
**INCREASED CUSTOMER LOYALTY: THE ROLE OF SERVICE QUALITY,
TRUST, SATISFACTION, AND BUSINESS PROCESS IMPROVEMENT AS
MEDIATION**

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KEYWORDS

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ABSTRACT

This study aims to analyze more deeply the relationship and influence of Service Quality, Customer Trust, and Satisfaction on Customer Loyalty of Non-Program Small Medium Enterprise (SME) Credit Customers Mediated by Business Process Improvement (Empirical Study: Bank BTN Regional Office 2). An online survey using Google Forms to SME credit customers of Bank BTN Regional Office 2 covering DKI Jakarta and Banten was used to collect data as material for this study. In this study the variables Service Quality, Customer Trust and Satisfaction as dependent variables, Customer Loyalty as an independent variable, and Business Process Improvement as mediation variables. 226 respondents met the respondent criteria. This study used Partial Least Square SEM also called PLS-SEM. The results prove that Service Quality affects Business Process Improvement, Trust affects Business Process Improvement, Customer Satisfaction affects Business Process Improvement, Service Quality affects Customer Loyalty, Trust does not directly affect Customer Loyalty, Customer Satisfaction does not directly affect Customer Loyalty, Business Process Improvement affects Loyalty Customers, Business Process Improvement affects mediating Service Quality on Customer Loyalty, Business Process Improvement affects mediating Trust in Customer Loyalty, and Business Process Improvement has an effect on mediating Customer Satisfaction with Customer Loyalty.

INTRODUCTION

The important function and role of the banking industry in economic activity at this time cannot be ignored, because by providing credit services and various services, banks can support various sectors of the economy and trade (Setiawan & Sukiman, 2020). By Article 1 Paragraph 1 of Law No. 10 of 1998 concerning Amendments to Law No. 7 of 1992 concerning Banking, it is stated that: "Banking is everything that concerns banks, including institutions, business activities, and ways and processes in carrying out their business activities". Article, Verse .2, states that a "Bank is a business entity that collects funds from the public in the form of deposits and distributes them to the public in the form of credit and/or other forms to improve the standard of living of the people".

Table 1
Number of Banks and Bank Offices in Indonesia

Bank and office groups	Number of banks and bank offices (Units)					
	Bank			Bank offices		
	2019	2020	2021	2019	2020	2021
Conventional commercial banks-persero banks	4	4	4	17622	17307	18166
Conventional commercial banks-regional development banks	24	25	25	4212	4226	5122
Conventional commercial banks-national private banks	60	58	58	7352	7144	7193
Conventional commercial banks-branch offices of foreign banks	8	8	8	36	36	27
Sharia commercial banks-regional development banks	2	2	2	184	195	190
Sharia commercial banks-national private banks	12	12	10	1721	1825	1833
Number of commercial banks	110	109	107	31127	30733	32531

Source: BPS-RI, accessed June 1, 2023

According to statistical data as mentioned in Table_1 above, it is known that the number of commercial banks in Indonesia in 2021 is 107 units. Meanwhile, Bank Indonesia (BI) noted that the number of commercial banks in Indonesia in 2022 was 106 units. The number of commercial banks decreased by one unit compared to the previous year which was 107 units.

(Pertwi, K.B.Sofiati, N.A. & Sudarso, 2021) explained that currently, the banking sector in Indonesia is becoming tighter during the day, with all banks trying hard to increase their assets and profits to win the competition, especially amid ongoing economic globalization and advances in information technology that are developing and spreading so quickly. In (Carolleta & Elpanso, 2022) suggest that in the increasingly fierce competition among banks, they actively seek to attract customer attention by improving their services and performance. Today, businesses need to realize that they need to understand the various factors that influence customer loyalty, such as switching costs, trust, company image, and customer satisfaction, all of which can help build a loyal customer base. High-quality service or excellence is the key to creating customer satisfaction, increasing loyalty, and expanding market share through attracting new customers and improving financial performance (Nuraina & Arafah, 2020).

