

The Influence of Service Quality on Customer Trust Based on Special Case of “XYZ” Car Brand in Indonesia

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ABSTRACT

“ABC” announced the cease of “XYZ” car sales operation in Indonesia and change of business model by continuing after-sales service only. The experience of the public in Indonesia with several changes of local footprint strategies by the corporation in the last decade and the exit of another US brand “DF”, had triggered questions regarding how “ABC” would apply the new business practice which is uncommon in the history of the automobile industry in Indonesia. The author suspected, trust would be fundamental for the continuity of the “ABC” business and therefore service quality would become crucial. From this point of view, the purpose of this study is to explore how far the service quality of “ABC” organization could influence customer trust in Indonesia and to develop a business model based on the findings. The relationship and impact between service quality as an independent variable with 5 dimensions (tangibles, reliability, responsiveness, assurance and empathy) and customer trust as the dependent variable with 3 dimensions (competence, integrity and benevolence) were tested in different periods of car ownership and in different regions. This study applied quantitative analysis with data received from 352 “XYZ” owners who had experience with “XYZ” authorized workshops. Qualitative examination was conducted with selected “XYZ” owners, who were recommended by “XYZ” club and had expertise in “XYZ” after-sales service. Using a combination of linear regression and in-depth interviews with the respondents, the study found significant correlation and impact of service quality delivered by “XYZ” on trust of their customers. The results were used as a starting point to develop after-sales service strategy recommendations that emphasized the customer loyalty aspects, which from the perspective of “ABC”’s resources, is quick and feasible to execute and can be used as reference to build a more competitive business sustainability amid increasing dynamics in the automotive aftersales service industry.

Keywords: *Service Quality, Customer Trust, After-sales Service*

1. INTRODUCTION

“ABC” Indonesia has been in operation since 1984. “XYZ” brand under “ABC” was one among US brands that were small players in the 97% Japanese dominated vehicle market since decades ago [1]. Several measures had been taken by “ABC” to survive, including factory shut-down and 500 workers laid-off in 2015. However, the transformation of local manufacturing into a distribution model by selling vehicles imported from Thailand and Korea, did not work as expected. Continuous loss and sales drop amid fierce competition led to the announcement of the corporation in October 2019 to cease new vehicle sales as of March 2020 and only left the after-sales service operation, where “ABC” still makes money with the current carpark. The historical background of “ABC” with market entries and exits in the past, had turned into negative perception and

questions among their existing customers, to what extent “ABC” would hold its commitment in after-sales and assure the *service quality* in the next period. The suspicion in the public grew when people started to associate “ABC” with “DF”, who withdrew from the market in Indonesia completely in 2015. The situation was unique, as the nature of the car business is normally an integration of at least unit sales and after-sales service [2]. The decision has made the role of after-sales as the single revenue maker which makes it more critical than before, when their income relied to a greater extent on vehicle sales. From the market perspective, “XYZ” authorized workshops will be facing a decreasing population of cars under warranty that require regular maintenance and repair at their premises. Customers are free to select which authorized or non-authorized workshops they prefer to go to. Consequently, it would be the interest of the

organization to retain their existing customers, where customer trust obviously became a challenge for “ABC” Indonesia amid skepticism among “XYZ” customers towards the announcement of “ABC”. Consistent service quality was suspected as the key to maintain their trust despite dramatic change of their business model. Thus, it is critical for the company to measure their after-sales service quality and its influence on customer trust.

