# The Mediating Role of Satisfaction: Life Insurance Customers' Perspective (Service Quality, Trust and Image Toward Loyalty)

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*Abstract*

**Purpose:** The purpose of this study is to analyze whether service quality, trust, and corporate image directly influence customer satisfaction and loyalty. Besides, it also examines the indirect effect on loyalty through customer satisfaction.

**Design/Methodology/Approach:** The sample is customers who have made insurance claims, with 206 people to be respondent, from PT. Prudential Life Assurance, PT. AXA Mandiri, PT. AIA Financial, and PT. Bumiputera Life Insurance. Data were analyzed using SEM-AMOS analysis techniques.

**Findings:** The results of this study indicate that service quality, trust, and corporate image directly have a positive and significant effect on customer satisfaction. Finding also shows that service quality and trust, directly have a positive but not significant impact on customer loyalty. In contrast, company image and satisfaction directly have a positive and significant effect on customer loyalty. The role of customer satisfaction as a mediating variable shows that service quality, trust, and corporate image indirectly have a positive and significant effect on customer loyalty.

**Implications/Originality/Value:** So it is concluded that service quality, trust and a higher corporate image will be able to provide higher loyalty if customer satisfaction as an intervening variable also increases. That is, if life insurance customers are less satisfied with service quality, trust, and company image, it is difficult to realize high customer loyalty.

*Keywords: Service Quality; Trust; Corporate Image; Customer Satisfaction; Customer Loyalty*

## 1. Introduction

The insurance business cannot be separated from the economic growth of a country, because theoretically, the relationship between insurance and economic growth can be causal (Rahim, 2013). In various studies, it was found that Asia became the fastest growing insurance sector in the world (Ward & Zurbruegg, 2002), and played an essential role in financial and economic development (Feyen *et al.*, 2011). That is, the insurance industry can make a positive contribution to a country towards the rate of economic growth. However, it receives less attention when compared to other financial institutions such as banking and credit.

The contribution of the insurance industry to the Indonesian economy as a developing country is seen to be insignificant compared to other financial institutions. This can be seen from Indonesia's insurance penetration which is still low at 1.7 per cent, compared to the United States 8.1 per cent, Britain 11.8 per cent and some neighbouring countries such as Singapore and Malaysia at around 4 per cent (Widiastuti, 2012).

Research conducted in one country in Africa namely in Ethiopia that there was a high customer defection in the insurance sector, one of which was Nile Insurance where of 25,840 policyholders, 3,997 (15%) did not renew their insurance policies in 2010 / 2011 (Damtew & Pagidimarri, 2013). This is in line with American Satisfaction Index in Damtew and Pagidimarri (2013) that revealed as many as 26% of insurance customers who switched insurance providers. The alleged decrease in customer loyalty also occurs in Indonesia that according to the Indonesian Life Insurance Association (AAJI) noted, surrender claims paid in the first quarter of 2017 amounted to 13.27 trillion rupiahs. Customers who choose to close their insurance before the contract expires can be an opportunity for other insurance industries to attract customers to want to use different insurance services in the future.

The study gives researchers interest in seeing the level of loyalty of life insurance customers. In the Customer Relationship Management Theory which says that a company will focus on how to retain existing customers and will definitely provide benefits compared to having to get new customers because the costs incurred to get new customers are five times greater than retaining existing customers (Bramson, 2005). That is, this theory assumes that with a good relationship with customers will be able to increase customer value and use appropriate means so that customers remain loyal and return to buy (Dyche, 2002)

Increased customer loyalty one important aspect that affects is high customer satisfaction. Customer loyalty will increase if influenced by high satisfaction from customers, so it is not surprising that the company has been obsessed with customer satisfaction because of a direct relationship with customer loyalty or loyalty (Lovelock & Wright, 2005). Customer satisfaction is the result of customer evaluations after making a purchase, and customers feel that the goods or services purchased have the same performance or exceed their expectations (Kotler & Keller, 2009). Customer expectations are estimates or customer beliefs about what will be received when using the goods or services, while the perceived performance is more to the customer's perception of what he receives after using the goods or services (Gunawan, 2016).

