

Evaluating the Impact of Service Quality and Trust on Customer Loyalty in Financial Institutions

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Abstract

This study was conducted at PT. Permodalan Nasional Madani (PNM) Unit Ilir Timur 2-2 Palembang to measure the effect of service quality and trust on customer satisfaction and its impact on customer loyalty. The background of this study is based on the rapid economic development in Indonesia, which drives an increase in the financial needs of the community, making the role of financing institutions increasingly important. The purpose of this study is to explore how service quality, trust, and satisfaction affect customer loyalty. The method used is a quantitative method with a positivistic approach, utilizing multiple linear regression analysis with the assistance of the SPSS program for Windows version 16.0. Data were obtained from 100 respondents selected using purposive sampling techniques. The results of the study indicate that service quality has a significant effect on customer loyalty, with a regression coefficient of 0.763 and a significance value of 0.000. However, customer trust and customer satisfaction do not show a significant effect on loyalty in this model. Therefore, it is recommended that PT. PNM focuses more on improving service quality to strengthen customer loyalty, while trust and satisfaction should still be considered through a more specific approach and measurement. The study concludes that although service quality is a major factor in building loyalty, it is important for companies not to ignore the role of trust and satisfaction in the long term.

Keywords: service quality, customer trust, customer satisfaction, customer loyalty

1. Introduction

Along with the rapid development of the economy in Indonesia, people's financial needs are increasing. These needs are largely met through lending and borrowing activities, both between individuals and legal entities with organizations, both formal and informal (Karwur et al., 2022). Financing institutions, both banking and non-banking, play an important role in supporting economic activities. The main difference between the two lies in the method of capital mobilization; banks can mobilize capital directly, while non-banking institutions can only do so indirectly (Damilola Oluwaseun Ogundipe et al., 2024).

In the Indonesian context, financing institutions have experienced very dynamic developments in terms of service quality and technology. This development has created fierce competition among financing institutions, forcing them to develop strategies to avoid losing customers. Companies such as PT.PNM, Amarta, and Bina Artha are some of the main players in this market. Customers tend to choose quality and trusted financing institutions to ensure satisfaction y (Ogundipe et al., 2024).

PT.PNM (Permodalan Nasional Madani), established based on government regulations, aims to improve the welfare of the community, especially women micro entrepreneurs, through a group system that facilitates business management. Customer satisfaction is a top priority in this industry because it has a direct impact on the development and sustainability of the business

(Lepistö et al., 2024). Customer satisfaction is an important indicator for assessing the loyalty and success of a company (Alzaydi, 2024).

Satisfied customers tend to show loyalty by recommending products or services to others and continuing to use services from the same company (Mansoor & Hussain, 2024). Customer satisfaction is measured by the suitability between expectations and the services received. If the quality of service does not meet expectations, customers will feel dissatisfied and may not trust the service again (Sholeha et al., 2018).

Service quality is considered a reflection of the perfection of service expected by customers. The higher the quality of service, the higher the level of customer satisfaction. The implementation of Islamic values in services can also optimize service excellence (Dakhi et al., 2021). However, not all studies show consistent results regarding the effect of service quality on customer loyalty, with some studies presenting different findings (Aji et al., 2024).

The data shows that the number of customers at PT PNM increased from 1,811 in 2019 to 5,155 in 2023, indicating that service quality, trust, and customer satisfaction are crucial for the company. This study aims to measure the effect of service quality and trust on customer satisfaction and its impact on customer loyalty in financing institutions.

Given this background, the author has chosen the research title "The Effect of Service Quality and Trust on Satisfaction and Its Impact on Customer Loyalty of Financing Institutions" to explore more deeply how these factors influence customer loyalty and to provide strategic recommendations for financing institutions.

2. Literature Review

2.1 Service Quality

Service quality refers to the degree of excellence or the relative measure of goodness of a product or service. According to the Indonesian dictionary, "quality" signifies the level of how good or bad something is. Service quality involves efforts to meet customer needs with maximum service to match customer expectations (Rashid et al., 2020). Duc Dinh et al. (2024) defines it through several dimensions including customer, service, excellence, consistency, quality, delivery, and levels. (Supriyanto et al., 2021) emphasizes that service quality is experienced when customers receive service that aligns with their desires and expectations. Therefore, service quality is about meeting customer needs to match their expectations.