There were some studies found; [3] and [4] pointed out positive relationship between service quality and customer trust. Interestingly, not all agreed with the conclusion. [5] found no direct impact of service quality on customer trust; the effect of service quality was mediated by customer value, customer satisfaction, customer value and corporate image. [6] confirmed the basic concept with perceived value moderating the relationship between service quality customer trust. Moreover, [7] discovered that service quality had no significant impact on customer trust. However, different to basic conceptual framework, a direct correlation of both variables shown in this study was developed based on a special case, where distrust among “XYZ” customers on the continuity of “ABC”’s service quality started to evolve after the announcement. It was related to insecure feeling and concern, that the service performance in terms of spare parts delivery, presence of professional and certified technicians, responsiveness and reliability in solving customers’ problems were going to deteriorate during the period of their car ownership. The existence of direct relationship between service quality and customer trust was reinforced by [8] and [9]. Objectives of this study is first to analyze the extent of service quality in influencing customer trust. The uncommon car business model that was applied first time in the automobile history, at least in Indonesia, was the starting point of this study that provided novelty of this research. The study that applied mixed method (Mixed Method Research) and categorized by length of car ownership and geography, was based on big sample size of 352 respondents representing ±35,000 “XYZ” customers domiciled in key cities and owned direct experience in dealing with “XYZ” after sales services. Result of the research showed the gap where “ABC” would be called for improvement and it was used as base to develop service strategy that impacts customer trust positively that would secure “ABC”’s business continuity, once the sales operation no longer exists.

2. LITERATURE REVIEW

2.1. Service Quality

The concept of service quality had been introduced since 1985. Initially, there were about 10 dimensions of services that were addressed by [10]. Service quality was defined as a framework that consisted of 10 key service quality determinants that would be evaluated by consumers and also shaped their satisfaction on delivered services. On the later development, this service quality settled on five major distinguish dimensions that consist of tangibles, reliability, responsiveness, assurance and empathy and it became very popular in the marketing research realm and adapted in many researches.

[3] defined service quality as service professionalism, reliability and price that is received by consumers. Furthermore, service quality also had an impact on consumer trust and loyalty. [11] analyzed the relationship between service quality, customer satisfaction, bank image, trust, and customer loyalty. The study with the case of Malaysian banks applied 6 dimensions of service quality (tangibles, empathy, reliability and security, price, online banking, and convenience). Another research from [12] also defined service quality into 5 dimensions and adapted into expedition services in Indonesia. These 5 dimensions were identical with one introduced by [10].

Further study by [13] proposed new multiple dimensions on the electronic services industry. The updated version of service quality was defined by eleven dimensions (reliability, responsiveness, access, flexibility, ease of navigation, efficiency, assurance/trust, security/privacy, site aesthetics and customization/personalization) in this industry. Nevertheless, three dimensions (reliability, responsiveness, and assurance) were still used and linked with the current industry and obviously adapted in this research as service quality dimensions. Tangibles and empathy were considered relevant in the automobile industry. Tangible assets such as building and workshop tools represent the capacity of the organization to fix customer’s technical problems and was applied by [14] in their study in the automobile industry. [15] explored [13]’s model and took only five dimensions (Tangibles, Reliability, Responsiveness, Assurance and Empathy) in measuring customer perception and expectation in Madurai, India. Same dimensions were used by [16] for their research on service quality in the automotive industry in Taiwan and [14] in Saudi Arabia, who adopted the service quality dimensions learning from six previous findings that advocated the importance of these

Table 1. Dimensions and Indicators of Service Quality

Dimension	Tangibles	Reliability	Responsiveness	Assurance	Empathy
Indicator 1	Facility	Processing Time	Initiative	Service Process	Customer Feeling
Indicator 2	Employee	Spare Parts	Quickness	Track Record	Caring

Table 2. Dimensions and Indicators of Customer Trust

Dimension	Competence	Integrity	Benevolence
Indicator 1	Problem Solving	Honesty	Customer Friendly
Indicator 2	Knowledge	Compliance	Customer Delight

five dimensions on measuring service quality. This argument was reinforced by [12] based on research results in Indonesia postal services and [17] in their study for the car service industry in Nigeria. In summary, [13]'s dimensions were still up-to-date to respond to actual issues. Hence, service quality could be defined as the degree of services perceived by clients based on five proposed dimensions that consist of tangibles, reliability, responsiveness, assurance and empathy. Tangibles were explained as physical assets of the organization. Reliability was described as accuracy of provided services on promised standard and connected to processing time and part availability. Responsiveness covered willingness of the service personnel to help and serve the customers. Assurance reflected the ability to inspire customer trust based on employee or technician competency in problem solving. Empathy signaled care and attention of employees on customers' needs. This research transformed the 5 dimensions into 2 indicators for each dimension (Table 1) that served as a starting point to develop the research questionnaire.