Previous studies have proven that when customers are satisfied with life insurance services, customers will tend to be loyal or loyal to the company so that the company will be able to develop in a sustainable manner (Nguyen *et al.*, 2018). Likewise in other studies explaining that customer or customer satisfaction has a positive and significant effect on customer or customer loyalty, so the higher customer satisfaction the customer loyalty will increase (Ajami, 2016; Basir *et al.*, 2015; Ferdiawan *et al.*, 2018; Gede Sadiartha & Mirah Apsari, 2018; Gong & Yi, 2018; Mandung *et al.*, 2018; Novotová, 2018; Rai & Medha, 2013; Sari, 2018; Saulina & Syah, 2018). In order to increase customer satisfaction and loyalty,

one of the factors that needs to be an important concern is related to service quality. Zeithaml *et al.* (1996) revealed that customers would have a strong relationship to a brand if the customer gives a positive assessment of the perceived service so that it will lead to loyalty to a brand. Ramamoorthy *et al.* (2016); Sadiartha & Apsari (2018) that the dimensions of service quality, namely Reliability and Responsiveness, have a significant effect on customer satisfaction in the life insurance industry in India. In addition, in a study conducted by Marcos and Coelho (2017) that there is a positive and significant direct effect between service quality on customer loyalty in the insurance industry in Portugal. Whereas, other researchers found the opposite that service quality had no significant effect on customer or customer loyalty (Basir *et al.*, 2015; Hermawan *et al.*, 2017; Kishada & Wahab, 2015; Mandung *et al.*, 2018; Sitorus & Yustisia, 2018).

On the other hand, customer satisfaction and loyalty can also be influenced by the extent of the customer's trust in the life insurance industry. Lack of trust owned by customers towards insurance companies will reduce customer satisfaction, thereby impacting customer loyalty. Empirically some scientists have found that trust can significantly influence customer or customer satisfaction (Ansari & Riasi, 2016; Kundu & Datta, 2015; Mahmoud *et al.*, 2018; Novotová, 2018; Park *et al.*, 2017; Sari, 2018; Sitorus & Yustisia, 2018; Soo Ho, 2018), and also had a significant effect on customer or customer loyalty (Ahmad & Bashir, 2015; Ajami, 2016; Damtew & Pagidimarri, 2013; Dornas *et al.*, 2014; Khundyz, 2018; Park *et al.*, 2017; Rai & Medha, 2013; Sitorus & Yustisia, 2018). On the other hand, that some researchers also find different findings where the findings show that trust does not have a significant effect on customer satisfaction (Khodadad Hosseini & Behboudi, 2017; Laura, 2016), and it is not significant on customer or customer loyalty (Kishada & Wahab, 2015; Novotová, 2018; Sari, 2018; Saulina & Syah, 2018).

Company image also plays an equally important role by knowing the company's perceptions of good and bad of a company which in turn will affect customer satisfaction and loyalty. In this case, the company's image is important for every company because it is an overall impression that is formed in the minds of the public about the company. Huang (2016) has proven that company image has a positive and significant effect on customer satisfaction, as well as other researchers, have proven that there is a significant influence between the corporate image on customer satisfaction (Ashraf *et al.*, 2018; Dachyar & Siva, 2016; Hermawan *et al.*, 2017; Nguyen *et al.*, 2018), and have an impact on increasing customer loyalty (Ashraf *et al.*, 2018; Dachyar & Siva, 2016; Huang, 2016; Sari, 2018; Xhema *et al.*, 2018). While the findings by Variano (2017) that Brand Image has no significant effect partially on Brand Loyalty.

In line with theoretical studies and various differences in research results, that the role of service quality, trust, and corporate image on customer satisfaction and loyalty in the life insurance industry still needs to be further investigated because there are still inconsistencies of findings and some problems found in the field.

## 2. *Literature Review*

Gronroos (1990) related to service quality that in principle service quality consists of Technical Quality and functional quality. Technical quality is concerned with the customer receiving from the service transaction, which means that technical quality focuses on what customers receive in a service transaction. Whereas functional quality relates to the service approach and how the customer accepts the service from the service provider, which means functional quality is related to the approach or process of delivering the service received by the customer from the service provider. Theory of Parasuraman, et al., (1988) related to the SERVQUAL theory also suggests that the quality SERVQUAL dimension will be a growth for customers to fulfil customer satisfaction and loyalty. In line with this theory, in several studies conducted service quality has a significant positive effect on satisfaction including Ramamoorthy et al.