2.2 Customer Trust

Customer trust is the belief in the honesty and capability of a party to fulfill promises, demonstrate reliable concern, and act in the trustor's best interest (Muharam et al., 2021). (Al Karim (2019) describes trust as the expectation that others will not act opportunistically and will adhere to social ethics and commitments. Alqasa & Afaneh (2022) highlights two key dimensions of customer trust: Trusting Belief, which involves confidence in another's intentions, integrity, and competence; and Trusting Intention, which pertains to the willingness to rely on others, accept potential risks, and share personal information.

2.3 Customer Satisfaction

Customer satisfaction originates from the Latin words "satis" (sufficient) and "facio" (to make). It is generally understood as the effort to achieve a satisfying outcome. Setiawan & Sayuti (2017) defines customer satisfaction as the feeling derived from comparing the performance of

a product or service against expectations. According to Mowen as cited by Al Karim (2019), satisfaction is a general attitude towards a product or service after use, reflecting an evaluative judgment of a particular choice.

2.4 Customer Loyalty

Customer loyalty is a commitment to a brand or store based on a positive attitude, reflected in repeated and consistent purchases (Rashid et al., 2020). Aji et al. (2024) describes it as a customer's consistent behavior of purchasing the same products or services over time due to satisfaction. Customer loyalty is crucial for banking institutions as it can enhance financial performance and ensure business sustainability. It encompasses both behavioral and attitudinal components, resulting in four types of loyalty: No Loyalty, Spurious Loyalty, Latent Loyalty, and Loyalty, with the latter being the ideal situation where customers exhibit positive attitudes and consistent purchasing behavior.

2.5 Framework of Thought

The framework of thought aims to help researchers in systematically describing the main problems in the research. This framework of thought can be seen in the form of the following image:

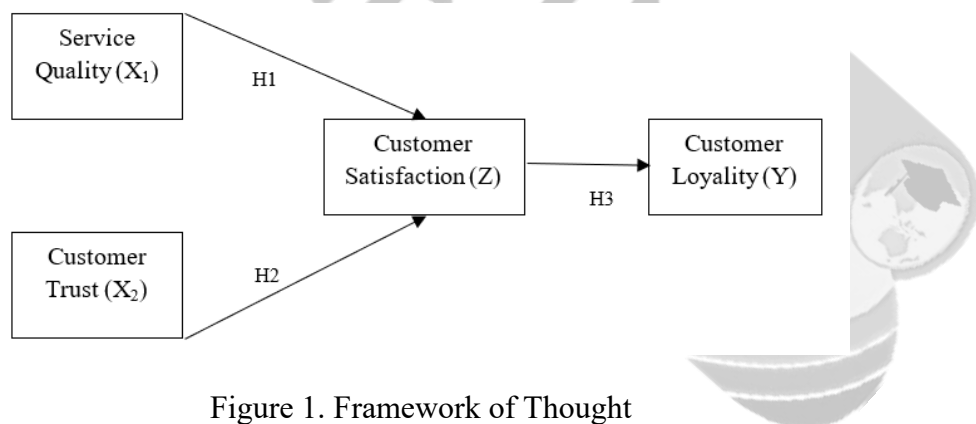


Figure 1. Framework of Thought

Source: Author data (2024)

From the framework of thought in Figure 2.1 above, this study aims to focus the discussion on whether service quality, trust, and satisfaction have an effect on their impact on customer loyalty. The hypotheses in the study are as follows:

2.5 Development Hypothesis

1. **H1:** It is suspected that service quality has a positive influence on customer satisfaction at PT. Permodalan Nasional Madani Unit Ilir Timur 2-2 Palembang.
2. **H2:** It is suspected that customer trust has a positive influence on customer satisfaction at PT. Permodalan Nasional Madani Unit Ilir Timur 2-2 Palembang.
3. **H3:** It is suspected that customer satisfaction has a very positive and significant influence on customer loyalty at PT. Permodalan Nasional Madani Unit Ilir Timur 2-2 Palembang.

