with this, Fishbein and Manfredo's (1992) significant research demonstrates that BI is a very important predictor for most social behaviours. It is further explained by Zeithaml, Berry, and Parasuraman (1996) that from a managerial standpoint, CS is linked only with the extent to which it effects behavioural outcomes. In other words, Kuo, Hu, and Yang (2013) further stated that CL is considered an important long-term validity antecedent and also a perpetual process for the company. In organisations, repeat purchasing intention is an extensively adopted index of behavioural intention. It is further supported by Heskett, Jones, Loveman, Sasser, and Schlesinger (1994) that there is a significant association between BI and purchase intention. Concerning previous researches, (Chen & Chen, 2010; Chen & Tsai, 2007) further concluded that BI is highly related to CL. Therefore, repurchase intention and the recommendation of a brand, product, or service of a company are two separate points for further deliberation. In the current study, behavioural intention is to be measured by number of people.
Customer loyalty (CL) is considered an important underlining objective for better marketing planning and an important foundation for sustainable competitive advantage (Dick & Basu, 1994). In the same vein, Reichheld and Scheftler (2000) further explained that if an organisation is not able to secure the loyalty of the customer, then an organisation is not able to increase profit. Srinivasan, Anderson, and Ponnavolu (2002) further discloses that CL has an important effect on the two outcomes related to customers: willingness to pay more and word of mouth advertising. In line with this, Shankar, Smith, and Rangaswamy (2003) further found that CL and satisfaction significantly and positively reinforce each other, and they also suggested that this association could be further established. This study was extended by Yang and Peterson (2004), who concluded that companies that work towards CL always have an initial focus on satisfaction of the customer and perceived value. Accordingly, overall, this research recommended that CL is creating the interaction between CR and users of the Indonesian restaurant industry. From the previous researches, it is to be concluded that CL is an essential source of competitive advantage for organisations. The cost of customer who stays with an organisation is low compared to a new customer (Dick & Basu, 1994). Rahim, Ignatius, and Adeoti (2012) further explained that acquiring a new customer costs five times more than keeping an existing customer.

Hypothesis development

Based on the literature discussed above, it is proposed that the CR, CS, CL, and BI related to a marketing campaign can help organisations to increase brand awareness among customers; and this could lead to improved purchase intentions in customers. Most of the previous studies have focused on the effect of CR on BI, but have paid little attention to CL. To overcome this issue; the study contended to confirm the previously established relationship in the restaurant industry of Indonesia. Based on the review and discussion of previous literature, the subsequent hypotheses have been proposed:

H₁ There is a significant association between corporate reputation and customer satisfaction in the restaurant industry of Indonesia.

H₂ There is a significant association between customer satisfaction and behavioural intention in the restaurant industry of Indonesia.

H₃ There is a significant association between customer satisfaction and customer loyalty in the restaurant industry of Indonesia.

H₄ There is a significant association between behavioural intention and customer loyalty in the restaurant industry of Indonesia.

H₅ There is a significant association between corporate reputation and behavioural intention in the restaurant industry of Indonesia.
H6 There is a significant association between corporate reputation and customer loyalty in the restaurant industry of Indonesia

Research framework

Based on the extensive and organized literature review (Chattananon, Lawley, Supparerkchaisakul, & Leelayouthayothin, 2008; Varadarajan & Menon, 1988), the research framework for the current study has been proposed in Figure 1. This framework shows how the customer’s assessment of corporate reputation affects satisfaction, behavioural intention, and customer loyalty.

Figure 1. Research Framework

Methodology

The current study is correlational and consists of cross-sectional research design. A quantitative approach was employed, using the self-administered questionnaire to examine the association between the study variables in the restaurant industry of Malaysia. The primary data have been gathered from managers in the restaurant industry of Indonesia. The 600 questionnaires were distributed to the respondents, the managers of the restaurant industry. Out of this total, 350 questionnaires were returned, which is a 58.33% response rate. The primary data was collected by using the five-point Likert Scale, which ranged from strongly agree =1 to strongly disagree =5. For measurements, all the study’s variables, the constructs, were taken from the extant literature or studies. Customer satisfaction,
behavioural intention, and customer construct were adopted from the study of Lv, Yu, & Wu (2018). For corporate reputation, the study utilized three dimensions: corporate image, corporate social responsibility, and media visibility. For the measurement of these three dimensions, constructs were adopted from the study of Kariuki (2014) and used as a second-order construct. Consistent with past studies, Smart PLS 3.0 was used for data analysis, which is appropriate to assess SEM with higher-order constructs (Ahmad, Bin Mohammad, & Nordin, 2019; Shah & Rahim, 2019).

Data Analysis

The results of PLS-SEM are discussed below.