In his book, (Kasmir, 2017), states that service is an effort or activity carried out by individuals or organizational entities to provide satisfaction to customers or customers. According to (Ahmad et al., 2022) research stated that service quality includes all characteristics and attributes possessed by a service or product that have an impact on its ability to meet needs that may not be explicitly expressed, as stated by (Kotler et al., 2016). In their research, (Setiawan & Sukiman, 2020), explained that the introduction and assessment of service quality are expected to trigger a sense of satisfaction for customers because quality is seen as a parameter of service quality that has the potential to provide varying levels of satisfaction for customers, both objectively and based on their perceptions. Quality criteria or service quality emphasizes the need for service providers to provide services with efficiency

and timeliness to meet customer needs effectively (Famiyeh et al., 2018). Quality of service that generates satisfaction for customers on an ongoing basis will encourage them to remain loyal or loyal and still choose to continue using the services of the company.

The banking industry is a form of service business that relies heavily on the principle of trust, as affirmed by (Purwoko & Astuti, 2017), that trust is an element that is often the main focus in research on interactions between persons and relationships with customers. According to (Mansouri et al., 2022) in their research stated that the core of the relationship between companies and consumers is trust, which is a key element in building a strong bond between the two. Trust has been proven to be one of the factors that affect the level of commitment and efficiency in an organization, as stated by (Flavián et al., 2019), and has a significant impact on the level of brand loyalty or brand. Previous research or studies have proven that customers to the brand.

According to (Sigit & Soliha, 2017) in their research stated that customer loyalty reflects a strong commitment to continue buying products or services that they have enjoyed in the future, even in the face of changing situations or marketing efforts that may try to change their behavior. In other words, customers will remain loyal and committed to making repeat purchases on an ongoing basis. To maintain customer loyalty, it is not only enough to be satisfied, but more crucial is to build trust, because customer trust is key in relationship marketing practices. Loyalty can be explained as the formation of attitudes and patterns of behavior of a consumer about the purchase and use of products, which are influenced by previous experiences they have experienced (Griffin, 2015). If the banking sector can exceed customer expectations, customers will be more inclined to consider the brand, offer, and message provided by the bank. In a study conducted by (Setiawan & Sukiman, 2020), they suggest that loyalty is how consumers express their choice of a brand and the desire to continue to invest in the relationship, according to the concept described by (Zichermann & Linder, 2010). When the company can meet consumer needs, consumers will feel loyal and have an attachment to the company, which then encourages them to continue to take advantage of the services provided by the company.

When viewed from several previous studies, (Sigit & Soliha, 2017) stated that product quality or quality affects the level of customer satisfaction. Quality or quality of service affects the level of customer satisfaction. Product quality or quality affects the level of customer loyalty. Quality or quality of service affects the level of customer loyalty. Satisfaction affects the level of customer loyalty. According to (Nurdin, I., Sofiati, N.A. & Sudaryo, Y., 2019) stated that it was found that the quality of service in applying for credit had a significant impact or influence on the level of loyalty-customers at PT. Bank Tabungan Negara (Persero) Tbk. In addition, the quality of service in providing credit also affects credit customer satisfaction, which in turn results in an influence on the level of credit customer loyalty at PT Bank Tabungan Negara (Persero) Tbk either individually or in a concurrent influence. (Setiawan & Sukiman, 2020), stated that in this study, there were two variables found to have a positive and significant relationship with each other, namely the level of customer satisfaction and customer loyalty. The results showed that the level of credit customer satisfaction had a positive and significant impact on the level of credit customer loyalty. Overall, the variable of debtor satisfaction was found to act as a mediator in the relationship between each dimension of service quality and debtor loyalty. The results of research conducted by (Manyanga et al., 2022)

show that customer experience, satisfaction level, and intention to provide recommendations positively through word of mouth positively affect customer loyalty levels.

Meanwhile, the results of different studies stated by (Salim, N.D.) stated that the results showed that the direct relationship between the level of customer linkage with the bank, either through satisfaction or complaint handling, did not significantly increase the level of customer loyalty. However, service directly affects customer satisfaction. Similarly, the image of the bank, both directly and through satisfaction, has a positive influence on customer loyalty. The more positive the perception of the image of the bank, both directly and through satisfaction, will have a positive impact on the level of customer loyalty. Higher customer satisfaction directly contributes to an increase in customer loyalty levels. In this study, customer satisfaction plays an important role as a significant mediator in linking various factors with customer loyalty levels. In research conducted by (Supriyanto et al., 2021), findings show that does not have a significant impact on customer loyalty levels. On the contrary, service quality affects levels significantly, which then acts as a significant link in influencing customer loyalty levels.