(2016) that the dimensions of service quality namely Reliability and Responsiveness have a significant impact on customer satisfaction in the life insurance industry in India. Other findings in the insurance industry and other service industries also find that service quality has a positive and significant effect on customer or customer satisfaction (Ashraf et al., 2018; Basir et al., 2015; Ella, 2017; Hermawan et al., 2017; Laura, 2016; Mandung, et al., 2018; Nguyen et al., 2018; Saulina & Syah, 2018; Sitorus & Yustisia, 2018). Other findings also prove that the better the quality of service, the more loyal the customer will be (Ahmad & Bashir, 2015; Ashraf et al., 2018; Nuridin, 2018; Rai & Medha, 2013; Sari, 2018; Saulina & Shah, 2018)

In the theory of McKnight *et al.* (2002) related to the theory of trusting belief, which is where the theory states that a person believes and feels confident of others in a situation which has characteristics that will benefit consumers, namely with benevolence, integrity, competence. Then the theory of belief by Barnes (2003) that trust involves a person's willingness to behave in a certain way because of the belief that his partner will give what he hopes and a hope that someone has that the word promises or statements of others can be trusted. Then, Mayer *et al.* (1995) one of the factors forming a trust is the ability (ability) will guarantee satisfaction and security of the company. Therefore, a trust will shape customer satisfaction and loyalty. In line with this, that empirically some scientists have found that trust can significantly influence customer satisfaction (Ansari & Riasi, 2016; Kundu & Datta, 2015; Mahmoud et al., 2018; Novotová, 2018; Park et al., 2017; Sari, 2018; Sitorus & Yustisia, 2018; Soo Ho, 2018a). And also have a significant effect on customer or customer loyalty (Ahmad & Bashir, 2015; Ajami, 2016; Damtew & Pagidimarri, 2013; Dornas, et al., 2014; Khundyz, 2018; Park et al., 2017; Rai & Medha, 2013; Sitorus & Yustisia, 2018).

Image is important for a company because it is an overall impression that is formed in the minds of the public about the company (Kanaidi, 2010). Corporate Image Theory by Harris and Whalen (2006) that the image is depicted in aspects of personality, reputation, value/ethics, and corporate identity. So that it can be captured by customers and create positive impressions and perceptions of the company, consequently customers will be able to be satisfied and loyal. In a previous study proved that the company's image has a positive and significant effect on customer satisfaction (Ashraf et al., 2018; Dachyar & Siva, 2016; Hermawan et al., 2017; Nguyen et al., 2018). On the other hand, it was also found that there was a positive and significant influence between company image on customer loyalty (Ashraf et al., 2018; Dachyar & Siva, 2016; Huang, 2016; Mutmainnah, 2017; Sari, 2018; Xhema et al., 2018).

Associated with satisfaction theory in this study based on the theory that was sparked by Oliver (2000) with the theory of The Disconfirmation of Expectation Model, according to which there are three elements that cause a person's satisfaction (dissatisfaction), namely hope, disconfirmation, and perception. If the expectation is higher than the perception, there will be a negative disconfirmation, and as a result, he is not satisfied, if the perception is higher than the expectation, then there will be a positive disconfirmation, and the outcome is that he feels very satisfied. Previous studies have proven that when customers are satisfied with life insurance services, customers will tend to be loyal or loyal to the company so that the company will be able to develop in a sustainable manner (Nguyen et al., 2018). Likewise, in other studies explaining that customer or customer satisfaction has a positive and significant effect on customer or customer loyalty, so the higher customer satisfaction the customer loyalty will increase (Ajami, 2016; Basir et al., 2015; Ferdiawan et al., 2018; Gong & Yi, 2018; Mandung, Modding, Hasan, et al., 2018; Novotová, 2018; Rai & Medha, 2013; Sari, 2018; Saulina & Syah, 2018).

## 3.  *Methodological Review*

This research is a type of quantitative research. This research was conducted at a conventional life insurance company, PT. Prudential Life Assurance, PT. AXA Mandiri, PT. AIA Financial, and PT.

Bumiputera Life Insurance. The total sample is 206 customers, who meet the criteria of which have made insurance claims have a minimum of 2 life insurance products at the same insurance company, as well as status as policyholders or heirs. The sampling technique in this study is to use convenience sampling / accidental sampling.