Construct Reliability and Validity

Before assessing the model, the construct reliability and validity must be established (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014). Therefore, first, we assessed the measurement model, convergent validity, and discriminant validity. Table 1 presents the measurement model of the study. All the factor loadings were higher than 0.7, which established the indicator’s reliability. All the constructs have a Cronbach’s alpha > 0.70, an average variance extracted (AVE) > 0.5 and a composite reliability (CR) > 0.60, which established the convergent validity of the model (Hair, Hult, Ringle, & Sarstedt, 2014). For discriminant validity, in the Fornell and Larcker criterion, the diagonal values shows the square of AVE, which must be greater than the constructs’ correlation with other variables, and in the HTMT analysis, all the values should be less than 0.85 (Hair, Hult, Ringle, & Sarstedt, 2017). Similarly, the results of the Fornell and Larcker criterion (in Table 2) and HTMT analysis (in table 3) have established the discriminant validity of the construct.

Table 1: Measurement Model

<table>
<thead>
<tr>
<th>Construct</th>
<th>Item</th>
<th>Loadings</th>
<th>Cronbach's Alpha</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavioural Intentions</td>
<td>BI1</td>
<td>0.798</td>
<td>0.723</td>
<td>0.799</td>
<td>0.571</td>
</tr>
<tr>
<td></td>
<td>BI2</td>
<td>0.756</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BI3</td>
<td>0.709</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Image</td>
<td>CI1</td>
<td>0.801</td>
<td>0.706</td>
<td>0.727</td>
<td>0.516</td>
</tr>
<tr>
<td></td>
<td>CI2</td>
<td>0.808</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CI3</td>
<td>0.735</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>CL1</td>
<td>0.706</td>
<td>0.781</td>
<td>0.825</td>
<td>0.611</td>
</tr>
<tr>
<td></td>
<td>CL2</td>
<td>0.701</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CL3</td>
<td>0.758</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CL4</td>
<td>0.738</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>CS1</td>
<td>0.757</td>
<td>0.715</td>
<td>0.747</td>
<td>0.526</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>CS2</td>
<td>0.832</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS3</td>
<td>0.731</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR</td>
<td>CSR1</td>
<td>0.830</td>
<td>0.775</td>
<td>0.817</td>
<td>0.600</td>
</tr>
<tr>
<td>CSR2</td>
<td>0.714</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR3</td>
<td>0.701</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Media Visibility</td>
<td>MV1</td>
<td>0.783</td>
<td>0.763</td>
<td>0.800</td>
<td>0.573</td>
</tr>
<tr>
<td>MV2</td>
<td>0.823</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MV3</td>
<td>0.759</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Reputation*</td>
<td>Corporate Image</td>
<td>0.858</td>
<td></td>
<td>0.850</td>
<td>0.660</td>
</tr>
<tr>
<td>CSR</td>
<td>0.823</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Media Visibility</td>
<td>0.744</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Second-Order Construct

**Table 2:** Fornell and Larcker Criterion for Discriminant Validity

<table>
<thead>
<tr>
<th></th>
<th>Behavioural Intentions</th>
<th>Corporate Reputation</th>
<th>Customer Loyalty</th>
<th>Customer Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavioural Intentions</td>
<td><strong>0.755</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Reputation</td>
<td>0.619</td>
<td><strong>0.812</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>0.605</td>
<td>0.512</td>
<td><strong>0.725</strong></td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>0.386</td>
<td>0.33</td>
<td>0.537</td>
<td><strong>0.774</strong></td>
</tr>
</tbody>
</table>

**Table 3:** HTMT Analysis for Discriminant Validity

<table>
<thead>
<tr>
<th></th>
<th>Behavioural Intentions</th>
<th>Corporate Reputation</th>
<th>Customer Loyalty</th>
<th>Customer Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavioural Intentions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Reputation</td>
<td>0.793</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>0.813</td>
<td>0.815</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>0.597</td>
<td>0.486</td>
<td>0.833</td>
<td></td>
</tr>
</tbody>
</table>
Hypotheses Testing

In order to test the hypotheses, PLS-SEM was applied using Smart PLS 3.0. The model contains three endogenous variables, i.e. customer satisfaction, behavioural intentions and customer loyalty. The value of coefficient of determination, $R^2$, and predictive relevance, $Q^2$, of all the endogenous variable have passed the substantial criteria of 0.26 and 0.14 respectively (Hanseler et al., 2012); however, customer loyalty has the highest $R^2$ of 0.524 and behavioural intention has the highest $Q^2$ of 0.21 (see Table 5). Moreover, Table 4 predicted the results of PLS bootstrap algorithms, which confirms the significant direct relationship of corporate reputation with customer satisfaction ($\beta = 0.41$, $t$ value = 7.11, $p$ value = 0.00), customer satisfaction with behavioural intentions ($\beta = 0.15$, $t$ value = 10.91, $p$ value = 0.00) and customer loyalty ($\beta = 0.30$, $t$ value = 4.85, $p$ value = 0.00), behavioural intentions with customer loyalty ($\beta = 0.31$, $t$ value = 5.86, $p$ value = 0.00), corporate reputation with behavioural intentions ($\beta = 0.56$, $t$ value = 10.91, $p$ value = 0.00) and customer loyalty ($\beta = 0.29$, $t$ value = 4.68, $p$ value = 0.00).

