

**The Influence of Customers Satisfaction and Consumer Loyalty on Corporate Reputation**

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**ABSTRAK:**

Corporate reputation reflects the perception of the public, stakeholders, and customers toward a company. This study aims to analyze the influence of customer satisfaction and consumer loyalty on corporate reputation at PT XYZ, both collectively and partially. Data was collected through a survey of 91 customers, determined using the non-probability quota sampling technique. Primary data was obtained through questionnaires and analyzed using SPSS Version 18.0, employing validity and reliability tests, classical assumption tests, determination coefficient tests, correlation tests, and hypothesis testing with F-test and T-test. The results showed a moderate correlation (0.435) between customer satisfaction, consumer loyalty, and corporate reputation, with a determination coefficient of 18.9%, indicating that 81.1% is influenced by other variables not included in this study. Hypothesis testing revealed  $F_{\text{calculated}} (10.249) > F_{\text{table}} (3.100)$ , confirming a dominant influence of customer satisfaction and consumer loyalty on corporate reputation. Regression analysis produced the equation  $Y = 12.454 + 0.328X_1 + 0.444X_2$ , indicating a positive and significant effect. These findings emphasize the importance of customer satisfaction and consumer loyalty in enhancing corporate reputation at PT XYZ.

**Keywords :** Customer Satisfaction, Consumer Loyalty, Corporate Reputation, Businesses

**I. INTRODUCTION**

Competition in the global digital era drives companies to continuously innovate to meet customer needs and remain relevant in the market. Not only large corporations but also personal businesses can compete by leveraging various social media platforms, which have a significant impact on promotion and brand awareness (Andriana et al., 2019; Fernando et al., 2023, 2024). Product quality, delivery reliability, and excellent service are key factors in ensuring a company's future success, generating profits, and enhancing its reputation (Ernawati, 2019; Meyliana et al., 2019).

Satisfied customers tend to provide positive feedback, remain loyal, and rarely seek out or choose competitors, even when alternatives offer lower prices. Conversely, a strong corporate reputation bolsters customer trust and satisfaction (Candrianto, 2021). Responsiveness to customer needs is essential for addressing problems quickly and effectively; however, this

requires strategic efforts to maintain loyalty and reputation (Thungasal, 2019).

In Indonesia, several organizations have demonstrated success in achieving a good reputation through superior service, giving them a competitive advantage in the market (Mulyati et al., 2024). However, not all companies can achieve an excellent reputation, underscoring the importance of sustainable strategies to enhance customer satisfaction and loyalty. The following table lists companies in Indonesia that achieved the best reputation awards in 2022.

Table. 1 Indonesian Companies Recognized for Best Reputation in 2022

No	Company Name	Award	Industry
1	PT Bank Pembangunan Daerah Jawa Barat dan Banten, Tbk.	<i>Best Brand Awareness and Best Brand Image at Indonesia Best Award 2022</i>	Banking
2	PT Tempo Scan Group, Tbk	<i>Top 1 2<sup>nd</sup> Indonesia's Marketing Brand Awards 2022</i>	Pharmeceuticals
3	PT Kereta Api Indonesia (Persero)	<i>Corporate Reputation Award 2022</i>	Railway Transportation
4	PT Taspen (Persero) atau Dana Tabungan dan Asuransi Pegawai Negeri	<i>Corporate Reputation Awards 2022 in Mandatory Insurance Category</i>	Pension Fund Insurance
5	PT Bumi Siak Pusako (BSP)	TOP BUMD Awards 2023 for Best Reputation	Upstream and Downstream Oil & Gas

Source: CNN Indonesia, KAI, Bank BJB, dan Antarnews (2022)

The achievements of these companies underline the importance of a good reputation, as it influences various business aspects, including customer satisfaction, consumer loyalty, investor decisions, and the ability to recruit and retain employees.

