

The Effect of Customer Orientation and Service Quality on Customer Loyalty Mediated by Customer Satisfaction at Bank BRI

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ABSTRACT

This research aims to explore the influence of service quality and customer orientation on customer loyalty through customer satisfaction at Bank BRI in Bekasi City. Using a descriptive quantitative approach, data were collected from 105 respondents via an online questionnaire and analyzed using Structural Equation Modeling – Partial Least Square (PLS-SEM). The analysis results indicate that service quality and customer orientation do not have a direct significant effect on customer loyalty. However, service quality has a significant positive impact on customer satisfaction, which ultimately enhances customer loyalty. Customer orientation also positively influences customer satisfaction, but it does not have a statistically significant impact on customer loyalty through customer satisfaction. These findings highlight the importance of customer satisfaction as a mediator linking service quality to customer loyalty. The managerial implications for Bank BRI include the need to improve service quality and customer orientation to enhance customer satisfaction and loyalty. Future research is recommended to involve a larger sample size, utilize diverse research methods, and consider external factors such as policy changes or economic conditions that may influence customer perceptions. The results of this study provide valuable insights for developing more effective service strategies and customer retention efforts in the future.

Keywords: Service quality, customer orientation, customer satisfaction, customer loyalty, BRI Bank

INTRODUCTION

In recent years, the Indonesian banking industry has experienced quite rapid development (Nastiti & Firdaus, 2019). In a situation like this, loyalty becomes an important tool for marketing aimed at customers and is an important measure of the success of a business (Vilkaite-Vaitone & Skackauskiene, 2020). *Customer Loyalty* is a commitment to continue using the desired product or service, so that customers continue to choose the brand even though there are factors that can influence changes in their consumption behavior (Y. Pratama et al., 2021). Given the many services available on the market, maintaining *Customer Loyalty* is a major challenge for government banking. There are several factors that can influence *Customer Loyalty*, namely *Customer Orientation*, *Service Quality*, and *Customer Satisfaction mediators* (Militina et al., 2020).

Bank Rakyat Indonesia (BRI) is a large bank that focuses on serving the community, especially the lower middle class (MSMEs). BRI continues to innovate to improve services and maintain *customer loyalty* along with the development of the banking industry. Umasugi *et al.* (2023) explained that *customer orientation* and *service quality* affect the growth of BRI *customer loyalty*. In addition, FR Pratama (2022) emphasized the importance of *customer satisfaction* as a mediator connecting *service quality* and BRI *customer loyalty*. The results of this study were clarified by Astuti *et al.* (2023) who stated that in tight competition, a marketing strategy that focuses on customer experience can increase BRI *customer loyalty*. As shown in this study, to maintain BRI Bank's position as one of the best banks in Indonesia, BRI always understands and meets customer needs.

Service quality is crucial in meeting customer expectations, as emphasized by Kumar & Lata (2021) that *service quality* evaluation is seen as a control over the desired excellence to meet customer needs. Thus, understanding and responding to customer needs well is an undeniable urgency for the long-term success of a company. Research by Ali *et al.* (2021) explains that increasing *service quality* has an effect on increasing *customer loyalty*. The study states that when customers experience good *service quality*, they tend to remain loyal to the brand or company. In addition, research by Kumar & Lata (2021) shows that increasing *service quality* directly increases *customer satisfaction*. This is reinforced by Meesala & Paul (2018) who explain that a positive perception of good *service quality* can increase *customer satisfaction*.

The importance of *customer orientation* as a foundation for maintaining sustainable customer service excellence (Steinman *et al.*, 2000; Wibawa & Sukaatmadja, 2018). The higher the *customer orientation*, the greater the influence of *customer satisfaction* on *customer loyalty*. Steinman *et al.* (2000) explained that *customer orientation* has an effect on increasing *customer loyalty*. Likewise, Wibawa & Sukaatmadja (2018) emphasized that good *customer orientation* plays an important role in creating sustainable *customer loyalty*. Furthermore, Xia & Ha (2021) showed that customers who experience customer-oriented services tend to have better perceptions of *service quality* and therefore feel more satisfied. Research by Solimun & Fernandes (2018) also explained that strong *customer orientation* has an effect on increasing levels of *customer satisfaction*.

Increasing *customer loyalty* is not only influenced by *customer satisfaction*, but also by good *service quality* and *customer orientation*. Thus, companies that focus on improving *service quality* and *customer orientation* can increase *customer satisfaction*, which leads to better *customer loyalty*. As concluded by Ali *et al.* (2021) "the level of *customer satisfaction* has a significant impact on the level of *customer loyalty*". This finding emphasizes the importance of a holistic strategy that integrates *service quality*, *customer orientation*, and *customer satisfaction* to build strong and sustainable *customer loyalty*.