3. Research Method

This research was conducted at PT. Permodalan Nasional Madani (PNM) Unit Ilir Timur 2-2 Palembang using a quantitative method based on the philosophy of positivism. The quantitative method was chosen to study the relationship between variables through the collection and analysis of numerical data using the SPSS for Windows version 16.0 program. This study involved four variables which are service quality (X1), customer trust (X2), customer satisfaction (Z), and customer loyalty (Y). The independent variables are service quality and customer trust, while the dependent variables are customer satisfaction and loyalty.

Data sources include both primary and secondary data. Primary data were obtained through questionnaires given to customers of PT. PNM, while secondary data were collected from relevant journals and books. The study population consisted of 5,155 customers of PT. PNM in 2023, with a sample of 100 respondents determined using the Slovin formula. The sampling technique employed was purposive sampling, with specific criteria applied to select the respondents.

Data were collected through the distribution of questionnaires using a Likert scale to measure respondents' attitudes towards the research variables. Validity and reliability tests were conducted to ensure the reliability of the research instrument. Validity was tested by comparing the calculated r value with the r table, while reliability was assessed using Cronbach's alpha, with a value greater than 0.60 considered reliable.

Data analysis includes classical assumption tests, including normality, heteroscedasticity, and multicollinearity tests, to ensure the validity of the regression model. Statistical tests are carried out using multiple linear regression analysis to measure the effect of independent variables on dependent variables, as well as F tests and t tests to test simultaneous and partial significance. The coefficient of determination (R^2) is used to measure the strength of the relationship between independent and dependent variables, with values close to 1 indicating a good model.

4. Findings and Discussions

The findings and discussion of this research are explained in the paragraph below. This finding is about general information of respondents, validity test, normality test, regression analysis, and Anova test results including t-test and f-test results.

4.1 Findings

4.1.1 General Information of Respondents

The data in Table 1 shows the demographic characteristics of the research respondents, all of whom were women, with a percentage of 100% and no participation from men. This indicates that this research is focused on the female customer segment at PT. Permodalan Nasional Madani (PNM) Unit Ilir Timur 2-2 Palembang, which may reflect the company's specific policies or preferences for women's economic empowerment.

In terms of age, most respondents were over 40 years old, reaching 55%, indicating the dominance of customers from more mature age groups. The 31-40 age group also has a significant representation of 27%, while respondents aged 21-30 years were only 18%. This distribution shows that PNM customers are generally in adulthood, with most of them at a stage of life that tends to be more stable economically and socially.

In terms of education, most respondents have a secondary education background, with 58% of

respondents completing their education up to Senior High School (SMA). Meanwhile, 24% of respondents only completed their education up to Junior High School (SMP), and another 18% completed their elementary education. This indicates that although the majority of customers have secondary education, there are also a significant number who have lower levels of education, which may affect their access to financial information and services provided by PNM.

Table 1. Respondents Information

Variables	Unit	Percentage (%)
Gender	Male	0
	Female	100
Age	21-30 years	18
	31-40 years	27
	>40 years	55
Education	Primary	18
	Junior High School	24
	Senior High School	58

Source: Survey Author (2024)

4.1.2 Validity Test

The data in the table illustrates the results of the validity test conducted on several questions representing the four main variables in the study, namely Service Quality (X1), Customer Trust (X2), Customer Satisfaction (Z), and Customer Loyalty (Y). Each variable is measured through several questions that are assessed using the Pearson correlation coefficient to determine its validity. The results show that all questions for each variable have a Pearson correlation value greater than the r table value of 0.195, indicating that all questions are valid.

For the Service Quality variable (X1), there are five questions tested, and all have high correlation values, ranging from 0.621 to 0.795. The highest correlation value is in question X1.1 with 0.795, indicating that this question has a very strong relationship with the Service Quality variable as a whole. The high validity of all these questions ensures that the measurement instrument for Service Quality can accurately represent the intended variable. In the Customer Trust variable (X2), five questions are also all valid, with Pearson correlation values ranging from 0.716 to 0.828. Question X2.3 shows measures of the Customer Trust aspect. The high consistency of the validity results indicates that the Customer Trust variable is measured with a very reliable instrument.