2.2. Customer Trust

Automotive products have a long-term ownership characteristic and aftersales plays therefore a very essential role. A study concluded for a motorcycle dealer in Jakarta discovered that positive experience from their maintenance & repair works, generated trust and influenced re-purchase intention [18]. Trust becomes crucial in ensuring customers loyal to authorized workshops. Customer loyalty, impacted by trust, may lead to re-purchase intention [19]. In general, trust becomes essential for future actions, when a lack of knowledge exists in an individual or group of people and the situation would demand dependency to someone else who is believed to own experience and expertise in the related fields [20].

Trust of a person is developed based on his/her previous experience gained from another person or an entity which is obtained either directly through interactions with them or indirectly in form of sharing or testimonies through credible third parties as source of reference, who have experience with the trusted parties;

and it is in combination with expectation of an occurrence that would happen in the future [21]. A research exploring consumer behavior in online business discovered that buyer attributes and company, including the brand, were two major sources that relate to dimensions of trust: competence, integrity and benevolence [22]. In summary, customer trust could be expressed as the belief in the customer's mind that was shaped by their own experience or expectation on certain activities based on competence, integrity and benevolence. Table 2 illustrates indicators based on its practicability in the industry sector.

3. RESEARCH METHODOLOGY

This conclusive research was about service quality and customer trust. Some descriptive analysis and inferential statistics applied to test research hypotheses. The unit of analysis for the quantitative research was "XYZ" owners, who domiciled in Greater Jakarta, Greater Surabaya, Bandung and Medan, amounting to $\pm 35,000$ customers (new and pre-owned cars) in total. [23] highlighted the significance of culture in marketing which comprises subcultures such as ethnic groups, religions and geographical regions. Car owners from various locations could have different preferences on how they perceived the service quality and built their trust. Various demographic locations would also mean variation in customer's culture or habit. The author also deduced that as longer their experience on a certain car brand, it could impact on customer trust. [24] saw the importance of inclusion of length of ownership in their research in automobile after-sales service, given that it reflected the occurrence of customers take their cars for maintenance and provided the overall picture, that influence of customer service experience in the initial period after car purchase tends to decline along with the time elapsed. From both points of views, the length of ownership and geography were included as moderating variables to serve the analysis of its influence in the relationship. The sampling method considered was probability sampling technique and cluster sampling method was also applied. The number of respondents were defined based on [25], that required 5 persons for each question. As this research has 32 questions (8

dimensions, 2 indicators for each dimension and 2 questions for each indicator), the minimum number was 160 respondents. Likert Scale with scale 1 to 5 (1: Strongly disagree; 5: Strongly agree) was used to measure the responses. Descriptive analysis described the data based on respondents' demographic information and average score of each survey question. Inferential analysis was applied to explore the relationship between independent variable (service quality) and dependent variable (customer trust). The research model displayed in Figure 1 consisted of 2 variables: one independent variable (Service Quality) with 5 dimensions and one

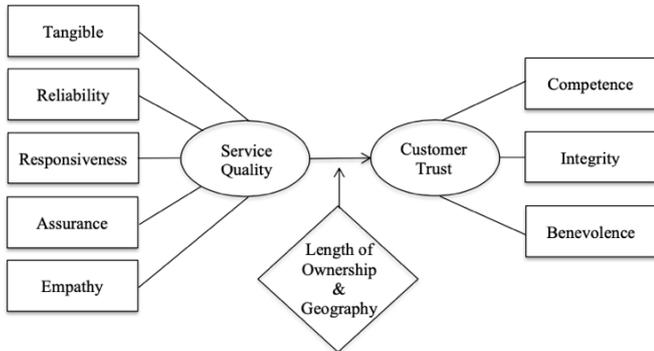


Figure 1: Research Model

dependent variable, (Customer Trust) with 3 dimensions. 2 moderating variables (length of ownership and geography) were included in the model.