In previous research related to *service quality*, *customer orientation*, *customer satisfaction* and *customer loyalty* have been done. *Service quality* has an effect on *customer loyalty*. (Kim *et al.*, 2018; Saad *et al.*, 2022; Yum & Yoo, 2023). *Customer orientation* has a positive impact on *customer loyalty* (Pan & Ha, 2020; Aburayya *et al.*, 2020; Homburg *et al.*, 2011). *Service quality* has an effect on *customer satisfaction* (Yum & Yoo, 2023; Zhong & Moon, 2020; Hadi *et al.*, 2019). *Customer orientation* has a positive impact on *customer satisfaction*. (Xia & Ha, 2021; Yi *et al.*, 2021; Solimun & Fernandes, 2018). *Customer satisfaction* affects *customer loyalty* (Albarq, 2023; Sianipar *et al.*, 2023; Ali *et al.*, 2021). *Service quality* has a positive impact on *customer loyalty* through *customer satisfaction* (Slack & Singh, 2020; Shrestha, 2021; Hadi *et al.*, 2019; Astuti *et al.*, 2023). *Customer orientation* has a positive impact on *customer loyalty* through *customer satisfaction* (Solimun & Fernandes, 2018; Farid Hibatullah & Tjahjaningsih, 2023; Aburayya *et al.*, 2020).

Many studies have been conducted on the influence between important factors in marketing and customer relationship management, especially those related to *customer loyalty*. Ali *et al.*, (2021) stated that *customer satisfaction* has a positive impact on *customer loyalty*. Sianipar *et al.* (2023) stated that there is a direct influence between the level of *customer satisfaction* and their tendency to remain loyal to a brand or company. This shows the importance of maintaining *customer satisfaction* to increase long-term *loyalty*.

Previous research has three variables, namely the influence of *service quality* on *customer loyalty* through the role of *customer satisfaction* as a mediator. The gap in this study is adding a *customer orientation variable* that focuses on customers and aspects of the object studied are different from previous studies. If previous research focused on the topic of supermarkets, then this study focuses on the topic of BRI customers in Bekasi City. Therefore, this study aims to fill this gap through a quantitative approach that is not experimental, this approach is descriptive and allows for a comprehensive analysis of the interactions between these variables. This is expected to have a significant impact on the understanding of customer relationship management and provide better guidance to business actors in improving *service quality* and building sustainable *customer loyalty*.

LITERATURE REVIEW

Customer Loyalty

Customer Loyalty is winning the trust of customers for the benefit of an organization so that the relationship becomes a profitable situation for both parties, both the organization and the customer (Khan, 2013). *Customer Loyalty* is assessed when customers are satisfied with the products offered, form a trust-based relationship pattern with the company, so that they make repeat purchases, and promote the business and its products to people around them (Arslan, 2020). According to Vilkaite-Vaitone & Skackauskiene (2020) *Customer Loyalty* in service is divided into four stages, namely Unfaithful, medium loyalty, conditional loyalty, and absolute loyalty. In other words, *Customer Loyalty* is the result of a strong and ongoing relationship between a company and a customer that involves the level of customer attachment, trust, and support for a brand or company.

Customer Satisfaction

Customer Satisfaction is the stage at which individual customers see the quality of a product (Schiffman & Kanuk, 2010). In other words, *Customer Satisfaction* is the overall feeling, assessment, and psychological reaction of a person when using a product or service (George & Kumar, 2014). While Tjiptono & Diana (2019) explained that customer satisfaction or dissatisfaction is a comparison of customer expectations regarding service interactions with actual experiences. In addition, research by Kotler *et al.* (2021) explains that *Customer Satisfaction* is a person's experience of being happy or upset, depending on the comparison between the expected results of the product and the performance they feel. If customer expectations are met, they will feel successful. Therefore, it can be concluded that *Customer Satisfaction* comes from a combination of product performance and customer expectations, and *Customer Satisfaction* is not always physical or mental. It is very important for companies to recognize and satisfy customer desires adequately.

Service Quality

Service Quality is the relationship between products, services, people, processes, and the environment. When public services are provided, an assessment of their quality is carried out. Kumar & Lata (2021) explained in their research that *Service Quality* is the customer's perception of the quality of the products and services they want. According to Meesala & Paul (2018) in their research, they explain *Service Quality* can be defined as a decision made

by customers after an assessment process in which their perceptions are matched to what they receive. In addition, Abror *et al.* (2019) explained that *Service Quality* is determined by its compliance with customer needs and expectations, and the more precise the conformity, the more satisfied the customer. Previous researchers such as Harahap & Amanah (2019) defined *Service Quality* as an assessment of the level of service provided by a bank to customers to meet their needs. In other words, *Service Quality* is the extent to which a service can meet customer expectations and requirements (Stringam & Gerdes, 2019). Therefore, it is concluded that *Service Quality* can affect *Customer Satisfaction*. Effective service can improve customer experience.

Customer Orientation

Customer Orientation is maintaining sustainable competitive advantage through customer service excellence. Therefore, *Customer Orientation* can be considered as an extension of relationship marketing (Wibawa & Sukaatmadja, 2018). In other words, *Customer Orientation* is the main focus of the company's relationship with the market. Meanwhile, Rosadian (2020) defines *Customer Orientation* as the company's loyalty to make *Customer Satisfaction* a top priority. According to Nurfarida *et al.* (2021) who defines *Customer Orientation* as a company's ability to gain a competitive advantage by finding, understanding, and responding to market desires. Therefore, it can be concluded that *Customer Orientation* is very important in a successful marketing strategy because it shows the company's loyalty to understanding, responding to, and meeting customer needs well.