Based on data until June 30, 2023, the concept of research with this focus has never been studied by other researchers. This study or research is carried out at PT. Bank Tabungan Negara (Persero) Tbk., especially in Regional Office 2 which covers DKI Jakarta and Banten which is one of the supporting industries for the Non-Program Small Medium Enterprise (SME) credit sector.

From the research background that has been described earlier, it can be formulated as follows: identification of research problems on Quality-Service, Satisfaction-Customer has important factors that affect the Business Process Improvement of Small Medium Enterprise (SME) Credit Customers. Business Process Improvement has important factors that affect the Loyalty-Customer of Small Medium Enterprise (SME) Credit, Quality-Service, Trust and Satisfaction-Customer has an important factor that affects the Loyalty-Customer of Small Medium Enterprise (SME) Credit Customers. Quality-Service Satisfaction-Customer mediated by Business Process Improvement are important factors that influence Customer Loyalty of Non-Program Small Medium Enterprise (SME) Credit Customers (Erfianto, 2019).

The purpose of this study is to analyze more deeply the relationship and influence of Service Quality, Customer Trust, and Satisfaction on Customer Loyalty of Non-Program Small Medium Enterprise (SME) Credit Customers Mediated by Business Process Improvement (Empirical Study: Bank BTN Regional Office 2). The purpose of the study is To analyze the effect of Service Quality on Business Process Improvement of Non-Program Small Medium Enterprise (SME) Credit Customers, To analyze the effect of Trust on Business Process Improvement of Non-Program Small Medium Enterprise (SME) Credit Customers, To analyze the effect of Customer Satisfaction on Business Process Improvement of Small Medium Enterprise (SME) Credit Customers Non-Program, To analyze the effect of Business Process Improvement on Customer Loyalty of Non-Program Small Medium Enterprise (SME) Credit Customers, To analyze the effect of Service-Quality on Customer Loyalty of Non-Program Small Medium Enterprise (SME) Credit Customers, To analyze the effect of Trust on Customer Loyalty of Non-Program Small Medium Enterprise (SME) Customers, To analyze the effect of Trust on Customer Loyalty of Non-Program Small Medium Enterprise (SME) Customers, To analyze the effect of Service-Quality on Loyalty-Customers of Customers Loyalty-

Customers of Small Medium Enterprise (SME) Non Program, To analyze the effect of Customer Satisfaction on the Loyalty-Customer of Non-Program Small Medium Enterprise (SME) Credit Customers of Loyalty-Customer of Small Medium Enterprise (SME) Credit Customers Non-Program mediated by Business Process Improvement, To analyze the effect of Trust on Customer Loyalty of Non-Program Small Medium Enterprise (SME) Credit Customers mediated by Business Process Improvement, To analyze the effect of Customer-Satisfaction Credit Customers Non-Program mediated by Business Process Improvement. The results of this research are expected to contribute to and benefit the scientific development of strategic management, for the banking industry, for policymakers, and for other researchers.

METHOD RESEARCH

Research Design

Sekaran and Bougie (2020), explained that research design is a comprehensive plan that includes stages from the beginning of making hypotheses to the final data analysis, which will later produce conclusions and suggestions or recommendations.

The method or approach used in this study is the quantitative method. According to (Hardani et al., 2020), quantitative methods are research approaches that are carried out systematically, well planned, clearly structured from the beginning to the end of the study, and are not affected by the situation in the field. For this reason, quantitative research, as stated by (Siyoto & Sodik, 2015) in (Hardani et al., 2020), tends to have strong characteristics in numerical aspects, ranging from collection, and analysis, to presentation of data that uses numbers as its basis.

Operationalization of Variables (Variables) & Variable Measurement Scales

(Campos et al., 2020) define a variable as an entity that can take on a variety of different values. In the context of research, four types of variables are generally used, namely independent variables, dependent variables, moderation variables, and mediation variables. In this study, we used several variables, including the dependent variable, the independent variable, and the mediation variable. The dependent variable is the main variable that is the main focus of the study and becomes the final goal of this study. This study or research only involves 3 (three) types of variables, namely:

1. 3 (three) independent variables, namely Service Quality, Customer Trust, and Satisfaction which means that a variable has a positive or negative impact on the dependent variable (Campos et al., 2020).
2. One dependent variable, namely Loyalty_Customer which means the main variable studied by the researcher and is the ultimate goal of the research (Campos et al., 2020).
3. One variable mediates (intervening), namely Business Process Improvement which means variables that play a role in maximizing the function of independent variables in their influence on dependent variables (Campos et al., 2020).