The Customer Satisfaction (Z) and Customer Loyalty (Y) variables also show similar results, with all questions asked declared valid. For Customer Satisfaction, the correlation values range from 0.643 to 0.735, with question Z.3 having the highest correlation of 0.735. Meanwhile, for

Customer Loyalty, the correlation values range from 0.683 to 0.767, with question Y.4 having the highest correlation of 0.767. Consistent validity across questions in these two variables ensures that they are able to capture and reflect well the concepts of Customer Satisfaction and Loyalty measured in this study.

Table 2. Validity Test Result

Variable	Questions	Pearson Correlation	r table	Description
Service Quality (X ₁)	X1.1	.795	0.195	Valid
	X1.2	.621	0.195	Valid
	X1.3	.760	0.195	Valid
	X1.4	.778	0.195	Valid
	X1.5	.744	0.195	Valid
Customer Trust (X ₂)	X2.1	.807	0.195	Valid
	X2.2	.716	0.195	Valid
	X2.3	.828	0.195	Valid
	X2.4	.809	0.195	Valid
	X2.5	.755	0.195	Valid
Customer Satisfaction (Z)	Z.1	.675	0.195	Valid
	Z.2	.722	0.195	Valid
	Z.3	.735	0.195	Valid
	Z.4	.643	0.195	Valid
	Z.5	.707	0.195	Valid
Customer Loyalty (Y)	Y.1	.683	0.195	Valid
	Y.2	.758	0.195	Valid
	Y.3	.700	0.195	Valid
	Y.4	.767	0.195	Valid
	Y.5	.707	0.195	Valid

Source: SPSS test result (2024)

4.1.3 Normality Test Result

The data in Table 3, The One-Sample Kolmogorov-Smirnov Test table below provides the results of the normality test for unstandardized residuals in the regression model used in the study. This test is carried out to ensure whether the residual data follows a normal distribution, which is one of the important assumptions in linear regression analysis. In this table, the number of samples (N) is 100, indicating that the test was carried out on 100 residual data from the model. The normal parameters used as a benchmark are the mean close to zero (0E-7) and a standard deviation of 0.8855. The "Most Extreme Differences" column shows the maximum difference between the distribution of the residual data and the expected normal distribution. The largest absolute difference is 0.115, with positive and negative values of 0.115 and -0.111, respectively. This difference provides an idea of how the residual data deviates from the normal distribution, with larger positive values indicating a shift in the data towards a larger normal distribution, while negative values indicate a shift towards a smaller one.

The Kolmogorov-Smirnov Z value obtained is 1.150, which is a measure of the maximum observed deviation, multiplied by the square root of the number of available observations. This value is then compared to the theoretical Kolmogorov-Smirnov distribution to determine whether the difference between the sample distribution and the normal distribution is significant. The larger the Z value, the greater the difference between the sample distribution and the expected normal distribution. Finally, the Asymp. Sig. (2-tailed) value of 0.142 indicates the significance of this normality test. Since this significance value is greater than the general threshold used in research ($\alpha = 0.05$), the results indicate that there is not enough strong evidence to reject the null hypothesis, which states that the residual data is normally distributed. Thus, the assumption of residual normality in this regression model is met, allowing researchers to continue further analysis with confidence that the model is valid based on the assumption of normality.

The results of the validity test conducted on a number of questions representing the four main variables in the study, namely Service Quality (X1), Customer Trust (X2), Customer Satisfaction (Z), and Customer Loyalty (Y). Each variable is measured through several questions that are assessed using the Pearson correlation coefficient to determine its validity. The results show that all questions for each variable have a Pearson correlation value greater than the r table value of 0.195, indicating that all questions are valid. For the Service Quality variable (X1), there are five questions tested, and all have high correlation values, ranging from 0.621 to 0.795. The highest correlation value is in question X1.1 with 0.795, indicating that this question has a very strong relationship with the Service Quality variable as a whole. The high validity of all these questions ensures that the measurement instrument for Service Quality is able to accurately represent the intended variable. For the Customer Trust variable (X2), there are five questions that are also all valid, with Pearson correlation values ranging from 0.716 to 0.828. Question X2.3 measures the aspect of Customer Trust. The high consistency of the validity results indicates that the Customer Trust variable is measured with a highly reliable instrument. The Customer Satisfaction (Z) and Customer Loyalty (Y) variables also show similar results, with all questions asked declared valid. For Customer Satisfaction, the correlation value ranges from 0.643 to 0.735, with question Z.3 having the highest correlation of 0.735. Meanwhile, for Customer Loyalty, the correlation value ranges from 0.683 to 0.767, with question Y.4 having the highest correlation of 0.767. Consistent validity across questions

on these two variables ensures that they are able to capture and reflect well the concepts of Customer Satisfaction and Loyalty measured in this study.

