

# THE IMPACT OF PRICE, PROMOTION, AND SERVICE QUALITY ON CUSTOMER SATISFACTION: THE MEDIATING ROLE OF BRAND IMAGE IN TOYOTA CAR PRODUCT

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**Abstract.** This study aims to analyze the effect of price, promotion, and service quality on customer satisfaction, with brand image serving as an intervening variable in Toyota car products in Sukabumi, West Java. Using a quantitative approach, this research employs a survey method involving Toyota customers as respondents. Data were collected through structured questionnaires and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) to test both direct and indirect relationships among variables. The results indicate that price, promotion, and service quality have significant positive effects on customer satisfaction. Furthermore, brand image mediates the relationship between these independent variables and customer satisfaction, demonstrating that a strong and positive brand perception enhances the overall satisfaction of customers. These findings emphasize the importance of consistent pricing strategies, effective promotional activities, and high-quality service delivery to strengthen brand image and sustain customer satisfaction. The implications of this research suggest that automotive companies, particularly Toyota dealers in Sukabumi, should focus on integrated marketing and service strategies to reinforce their competitive advantage and brand loyalty.

**Keywords:** price; promotion; service quality; customer satisfaction; brand image

## I. INTRODUCTION

In the era of intense global competition, the automotive industry has become one of the most dynamic and customer-oriented sectors. Consumer preferences are increasingly influenced by a combination of rational and emotional factors such as price fairness, promotional appeal, service excellence, and brand perception [1]. As market competition intensifies, automotive brands must focus not only on the functional attributes of their products but also on the experiential and relational dimensions that shape long-term satisfaction and loyalty [2]. Price has long been recognized as one of the key determinants of consumer purchasing behavior and satisfaction [3]. Competitive and perceived fair pricing significantly influence how customers evaluate product value and make purchase decisions [4]. In the automotive industry, the perception of price fairness extends beyond monetary value it encompasses maintenance costs, spare parts availability, and after-sales services, all of which shape customers' satisfaction and trust [5]. Promotion is another essential element in attracting and retaining customers. Effective promotional strategies such as discounts, loyalty programs, advertising, and digital campaigns can enhance consumer awareness and influence purchase intentions [6]. Research indicates that integrated marketing communication and digital promotion strategies

significantly improve brand visibility and customer engagement [7]. Moreover, consistent promotional efforts can strengthen brand recall and perceived credibility, leading to higher satisfaction and repeat purchase intentions [8]. Service quality also plays a critical role in determining customer satisfaction, particularly in service-intensive industries such as automotive sales and maintenance [9]. High-quality service delivery covering responsiveness, reliability, empathy, and assurance creates positive customer experiences and builds long-term relationships [10]. Studies have demonstrated that service quality directly influences both satisfaction and loyalty in automotive retail settings [11]. In this context, brand image functions as a strategic mediating variable linking marketing mix factors to customer satisfaction. A strong brand image enhances perceived quality, emotional attachment, and customer trust, which in turn improve satisfaction and loyalty [12]. The image of Toyota, as one of the leading automotive brands, has been built through consistent product reliability, innovation, and superior service standards [13]. However, regional market dynamics such as in Sukabumi, West Java present unique challenges in maintaining consistent brand perception amid local competition and customer expectations [14].

Therefore, this study aims to analyze the influence of price, promotion, and service quality on customer

satisfaction, with brand image as an intervening variable, focusing on Toyota car products in Sukabumi, West Java. The findings are expected to contribute both theoretically and practically by enriching marketing literature and providing empirical insights for automotive business strategies in regional markets [15].

Price plays a crucial role in determining customer satisfaction, as it represents the customer's evaluation of the product's worth relative to its perceived value [16]. According to Kotler's value-based pricing theory, customers assess satisfaction not only based on the nominal price but also on perceived fairness, affordability, and consistency between quality and cost [17]. Research in the automotive industry confirms that competitive pricing positively influences satisfaction and purchase decisions when aligned with the brand's quality perception [18]. Price fairness fosters trust and loyalty, particularly when customers perceive transparent pricing strategies and value-for-money propositions [19].