An independent variable is a variable that can influence the dependent variable. In a more practical context, independent variables are often considered as solutions to a problem. This study used three main independent variables, namely Service Quality, Trust, and Customer Satisfaction. On the other hand, the dependent variable in this study is Customer Loyalty. In addition, there are mediation variables that function to maximize the role of independent

variables in influencing dependent variables. The mediating variable in this study is Business Process Improvement.

RESULTS AND DISCUSSION

Results of Descriptive Analysis Related to Respondent Profiles and Indicators

Based on the results of the questionnaire that has been distributed online to *customers of Small Medium Enterprise (SME) Non-Program Bank BTN Regional Office 2 (DKI and Banten) loans through Google form*, the number of respondent samples that have been obtained is 226 respondents. After the screening process, the total number of samples can be used as sample data in this study because it meets the research requirements that have been set. This number has met the minimum limit in this study, for the minimum number this study is 224 respondents, which is obtained from the calculation of the number of indicators, namely 28 times eight, using the theory of (Hair et al., 2019), the minimum number of samples is the total number of indicators of researchers multiplied by five.

Table 2
Respondent Results by Gender

Gender	Sum	Percentage
Man	168	75,34%
Woman	58	25,66%
TOTAL	226	100%

Source: Respondent questionnaire results, (2023)

Based on the information contained in Table 2, it can be seen that the results of respondent data based on sex that have been obtained are 168 people (75.34%) male and 58 people (25.66%) female. From the tabulation data, it can be seen that the majority of Non-Program Small Medium Enterprise (SME) credit customers at Bank BTN Regional Office 2 (DKI and Banten) who were respondents in this study were male.

Table 3
Respondents' Results by Age

Age	Sum	Percentage
17 – 30 Years	12	5.31%
31 – 40 Years	40	17,70%
41 – 50 Years	120	53.10%
> 50 years	54	23.89%
TOTAL	226	100%

Source: Respondent questionnaire results, (2023)

Based on the information contained in Table 3, it can be seen that the results of respondent data based on the age obtained, it is known that there are 12 people (5.31%) aged between 17 – 30 years, 40 people (17.70%) aged between 31 – 40 years, 120 people (53.10%) aged between 41 – 50 years and 54 people (23.89%) aged > 50 years. So it can be stated that the majority of *Non-Program Small Medium Enterprise (SME) credit customers at Bank BTN Regional Office 2 (DKI and Banten) who were respondents in this study were aged between 41 – 50 years.*

Table 4
Respondents' Results Based on Recent Education

Recent Education	Sum	Percentage
High School or Equivalent	9	3.98%
D1	0	0%
D2	0	0%
D3	16	7.08%
D4	0	0%
S1	178	78.76%
S2	23	10.18%
S3	0	0%
TOTAL	226	100%

Source: Respondent questionnaire results, (2023)

Based on the information contained in Table 4, it can be seen that the results of respondent data based on the last education obtained, it is known that there are 9 people (3.98%) who have a final high school education or equivalent, 16 people (7.08%) who have a final education of D3, 178 people (78.76%) who have a final education of S1 and 23 people (10.18%) who have a final education of S2. So it can be stated that the majority of *Non-Program Small Medium Enterprise* (SME) credit customers at Bank BTN Regional Office 2 (DKI and Banten) who were respondents in this study had S1 final education.

Table 5
Table of Respondent Results by Assets Owned

Assets Owned	Sum	Percentage
< IDR 50 million	21	9.29%
Rp. 50 million up to Rp.500 million	11	4.87%
'> Rp.500 million to IDR 10 M	182	80.53%
'> Rp.10 M	12	5.31%
TOTAL	226	100%

Source: Respondent questionnaire results, (2023)

Based on the information contained in Table 5, it can be seen that the results of respondent data based on assets owned are known that there are 21 people (9.29%) have assets less than Rp.50 million, 11 people (4.87%) have assets greater than Rp.50 million to Rp.500 million, 182 people (80.53%) have assets greater than Rp.500 million to Rp.10 billion, and 12 people (5.31%) have assets greater than Rp.10 billion. So it can be stated that the majority of *Non-Program Small Medium Enterprise* (SME) credit customers at Bank BTN Regional Office 2 (DKI and Banten) who are respondents in this study have assets greater than Rp.500 million to Rp.10 billion.