RELATIONSHIP BETWEEN VARIABLES

The Influence of *Service Quality* Towards *Customer Loyalty*

In this hypothesis, *service quality* has an influence in building *customer loyalty*, and this relationship will improve the quality of products or services, thereby increasing *customer satisfaction and loyalty*. (Kim *et al.*, 2018). Then, in the research of Saad *et al.* (2022) also showed that *service quality* has a significant influence on *customer loyalty*. The magnitude of *service quality*, namely utility, can also directly affect *customer loyalty* (Yum & Yoo, 2023). From the research results of Kim *et al.* (2018), Saad *et al.* (2022) and Yum & Yoo (2023) stated that *service quality* has a positive impact on *customer loyalty*. It can be concluded that improving the quality of products or services not only increases *customer satisfaction*, but also creates a solid foundation for developing long-term *customer orientation*. As a result, this hypothesis becomes important in the context of marketing and customer relationship management. Based on the above.

H1 : *Service quality* has a positive influence on *customer loyalty*.

The Influence of *Customer Orientation* Towards *Customer Loyalty*

Customer orientation has a direct impact on customer loyalty, highlighting the importance of focusing on customer needs and preferences as a foundation for building strong relationships. Then, in the study (Pan & Ha, 2020). The study highlights the importance of focusing on customer needs and preferences as a foundation for building strong relationships. Then, in the study of Aburayya *et al.* (2020) confirmed this finding by finding that *customer orientation* directly affects the level of *customer loyalty*. In addition, Hibatullah & Tjahjaningsih (2023) stated that *customer orientation* plays a key role in shaping *customer loyalty*, emphasizing that the alignment between company strategy and customer needs can increase their retention and loyalty. The conclusion of the results of the study by Pan & Ha (2020), Aburayya *et al.* (2020) and Hibatullah & Tjahjaningsih (2023), states that *customer orientation* has a positive influence on *customer loyalty*. Based on what has been mentioned above.

H2 : *Customer orientation* has a positive influence on *customer loyalty* .

Influence *Service Quality* towards *Customer Satisfaction*

When a company improves its *service quality* , it can lead to increased *customer satisfaction* , which can also lead to stronger *customer orientation through more positive perceptions of the company* (Yum & Yoo, 2023) . Then in the study (Zhong & Moon, 2020) stated that *service quality* affects *customer satisfaction* and *customer loyalty* , and these factors are very important for the success of a company. In the study of Hadi *et al.* , (2019) stated that *service quality* has a positive influence on *customer satisfaction* (Hadi *et al.*, 2019). Therefore, increasing *Service Quality* not only increases *Customer Satisfaction* but also ensures long-term business continuity. The conclusion of the results of the study by Yum & Yoo (2023) , Zhong & Moon (2020) and Hadi *et al.* (2019) , states that *service quality* has a positive influence on *customer satisfaction* . Considering the above.

H3 : *Service quality* has a positive influence on *customer satisfaction* .

Influence *Customer Orientation* towards *Customer Satisfaction*

A customer experiences a favorable customer-oriented service at a particular restaurant, they will develop a certain level of perception (e.g., perceived Service Quality, restaurant image, and satisfaction) (Xia & Ha, 2021) . Customer-oriented selling behavior is partly supported because it is found to have a positive effect on *Customer Satisfaction* . In the service-oriented context, *Customer Orientation* has been shown to have a positive influence and significant impact on *Customer Satisfaction*. (Yi *et al.* , 2021) . The *customer orientation approach* in service has a positive effect on *customer satisfaction* , as recorded in research by (Solimun & Fernandes, 2018) . Therefore, *customer orientation* has a significant influence on perception and *customer satisfaction* , and plays an important role in building long-term mutually beneficial relationships between companies and their customers. Conclusions from the research results of Xia & Ha (2021) , Yi *et al.* (2021) and Solimun & Fernandes (2018) states that customer orientation has a positive impact on *customer satisfaction* . The research hypothesis based on these assumptions is as follows:

H4 : *Customer orientation* has a positive influence on *customer satisfaction* .

The Influence of *Customer Satisfaction* on *Customer Loyalty*

Satisfying customers often does not lead to loyalty, not all loyal customers are satisfied, and all satisfied customers tend to be loyal. This finding shows that not all customers who are happy with a product or service are loyal customers, and not all loyal customers are satisfied (Albarq, 2023) . In the study of Sianipar *et al.* (2023) showed that *Customer Satisfaction* has the potential to greatly influence *customer loyalty* . This is also seen in the question which shows that the *customer satisfaction score* is higher in relation to the level of *Customer Loyalty* . Ali *et al.* (2021) stated that *customer satisfaction* can have a big impact on the level of *customer loyalty* . However, there are other factors that can also affect the level of customer satisfaction. The level of *Customer Satisfaction* plays a crucial role in determining the level of *Customer Loyalty* , although there are other factors that can also affect the level of loyalty. The conclusion of the research results from Albarq (2023) , Sianipar *et al.* (2023) and Ali *et al.* (2021) shows that there is a positive relationship between *customer satisfaction* and *customer loyalty* . The arguments above lead to the proposed hypothesis :

H5 : *Customer satisfaction* positively influences *customer loyalty* .