This research conducted a number of tests before coming to the conclusion. In the first step, validity and reliability tests were accomplished to check accuracy & consistency of the questionnaire. In the second step, classical assumption was checked in order to obtain the true regression function. This assumption included normality test, multicollinearity test, heteroscedasticity test and autocorrelation test. To estimate or to infer the relationship between variables, the study applied linear regression analysis.

Mix Method Analysis

Mix-method analysis was applied in this research. According to [26], this method was a further extension of both quantitative and qualitative approach, with the goal to gain deeper insights on the research problem by combining both methods. In this method, both inductive and deductive thinking were used. Here, triangulation technique is commonly used, which allows view of research problems from various perspectives and in triangulation, this research compared quantitative survey results with in-depth interview results (qualitative) and finally with literature reviewed. For the quantitative approach, descriptive analysis described the data based on respondents' demographic information and average score of survey questions that portrayed respondent's characteristic and their perception toward

service quality of "XYZ" in Indonesia. Inferential analysis applied to observe and explore the relationship between independent variable (service quality) and dependent variable (customer trust). As the aim of this research is to develop service strategy for "ABC" Indonesia, a qualitative method was applied in addition to quantitative, where semi-structured face-to-face interviews were applied. Respondents, who were "XYZ" owners possessing experience and expertise associated with services provided by "XYZ" workshops and recommended by the "XYZ" club, were asked with an open question to comment on recent "ABC"'s decision closing-down car sales operation, as this was the main trigger of skepticism to what extent "ABC" were able to maintain their after-sales service quality in the new business direction. Subsequently, views towards "XYZ" after-sales in conjunction with all 8 dimensions and the area for improvement were questioned. List of semi-structured questions followed this guidance:

Introduction/Opening: Containing a brief introduction about this research and response of respondents towards recent "ABC"'s announcement on change of business model (open question).

Research Variable Questions: Views and thoughts of customers to improve service quality in

4. RESULTS AND ANALYSIS

1. Appearance of the "XYZ" authorized service outlets (ASOs) and its facilities such as building, workshop tools and equipment, grooming of customer service personnel.
2. Reliability of "XYZ" ASOs in providing services in terms of initiatives, time consumption and spare part availability.
3. Responsiveness of staff and technicians of "XYZ" ASOs and officers at "XYZ" Customer Assistance Center (CAC) towards customer requests, starting service booking until job completion and post service activities.
4. Reputation of "ABC" Indonesia and "XYZ" ASOs and benefit for customers in comparison with independent workshops (non-"XYZ" workshops)
5. Understanding of staff, technicians at ASO and CAC officers of "ABC" Indonesia towards customer's problem and their degree of empathy.
6. Proficiency of the service personnel from technical/non-technical aspects, in interacting with customers, skill-set of technicians in identifying, detecting and solving customer's problems.
7. Honesty and integrity of staff and technicians of "XYZ" ASOs including transparency of information around the service jobs and related costs.

Table 3. Result of t Test and Regression Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tol	VIF
(Constant)	.873	.582		1.500	.135		
SQ_2	.571	.012	.930	46.568	.000	1.000	1.000

a. Dependent Variable: CT_2

8. Attitude of staff and technicians in “XYZ” ASOs in representing client’s best interests and benevolence toward them that includes customer delight.

4.1. Quantitative Research

352 “XYZ” owners collected and participated as respondents in the quantitative research, domiciled in the Greater Jakarta area (70%), Greater Surabaya (15%), Medan (10%) and Bandung (5%). Based on age brackets, the dominant group was >50 years with a share of 54% of total respondents. 36% of respondents were between 31-40 years old. The least came from the age group <30 years old (10%). 93% of respondents were married. From income perspectives, about 63% of the respondents earned below 25 mill. IDR (\leq 1,800 USD), 25% received take home pay in the range between 26-50 Mill. IDR (1,801 – 3,600 USD) and only 10% have a monthly net salary of >50 mill. IDR or above 3,600 USD. 5 respondents with age <21 did not have income. Several respondents owned more than one “XYZ”: 5 respondents owned 3 cars, 24 respondents held 2 cars and the remaining 323 respondents each owned one car. Majority of respondents were still delivering their cars to “XYZ” authorized workshops. The last visit of 87% of the respondents occurred in the last 2 years, while 9% within 2-4 years and only 4% was 4 years and longer.