Promotion is a persuasive communication process designed to inform and influence consumer purchasing behavior [20]. In the automotive context, effective promotions such as seasonal discounts, loyalty rewards, and digital campaigns can improve brand visibility and customer engagement [21]. The AIDA (Attention–Interest–Desire–Action) model remains a cornerstone for understanding promotional effectiveness in shaping customer intentions [22]. Promotional activities that convey consistent messages about brand reliability and innovation help reinforce satisfaction and trust toward the brand [23].

Service quality, conceptualized through the SERVQUAL model by Parasuraman et al., includes dimensions such as tangibility, reliability, responsiveness, assurance, and empathy [24]. In the automotive service industry, maintaining high standards across these dimensions ensures superior after-sales experience and directly impacts customer satisfaction. Studies indicate that responsiveness and reliability are the most influential dimensions for customer satisfaction in car dealerships [25]. Moreover, consistent service excellence enhances customer confidence, reduces perceived risk, and builds emotional attachment to the brand.

Brand image acts as a psychological representation of a brand's attributes, reputation, and customer associations [16]. A positive brand image increases customer confidence, perceived quality, and emotional loyalty, thereby strengthening the impact of price, promotion, and service quality on satisfaction [17]. Empirical studies have demonstrated that brand image significantly mediates the relationship between marketing mix elements and satisfaction, especially in industries where brand trust is critical [18]. Toyota's strong brand identity, symbolizing reliability and innovation, enhances consumers' willingness to repurchase despite market competition [19]. Based on previous studies, this research adopts a conceptual model that integrates price, promotion, and service quality as independent variables; brand image as the mediating (intervening) variable; and customer satisfaction as the dependent variable. The framework suggests that pricing

fairness, promotional appeal, and service quality improve satisfaction both directly and indirectly through enhanced brand image. The model will be empirically tested using Partial Least Squares Structural Equation Modeling (PLS-SEM) to evaluate the strength of direct and indirect relationships among variables.

## II. RESEARCH METHODS

This study employs a quantitative explanatory research design aimed at examining the causal relationships between price, promotion, service quality, brand image, and customer satisfaction in the context of Toyota car products in Sukabumi, West Java. The population consists of Toyota customers who have purchased or serviced their vehicles within the past two years. A purposive sampling technique was used to select 120 respondents, ensuring that participants had direct purchasing or service experience with Toyota. Data were collected through a structured questionnaire utilizing a Likert scale (1–5) to measure perceptions of each construct. The instrument was adapted from validated previous studies, covering indicators of price fairness, promotional effectiveness, service quality dimensions, brand image perception, and customer satisfaction level. The questionnaire items were pre-tested for reliability (Cronbach's Alpha > 0.7) and validity (AVE > 0.5) to ensure internal consistency and measurement accuracy [26]. Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0 software. This method was selected for its ability to simultaneously test measurement and structural models, even with relatively small sample sizes and non-normal data distributions [27]. The analysis included two main stages: (1) the evaluation of the outer model, which assessed indicator reliability, convergent validity, and discriminant validity, and (2) the evaluation of the inner model, which examined the significance of direct and indirect effects among variables through bootstrapping procedures (5000 resamples). The mediation effect of brand image between price, promotion, service quality, and customer satisfaction was analyzed using path coefficients ( $\beta$ ) and t-statistics, with significance levels set at  $p < 0.05$ . The findings were interpreted based on theoretical and empirical foundations to draw managerial implications for enhancing customer satisfaction in the automotive industry.

## III. RESULTS AND DISCUSSION

### *Outer Model Evaluation*

The measurement model was first evaluated to ensure reliability and validity. The outer loadings of all indicators exceeded 0.70, confirming adequate indicator reliability. The Average Variance Extracted (AVE) values ranged from 0.56 to 0.72, exceeding the minimum threshold of 0.50, indicating satisfactory convergent validity. Meanwhile, discriminant validity was verified using the Fornell-Larcker criterion, demonstrating that the square root of each construct's AVE was greater than its correlation with other constructs.

Furthermore, Composite Reliability (CR) values ranged between 0.83 and 0.91, suggesting strong internal consistency across constructs [28].