The Influence of Service Quality on Customer Loyalty Through Customer Satisfaction

Service quality is an important component of *customer loyalty* that comes from *customer satisfaction*. When customers experience high-quality service, it can increase their satisfaction and thus increase their *loyalty* to the company. In the study (Slack & Singh, 2020), *customer satisfaction* has a partial role in mediating the relationship between *service quality* and *customer loyalty*, which reduces customer perceptions of *service quality* and leads to lower *customer loyalty*. Furthermore, Shrestha's (2021) study revealed that service quality has a positive effect on *customer satisfaction*, which ultimately leads to the formation of *customer loyalty*. This is supported by Hadi *et al.*'s (2019) research which documents that customer satisfaction functions as an intermediary in the chain of *service quality* and *customer loyalty*. In addition, Astuti *et al.*'s (2023) research states that increasing *service quality* will increase *customer satisfaction*, which will ultimately drive increased *customer loyalty*. Conclusions from Slack & Singh's (2020), Shrestha's (2021), Hadi *et al.*'s (2019), and Astuti *et al.*'s research (2023) stated that *service quality* has a positive effect on *customer loyalty*, through *customer satisfaction*. The above considerations lead to the proposed theory:

H6 : *Service quality* has a positive effect on *customer loyalty* through *customer satisfaction* as an intermediary.

The Influence of Customer Orientation on Customer Loyalty Through Customer Satisfaction

Customer orientation not only has a direct effect on *customer loyalty*, but also strengthens that loyalty by increasing *customer satisfaction*. Research by Solimun & Fernandes (2018) shows that effective *customer orientation* can increase *customer satisfaction*, which then has the potential to lead to higher *customer loyalty*. This is supported by research by Farid Hibatullah & Tjahjaningsih (2023), who found that *customer orientation* that focuses on customer needs and preferences increases their satisfaction, which then results in higher loyalty. In addition, Aburayya *et al.* (2020) stated that *customer satisfaction* acts as an intermediary in the relationship between *customer orientation* and *customer loyalty*.

The conclusion of the research results of Solimun & Fernandes (2018), Farid Hibatullah & Tjahjaningsih (2023), and Aburayya *et al.* (2020) is that *customer orientation* has an indirect effect on *customer loyalty* through *customer satisfaction*.

H7: *Customer orientation* has a positive influence on *customer loyalty* through *customer satisfaction*.

Based on the hypothesis above, the hypothesis model is as follows:

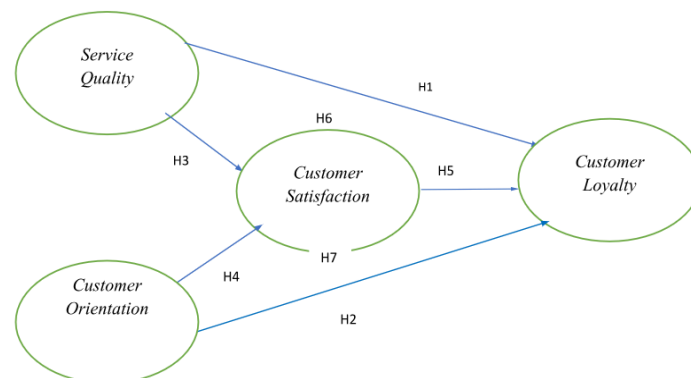


Figure 1 . Image Model

RESEARCH METHODOLOGY

This research is a type of quantitative research which is not experimental and descriptive. The purpose of this study is to explore the influence of four main variables, namely: *Service Quality*, *Customer Orientation*, *Customer Satisfaction*, and *Customer Loyalty*. These variables are operationalized using elements adapted from previous research. The "*Service Quality*" variable is measured through five elements of questions adapted from previous research. (Trabelsi-Zoghlami *et al.*, 2020). Meanwhile, the variable "*Customer Orientation*" is represented by six elements referring to the research (Yi *et al.*, 2021). For the variable "*Customer Satisfaction*", five elements of previous research conducted by (Leninkumar, 2017) are used as the basis for measurement. Finally, the variable "*Customer Loyalty*" is operationalized through five elements adapted from the same research as the *Customer Satisfaction variable*, namely research (Leninkumar, 2017). The analysis methodology used in this study is called the correlation method, this method is intended to determine the extent to which these variables influence each other through statistics.

The population studied was BRI Bank customers in Bekasi City whose number was unknown. With a *non-probability* sampling method using a purposive sampling approach that focuses on BRI customers who have accounts at corporations and are aged 17-55 years who are domiciled in the Bekasi City area. The sample size was 105 participants (21 statements multiplied by 5) (Hair *et al.*, 2019).

This study used a questionnaire survey assisted by Google Form, and the data collected were in the form of respondent scores. This survey method can be used easily to make generalizations, can collect data from large groups of respondents, and allows for the study of many variables (Zikmund *et al.*, 2019). Measurements related to this study were carried out using a Likert scale ranging from 1 – 4, where a scale of 1 means strongly disagree and a scale of 4 means strongly agree.