Based on descriptive results, most responses for both service quality and customer trust dimensions were about 2.05 up to 2.71 (based on Likert scale: 1=strongly agree; 5=strongly disagree). This result indicated, respondents were still not fully satisfied with the service performance and signaled “ABC” Indonesia for immediate actions to improve performance of their authorized workshops.

From the view of inferential statistics, the result of Pearson Correlation showed significant correlation at the 0.01 level (2 tailed) and confirmed the validity of all questions. Cronbach’s Alpha was ranging from 0.907 to 0.956 or >0.8, considered as excellent [26] and the research question was therefore reliable. With initial 352 respondents and Kolmogorov Smirnov (K-S) test on unstandardized residual of regression, it was found that the sig value of K-S was 0.001. Based on this finding (Asymp Sig = 0.001), 13 outliers were taken out from the sample with and resulted in normal distribution (p-value: 0.113).

This research rejected the null hypothesis and concluded that *service quality* has simultaneous effect on *customer trust*. The hypothesis was:

H_0 : *There is no effect of service quality on customer trust of “XYZ” Indonesia*

H_A : *There is an effect of service quality on customer trust of “XYZ” Indonesia*

Table 3 indicated a significant effect of service quality on customer trust in “XYZ” Indonesia, supported by a relatively high R² of 86.5%. On the flip side, the moderating variables (geographic location and length of ownership) played only a minor role in the interaction between service quality and customer trust and have no meaningful explanatory power, as the increase of Adjusted R² value only around 2% and in some cases also decreased about 6.8%.

4.2. Qualitative Analysis

In-depth interviews were conducted with 7 respondents who were owners of different “XYZ” models (SUV and MPV) purchased in different years. They have experience and expertise on “XYZ” after-sales service and were selected based on recommendation from “XYZ” clubs. The 3 hours semi-structured discussion was based on dimensions service quality and customer trust with following responses:

4.2.1. Dimension: Tangibles

Building and staff appearance were not a top priority for the respondents and were generally accepted. However, both were expected by respondents to match with minimum industry standard requirements. Service innovation in the field of digital technology to stay connected with customers in addition to customer satisfaction tracking systems, was suggested by respondents to increase confidence towards “XYZ” workshops.

4.2.2. Dimension: Reliability

Respondents perceived “XYZ” workshops as generally reliable. However, they demanded to receive a more precise update on service jobs in progress which is to be proactively communicated in a timely manner. To stimulate workshops for high performance and to

achieve the same level of service quality in the network, a constructive competition among the service outlets were recommended by the respondents. A customer rating under supervision of “ABC” Indonesia was expected to help generate a spirit of healthy competition. Management of spare-parts availability was another area of concern that often led to unnecessary longer service jobs.

4.2.3. Dimension: Responsiveness

Respondents valued responsiveness and time certainty. The tendency of customers to contact “XYZ” workshops directly, was the sign of skepticism towards “XYZ” CAC in solving their problem. Respondents viewed importance of CAC as first contact point for customers especially in emergency situation and therefore suggested further attention to be given to CAC to enable the personnel in the division to react with quick responses towards customers inquiries.

4.2.4. Dimension: Assurance

Respondents believed in “ABC”’s reputation and felt that the presence of “XYZ” authorized workshops generally provided peace of mind with all the accessibility to “ABC” certified technicians and all warranties including parts. As the big name played a significant role in customer trust, it was recommended “ABC” Indonesia to communicate the strength “XYZ” service network externally through larger public relations activities.

4.2.5. Dimension: Empathy

Respondents viewed that technical solutions alone would not secure customer trust, if there were no empathy expressed by the service team. Respondents felt, majority of “XYZ” authorized workshops did not show care to the emotional experience of customers. Only a few workshops gave proper attention in the sense of technical and non-technical assistance. Initiatives that demonstrate care representing customers’ best interest like service reminder, service booking offer, during and post service calls, were recommended as standard practices for all ASOs. Empowerment & more authorization of lower level staff at the workshops and “XYZ” CAC were suggested to conform with the requirement.

