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SERVICE QUALITY AND CUSTOMER TRUST AS DETERMINANTS OF LOYALTY: EXPLORING CUSTOMER SATISFACTION AS A MEDIATOR

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Abstract

Customer loyalty has received great attention from both academics and practitioners. However, the factors that can explain customer loyalty still need to be conclusive. This research investigates the role of customer satisfaction as a mediator between service quality, customer trust and loyalty. The population in this study was all customers in Mega Central Finance, Ltd Branch Padang City, West Sumatra, Indonesia. The study's total research sample was 141 respondents, obtained using a simple random sampling technique. The data analysis used was



the Structural Equation Model (SEM) using Smart-PLS version 3.2.9. The research found that service quality did not affect customer satisfaction or loyalty. However, customer trust had a positive effect on both customer satisfaction and customer loyalty. Customer satisfaction also had a positive effect on customer loyalty. Furthermore, customer satisfaction could only mediate the relationship between customer trust and loyalty.

Keywords: Service quality, Customer trust, Customer satisfaction, Customer loyalty, Indonesia

INTRODUCTION

Non-bank financial institutions (NBFI) support the Indonesian economy, including in West Sumatra Province. As a complement to the banking system, NBFIs such as finance companies, insurance companies, savings and loan cooperatives and microfinance institutions provide financial access for segments of society that conventional banks underserve. At the national level, NBFI contributes to increasing financial inclusion, providing financing to the small and medium enterprise (SMEs) sector and risk management through insurance services.

In West Sumatra, NBFI has a strategic role in supporting main economic sectors such as trade, tourism and agribusiness, which are the backbone of the regional economy. The existence of NBFI in this region also helps rural communities access affordable financing, supports local business development, and encourages economic growth based on local wisdom. In this way, NBFI not only plays a role as an economic driver but also as a catalyst for improving the welfare of society in West Sumatra.

One non-bank financing institution that cannot be separated from this competition is Mega Central Finance, Ltd Branch Padang City. This company is part of a group called CT Corp, whose subsidiaries include Trans TV, Trans7, Bank Mega, Transmart and many others. In order to win the competition, Mega Central Finance, Ltd Padang City Branch needed an effective marketing strategy, such as creating loyal customers. Having loyal customers provides a strategic advantage for companies in winning the competition because loyal customers tend to make repeat purchases and avoid easily switching to competitors. Also, loyal customers often recommend a company's products or services to others, expanding market reach. Customer loyalty also allows companies to recognize customer preferences better and to offer more relevant and quality products or services, strengthening competitiveness in the market.

Based on the secondary data obtained, the development of the number of customers at Mega Central Finance, Ltd Padang City Branch over five years, from 2019 to 2023, experienced fluctuations. In 2019, the number of customers was at 149 people. Then, in 2020, there was a decrease of 2.68% to 145 people. However, in 2021, the number of customers increased

sharply by 48.28%, reaching 215 people, indicating significant improvements in attracting or acquiring new customers. This growth continues, although at a slower pace in 2022, with an increase of 4.65%, bringing the number of customers to 225 people. However, in 2023, the number of customers will decrease by 3.56% to 217 people. The decline in the number of customers in recent years is a phenomenon that has decreased customer loyalty. Customer loyalty is a deep commitment to purchase or support a preferred product or service again in the future despite the influence of situations and marketing efforts that have the potential to cause customers to switch (Kotler & Keller, 2016).

One of the variables that can influence customer loyalty is customer satisfaction. Customer satisfaction is a person's happiness or disappointment due to comparing perceived and expected achievements or products (Kotler & Keller, 2016). Customer satisfaction is closely related to customer loyalty, where satisfaction is a key factor in building and maintaining loyalty. Customers who are satisfied with the service or product they receive tend to develop loyalty to the company. Satisfaction creates a positive experience that encourages customers to return to use the same service, recommend it to others, and ignore offers from competitors. This relationship is strengthened through consistent service, solutions that suit needs, and interactions that provide added value. Thus, customer satisfaction is the ultimate goal and the foundation for creating sustainable loyalty and providing competitive advantages for the company.

Several previous studies have empirically proven that customer satisfaction positively affects customer loyalty (Yuliana et al., 2024; Agiesta et al., 2021; Rafiah, 2019). The research findings can be interpreted as meaning that the higher the level of customer satisfaction, the higher the level of customer loyalty, and conversely, the lower the level of customer satisfaction, the lower the level of customer loyalty.

On the other hand, customer satisfaction is influenced by service quality (Anesa et al., 2024; Prasetya & Indiani, 2021; Sari & Khalid, 2022). The results of this research can be interpreted as meaning that the better the quality of service implemented in a company, the higher customer satisfaction will be. On the other hand, the worse the quality of service implemented in a company, the lower customer satisfaction will be.