Companies that fail to build a strong reputation often neglect customer service while focusing too much on other aspects like sales or operational efficiency. Delivering excellent service and providing solutions for customer issues positively impact long-term relationships with customers and other stakeholders. Businesses that are unresponsive to customer feedback miss opportunities to improve service quality (Myo et al., 2019). Moreover, ineffective marketing strategies also harm corporate reputation by failing to reach the right audience.

In the era of social media, a company's reputation is easily influenced by various factors, making it essential for businesses to pay attention to and integrate reputation into their strategies (Mulyati et al., 2024). A good reputation not only strengthens the brand's position in the market but also enhances customer trust (Winanti & Fernando, 2024). For example, PT XYZ which focuses on providing portable fire extinguishers (APAR), experienced a decline in reputation due to customer complaints about damaged product quality, which affected purchase interest and led to negative reviews on e-commerce platforms.

Table 2. Customer Complaints of PT XYZ on E-Commerce

<i>E-Commerce</i>	Year		
	2020	2021	2022
Shopee	3	8	23
Tokopedia	2	5	16

Source: Tokopedia Royal Apar (2023)

Weaknesses in the service and products of PT XYZ have led to increased customer dissatisfaction, reflected in complaints on e-commerce platforms. Based on this case, the author is interested in conducting research on this issue with the title "The Effect of Customer Satisfaction and Consumer Loyalty on Corporate Reputation at PT XYZ".

**II. LITERATURE REVIEW**

Customer satisfaction is a subjective evaluation conducted by customers on a product or service based on a comparison between expectations and reality (Tjiptono, 2022). High satisfaction can increase consumer loyalty, which reflects their intention to continue using a company's products or services even with changes in price or quality (Gary et al., 2015). This customer loyalty significantly influences corporate reputation, which is the public's perception of a company's performance, product quality, services, and its interactions with stakeholders (Mindie, 2021). A good reputation can strengthen the company's relationship with customers and other stakeholders (Fernando et al., 2024), as well as enhance its competitiveness in the market.

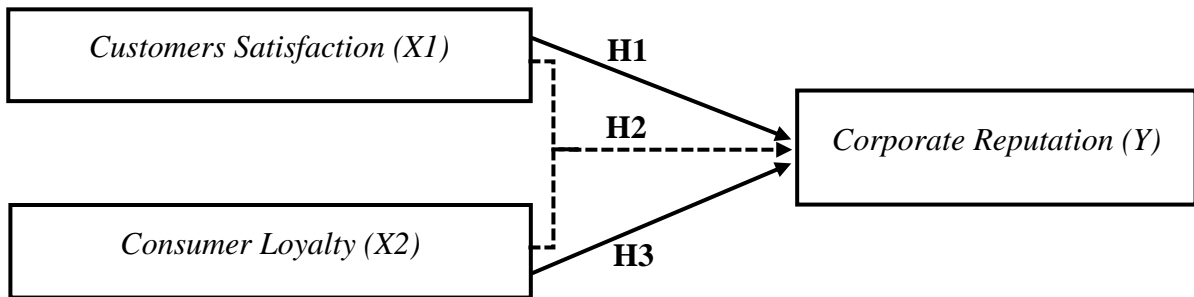


Figure 1: Theoretical Framework Customer Satisfaction, Consumer Loyalty, and Corporate Reputation

**III. RESEARCH METHOD**

A quantitative method with a survey design is adopted in this study to examine how customer satisfaction and customer loyalty affect corporate reputation at PT XYZ. Sampling techniques involve various methods, typically classified into probability sampling and non-probability sampling (Sudaryono, 2021). This study obtained 91 respondent samples using the Quota Sampling technique. Data were collected through a Likert scale-based questionnaire, distributed online between 2020 and 2022. Data analysis was performed using SPSS version 18.0, including validity and reliability tests, classical assumptions, and multiple regression to evaluate the relationships between variables.

**IV. RESULTS AND DISCUSSION**

The tests to be conducted in this study include a series of tests such as validity, reliability, classical assumptions, correlation and coefficient of determination, as well as hypothesis testing.