4.2.6. Dimension: Competence

Competence is the center of service quality and for that reason all respondents agreed “ABC” Indonesia should be able to retain trustworthy and well-performing technicians, and to implement standards and training programs that cover non-technical subjects. Both were aimed to achieve high after-sales service competence

equally throughout the regions in order to avoid service crowds of customers being concentrated in few workshops only.

4.2.7. Dimension: Integrity

Integrity is a critical dimension for trust building. Although generally there was no serious incident found yet, respondents raised concern that unfair business conduct might potentially happen. Therefore, to maintain and increase customer confidence level towards “XYZ” after-sales organization, “ABC” Indonesia was expected to perform preventive actions such as reviewing all procedures dealing with customers and involving internal/external auditors to be started with some “XYZ” ASOs as pilot projects.

4.2.8. Dimension: Benevolence

Customer *delight* was lacking at “XYZ” after-sales network, while all respondents believed, customer trust and loyalty would increase along with the degree of the respective workshops in providing indulgence of mind to their customers. All shared the same view, that this matter is an opportunity and enabler for “XYZ” in Indonesia to strengthen the bond with customers amid tight competition in the growing service industry.

Overall, the exploration based on the 8 dimensions showed that the result of qualitative research supported the result of quantitative research and confirmed the hypothesis that service quality has significant influence on customer trust. Although the result from qualitative research analysis combined with the descriptive statistics led to a final score of fairly good, the author saw the urgency for “ABC” to increase the bar and to perform continuous improvement, as service quality and customer trust will be more crucial for “ABC” in the current competitive environment. “ABC” Indonesia should focus on customer experience without too much consideration on the length of car ownership and demographic location of customers, as both moderating variables failed to enhance the relationship between service quality and customer trust.

Approximately 57% of the total “XYZ” population nationwide were served by “XYZ” workshops. The data from the survey for this study showed that 96% of total 352 respondents were still visiting “XYZ” ASOs. To scale-up the business in the increasingly competitive environment, “ABC”’s current service strategy needs to be directed to focus more on service quality programs that reinforces customer trust and engagement in long-term perspective. Basically, there are four types of “XYZ” aftersales consumers: customers who own “XYZ” still under warranty, customers who remains visiting “XYZ” workshop after expiry of the car warranty, customers who bought pre-owned “XYZ” and visit “XYZ” workshops and “XYZ” owners who bring

their cars for service/repair at independent workshops. To maintain relevancy of this study, focus was recommended only on the first three customer types with strategy emphasized on customer loyalty.

Up to this moment, “ABC” Indonesia applied a conventional service strategy that measured degree of service quality based on fulfilment of “ABC” Indonesia’s standards which are more technical oriented. Awards as a motivating tool for service quality achievement of “XYZ” ASOs were given based on the best in fulfilling the standards. Free service for new vehicles (scope depending on models), home service and part discounts during special occasions, were currently the main programs for customer loyalty. Special discounts or service coupons were also used to serve problem customers. Sporadic initiatives, following most major brands, were performed during long holiday seasons and religious celebrations, where customers who drove for long distance, were provided with technical checks, maintenance and quick repairs by “XYZ” aftersales team available at certain spots. To gain customer trust, warranty for “ABC” genuine parts was provided for a period of 6 months. Technicians at “XYZ” workshops were qualified and certified according to worldwide “ABC” standards. The company and partners at “XYZ” ASOs were operating under a strict compliance to ensure that procedures, law and regulation are respected. Looking at the research analysis, obviously there is a gap between customer expectation and the current reality. The current strength owned by “XYZ” workshops, such as parts warranty, technical competency and “ABC” reputation as quality assurance, were not sufficient to guarantee customer loyalty. As soon as independent workshops found the way to counterbalance technical advantages offered by “XYZ” workshops, a preference shift of existing customers might happen. A service strategy with a more comprehensive customer loyalty program was required to increase service quality and customer trust of the targeted consumers.