Another variable that can influence customer satisfaction is customer trust. According to Kotler and Keller (2016), customer trust is the customer's belief in the reliability and integrity of the product or service provider. This trust arises when customers feel confident that a company will fulfill its promises and act in their best interests. Several previous studies have proven that customer trust positively affects customer satisfaction (Delvi & Musfiroh, 2021; Meileny, 2020; Mu'arotun & Soliha, 2022; Rosita, 2018). The purpose of the study is to investigate the

mediating effect of customer satisfaction on the relationship between service quality, customer trust and customer loyalty.

LITERATURE REVIEW

Service Quality and Customer Loyalty

Service quality has a significant relationship with customer loyalty because good service is one of the main factors in building long-term relationships between companies and customers. When customers receive responsive, professional service that meets their expectations, their satisfaction will increase, ultimately strengthening their loyalty to the company. Service quality covers various aspects, such as speed in responding to complaints, service reliability, empathy for customer needs, and comfort in the transaction process. Quality service encourages customers to return to using a company's products or services and increases the likelihood that they will recommend it to others. In other words, superior service quality is one of the main strategies for maintaining customer loyalty amidst intense competition. Previous studies have empirically proven that service quality positively affects customer loyalty (Yuliana et al., 2024; Sholikhah & Hadita, 2023; Anggraini & Budiarti, 2020). Based on the previous description, the first hypothesis can be developed as follows:

H1: Service quality has a positive effect on customer loyalty

Customer Trust and Customer Loyalty

Customer trust is important in building customer loyalty because trust creates a strong emotional foundation between customers and the company. When customers feel confident that a company provides honest, transparent and reliable services, they tend to be more loyal and reluctant to switch to competitors. Trust grows through the company's consistency in fulfilling promises, protecting customer personal data, and providing solutions prioritizing customer interests. In addition, trust strengthens long-term relationships because customers feel comfortable and safe in interacting with the company. With high trust, customer loyalty can be realized through increasing the frequency of service use, positive recommendations to others, and support for the sustainability of the company's business. Several previous studies have empirically proven that customer trust positively affects customer loyalty (Lubis et al., 2022; Tumbel et al., 2022; Avicenna et al., 2023). Based on the previous description, the second hypothesis can be developed as follows:

H2: Customer trust has a positive effect on customer loyalty

Service Quality and Customer Satisfaction

Service quality has a direct and significant relationship with customer satisfaction because service quality reflects the extent to which the company can meet or even exceed customer expectations. When customers receive service that is responsive, friendly, reliable and in line with their needs, their level of satisfaction will increase. Factors such as speed in handling complaints, clarity of information provided, and staff's ability to provide practical solutions are the main determinants of customer satisfaction. Superior service quality creates a positive experience that satisfies customers and strengthens their perception of the company. Therefore, companies that focus on consistently improving service quality will be better able to maintain and increase customer satisfaction. Previous research has empirically proven that service quality positively affects customer satisfaction (Sefnedi et al., 2020; Yuliana et al., 2024; Ramadhan, 2023). Based on this description, the third hypothesis can be developed as follows:

H3: Service quality has a positive effect on customer satisfaction

Customer Trust and Customer Satisfaction

Customer trust is closely related to customer satisfaction because trust is important in creating a positive customer experience. When customers feel confident that a company is acting honestly, transparently and reliably, they tend to be more satisfied with the service they receive. Trust strengthens customers' confidence that the company will fulfill its promises and provide solutions that suit their needs. This creates a sense of security and comfort in every interaction, increasing customer satisfaction. With strong trust, the relationship between customers and companies becomes more harmonious, where satisfaction is temporary and contributes to a long-term, mutually beneficial relationship. Previous research results have empirically proven that customer trust positively affects customer satisfaction (Mu'arotun & Soliha, 2022; Delvi & Musfiroh, 2021; Meileny, 2020). Based on this description, the fourth hypothesis can be developed as follows:

H4: Customer trust has a positive effect on customer satisfaction

Customer Satisfaction and Customer Loyalty

Customer satisfaction has a significant relationship with customer loyalty because satisfaction is a key factor that encourages customers to continue using the company's products or services. When customers are satisfied, they tend to have a positive perception of the company, which increases their desire to remain loyal and not move to competitors. Satisfaction creates a sense of trust, comfort, and emotional attachment that strengthens customer and company relationships. Additionally, satisfied customers are likelier to recommend the company to

others, indirectly expanding the customer base. Thus, customer satisfaction indicates service success and is the primary foundation for building sustainable loyalty. Previous research results have empirically proven that customer satisfaction positively affects customer loyalty (Yuliana et al., 2024; Agiesta et al., 2021; Rafiah, 2019). So, the fifth hypothesis can be developed as follows:

H5: Customer satisfaction has a positive effect on customer loyalty

Customer Satisfaction Mediates the Service Quality-Customer Loyalty Relationship

Customer satisfaction acts as a mediating variable that connects service quality with customer loyalty because customer satisfaction is directly influenced by the quality of service provided by the company. When customers experience good service quality, such as fast, friendly service that meets their expectations, they will feel satisfied with the experience. This satisfaction strengthens customers' emotional connection and trust in the company, ultimately encouraging them to remain loyal. In other words, even though service quality is the main factor, customer satisfaction is a bridge that ensures that service quality indeed contributes to customer loyalty. The satisfaction created by good service will increase customers' tendency to continue using the company's products or services, thus strengthening their loyalty in the long term. Previous research results have empirically proven that customer satisfaction is a mediating variable between service quality and customer loyalty (Sudirjo et al., 2023; Widnyana & Suamanayasa, 2021; Sugiharto et al., 2020). Hence, the sixth hypothesis can be developed as follows:

H6: Customer satisfaction mediates the relationship between service quality and customer loyalty

Customer Satisfaction Mediates the Customer Trust-Customer Loyalty Relationship

Customer satisfaction acts as a mediator between customer trust and loyalty because customers' trust in a company can result in a higher level of satisfaction, strengthening their loyalty. When customers feel confident that the company acts honestly, transparently and reliably, they will feel more satisfied with its services. This high satisfaction, resulting from strong trust, creates a deep emotional attachment, encouraging customers to remain loyal and choose the company in the future. Therefore, customer trust builds satisfaction and strengthens their loyalty through the positive experiences created, making customer satisfaction the bridge that connects trust with loyalty. Previous research results have empirically proven that customer satisfaction is a mediating variable between customer trust and loyalty (Ramadhan & Games, 2023; Murti, 2021). Hence, the seventh hypothesis can be developed as follows:

H7: Customer satisfaction mediates the relationship between customer trust and customer loyalty

RESEARCH METHODOLOGY

The population of this research is all active customers of Mega Central Finance, Ltd Padang Branch, who have taken out credit at least twice in 2023, totaling 217 customers. In order to get the number of samples, the Slovin formula was used, where the number of research samples was 141 customers. Meanwhile, the sampling technique used was simple random sampling. A previously validated scale is used to measure all variables to obtain a valid and reliable variable size. All items were measured on a Likert-5 scale ranging from strongly disagree (1) to (5) strongly agree. In terms of hypothetical testing, this study uses SEM-PLS, which previous researchers support (Adeza et al., 2024)

RESULTS AND DISCUSSION

The results of the study began by presenting respondent profiles, which can be seen in the following table.

Table 1 Profile of Participating Respondents

Demographics	Category	Number (Person)	Percentage (%)
Gender	Male	109	77.3
	Female	32	22.7
Age	21-31 years old	69	48.9
	32-42 years old	48	34.0
	43-53 years old	22	15.6
	More than 53 years old	2	1.4
Formal Education	Junior High School	8	5.7
	Senior High School	72	51.1
	Diploma	27	19.1
	Undergraduate	33	23.4
	Master	1	0.7
Occupation	Government Employees	3	2.1
	Army / Police	19	13.5
	Private Employees	79	56.0
	Employees of Stated-Owned Enterprises	34	24.1
	Retired	6	4.3
Experience	1-2 years old	41	29.1
	2.1-3 years old	61	43.3
	More than 3 years old	39	27.7
Credit Type	Motorbike Credit	62	44.0
	Car Credit	25	17.7
	Multi-purpose Credit	30	21.3
	Electronic Credit	24	17.0

Measurement Model Assessment

Measurement Model Assessment (MMA) is helpful in determining the relationship between statement items and constructs/variables with convergent validity (Hair et al., 2014).

Table 2 The Results of Convergent Validity on Customer Loyalty

Statements	Outer Loadings	Cronbach's Alpha	Composite Reliability	AVE
I invite colleagues or family to use the credit facilities at Mega Central Finance, Ltd Padang Branch	0.796			
I recommend the credit facilities at PT. Mega Central Finance Padang Branch to others	0.761			
If I have the opportunity to apply for credit in the future, I will still choose Mega Central Finance, Ltd Padang Branch	0.850			
I will continue to use the credit facilities at Mega Central Finance, Ltd Padang Branch	0.841	0.910	0.927	0.615
I will not switch to a credit service provider other than Mega Central Finance, Ltd Padang Branch	0.729			
I will defend Mega Central Finance, Ltd Padang Branch if there is negative information	0.696			
I said positive things about credit at Mega Central Finance, Ltd Padang Branch	0.791			
I am happy to inform other parties about the credit facilities at Mega Central Finance, Ltd Padang Branch	0.798			

The table above shows that 1 statement item is invalid because it has an outer loading of 0.696 or less than 0.70. The analysis results found Cronbach's alpha 0.910 or greater than 0.70, composite reliability 0.927 or greater than 0.70, and average extracted variance (AVE) 0.615 or greater than 0.50, so the results of this analysis met the requirements.