Table 3. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	0E-7
	Std. Deviation	,88553448
	Absolute	,115
Most Extreme Differences	Positive	,115
	Negative	-,111
Kolmogorov-Smirnov Z		1,150
Asymp. Sig. (2-tailed)		,142

a. Test distribution is Normal.

b. Calculated from data.

Source: SPSS test result (2024)

4.1.4 Regression Analysis Tests Result

The coefficient table above provides an overview of the results from a multiple linear regression analysis aimed at evaluating the influence of service quality, customer trust, and customer satisfaction on customer loyalty. In this model, customer loyalty is used as the dependent variable, while service quality, customer trust, and customer satisfaction are the independent variables. Each row in the table presents information about the unstandardized coefficient, standardized coefficient, t-value, significance value (Sig.), and collinearity statistics, including tolerance and variance inflation factor (VIF).

The unstandardized coefficient (B) indicates the magnitude of the influence of each independent variable on the dependent variable. In the table, the coefficient for service quality is 0.763, which means that every one-unit increase in service quality will increase customer loyalty by 0.763 units, assuming the other variables remain constant. Meanwhile, customer trust and customer satisfaction have coefficients of 0.067 and 0.064, respectively, indicating a smaller influence on customer loyalty compared to service quality.

The standardized coefficient (Beta) provides an overview of the relative strength of the influence of the independent variables on the dependent variable. The highest Beta value in this table is 0.772 for service quality, indicating that service quality has the strongest influence on customer loyalty compared to the other two variables. The Beta values for customer trust and customer satisfaction are 0.071 and 0.063, respectively, indicating that the influence of these

two variables on customer loyalty is relatively weaker.

The t-value and significance value (Sig.) are used to test whether the coefficient of each independent variable is significantly different from zero, which means whether the variable has a significant effect on the dependent variable. In the table, service quality has a t-value of 9.508 with a significance value of 0.000, indicating that its effect on customer loyalty is very significant. In contrast, customer trust and customer satisfaction have t-values of 0.903 and 0.726, respectively, with a significance value greater than 0.05, namely 0.369 and 0.470. This shows that these two variables do not have a significant effect on customer loyalty in this model. Collinearity statistics, including tolerance and VIF, are used to detect multicollinearity problems between independent variables. Tolerance is a measure that shows the proportion of variability in an independent variable that is not explained by other independent variables in the model. A low tolerance value indicates a potential multicollinearity problem. In the table, the tolerance values for service quality, customer trust, and customer satisfaction are 0.374, 0.397, and 0.322, respectively, which are still within the acceptable tolerance limits. VIF is the opposite of tolerance, with a VIF value above 10 indicating high multicollinearity. In this table, the VIF values for all independent variables are below 10, indicating that there is no significant multicollinearity problem in this regression model. Overall, the results of this table show that among the three independent variables tested, only service quality has a significant effect on customer loyalty. Customer trust and customer satisfaction, although they contribute to the model, do not have a significant effect on customer loyalty in this study. This regression model also does not experience multicollinearity problems, meaning that the results of this analysis can be considered valid and reliable in interpreting the relationship between the independent variables and the dependent variable.

Table 4. Regression Analysis Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.672	.902		1.854	.067		
Service Quality	.763	.080	.772	9.508	.000	.374	2.672
¹ Customer trust	.067	.075	.071	.903	.369	.397	2.517
Customer Satisfaction	.064	.089	.063	.726	.470	.322	3.102

a. Dependent Variable: Loyalitas Nasabah

Source: SPSS test result (2024)

4.1.5 Anova Test Results

Table 5 below illustrates the results of the analysis of variance (ANOVA) for a multiple linear regression model predicting Customer Loyalty based on three independent variables: Service Quality, Customer Trust, and Customer Satisfaction. In this context, ANOVA is used to test the

overall significance of the model, determining whether the independent variables simultaneously have a significant effect on the dependent variable.