To measure variables used instrument in the form of questions from each variable in the form of a questionnaire. To measure respondents' attitudes and perceptions of the variables studied, each question item on the questionnaire would use an adjective bipolar scale. This scale is a refinement of the semantic scale in the hope that the response generated by respondents can be "interval scaled data", namely by providing only two extreme categories namely Strongly Disagree and Strongly Agree (Ferdinand, 2014). Therefore, the measurement scale in the questionnaire uses scores ranging from 1, which is strongly disagree with 5, which is strongly agree.

The data analysis technique used is Structural Equation Modeling (SEM) analysis using AMOS (Analysis of Moment Structural) software version 21.0. The stages in SEM analysis include the stages of construct validity and reliability, SEM analysis assumptions test, model compatibility test and structural model estimation. The results of this analysis will then be used to answer the research questions.

In this study, there are intervening variables, namely, customer satisfaction variables. To determine the effect of indirect variables through intervening variables and see the level of significance can be done with a procedure developed by Sobel, known as the Sobel test (Sobel test). Researchers will use a calculation tool with the online Sobel test calculator, which can be accessed at https://www.danielsoper.com.

## 4. *Results and Analysis*

### *4.1. Measurement Model*

Testing the measurement model in the Structural Equation Modeling (SEM) analysis is intended to test the validity and reliability with Confirmatory Factor Analysis (CFA) using AMOS software. Confirmatory factor analysis is used to confirm the factors formed to define a concept or research construct (Ferdinand, 2014). Testing of the factors that make up each of these variables is carried out before building a full SEM model. The construct validity test is done by looking at the loading factor value of each indicator in the construct, where an indicator is declared valid if it has a Loading factor value > 0.6 (Ferdinand, 2014). Furthermore, the construct reliability test was conducted based on the results of calculations with Average Variance Extracted (AVE) and Construct Reliability (CR), where the indicators of the variables were said to be reliable if the value of AVE $\geq$ 0.5 and CR $\geq$ 0.7 (Ghozali, 2011).

Table 1 reports the results of the CFA test, for each indicator on the variables in this study. Computational results on indicators of service quality, trust, image, satisfaction, and customer loyalty values obtained by loading all indicators in each construct are more than 0.5. so it can be concluded that all indicators are declared Valid. As for the reliability testing by looking at the value of AVE and Composite Reliability (CR), based on the calculation results show that the AVE value in the construct of service quality is more than 0.5 (0.807 $\geq$ 0.5) and the value of the construct CR has also exceeded 0.7 ( 0,953 $\geq$ 0,7); the AVE value in the construct of trust is more than 0.5 (0.840 $\geq$ 0.5), and the value of the construct CR has also exceeded 0.7 (0.955 $\geq$ 0.7); the value of AVE in the construct of the corporate image is more than 0.5 (0.849 $\geq$ 0.5), and the value of construct CR has also exceeded 0.7 (0.955 $\geq$ 0.7); the AVE value in the construct of customer satisfaction is more than 0.5 (0.874 $\geq$ 0.5), and the CR value of the construct has also exceeded 0.7 (0.956 $\geq$ 0.7), and the AVE value in the construct of customer loyalty is more than 0.5

$(0.752 \geq 0.5)$, and the value of the construct CR has also exceeded 0.7 $(0.949 \geq 0.7)$. Thus, all indicators in the construct of customer loyalty have been reliable; then the research model can be used for further analysis.

*4.2. Structural Model*

Structural model testing basically tests the overall model fit of the structural model and examines the relationship between constructs or independent-dependent variables that exist in the structural model (Santoso, 2018). Structural model compatibility test in SEM analysis is done by looking at several criteria of Goodness of fit models such as Chi-Square value, probability, RMSEA, GFI, AGFI, CFI, NFI and TLI. In this study, the fulfilment of the Goodness of fit model will refer to the criteria of the Goodness of fit model, one of them is the probability value and the Chi-Square model.