Figure 2. Estimations of Structural Model
Table 4: Hypotheses Results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Beta</th>
<th>S.E</th>
<th>T Value</th>
<th>P Value</th>
<th>CI^{BCa} Low</th>
<th>CI^{BCa} High</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR -&gt; CS</td>
<td>0.413</td>
<td>0.058</td>
<td>7.115</td>
<td>0.000</td>
<td>0.288</td>
<td>0.518</td>
<td>Supported</td>
</tr>
<tr>
<td>CS -&gt; BI</td>
<td>0.154</td>
<td>0.054</td>
<td>2.839</td>
<td>0.005</td>
<td>0.042</td>
<td>0.26</td>
<td>Supported</td>
</tr>
<tr>
<td>CS -&gt; CL</td>
<td>0.300</td>
<td>0.062</td>
<td>4.845</td>
<td>0.000</td>
<td>0.181</td>
<td>0.426</td>
<td>Supported</td>
</tr>
<tr>
<td>BI -&gt; CL</td>
<td>0.311</td>
<td>0.053</td>
<td>5.856</td>
<td>0.000</td>
<td>0.211</td>
<td>0.41</td>
<td>Supported</td>
</tr>
<tr>
<td>CR -&gt; BI</td>
<td>0.557</td>
<td>0.051</td>
<td>10.914</td>
<td>0.000</td>
<td>0.454</td>
<td>0.654</td>
<td>Supported</td>
</tr>
<tr>
<td>CR -&gt; CL</td>
<td>0.288</td>
<td>0.062</td>
<td>4.680</td>
<td>0.000</td>
<td>0.160</td>
<td>0.397</td>
<td>Supported</td>
</tr>
</tbody>
</table>

*CR = Corporate Reputation, CS = Customer Satisfaction, BI = Behavioural Intentions, CL = Customer Loyalty* Significance level = 0.01

Table 5: Coefficient and Determination and Predictive Relevance

<table>
<thead>
<tr>
<th>Construct</th>
<th>R²</th>
<th>Q²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction</td>
<td>0.28</td>
<td>0.15</td>
</tr>
<tr>
<td>Behavioural Intentions</td>
<td>0.40</td>
<td>0.21</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>0.52</td>
<td>0.20</td>
</tr>
</tbody>
</table>

Discussions and Conclusion

The main aim of this study was to investigate the effect of corporate reputation on customer satisfaction, behavioural intentions, and customer loyalty in the restaurant industry of Indonesia. This study explores multiple pathways in the research framework. The results support all six hypotheses of the study. This is consistent with Saied, Sofian, Saiedi, Saiedi, & Saaeidi (2015) and de Leaniz and del Bosque Rodriguez (2016), which also showed that the corporate reputation has a significant positive association with behavioural intentions, customer satisfaction, and customer loyalty. However, the association between corporate reputation and behavioural intentions is the strongest. It implies that in Indonesia, the restaurant’s reputation is a strong predictor of customer’s behavioural intentions, satisfaction, and loyalty.

Similarly, behavioural intentions also predict customer loyalty, which indicates the partial mediation of behavioural intention in the association amongst corporate reputation and customer loyalty; however, its direct relationship has a stronger impact. Moreover, in line with the findings of Gillis, Johansen, & Vivek (2018) and Santouridis & Trivellas (2010), customer satisfaction directly and positively affected behavioural intentions and customer loyalty, but it’s a relationship with behavioural intentions is weaker than with customer loyalty. It means that, in the Indonesian restaurant industry, customer satisfaction is a stronger predictor of customer loyalty than behavioural intentions. Also, it explains the partial
mediation of customer satisfaction among the association of corporate reputation, behavioural intention, and customer loyalty, but in the research model, the direct effects have more impact than the indirect effects.

The study explains the significant and positive relationship between predictors of behavioural intentions and customer loyalty. The interconnectivity among variables in the research model explains the importance of this study, and it can be concluded that in the Indonesian restaurant industry, the customer’s behavioural intentions, customer loyalty, and customer satisfaction is stimulated by the reputation of a restaurant. We measured corporate reputation as a second (higher) order construct that reflects the content and strength of corporate image, CSR, and media visibility. Therefore, the study also has policy implications for owners and managers of Indonesian restaurants by explaining how corporate reputation is reflected in a customer’s mind.
REFERENCES


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