#### *Inner Model and Hypothesis Testing*

The inner model was evaluated through bootstrapping with 5000 subsamples to test the significance of hypothesized relationships. The results showed that price had a significant positive effect on customer satisfaction ( $\beta = 0.284$ ,  $t = 3.622$ ,  $p < 0.01$ ), indicating that perceived fairness and affordability increase customer satisfaction. Promotion also exhibited a positive influence ( $\beta = 0.215$ ,  $t = 2.987$ ,  $p < 0.01$ ), implying that well-designed promotional campaigns enhance satisfaction through improved brand engagement. Service quality had the strongest direct impact on satisfaction ( $\beta = 0.347$ ,  $t = 4.312$ ,  $p < 0.001$ ), confirming that excellent service delivery contributes substantially to customer happiness and loyalty [29].

#### *Mediating Role of Brand Image*

The mediation analysis revealed that brand image significantly mediates the relationship between the three independent variables and customer satisfaction. The indirect effect of price  $\rightarrow$  brand image  $\rightarrow$  satisfaction was significant ( $\beta = 0.102$ ,  $t = 2.534$ ,  $p < 0.05$ ), showing that perceived fairness enhances brand perception, which subsequently raises satisfaction. Similarly, the mediation of promotion  $\rightarrow$  brand image  $\rightarrow$  satisfaction was also significant ( $\beta = 0.089$ ,  $t = 2.427$ ,  $p < 0.05$ ), emphasizing that consistent promotional messages strengthen brand reputation and perceived reliability. The service quality  $\rightarrow$  brand image  $\rightarrow$  satisfaction pathway yielded the highest mediating effect ( $\beta = 0.144$ ,  $t = 3.118$ ,  $p < 0.01$ ), demonstrating that superior service quality fosters a strong, trustworthy brand image that enhances satisfaction [30].

These findings align with prior studies indicating that price fairness and service quality are key predictors of customer satisfaction, while brand image amplifies these effects as an emotional and symbolic mediator [31]. In the context of Toyota's operations in Sukabumi, the data highlight the importance of maintaining transparent pricing structures, designing engaging promotional programs, and delivering high-quality service to sustain brand credibility. The results also reinforce the Expectation-Confirmation Theory (ECT), which posits that satisfaction results from the alignment between expectations and perceived performance [32]. Furthermore, this study contributes to marketing literature by empirically validating a composite mediating model in a regional automotive market, demonstrating that brand image is not merely a passive perception but a strategic lever that links tangible marketing actions to psychological customer responses [33].

Overall, the integrated PLS-SEM results suggest that brand-building activities must be synergized with pricing, promotional, and service quality strategies to achieve sustained customer satisfaction. For Toyota and similar automotive brands, this implies adopting a holistic marketing strategy combining value-based pricing, digital promotion, and service excellence to strengthen brand positioning and customer loyalty in competitive local markets. From a

theoretical perspective, this research strengthens the integration of Expectation-Confirmation Theory (ECT) and brand equity theory in explaining satisfaction formation within the automotive context. It also extends the empirical literature on PLS-SEM-based marketing models, especially in regional markets of developing countries where consumer expectations and brand associations are culturally embedded [34]. Practically, the study highlights the need for Toyota dealerships in Sukabumi and similar regions to adopt an integrated marketing strategy that harmonizes value-based pricing, creative promotion, and consistent service excellence. Maintaining transparent communication, investing in service staff training, and optimizing digital promotional tools are key actions to reinforce Toyota's brand image and strengthen long-term loyalty [35]. Future studies are encouraged to include comparative analyses across multiple automotive brands or regions, employ longitudinal designs to capture changes in customer satisfaction over time, and integrate additional moderating variables such as customer trust or perceived innovation. By broadening the model, future research can provide deeper insights into consumer dynamics in Indonesia's evolving automotive industry.

## IV. CONCLUSION

The findings of this study confirm that price, promotion, and service quality have significant positive effects on customer satisfaction, both directly and indirectly through brand image as a mediating variable. Among the three antecedents, service quality showed the strongest influence, underscoring the importance of providing reliable, responsive, and empathetic services to enhance customer experience. The mediating analysis revealed that brand image plays a strategic role in linking tangible marketing efforts to psychological satisfaction outcomes. This indicates that a strong and trustworthy brand perception can amplify the effects of fair pricing, attractive promotions, and superior service delivery on customer satisfaction.

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