In this study, data analysis was carried out using the *Structural Equation Modeling – Partial Least Square* (PLS-SEM) model, with the help of PLS-SEM 3.2.9 statistical software. This process involves analysis of the outer model and the inner model. SEM-PLS was chosen because of its ability to evaluate the influence of various variables on an object simultaneously, both direct and indirect influences (Hair *et al.*, 2021).

Analysis of the outer model includes convergent validity (with *loading factor values* > 0.7 and AVE > 0.5), *discriminant validity* (with *Fornell-Larcker Criterion*, *Cross Loading*, and HTMT < 0.9), reliability (with *Composite Reliability* and *Cronbach's Alpha values* > 0.6), collinearity (with VIF values < 5), and *adjusted R-Square* adjusted to evaluate how much exogenous variables explain endogenous variables, with criteria of 0.25 weak, 0.50 moderate, and 0.75 strong (Hair *et al.*, 2021).

For the inner model, the analysis was carried out by examining the *p-value*, *t-statistic*, and *original sample values*. A *t-statistic value* > 1.96 (at a significance level of 5%) or a *p-value* < 0.05 was considered significant (Hair *et al.*, 2021)

RESULTS

The respondents in this study were BRI customers domiciled in Bekasi, Indonesia. This questionnaire was filled out online via *Google form* with information collected from 105 respondents registered in Bekasi, providing an overview of demographic and financial information related to BRI. Based on gender, the majority of respondents were female 67 people or 63.8% and male 38 people or 36.2%. Based on age group, the 17-25 age group had the most respondents, namely 57 people or 54.3% of the total population; followed by the 26-35 age group totaling 35 people or 33.3% of the total population, and the 35-55 age group totaling 13 people or 12.4% of the population. All respondents (100%) were BRI account holders and domiciled in Bekasi City. Regarding the type of account owned, the majority of

respondents had a BritAma account, as many as 57 people or 54.3%. The Simpedes account type is also quite widely owned, namely by 31 people or 29.5% of respondents. Other types of accounts, such as BritAma Bisnis amounted to 2.9% (3 people), BritAma X amounted to 6.7% (7 people), BRI Junio amounted to 1.9% (2 people), and TabunganKu amounted to 4.8% (5 people). Overall, this data shows the dominance of young women as respondents, with the highest ownership of BritAma accounts among other types of accounts at BRI.

Outer Model Analysis

In this study, the results of *the Outer Model Analysis* include validation tests that include convergent validity and discriminant validity, as well as reliability tests using *Cronbach's Alpha* and *Composite Reliability* . If all indicators in the SEM-PLS model are considered convergent, discriminant and reliable, then it can be said that the results of the SEM-PLS analysis are suitable for testing the hypothesis in this study. Convergent validity is determined through the average value of *the loading factor* in the variable indicator, while the value of *the loading factor* is above 0.70 is considered sufficient to validate and describe the related indicators .

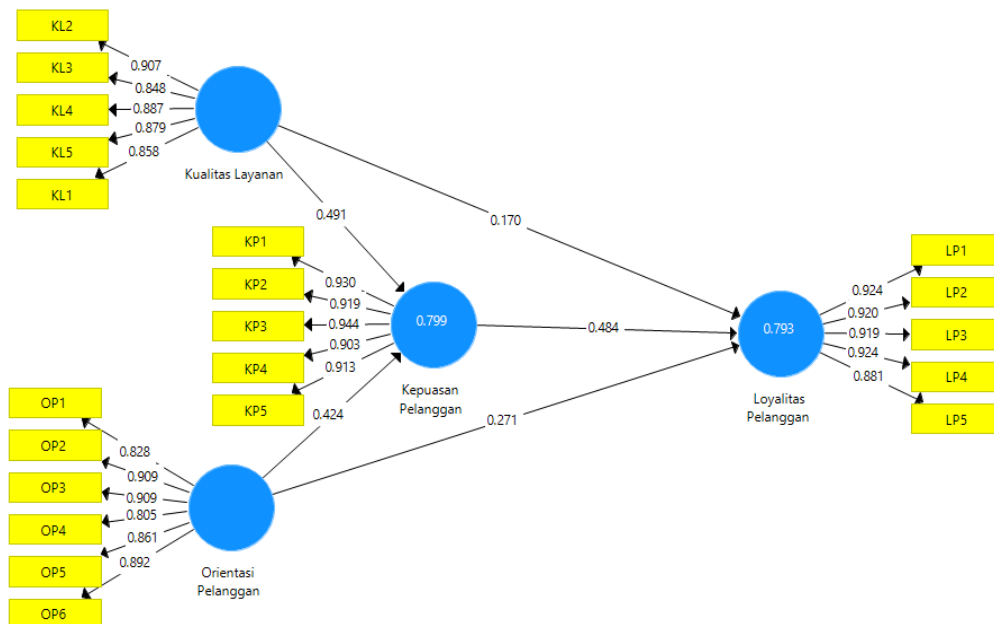


Figure 2. Outer Model

The image above illustrates all statements in the 21 questions of this research questionnaire, namely with a loading factor value of >0.70. To ensure that all questions in the survey are appropriate for measuring each variable. (the results are presented in Appendix 8).