Based on testing in the initial model that of the eight criteria for the goodness of Fit, the model did not yet have a probability value above 0.05 (0,000) and the chi-square model was not below the required chi-square (Chi-square of 384,939). This shows that the model does not have the same covariance matrix as the population covariance matrix, so the model is not feasible to use to test the research hypothesis. Because the structural model that was built (the initial model) did not meet the fit criteria of a model, the model was modified based on the modification indices table on AMOS outputs through improvements to covariances, variances, and regression weights (Hair *et al.*, 2010).

**Table 1. Measurement Model Test**

| Construct and Item | CFA Test | | |
|---|---|---|---|
| | *Factor Loading* | *AVE* | *Composite Reliability* |
| *Service Quality* | | | |
| • Comfortable service room (X1.1) | 0,878 | | |
| • Payment of claims on time as promised (X1.2) | 0,900 | | |
| • Providing a quick response to the process of disbursing insurance claims funds (X1.3) | 0,886 | 0,807 | 0,953 |
| • Submission of information back about products owned by customers appropriately (X1.4) | 0,928 | | |
| • Paying attention to customers by providing information on the Payment of insurance premiums (X1.5) | 0,899 | | |
| *Customer Trust* | | | |
| • Believe that the insurance company will keep its promise (X2.1) | 0,910 | | |
| • Don't take advantage by deceiving customers (X2.2) | 0,936 | | |
| • Insurance companies can be trusted (X2.3) | 0,887 | 0,840 | 0,955 |
| • Trust in service consistency (X2.4) | 0,925 | | |
| • The belief that information received from insurance companies is highly credible (X2.5) | 0,925 | | |
| *Corporate Image* | | | |
| • Professional in providing services (X3.1) | 0,924 | | |
| • Providing innovation in service (X3.2) | 0,937 | | |
| • Building good relationships with customers (X3.3) | 0,931 | 0,849 | 0,955 |
| • Give a good impression to customers (X3.4) | 0,906 | | |
| • Has an insurance product advantage compared to competitors (X3.5) | 0,910 | | |
| *Customer Satisfaction* | | | |
| • This life insurance is satisfactory (Y1.1) | 0,928 | 0,847 | 0,956 |

| | | | |
|---|---|---|---|
| • My expectations are fully met by my life insurance (Y1.2) | 0,956 | | |
| • Customer oriented (Y1.3) | 0,929 | | |
| • Choosing this life insurance is a perfect decision (Y1.4) | 0,932 | | |
| • Satisfied with overall service (Y1.5) | 0,928 | | |
| ***Customer Loyalty*** | | | |
| • Do not switch to other brands (Y2.1) | 0,823 | | |
| • Inviting others to buy insurance (Y2.2) | 0,835 | | |
| • Saying something positive (Y2.3) | 0,936 | 0,752 | 0,949 |
| • Make the first choice in buying insurance (Y2.4) | 0,916 | | |
| • Pay higher premiums than competitors' premiums for better insurance benefits (Y2.5) | 0,818 | | |

Table 2 shows that the results of testing the structural model Goodness of Fit criteria after modification of the model, Chi-Square which is expected to be small has a lower value than the initial model that is 285,147 and is already fit. The final model probability value is fit because the value is 0.063, while the good condition is 0.05. The final model RMSEA value is classified as Fit because the value is 0.026, while the RMSEA requirement is ≤ 0.08. The value of GFI (0.905) and NFI (0.962) in the final model are also already fit because the value is ≥ 0.90. Likewise, the CFI and TLI values in the final model have also been fit because the value is ≥ 0.95. The AGFI value is still marginal because the value is ≤ 0.90, which is 0.876. From the results of the suitability test of this model produces a level of acceptance that is good or fit, because there are six requirements or criteria for the goodness of Fit that are met while one goodness of fit criterion that the level of acceptance is marginal or not good.

### 4.3. Hypotesis Testing

Hypothesis testing is done in research with Structural Equation Modeling (SEM) analysis with the AMOS program. The results of SEM-AMOS analysis for the full model are shown in Figure 1, where the model meets the Goodness of Fit criteria, so that this model becomes a reference in hypothesis testing. This test is done by comparing the value of P (Probability) on the output of Regression Weights with the required limits, ie the P value is less than 0.05, then the hypothesis is accepted. However, if the results show that the P value is greater than 0.05, then the hypothesis is rejected (Ferdinand, 2014).