Descriptive STatistic Test Results

Descriptive statistical tests are used to determine the average value of indicators, Table 6 shows the statistical results of descriptive tests.

Table 6
Descriptive Statistical Test Results

Item Code		Answer Response					Mean	Standard Deviation
		1	2	3	4	5		
<i>Service Quality</i>								
SQ1	Bank BTN provides concrete evidence of good office Physical Facilities	0	2	8	90	126	4.509	0.611
		0%	0.88%	3,54%	39,82%	55,75%		
SQ2	Bank BTN provides concrete evidence of good Employee Human Resources	0	3	11	102	110	4.412	0.647
		0%	1.33%	4.87%	45.13%	48.67%		
SQ3	Bank BTN provides concrete evidence of good communication	0	3	9	105	109	4.420	0.635
		0%	1.33%	3.98%	46.46%	48.23%		
SQ4	Bank BTN provides services to customers in a responsive manner	0	4	19	105	98	4.319	0.701
		0%	1.77%	8.41%	46.46%	43.36%		
SQ5	Bank BTN guarantees adequate knowledge of its staff	0	4	12	119	91	4.319	0.655
		0%	1.77%	5.31%	52.65%	40.26%		
SQ6	Bank BTN guarantees a good attitude of its staff	0	3	14	107	102	4.367	0.660
		0%	1.33%	6.19%	47.34%	45.13%		
SQ7	Bank BTN guarantees the trustworthy nature of its staff.	0	2	25	122	77	4.217	0.666
		0%	0.88%	11.06%	53.98%	34.07%		
SQ8	Bank BTN communicates well and attentively with its customers	0	3	9	126	88	4.323	0.615
		0%	1.33%	3.98%	55.75%	38.94%		
SQ9	Bank BTN understands the needs of its customers	0	4	13	117	92	4.319	0.655
		0%	1.77%	5.75%	51.77%	40.71%		
SQ10	Bank BTN can provide the promised service immediately.	0	5	23	131	67	4.155	0.683
		0%	2.21%	10.18%	57.96%	29.65%		
SQ11	Bank BTN can provide the promised services satisfactorily.	0	4	24	124	74	4.190	0.687
		0%	1.77%	10.62%	54.87%	32.74%		

Source: Respondent questionnaire results, (2023)

Based on the information contained in Table 6, it can be seen that:

1. The average value of the highest indicator of *Service Quality* is SQ1 where respondents feel that Bank BTN provides concrete evidence of good office physical facilities.
2. The average value of the highest indicator of Trust is T2 where respondents feel that Bank BTN maintains, fulfilling agreements made with customers.
3. The average value of the highest indicator of *Customer Satisfaction* is CS2 where respondents feel that Bank BTN provides information at every stage of the credit process to its customers.
4. The average value of the highest indicator on Business Process *Improvement* is BPI1 where respondents are willing to submit appropriate information for Business Process Improvement.
5. The average value of the highest indicator of Customer Loyalty is L1 where respondents are willing to always maintain commitment.

Test Instruments

Data has been collected and analyzed with the help of SEM models using the *SmartPLS application* version 4.0 *Partial Least Square* (PLS), which is an alternative method in *Structural Equation Modeling* (SEM) used to overcome various problems in SEM (Haryono, 2017).

Evaluasi Outer Model

Evaluation of the *outer model* is carried out to assess the validity and reliability of the model. Outside models that use reflexive indicators are evaluated through convergent validity, discriminant validity, and composite reliability testing for their indicator blocks (Ghozali and Latan, 2015). During this stage, SEM model diagrams are also developed to visualize the causal relationships to be tested to facilitate understanding.

Table 7
Validity Test Results

Variable	Item Code	Outer Loading	Information
Service Quality	SQ1	0.865	Valid
	SQ2	0.923	Valid
	SQ3	0.875	Valid
	SQ4	0.903	Valid
	SQ5	0.904	Valid
	SQ6	0.907	Valid
	SQ7	0.843	Valid
	SQ8	0.87 5	Valid
	SQ9	0.884	Valid
	SQ10	0.875	Valid
	SQ11	0.880	Valid
Trust	T1	0.939	Valid
	T2	0.925	Valid
	T3	0.918	Valid
	T4	0.778	Valid
	T5	0.921	Valid
(Customer Satisfaction)	CS1	0.951	Valid
	CS2	0.937	Valid
	CS3	0.947	Valid

(Business Process Improvement)	BPI1	0.968	Valid
	BPI2	0.979	Valid
	BPI3	0.973	Valid
	BPI4	0.946	Valid
Customer Loyalty	BPI1	0.968	Valid
	L1	0.948	Valid
	L2	0.951	Valid
	L3	0.921	Valid
	L4	0.955	Valid

Source: SmartPLS Data Processed 4, (2023)

Based on the information obtained in Table 7 above, it can be seen that all indicators of each research variable have an Outer Loading > 0.7 so that all indicators are declared valid, whereas an indicator is declared valid if it has an Outer Loading value greater than 0.7.