Average Variance Extracted (AVE)

Table 1 . Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
<i>Service Quality</i>	0.768
<i>Customer Orientation</i>	0.754
<i>Customer Satisfaction</i>	0.850
<i>Customer Loyalty</i>	0.835

In the table above, it can be seen that the AVE value is greater than 0.50 which is the AVE threshold. This shows good consistency because each variable has an average value above 0.5. These results meet the principles of convergent validity and reliability.

Discriminant validity

Where *Cross Loading Discriminant* is a model used to assess the reflectance of an index based on the results of cross-load experiments carried out on the structure. If the relationship between a particular object and its structure is greater than the relationship between the object and other structures, it is likely that the latent structure is able to predict the volume of a beam accurately. The results of the discriminant validity of all variables are acceptable because all values are above 0.7 (see appendix 8 for more details).

Reliability Test and Validity Test

Table 2 . Construct Reliability and Validity

	<i>Cronbach's Alpha</i>	<i>rho_A</i>	<i>Composite Reliability</i>	<i>Average Variance Extracted (AVE)</i>
<i>Service Quality</i>	0.924	0.926	0.943	0.768
<i>Customer Orientation</i>	0.934	0.939	0.948	0.754
<i>Customer Satisfaction</i>	0.956	0.957	0.966	0.850
<i>Customer Loyalty</i>	0.951	0.951	0.962	0.835

The table above shows the values related to the reliability and construct validity for four variables: *Service Quality* , *Customer Orientation* , *Customer Satisfaction* , and *Customer Loyalty* . In the *Service Quality* variable, the *Cronbach's Alpha* value is 0.924, *rho_A* is 0.926, *Composite Reliability* is 0.943, and AVE is 0.768. These results indicate that the reliability and validity of *Service Quality* are high, with an AVE value of more than 0.5, meaning that most of the variance is caused by the construct. Then for the *customer orientation* variable , the *Cronbach's Alpha* value is 0.934, *rho_A* is 0.939, *Composite Reliability* is 0.948, and AVE is 0.754. These results indicate that *Customer Orientation* has quite high reliability and validity, with a high average AVE value indicating consistency and accuracy in measuring the construct. *Customer Satisfaction* has a *Cronbach's Alpha* of 0.956, *rho_A* of 0.957, *Composite Reliability* of 0.966, and AVE of 0.850. These values indicate that the reliability and validity of *Customer Satisfaction* are both high, and its AVE is also high, indicating that the construct is able to explain the variance maximally. *Customer Loyalty* has a *Cronbach's Alpha* of 0.951, *rho_A* of 0.951, *Composite Reliability* of 0.962, and AVE of 0.835. These results state that *Customer Loyalty* has a high level of reliability and validity, and is very representative of the existing variants.

R-Square

Table 3. R-Square

	<i>R Square</i>	<i>R Square Adjusted</i>
<i>Customer Satisfaction</i>	0.799	0.796
<i>Customer Loyalty</i>	0.793	0.787

The table above regarding the *R-Square Adjusted* in the measurement model shows the ability of each exogenous variable to influence the endogenous variable with values of 0.75, 0.50, 0.25, which are interpreted as strong, moderate, and weak. The *adjusted R Square* value *customer satisfaction* was recorded at 0.796, indicating that 79.6% of its influence is strongly explained by the *service quality* and *customer orientation* variables . *R Square adjusted customer loyalty* was recorded at 0.787, indicating that around 78.7% of its influence can be strongly explained by the *customer satisfaction* variable. From this value, the remaining 20.4% of the influence of the *customer satisfaction* variable and 21.3% of the

influence of the *customer loyalty variable* are explained by other variables that are not yet in this study.

Hypothesis Testing

Table 4. Results of Direct Influence Path Coefficient Measurement

Hypothesis	Hypothesis Statement	Original Sample	T-Statistics >1.96	P-Value <0.05	Information
H1	<i>Service Quality</i> Influencing <i>Customer Loyalty</i>	0.170	0.945	0.345	Data Does Not Support Hypothesis
H2	<i>Customer Orientation</i> Influence <i>Customer Loyalty</i>	0.271	1,507	0.132	Data Does Not Support Hypothesis
H3	<i>Service Quality</i> Influencing <i>Customer Satisfaction</i>	0.491	3,257	0.001	Data Supports Hypothesis
H4	<i>Customer Orientation</i> Influencing <i>Customer Satisfaction</i>	0.424	2,825	0.005	Data Supports Hypothesis
H5	<i>Customer Satisfaction</i> Influencing <i>Customer Loyalty</i>	0.484	2,776	0.006	Data Supports Hypothesis