The first section of the ANOVA table pertains to the total amount of variance explained by the model and the unexplained variance. The Sum of Squares in the first column is broken down into two main parts: Regression and Residual. The Regression sum of squares, which is 250.557, represents the total variance in Customer Loyalty that can be explained by the three independent variables. Meanwhile, the Residual sum of squares, which is 77.633, represents the variance that cannot be explained by the model, or the variance caused by other factors not included in the model.

The second section addresses the degrees of freedom (df), shown in the second column. The df for Regression is 3, corresponding to the number of independent variables in the model (Service Quality, Customer Trust, and Customer Satisfaction). The df for Residual is 96, calculated by subtracting the number of independent variables (3) and 1 (for the constant) from the total number of samples (100). The total df is 99, which is the sum of the df for Regression and Residual.

The third section discusses the Mean Square value, obtained by dividing the Sum of Squares by the df. For Regression, the Mean Square is 83.519 ($250.557/3$), representing the average variance explained by each independent variable. For Residual, the Mean Square is 0.809 ($77.633/96$), representing the average variance not explained by the model. This value is used to calculate the F statistic.

The fourth section explains the F value, calculated by dividing the Mean Square of Regression by the Mean Square of Residual. The resulting F value is 103.279, indicating the ratio between the variance explained by the model and the variance not explained by the model. The greater the F value, the higher the likelihood that the independent variables collectively have a significant effect on the dependent variable.

Finally, the results of the F significance test are indicated by the Sig. value in the last column of the table. The Sig. value of 0.000 indicates that the F test results are highly significant, as it is smaller than 0.05. This means that statistically, the three independent variables (Service Quality, Customer Trust, and Customer Satisfaction) together have a significant effect on Customer Loyalty. Thus, the regression model used is considered effective in explaining the variance in Customer Loyalty based on the variables studied.

Table 4. Regression Analysis Test Results

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	250,557	3	83,519	103,279	,000 ^b
1	Residual	77,633	96	,809		
	Total	328,190	99			

a. Dependent Variable: Loyalitas Nasabah

b. Predictors: (Constant), Kepuasan Nasabah, Kepercayaan Nasabah, Kualitas Layanan

Source: SPSS test result (2024)

4.2 Discussions

Based on the results of the data analysis conducted, this study aims to examine the effect of service quality, customer trust, and customer satisfaction on customer loyalty at PT. Permodalan Nasional Madani Unit Ilir Timur 2-2 Palembang. The analysis shows that service quality has a significant effect on customer loyalty, while customer trust and customer satisfaction do not demonstrate a significant impact on customer loyalty in this model. These conclusions were drawn using multiple linear regression analysis, along with tests for validity, normality, and analysis of variance (ANOVA).

The first hypothesis (H1) posits that service quality has a positive effect on customer satisfaction at PT. Permodalan Nasional Madani Unit Ilir Timur 2-2 Palembang. The results show that service quality has a regression coefficient of 0.763 with a significance value of 0.000. This indicates that service quality significantly affects customer loyalty, implicitly suggesting that service quality can influence customer satisfaction. The first hypothesis is accepted, as service quality is proven to have a positive effect on loyalty, which is closely related to customer satisfaction. This result aligns with the findings of Aji et al. (2024).

The second hypothesis (H2) suggests that customer trust positively affects customer satisfaction at PT. Permodalan Nasional Madani Unit Ilir Timur 2-2 Palembang. However, the regression analysis reveals a coefficient value for customer trust of 0.067 with a significance value of 0.369, indicating no significant influence between customer trust and customer loyalty. Thus, the second hypothesis cannot be fully accepted in this context, as customer trust has not been proven to significantly affect loyalty, which implies its effect on customer satisfaction may also be insignificant. This finding is consistent with the results from Alzaydi (2024).