Implementation of the strategy, described by the author as “Plus” program, considered a balance between “ABC”’s financial capacity, executability and its impact. The first strategy was establishment of a direct connectivity to customers, that was currently mediated by “XYZ” workshops. Deployment of digital technology would help to enhance communication and information flow with customers and improve response time towards their inquiries. A membership program supported by the digital technology should be considered in order to grant customers access to various programs and benefits offered by “ABC” Indonesia and “XYZ” workshops such as car-free check program, service promotion, service booking, as well as access to relevant information, such as availability and prices of parts, general maintenance cost information based on car models, actual technology issues, tips around car

maintenance and actual news like recall campaign, in addition to possibility of chatting directly with “XYZ” CAC. A constructive competition in the service network as the next strategy could be regarded as a tool to increase motivation of the workshops to perform. Positive rating based on customer experience after visiting a certain “XYZ” ASO could be used as reference for other customers in selecting “XYZ” workshops. Or vice versa, negative comments would give the respective workshops an opportunity for self-improvement, or if no interest for changes exists, to leave the business. “ABC” Indonesia should supervise the rating system, set the rule, include non-technical standards in addition to the existing standards and increase the criteria based on market or customer requirement. Result of customer’s evaluation should be the major component in addition to the criteria in existing annual skill contests to award performing “XYZ” workshops including the personnel.

It is also very essential for “ABC” Indonesia to develop a communication program to make sure the public and consumers are aware of the market presence and reputation of “ABC” Indonesia as the best “XYZ” service provider. Press releases exposing the company’s activities and its achievement, positive reviews and customer testimonies, posted in social media and other digital channels like the company website were recommended to support greater familiarization. Internally, due to change of business focus, soft skill training that was mandated and regularly arranged in the former time for new “XYZ” vehicle sales, should be considered for its introduction in after-sales, particularly for those personnel who interact directly with customers. This training may support “XYZ” CAC to be more aligned with technicians in responding to basic technical questions real-time and competent to support customer loyalty programs. By identifying customers information available in several social media channels, CAC could strengthen the bond with customers through initiatives like congratulating them on their birthday, special achievement or other occasions like wedding, graduation or child birth by means of courtesy calls or mails. In addition, CSR offered great potential to generate closer relationships with customers. As some communities in Indonesia like “XYZ” clubs were very active in sharing *empathy* in occurrence of natural disasters like floods or earthquakes, “ABC” Indonesia could take the advantage by integrating their CSR program with the club activities. Strong bonds in such situations would give opportunity in strengthening the customer engagement.

5. CONCLUSION

Based on this research exploration on both qualitative and quantitative results, it can be concluded that the model explanatory power in this research was

very good and service quality alone is sufficient to recognize how to improve customer trust in the future strategy of “ABC” Indonesia. The implication on this finding suggests “ABC” Indonesia should pay more attention in managing their after-sales services in the partnership with “XYZ” authorized service outlets, which allows their legacy after vehicle sales discontinuation. The moderating variables, geography and length of ownership, both did not play any significant role as the result indicated that the improvement of adjusted R^2 value by adding these variables indicated almost no effect on the model. Although the quantitative result revealed nearly the same scores for all dimensions, the qualitative result denoted the less importance of tangibles compared to other dimensions in service quality and customer trust. Respondents put higher value on problem identification and solution as well as proper communication to customers. However, they required all “XYZ” workshops to at least meet the minimum industry requirement.

The overall score of “fairly good” in this mixed method research was not seen as sufficient since respondents signaled higher expectation of service quality of “XYZ” service network above the current achievement. A new strategy focusing on customer loyalty programs is therefore recommended to retain existing clients, rather than to acquire new customers from independent workshops. Recommended steps for the execution contain 3 phases: Preparation, socialization and execution phase. The preparation phase covers building the IT infrastructure, review of current procedures and preparation of the human resources. Socialization phase includes tests to selected customers, agreed procedures and socialization to all personnel at “ABC” Indonesia and ASOs, who are appointed as persons in charge for this program. The execution phase is the launch of this program and communication both internally and externally.

Further studies on the influence of “XYZ” customer trust on other variables that impact on revenue in long-term view are recommended. Finally, this research can serve as reference for potential similar cases that potentially happen at other “ABC” units and/or at other car manufacturers.

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