In the hypothesis testing table above, the *P-Value* is displayed which is associated with several hypotheses related to the variables of *service quality*, *customer orientation*, *customer satisfaction* and also *customer loyalty*. The first hypothesis (H1) the effect of the *service quality variable* on *customer loyalty* is 0.170 (17%) of the original sample with a *T-Statistic* value of 0.945 and a *P-Value* value of 0.345, so it is stated that *service quality* does not affect *customer loyalty* which means H1 cannot be accepted. The second hypothesis (H2) the effect of the *customer orientation variable* on *customer loyalty* is 0.271 (27.1%) of the original sample with a *T-Statistic* value of 1.507 and a *P-Value* value of 0.132, so it is stated that *customer orientation* does not affect *customer loyalty* which means H2 cannot be accepted. The third hypothesis (H3) is the magnitude of the influence of the *service quality variable* on *customer satisfaction* of 0.491 (49.1%) from the original sample with a *T-Statistic* value of 3.257 and a *P-Value* of 0.001, so it can be said that *service quality* has a positive influence on *customer satisfaction* in the study. The fourth hypothesis (H4) is the influence of the *customer orientation variable* on *customer satisfaction* of 0.424 (42.4%) from the original sample with a *T-Statistic* of 2.825 and a *P-Value* of 0.005 which means there is a significant positive influence between *customer orientation* and *customer satisfaction*. The fifth hypothesis (H5) is the influence between *customer satisfaction* and *customer loyalty* of 0.484 (48.4%) from the original sample with a *T-Statistic* of 2.776 and a *P-Value* of 0.006 can be said to be positive.

Table 5. Results of Indirect Path Coefficient Measurement (Mediation)

Hypothesis	Hypothesis Statement	Original Sample	T-Statistics >1.96	P-Value <0.05	Information
H6	<i>Service Quality</i> Influences <i>Customer Loyalty</i> Through <i>Customer Satisfaction</i>	0.237	1,968	0.050	Data Supports Hypothesis
H7	<i>Customer Orientation</i> Affects <i>Customer Loyalty</i> Through <i>Customer Satisfaction</i>	0.205	1,943	0.053	Data Does Not Support Hypothesis

The sixth hypothesis (H6) examines the indirect effect of *service quality* on *customer loyalty* through *customer satisfaction* . The results show an original sample of 0.237 (23.7%) with a *T-Statistic* value of 1.968 and a *P-Value* of 0.050. With a *T-Statistic* value greater than 1.96 and a *P-Value* right on the significant limit (0.05), the data supports the hypothesis that *service quality* indirectly affects *customer loyalty* . The seventh hypothesis (H7) is the indirect effect of *customer orientation* on *customer loyalty* through *customer satisfaction* . With an original sample of 0.205 (20.5%), a *T-Statistic* value of 1.943, and a *P-Value* of 0.053, this hypothesis is considered almost significant, but is not technically supported because the *P-Value* is greater than 0.05. This shows that *customer orientation* does not affect *customer satisfaction* .

DISCUSSION

In this study, we try to explore five hypotheses that will explain the influence of *service quality variables* , *customer orientation* , *customer satisfaction* , on *customer loyalty* at Bank BRI. The findings regarding the impact of *service quality* on *customer loyalty* (H1) state that *service quality* does not affect Bank BRI *customer loyalty* . However, previous studies have stated that *service quality* can increase *customer loyalty* (Kim *et al.* , 2018 ; Saad *et al.* , 2022; Yum & Yoo, 2023) . This hypothesis is not proven. However, respondents gave a high rating to the responsiveness and speed of Bank BRI customer service, stating that this element is still important even though it does not directly affect *customer loyalty* .

The results of the second hypothesis test (H2) stated that there was an insignificant influence between BRI Bank's customer orientation and customer loyalty. However, the high success rate of questionnaire questions regarding the accuracy of answers to questions about products showed that BRI Bank succeeded in providing relevant information to customers. This finding contradicts previous research which showed that customer orientation can increase *customer loyalty*. (Aburayya *et al.* , 2020; Pan & Ha, 2020; Homburg *et al.* , 2011) .

The results of the third hypothesis test (H3) stated that an increase in BRI Bank's *service quality* has a positive impact on customer satisfaction. This means that BRI Bank's customer service is very responsive and fast in responding to customer questions or requests. This study supports previous findings which state that high *service quality* can increase *customer satisfaction*. (Hadi *et al.* , 2019; Yum & Yoo, 2023; Zhong & Moon, 2020) .

The fourth hypothesis (H4) states that there is an increase in BRI Bank customer satisfaction due to good customer orientation. This means that BRI Bank has a comprehensive understanding of all customer questions regarding products. This study supports previous findings which show that the *customer orientation approach* plays an important role in increasing customer satisfaction and perception (Solimun & Fernandes, 2018; Xia & Ha, 2021; Yi *et al.* , 2021) .

This fifth hypothesis (H5) states that a high level of customer satisfaction can increase the volume of loyalty to Bank BRI. This means that customers are very satisfied with the

choice of using BRI. The findings of this study are consistent with previous studies that emphasize that *customer satisfaction* is a key variable in maintaining and increasing *customer loyalty*. (Ali *et al.* , 2021; Sianipar *et al.* , 2023; Albarq, 2023) .