The third hypothesis (H3) asserts that customer satisfaction has a very positive and significant effect on customer loyalty at PT. Permodalan Nasional Madani Unit Ilir Timur 2-2 Palembang. However, the regression analysis shows a customer satisfaction coefficient of 0.064 with a significance value of 0.470, indicating that customer satisfaction does not have a significant effect on customer loyalty in this study. Therefore, the third hypothesis is not accepted, as there is no evidence to support a significant effect of customer satisfaction on customer loyalty.

From the ANOVA table analyzed, it is known that the resulting F value is 103.279 with a significance value of 0.000. This shows that overall, the regression model built using three independent variables (service quality, customer trust, and customer satisfaction) simultaneously has a significant effect on customer loyalty. However, when looking at the effect of each independent variable individually, only service quality shows a significant effect on customer loyalty. The final conclusion of this analysis is that although the overall regression model is valid and significant, only service quality is proven to have a significant effect on customer loyalty. This shows that in order to improve customer loyalty at PT. Permodalan Nasional Madani Unit Ilir Timur 2-2 Palembang, the main focus should be given to improving service quality. Customer trust and satisfaction, although important, do not show a significant effect in this model, so a more specific approach or different measurements may be needed to evaluate their effects on customer loyalty.

5. Conclusion

The analysis of the data reveals that the primary driver of customer loyalty at PT. Permodalan Nasional Madani Unit Ilir Timur 2-2 Palembang is service quality, while customer trust and customer satisfaction do not demonstrate a statistically significant impact within the context of

this study. This finding is both illuminating, and somewhat counterintuitive, as conventional wisdom and previous studies often highlight customer satisfaction and trust as critical factors in building loyalty. The significant effect of service quality on loyalty, evidenced by a regression coefficient of 0.763 with a significance value of 0.000, underscores the importance of consistently delivering high-quality services to retain customers. In contrast, the regression coefficients for customer trust (0.067 with a significance of 0.369) and customer satisfaction (0.064 with a significance of 0.470) suggest that these variables, in the specific operational context of PT. Permodalan Nasional Madani Unit Ilir Timur 2-2 Palembang, do not translate directly into customer loyalty. This may indicate that customers' loyalty to the institution is predominantly driven by the tangible aspects of service quality rather than their overall satisfaction or trust in the company.

Given these insights, it is crucial for PT. Permodalan Nasional Madani Unit Ilir Timur 2-2 Palembang to prioritize strategies aimed at enhancing service quality to reinforce customer loyalty. This might involve investing in staff training to improve customer service skills, streamlining processes to reduce wait times, and ensuring that all customer interactions are handled with the utmost professionalism and efficiency. Additionally, while customer trust and satisfaction did not show a significant effect in this study, it is important not to dismiss these factors entirely. The results suggest that the measures or approaches used to assess customer trust and satisfaction might not fully capture their potential influence on loyalty. Therefore, PT. Permodalan Nasional Madani could benefit from exploring alternative strategies or metrics that might better reflect the nuanced relationship between these variables and customer loyalty.

Moreover, the lack of significant impact from customer satisfaction and trust could also point to potential gaps in customer expectations versus the services provided. To address this, PT. Permodalan Nasional Madani should consider conducting qualitative research, such as in-depth interviews or focus group discussions, to gain deeper insights into customer perceptions and expectations. Understanding these nuances could inform more targeted interventions that might strengthen the overall customer experience, thereby indirectly fostering greater trust and satisfaction, which in turn could contribute to enhanced loyalty more sustainably.

In conclusion, while service quality is the most critical factor in maintaining customer loyalty at PT. Permodalan Nasional Madani Unit Ilir Timur 2-2 Palembang, the company should not overlook the complex interplay of customer trust and satisfaction. By refining service delivery and exploring more effective ways to measure and enhance trust and satisfaction, the company can build a more robust, holistic approach to customer loyalty that addresses both the immediate and long-term needs of its clientele.

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Dear Rapita

Congratulations,

We have received the results of a peer review of your article:

Title	:	<i>Evaluating the Impact of Service Quality and Trust on Customer Loyalty in Financial Institutions</i>
Author(s)	:	Rapita Muji Gunarto Sulaiman Helmi Efan Elpanso
Affiliation	:	Universitas Bina Darma
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Thank you



Sanni Olawale Nurudeen, Ph.D
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