From the results of the outer loading value in Table 7, it is obtained that:

1. The highest indicator of Service Quality is SQ2 with a value of 0.923 where respondents feel that Bank BTN provides concrete evidence of having good Human Resources.
2. The highest indicator of Trust is T1 with a value of 0.939 where respondents feel that Bank BTN serves customer needs on an ongoing basis.
3. The highest indicator of Customer Satisfaction is CS1 with a value of 0.951 where respondents feel that Bank BTN provides quality credit products to its customers.
4. The highest indicator of Business Process Improvement is BPI2 with a value of 0.979 where respondents are willing to comply with the credit process according to the provisions.
5. The highest indicator of Customer Loyalty is L4 with a value of 0.955 where respondents are willing to make repeat purchases.

The Effect of Service Quality on Business Process Improvement

Quality of Service to Business Process Improvement has a *p-value* of $0.008 < 0.05$, then H1 (First Hypothesis) is accepted. This means that Service Quality has a positive and significant effect on Business Process Improvement. Quality of service by providing tangible evidence, responsiveness by providing services to customers quickly; Assurance, Empathy, and Reliability implemented by Bank BTN properly and consistently can improve service quality so that it affects business process improvement.

The results of this hypothesis are consistent with previous research conducted by (Harimurti & Suryani, 2019). Their research on the Effect of Total Quality Management on Service Quality, as well as the impact of Service Quality on Customer *Engagement* and Customer Loyalty in the banking industry, also shows that the implementation of *Total Quality Management* has a positive impact on Service Quality. In line with the results of research by (Lenka et al., 2010), Damador Suar, and Pratap K.J. Mohaprata (2010) who examined the problem of employee job satisfaction and affective commitment having a positive influence on service quality.

The Effect of Trust on Business Process Improvement

Trust in Business Process Improvement has a *p-value* of $0.006 < 0.05$, hence H2 (Second Hypothesis) is accepted. This means that trust has a positive and significant effect on business process improvement. Bank BTN provides *trusting beliefs* by serving customer needs on an

ongoing basis; maintaining, fulfilling agreements made with customers; and being able to meet customer needs, and customers are willing to accept risks or negative consequences that may occur and are willing to provide information, follow suggestions or requests to make Trust affect Business Process Improvement.

The results of this hypothesis are in line with research conducted by (Tahir Jan & Abdullah, 2014) which identified and tested *Critical Success Factors related to technology and its impact on customer trust and satisfaction*, successfully revealed that technological Critical Success Factors positively affect customer satisfaction. Also, trust partially mediates the relationship between technology's Critical Success Factors and customer satisfaction. The significant positive influence of technology's Critical Success Factors on trust, and trust in customer satisfaction is also gained.

The Effect of Trust on Customer Loyalty

Trust in Customer Loyalty has a *p-value* of $0.288 > 0.05$, so H5 (Fifth Hypothesis) is **rejected**. This is also shown by the *very small Effect Size* or *F-Square* value of 0.008. This means that Trust has no effect on Customer Loyalty or it can be said that the relationship or correlation is not significant. Trust indicators, namely providing trusting *beliefs and trusting intentions* to customers of Bank BTN *Non-Program Small Medium Enterprise* (SME) credit customers Regional Office 2 (Banten and DKI) do not affect Bank BTN credit customers to become loyal to Bank BTN.

The results of this hypothesis are in line with research conducted by (Winasih & Hakim, 2021) which examined the Role of Satisfaction as a Mediating Variable of Service Quality and Customer Trust in Sharia Bank Customer Loyalty, one of the results of his research stated that Customer Trust does not affect Customer Loyalty. In line with research conducted by (Firdaus, 2014) which also shows that Customer Trust does not significantly affect Customer Loyalty.