The sixth hypothesis (H6) states that *service quality* positively influences *customer loyalty through customer satisfaction* . This study supports the hypothesis, although the impact is at a marginal level of significance. This confirms that *customer satisfaction* plays a crucial role in linking *service quality* to *loyalty* . This finding is consistent with previous studies that emphasize the importance of *customer satisfaction mediation* in strengthening *customer loyalty*. (Hadi *et al.* , 2019; Shrestha, 2021; Slack & Singh, 2020) . Demographic factors, such as the dominance of the younger age group and high BritAma account ownership, may influence these results because the younger age group tends to be more sensitive to service quality and feels more satisfied if they receive fast and responsive service, which ultimately affects their loyalty through perceived satisfaction.

However, the seventh hypothesis (H7), which tests the impact of *customer orientation* on *customer loyalty through customer satisfaction* , is not supported by the data. Although *customer orientation* has a positive effect on customer satisfaction, its indirect effect on *customer loyalty* through satisfaction is not strong enough to reach the level of statistical significance. This result differs from several previous studies that showed a positive relationship between *customer orientation* , *customer satisfaction* , and *customer loyalty*. (Aburayya *et al.* , 2020; Farid Hibatullah & Tjahjaningsih, 2023; Solimun & Fernandes, 2018) . Demographic factors such as the majority of respondents who are still young and may not fully understand the importance of customer orientation in the long term, as well as the dominance of BritAma accounts that may emphasize product features more than customer orientation, may influence the lack of significance in this relationship.

Overall, the study provides a better understanding of customer perceptions and attitudes towards BRI Bank services due to *service quality* and *customer orientation* , both factors contributing to customer loyalty through customer satisfaction. The results of the questionnaire covering various aspects are useful for BRI Bank in developing service strategies and maintaining strong relationships with its customers. Although not all hypotheses are supported by empirical findings, the results of the questionnaire indicate that certain aspects of BRI Bank's services and *customer orientation* are highly valued by their customers, which can help in improving service strategies and customer retention in the future.

CONCLUSION

The results of this study state that four of the seven hypotheses proposed are proven to be significant as expected, while the other 3 hypotheses are not as expected by the researcher. Hypothesis 1 shows that *service quality* does not have a significant effect on BRI *customer loyalty*. However, this variable remains important even though it does not have a direct impact on customer loyalty, which can be attributed to the dominance of young respondents who may not have long-term loyalty to one bank. Hypothesis 2 shows that there is no significant effect between BRI Bank's customer orientation and *customer loyalty* . However, the high value of the questionnaire related to the accuracy of product information shows that BRI Bank is effective in providing relevant information to customers. Hypothesis 3 proves that increasing *service quality* at BRI Bank has a positive effect on *customer satisfaction*, which means that BRI Bank's customer service is very responsive and fast in answering customer questions or requests. Hypothesis 4 states that good *customer orientation from BRI Bank has a positive effect on customer satisfaction*, indicating that BRI Bank accurately answers all customer questions about the products offered. Hypothesis 5 shows that

increasing customer satisfaction will increase customer loyalty to BRI Bank, which shows that customers are very satisfied with the choice of using BRI.

Hypothesis 6 shows that *service quality* has a positive impact on *customer loyalty* through the mediation of *customer satisfaction*, supporting the view that *customer satisfaction* is an important factor linking service quality to customer loyalty. Hypothesis 7, although not reaching statistical significance, shows that *customer orientation* does not have a significant effect on *customer loyalty* through the mediation of *customer satisfaction*. This could be due to demographic factors such as the dominance of young respondents who may not fully understand the importance of customer orientation in the long run.

This study states that although *service quality* and *customer orientation* at Bank BRI do not have a significant direct effect on *customer loyalty*, *service quality* has a positive effect on *customer loyalty* through the mediation of *customer satisfaction*. *Customer satisfaction* has been proven to be an important component in determining *customer loyalty* at Bank BRI. Therefore, increasing *service quality* and *customer satisfaction* will greatly support increasing *customer loyalty*, although *customer orientation* requires a more in-depth approach to influence customer loyalty.

Limitations

Although this study provides a lot of new knowledge, there are some limitations. First, the sample of this study is quite small (n = 105) and limited to respondents who live in Bekasi City and have a BRI account. Thus, the results of this study do not fully represent the national or international population. Second, this study uses an online survey method, this method can have a significant impact on the validity and generalization of respondents. Third, customer perceptions and attitudes can be influenced by external sources such as policy changes or economic conditions. These factors cannot be fully controlled in this study.

Suggestion

A comprehensive understanding of the limitations of this study suggests possible future efforts. Larger investigations with more geographically and demographically diverse samples would increase the generalizability of the results. The use of multiple research methods, such as in-depth interviews or case studies, could also have a significant impact on understanding the factors that lead to *Customer Loyalty*. To overcome these obstacles, further research can examine other banks as partners.

Managerial Implications

The results of this study have managerial implications for BRI Bank management in formulating customer service and retention strategies. Focus should be given to improving *Service Quality* and *Customer Orientation* to improve *Customer Satisfaction*. Investment in staff training to improve responsiveness and accuracy of information, as well as developing programs to improve *Customer Orientation*, can be effective strategic steps. In addition, management must continue to monitor the level of *Customer Satisfaction* and make continuous improvements to maintain and improve *Customer Loyalty*.

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