**A. Validity Test**

Table 1. The results of the validity test for Customer Satisfaction (X1)

Item Numb.	R <sub>count</sub>	R <sub>table</sub>	Remarks
1	0,831	0,2061	Valid
2	0,863	0,2061	Valid
3	0,831	0,2061	Valid
4	0,818	0,2061	Valid
5	0,535	0,2061	Valid

Based on Table 1, it can be concluded that the validity test results for Customer Satisfaction (X1) show that all statement items are valid, as the calculated r value is greater than the table r value.

Table 2. The results of the validity test for Consumer Loyalty (X2)

Item Numb.	R <sub>count</sub>	R <sub>table</sub>	Remarks
1	0,745	0,2061	Valid
2	0,785	0,2061	Valid
3	0,804	0,2061	Valid
4	0,874	0,2061	Valid
5	0,807	0,2061	Valid

Based on Table 2, all items on the Consumer Loyalty (X2) variable are considered valid, as the calculated r value exceeds the table r value.

Table 3. The results of the validity test for Corporate Reputation (Y)

No. Item	R <sub>hitung</sub>	R <sub>tabel</sub>	Keterangan
1	0,737	0,2061	Valid
2	0,866	0,2061	Valid
3	0,874	0,2061	Valid
4	0,803	0,2061	Valid
5	0,868	0,2061	Valid
6	0,858	0,2061	Valid
7	0,779	0,2061	Valid

Table 3 shows that all items on the corporate reputation (Y) variable are valid, as the calculated r value exceeds the table r value.

**B. Reliability Test**

Table 4. The results of the Reliability Test

Variabel	Cronbach's Alpha	Remarks
Customers Satisfaction (X <sub>1</sub> )	0,698	Reliable
Consumer Loyalty (X <sub>2</sub> )	0,861	Reliable
Corporate Reputation (Y)	0,925	Reliable

The results of the reliability test in Table 4 reveal that the Cronbach's Alpha values for all variables—Customer Satisfaction (X1), Consumer Loyalty (X2), and Corporate Reputation (Y)—exceed 0.6, indicating that each item meets the reliability criteria.

**C. Descriptive Statistical Test**

Table 5. The results of the Descriptive Statistical Test

Descriptive Statistics					
Variable	N	Minimum	Maximum	Mean	Std. Deviation
Customers Satisfaction (X <sub>1</sub> )	91	17,00	24,00	22,0110	1,77948
Consumer Loyalty (X <sub>2</sub> )	91	13,00	25,00	20,9890	3,16050
Corporate Reputation (Y)	91	18,00	30,00	25,7143	3,14214
Valid N (listwise)	91				

In Table 5, the sample data consists of 91 respondents. The mean values for each variable (customer satisfaction, consumer loyalty, and corporate reputation) > the standard deviation, indicating a uniform distribution of the data.

**D. Classical Assumption Test**

Table 6. The results of Normality Test

<b>One-Sample Kolmogorov-Smirnov Test</b>		
		Unstandardized Residual
N		91
Normal Parameters <sup>a,b</sup>	Mean	,0000000
	Std. Deviation	1,75816487
Most Extreme Differences	Absolute	,133
	Positive	,066
	Negative	-,133
Kolmogorov-Smirnov Z		1,265
Asymp. Sig. (2-tailed)		,081

The results of the normality test in Table 6 above show that the data is normally distributed if the probability (sig) > 0.05. From the test results using SPSS 18, an asymp. Sig (2-tailed) value of 0.081 > 0.05 was obtained, therefore it can be concluded that the data is normally distributed.

Table 7. The results of the Multicollinearity Test

<b>Coefficients<sup>a</sup></b>			
Model		Unstandardized Residual	
		Tolerance	VIF
1	Customer Satisfaction (X1)	,966	1,036
	Consumer Loyalty (X2)	,966	1,036

a. Dependent Variable: CORPORATE REPUTATION (Y)

Referring to the table above, the results of the multicollinearity test show that the variables customer satisfaction and consumer loyalty have tolerance values > 0.01 and VIF values < 10. This indicates that there are no indications of multicollinearity issues.