The Effect of Service Quality on Customer Loyalty is mediated by Business Process Improvement

Service Quality mediated by Business Process Improvement on Customer Loyalty has a *p-value* of $0.018 < 0.05$, hence H8 (Eighth Hypothesis) is **accepted**. This means that Business Process Improvement has a positive and significant effect on mediating Service Quality on Customer Loyalty.

The results of this hypothesis are in line with research conducted by (Harimurti & Suryani, 2019), which examined the Effect of the Application of *Total Quality Management on Service Quality, the Influence-Quality of Service on Customer and Customer Loyalty* in the banking industry which one of the results *stated* that Total Quality Management has a positive effect on Service Quality, *Service Quality has a positive effect on Customer Engagement and Customer Loyalty and Customer Engagement has a positive effect on Customer Loyalty*. In line with research conducted by (Nisazizah & Sudaryanto, 2018), which examined the issue of the Effect of Service Quality, Customer Value, and Customer *Relationship Management* on Customer satisfaction and Customer Loyalty, the results of this study show that *customer relationship management* Positive effect on customer satisfaction, service quality has a positive effect on customer loyalty, customer value has a positive effect on customer loyalty, customer *relationship management* has a positive effect on customer loyalty, and customer satisfaction has a positive effect on customer loyalty.

The effect of Trust on Customer Loyalty is mediated by Business Process Improvement

Trust-mediated Business Process Improvement on Customer Loyalty has a *p-value* of $0.009 < 0.05$, hence H9 (Ninth Hypothesis) **is accepted**. This means that the variable Business Process Improvement has a positive and significant effect on mediating Trust in Customer Loyalty. Based on testing the hypothesis of direct influence, the Trust variable does not affect the Customer Loyalty variable, with the mediation of Business Process Improvement showing positive and significant influence results.

The results of this hypothesis are in line with the research of (Utami et al., 2019) which examines the effect of service quality and customer trust on customer loyalty also shows that service quality has a significant effect on customer loyalty, resulting in that customer trust has a significant effect on customer loyalty. The results of this study are also in line with research conducted by (Sari et al., 2018), which focuses on the implementation of *Customer Relationship Management* (CRM) as one of the strategies that help banks build long-term relationships with customers. The purpose of the study is to increase company profits and understand the implementation of CRM and the most influential factors on customer satisfaction and loyalty. One of the findings of this study is that *Customer Relationship Management* variables have a significant influence on customer loyalty.

The effect of Customer Satisfaction on Customer Loyalty is mediated by Business Process Improvement

Customer Satisfaction mediated by Business Process Improvement on Customer Loyalty has a *p-value* of $0.013 < 0.05$, hence H10 (Tenth Hypothesis) **is accepted**. This means that the variable Business Process Improvement has a positive and significant effect on mediating Customer Satisfaction with Customer Loyalty. Based on testing the hypothesis of direct influence, the Customer Satisfaction variable does not affect the Customer Loyalty variable, with the mediation of Business Process Improvement showing positive and significant influence results.

The results of this hypothesis are in line with research conducted by (Nisazizah & Sudaryanto, 2018), which focused on the influence of Service Quality, Customer Value, and Customer Relationship Management on Customer Satisfaction and Customer Loyalty. The findings of this study show that Customer Relationship Management has a positive impact on customer satisfaction, Service Quality has a positive impact on customer loyalty, Customer Value also has a positive impact on customer loyalty, Customer Relationship Management has a positive impact on customer loyalty, and customer satisfaction has a positive impact on customer loyalty.

CONCLUSION

Based on the findings that have been revealed in this study, conclusions that can be drawn Findings from the study confirm that the First Hypothesis, namely the variable of Service Quality has a positive and significant influence on Business Process Improvement. Quality of service by providing tangible evidence, responsiveness by providing services to customers quickly and responsively; Assurance, Empathy, and Reliability implemented by Bank BTN Regional Office 2 (DKI and Banten) to Non-Program Small Medium Enterprise (SME) credit customers can improve service quality so that it is proven to affect improving business processes. The results prove that the Second Hypothesis, namely the Trust variable has a positive and significant influence on Business Process Improvement. Bank BTN Regional

Office 2 (DKI and Banten) provides trusting beliefs by serving customer needs on an ongoing basis; maintaining, and fulfilling agreements made with customers; and being able to meet customer needs, and customers are willing to accept risks or negative consequences that may occur and are willing Provide information, follow suggestions or requests, to prove trust affects business process improvement.

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