**Table 2. Goodness of Fit Model Criteria**

| *Goodness of fit index* | *Cut-off Value* | **Results** |
|---|---|---|
| *Chi-square* | *Expected to be small (303,970)* | 285,147 |
| *Probability* | *≥ 0.05* | 0,063 |
| *RMSEA* | *≤ 0,08* | 0,026 |
| *GFI* | *≥ 0.90* | 0,905 |
| *AGFI* | *≥ 0.90* | 0,876 |
| *CFI* | *≥ 0.95* | 0,995 |
| *NFI* | *≥ 0.90* | 0,962 |
| *TLI* | *≥ 0.95* | 0,994 |

Table 3 shows the results of hypothesis testing, which, based on the findings in this study, service quality has a positive and significant effect on customer satisfaction (value of ß = 0.187; Probability = 0.025). Thus, Hypothesis 1 is accepted. Customer trust (value of ß = 0.349; Probability = 0,000) and

corporate image (value of ß = 0.429; Probability = 0,000) also show a positive and significant effect on customer satisfaction. So, Hypothesis 2 and 3 are accepted. From the results of this analysis also gives the result that the most dominant corporate image in influencing customer satisfaction.
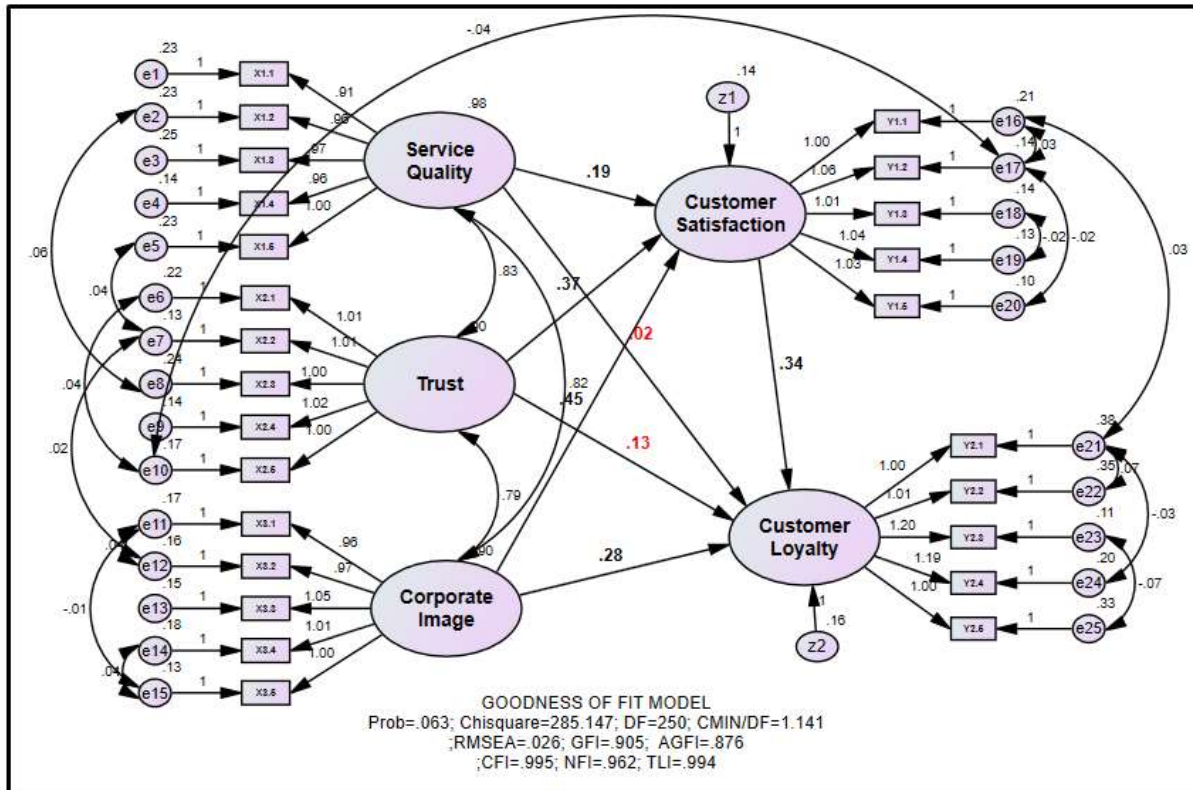