**E. Correlation and Coefficient of Determination Tests**

Table 8. The results of the Correlation Test (X1) on (Y)

<b>Correlations</b>			
		Customer Satisfaction (X1)	Consumer Loyalty (X2)
Customer Satisfaction (X1)	Pearson Correlation	1	,146
	Sig. (2-tailed)		,168
	N	91	91
Consumer Loyalty (X2)	Pearson Correlation	,146	1
	Sig. (2-tailed)	,168	91
	N	91	91

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The first correlation test shows a correlation of 0.146 between customer satisfaction and corporate reputation, indicating a very weak or negligible relationship.

Table 9. The results of the Correlation Test (X2) on (Y)

Correlations			
		Consumer Loyalty (X2)	Corporate Reputation (Y)
Consumer Loyalty (X2)	Pearson Correlation	1	,829
	Sig. (2-tailed)		,000
	N	91	91
Corporate Reputation (Y)	Pearson Correlation	,829	1
	Sig. (2-tailed)	,000	
	N	91	91

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The results from Table 9 show a correlation of 0.829 between customer satisfaction and corporate reputation, indicating a very strong relationship.

Table 9. The results of the Multiple Correlation Test

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	,826	,682	,674	1,877	,682	94,159	,2	88	,000

a. Predictors: (Constant), CONSUMER LOYALTY (X2), CUSTOMER SATISFACTION (X1)

The results from Table 9 of the multiple correlation test show a strong correlation (0.826) between customer satisfaction and consumer loyalty with corporate reputation, contributing 68.2%, while the remaining 31.8% is influenced by other variables. In conclusion, the sig. F change value (0.000 < 0.05) confirms a significant simultaneous influence.

Table 10. The results of the coefficient of Determination Test for Customer Satisfaction (X1)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,122	,015	,004	3,283

a. Predictors: (Constant), CUSTOMER SATISFACTION (X1)

Table 10 shows that Customer Satisfaction has a 15% effect on Corporate Reputation, while 85% is influenced by other variables

Table 11. The results of the Coefficient of Determination Test for Consumer Loyalty (X2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,825	,681	,677	1,869

a. Predictors : (Constant), CONSUMER LOYALTY (X2)

Table 11 shows that Consumer Loyalty has a 68.1% effect on Corporate Reputation, while 31.9% is influenced by other variables.

Table 12. The results of the Multiple Coefficient of Determination Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,826	,682	,674	1,877

a. Predictors: (Constant), CONSUMER LOYALTY (X2), CUSTOMER SATISFACTION (X1)

Table 12 shows that Customer Satisfaction and Consumer Loyalty have a 68.2% effect on Corporate Reputation, while 31.8% is influenced by other variables

**F. Regression Analysis Test**

Table 13. The results of the Simple Regression Test for Customer Satisfaction (X1) on Corporate Reputation (Y)

<b>Coefficients<sup>a</sup></b>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10,481	3,337		3,141	,002
	Customer Satisfaction (X1)	,954	,162	,530	5,895	,000
a. Dependent Variable: CORPORATE REPUTATION (Y)						

Table 13 provides the result of the regression equation  $Y = 10.481 + 0.954X$ , indicating that customer satisfaction has a positive impact on corporate reputation, with every 1% increase in customer satisfaction leading to a 95.4% increase in corporate reputation

Table 14. The results of the Simple Regression Test for Consumer Loyalty (X2) on Corporate Reputation (Y)

<b>Coefficients<sup>a</sup></b>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9,858	1,452		6,791	,000
	Consumer Loyalty	,962	,068	,831	14,068	,000
a. Dependent Variable: CORPORATE REPUTATION (Y)						