**Figure 1.  Full Model**

Service quality was found to have a positive but not significant effect on customer loyalty (value of ß = 0.029; Probability = 0.783). Therefore, Hypothesis 4 was rejected. Likewise, customer trust was the results of the study showed no significant effect on customer loyalty (value of ß = 0.151; Probability = 0.180). So, Hypothesis 5 is rejected. The corporate image value of (ß = 0.315; Probability = 0.005) and customer satisfaction (value of ß = 0.411; Probability = 0,000) shows a positive and significant effect on customer loyalty. Thus, Hypotheses 6 and 7 are accepted. The findings of this study show that the most dominant increase in customer loyalty is higher customer satisfaction than other factors (service quality, trust, and corporate image).

The role of satisfaction as a mediating variable shows the findings that service quality has a positive and significant effect on loyalty through customer satisfaction (value of ß = 0.076; Probability = 0.024). Therefore, hypothesis 8 is accepted. The indirect effect of between customer trust on loyalty through customer satisfaction has a positive and significant effect (value of ß = 0.143; Probability = 0.002), so hypothesis 9 is accepted. Furthermore, corporate image has a positive and significant effect on loyalty through customer satisfaction (value of ß = 0.176; Probability = 0,000). So, hypothesis 10 is accepted. From the results of the analysis, that customer satisfaction plays an important role as a mediator, because service quality and trust directly have no significant effect on customer loyalty. Still, when customers feel satisfaction first, it can create loyalty.

**Table 3. Summary of Result from Hypotesis Testing**

| No | Variable | | | Direct Effect | Indirect Effect | Total Effect | p-value | Hypotesis |
|---|---|---|---|---|---|---|---|---|
| | Eksogen | Intervening | Endogen | | | | | |
| 1 | Service Quality (X1) | - | Customer satisfaction (Y1) | 0,187 | - | 0,187 | 0,024 | Supported |
| 2 | Trust (X2) | - | Customer satisfaction (Y1) | 0,349 | - | 0,349 | 0,000 | Supported |
| 3 | Corporate image (X3) | - | Customer satisfaction (Y1) | 0,429 | - | 0,429 | 0,000 | Supported |
| 4 | Service quality (X1) | - | Customer loyalty (Y2) | 0,029 | - | 0,029 | 0,783 | Not Supported |
| 5 | Trust (X2) | - | Customer loyalty (Y2) | 0,151 | - | 0,151 | 0,180 | Not Supported |
| 6 | Corporate image (X3) | - | Customer loyalty (Y2) | 0,315 | - | 0,315 | 0,005 | Supported |
| 7 | Customer satisfaction (Y1) | - | Customer loyalty (Y2) | 0,411 | - | 0,411 | 0,000 | Supported |
| 8 | Service quality (X1) | Customer satisfaction (Y1) | Customer loyalty (Y2) | 0,029 | 0,076 | 0,105 | 0,024 | Supported |
| 9 | Trust (X2) | Customer satisfaction (Y1) | Customer loyalty (Y2) | 0,151 | 0,143 | 0,294 | 0,002 | Supported |
| 10 | Corporate image (X3) | Customer satisfaction (Y1) | Customer loyalty (Y2) | 0,315 | 0,176 | 0,491 | 0,000 | Supported |

## 5.  *Discussion and Conclusion*

The results of the study concluded that service quality, trust, and corporate image directly have a significant effect on customer satisfaction. In this case, quality service, supported by a high customer trust, and an excellent corporate image, can be a strategic tool in increasing customer satisfaction in life insurance in Makassar. The more quality service is provided to customers, the higher customer trust, and an excellent corporate image, customer satisfaction will increase. This finding is in line with several previous studies where high customer satisfaction is influenced by the quality of a service (Ashraf *et al.*, 2018; Basir *et al.*, 2015; Ella, 2017; Gede Sadiartha & Mirah Apsari, 2018; Hermawan *et al.*, 2017; Laura, 2016; Mandung *et al.*, 2018; Nguyen *et al.*, 2018; Saulina & Syah, 2018; Sitorus & Yustisia, 2018), increasing customer trust (Ansari & Riasi, 2016; Kundu & Datta, 2015; Mahmoud *et al.*, 2018; Novotová, 2018; Park *et al.*, 2017; Sari, 2018; Sitorus & Yustisia, 2018), and the existence of a better corporate image (Ashraf *et al.*, 2018; Dachyar & Siva, 2016; Hermawan *et al.*, 2017; Huang, 2016; Nguyen *et al.*, 2018).

Furthermore, high satisfaction is more dominantly influenced by an excellent corporate image than service quality and trust. This is relevant to the word of Allah in QS. Al-Baqarah verse 195, about the need to give a good impression to others, because it will form the right image if we can provide the best. Islam has taught that building an image is very important in life. This is because the image of a good impression will form a good perception in the community's eye. Therefore, when a customer has a good impression of life insurance, this will significantly impact the satisfaction of life insurance customers.

Nevertheless, service quality and trust also need to be maximized because it will have implications for increasing customer satisfaction. As Parasuraman *et al.* (1990) in theory, said, providing highly appropriate services to customers would increase customer satisfaction. Then, in the theory of "Trust Commitment" popularized by Morgan and Hunt (1994) revealed that trust is the key to maintaining and maintaining long-term relationships.

This study also looks at the direct effect on customer loyalty, which is based on the analysis results that service quality and trust directly have no significant impact on customer loyalty. This empirically rejects H4 and H5. This finding supports some previous research that service quality has no significant effect on customer loyalty (Basir *et al.*, 2015; Hermawan *et al.*, 2017; Kishada & Wahab, 2015; Mandung *et al.*, 2018; Sitorus & Yustisia, 2018), and customer trust also does not significantly influence customer loyalty (Kishada & Wahab, 2015; Novotová, 2018; Sari, 2018; Saulina & Syah, 2018).

Heskett *et al.* (1994) which in theory says that the quality of services provided to customers is a function of the level of satisfaction of employees who are responsible for delivering high-value services to customers, customers will get satisfaction and make customers loyal. That is, loyalty cannot be formed in a direct effect, so customer satisfaction is needed first. This research also proves that customer satisfaction as a mediator between service quality and customer loyalty is very important. This means that service quality is important to increase customer satisfaction, which is characterized by life insurance companies able to provide customer satisfaction over insurance benefits, never fail to meet customer expectations, customer-oriented, satisfaction because choosing life insurance is a very good decision, and there is complete satisfaction with services. And then satisfaction is also a driving factor in increasing customer loyalty in the life insurance industry in Makassar City. Thus, it is expected that service quality will be further optimized in the future so that customers will be more satisfied and become loyal to life insurance services.

Likewise, customer trust and the corporate image shows a significant effect on loyalty through customer satisfaction. Lack of trust that is owned by customers to the insurance company will reduce customer satisfaction so that the impact on customer loyalty decreases. This is shown by how the company's ability to strive to keep its promises to customers, as well as giving confidence to customers that this insurance will not benefit by deceiving customers and solely to provide financial planning in the future. Likewise, in the corporate image aspect, an effective corporate image must also stimulate interest among customers, generate brand equity, and ultimately drive sales (Amini et al., 2012; Kanibir dan Nart, 2009). At the end, when the company's image gets better in the eyes of customers, customer satisfaction and loyalty will also increase.

From this discussion, it can be concluded that customer satisfaction plays an essential role in mediating the effect of service quality, trust, and corporate image on customer loyalty. Based on the findings of this study, when the quality of service is getting higher, it will indirectly have an insignificant effect on loyalty. Still, if customers feel satisfaction first, customer loyalty will increase significantly. Likewise, in the aspect of customer trust, companies have alternatives to increase customer loyalty. In this case, if a trust is increasingly high, and results in a high level of satisfaction, it will have a significant impact on increasing customer loyalty.

Nevertheless, in this study, there are several limitations, and this can be future research, including this research, which only focuses on some conventional life insurance industries in Makassar, with respondents being customers at four life insurance companies in Makassar, namely PT. Prudential Life Assurance, PT. AXA Mandiri, PT. AIA Financial, and PT. Bumiputera Life Insurance, so this can limit the generalization of research findings. By looking at the life insurance industry under study, researchers found that service quality and trust did not directly influence customer loyalty. What's more, when researchers distributed questionnaires, one of the insurance companies understudy was experiencing problems, so customer responses about their loyalty to life insurance tended to decrease, but this needs to be proven further for researchers in the future.

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