Table 14 shows the regression equation  $Y = 9.858 + 0.962X_2$ , indicating that Consumer Loyalty has a positive impact on Corporate Reputation, where every 1% increase in Consumer Loyalty leads to a 96.2% increase in Corporate Reputation

Table 15. The results of The Multiple Linear Regression Test

<b>Coefficients<sup>a</sup></b>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9,063	2,605		3,479	,001
	Customer Satisfaction (X1)	-,057	,113	-,031	-,504	,615
	Consumer Loyalty (X2)	,856	,063	,831	13,573	,000
a. Dependent Variable: CORPORATE REPUTATION (Y)						

Table 15 shows the regression equation  $Y = 9.063 - 0.057X_1 + 0.856X_2$ , indicating that Customer Satisfaction has a small negative impact, while Consumer Loyalty has a significant positive impact on Corporate Reputation.

**G. Hypothesis Testing**

Table 16. The results of The Hypothesis Test

ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	663,687	2	331,844	94,16	,000
	Residual	310,137	88	3,524		
	Total	973,821	90			
a. Predictors : (Constant), CONSUMER LOYALTY (X2), CUSTOMER SATISFACTION (X1)						
b. Dependent Variabel: CORPORATE REPUTATION (Y)						

Based on the hypothesis test results, Table 16 shows that  $F_{hi}^{tun}$  (94.159) >  $F_{ta\beta e}$  (3.100), meaning that Customer Satisfaction and Consumer Loyalty have a significant simultaneous effect on Corporate Reputation.

**H. T-test**

Table 17. The results of The T-test

Coefficients <sup>a</sup>						
Model		Unstandardized		Standardized	t	Sig.
		Coefficients				
		B	Std. Error	Beta		
1	(Constant)	10,481	3,337		3,141	,002
	Customer Satisfaction (X1)	,954	,162	0,530	5,895	,000
a. Dependent Variable: CORPORATE REPUTATION (Y)						

The results of the T-test in Table 17 show that  $t_{hi}^{tun}$  (5.895) >  $t_{ta\beta e}$  (1.662), indicating that Customer Satisfaction has a significant effect on Corporate Reputation.

**I. F-test**

Table 18. The results of The F-test

Coefficients <sup>a</sup>						
Model		Unstandardized		Standardized	t	Sig.
		Coefficients				
		B	Std. Error	Beta		
1	(Constant)	9,858	1,452		6,791	,000
	Consumer Loyalty (X2)	,962	,068	,831	14,068	,000
a. Dependent Variable: CORPORATE REPUTATION (Y)						

According to the results of the F-test in Table 18,  $t_{hi}^{tun}$  (14.068) is greater than  $t_{ta\beta e}$  (1.662), indicating that Consumer Loyalty has a significant effect on Corporate Reputation.

**V. Conclusion**

The results of the simultaneous correlation test between customer satisfaction (X1) and consumer loyalty (X2) on corporate reputation (Y) show an R value of 0.826, indicating a strong and positive relationship among the three variables. The coefficient of determination ( $R^2$ ) of 0.682 indicates that the two independent variables explain 68.2% of the variation in corporate reputation as the dependent variable, while 31.8% is influenced by other factors not included in this study. The resulting regression equation,  $Y = 12.454 + 0.328X_1 + 0.444X_2$ , shows that every 1% increase in customer satisfaction (X1) will increase corporate reputation by 0.328, while every 1% increase in consumer loyalty (X2) will increase corporate reputation by 0.444. The F-test results, with an  $F_{hi}^{tun}$  value of 10.249 greater than the  $F_{ta\beta e}$  value of 3.100, indicate



that customer satisfaction and consumer loyalty have a significant simultaneous impact on corporate reputation.

This research proves that customer satisfaction contributes positively, though minimally, to corporate reputation, while consumer loyalty has a larger and more significant impact. Both factors, simultaneously, play an important role in enhancing corporate reputation. This suggests that companies should focus on improving customer satisfaction and loyalty to strengthen their image and maintain their reputation in the public eye.

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