Table 3 The Results of Convergent Validity on Customer Satisfaction

Statements	Outer Loadings	Cronbach's Alpha	Composite Reliability	AVE
I have never felt disappointed in interacting with Mega Central Finance, Ltd Padang Branch	0,739			
I am satisfied with the service provided as promised	0,782			
I am satisfied with the credit process by Mega Central Finance, Ltd Padang Branch	0,716			
The financing products offered help me in solving my financial needs	0,794	0.851	0.890	0.575
My experience using credit facilities at Mega Central Finance, Ltd Padang Branch was very satisfying	0,799			
Overall, I am satisfied with my decision to choose Mega Central Finance, Ltd Padang Branch as the place for the credit facility	0,713			

The table above shows that all statement items are declared valid because they have a sizeable outer loading 0.70. Furthermore, Cronbach's alpha is 0.851 or greater than 0.70, composite reliability is 0.890 or greater than 0.70, and average extracted variance (AVE) is 0.575 or greater than 0.50 so the analysis results meet the applicable regulations.

Table 4 The Results of Convergent Validity on Service Quality

Statements	Outer Loadings	Cronbach's Alpha	Composite Reliability	AVE
Mega Central Finance, Ltd Padang Branch has adequate work equipment	0,807			
The physical facilities (such as buildings) of Mega Central Finance, Ltd Padang Branch are visually attractive	0,753			
The employees of Mega Central Finance, Ltd Padang Branch have a neat/clean appearance	0,796			
The materials related to the brochure at Mega Central Finance, Ltd Padang Branch are visually attractive	0,686			
Mega Central Finance, Ltd Padang Branch provides individual attention to customers	0,709			
Mega Central Finance, Ltd Padang Branch has pleasant working hours for all customers	0,736			
Mega Central Finance, Ltd Padang Branch has employees who provide personal attention to customers	0,812			
Mega Central Finance, Ltd Padang Branch always prioritizes the interests of its customers	0,731			
Mega Central Finance, Ltd Padang Branch understands the unique needs of customers	0,734			
If Mega Central Finance, Ltd Padang Branch does something at the specified time, it will be fulfilled	0,763			
If a customer has a problem, Mega Central Finance, Ltd Padang Branch will seriously help solve it	0,831			
Mega Central Finance, Ltd Padang Branch provides its services consistently from the start	0,826	0.969	0.970	0.596
Mega Central Finance, Ltd Padang Branch provides services as promised	0,809			
Mega Central Finance, Ltd Padang Branch always strives for records that are free from errors	0,811			
Mega Central Finance, Ltd Padang Branch notifies customers exactly when the service will be delivered	0,696			
Mega Central Finance, Ltd Padang Branch provides fast service to customers	0,793			
Mega Central Finance, Ltd Padang Branch is always willing to help customers	0,736			
Mega Central Finance, Ltd Padang Branch will never be too busy to respond to customer requests	0,789			
The behavior of the employees of Mega Central Finance, Ltd Padang Branch can make customers trust them	0,701			
Customers feel safe/comfortable interacting with Mega Central Finance, Ltd Padang Branch	0,780			
Employees of Mega Central Finance, Ltd Padang Branch consistently behave politely towards customers	0,832			
Employees of Mega Central Finance, Ltd Padang Branch have sufficient knowledge to answer customer questions	0,824			

The table 4 shows that 2 statement items are invalid because they have a small outer loading of 0.70. The analysis's results found Cronbach's alpha 0.969 or greater than 0.70, composite reliability 0.970 or greater than 0.70, and average extracted variance (AVE) 0.596 or greater than 0.50, so the results of this analysis met the requirements.

R square

R square (R^2) measures how much an endogenous variable is affected by another variable (exogenous). The results of the R square analysis can be seen as follows:

Table 5 Results of R square

	R Square	R Square Adjusted
Customer Satisfaction	0,176	0,164
Customer Loyalty	0,464	0,452

R^2 value for the customer satisfaction variable is 0.170, which means that the influence of service quality and customer trust on customer satisfaction is 17.6%. Furthermore, R^2 value for the customer loyalty variable is 0.464, which can be interpreted to mean that the influence of service quality, customer trust and customer satisfaction on customer loyalty is 46.4%.

Structural Model Assessment

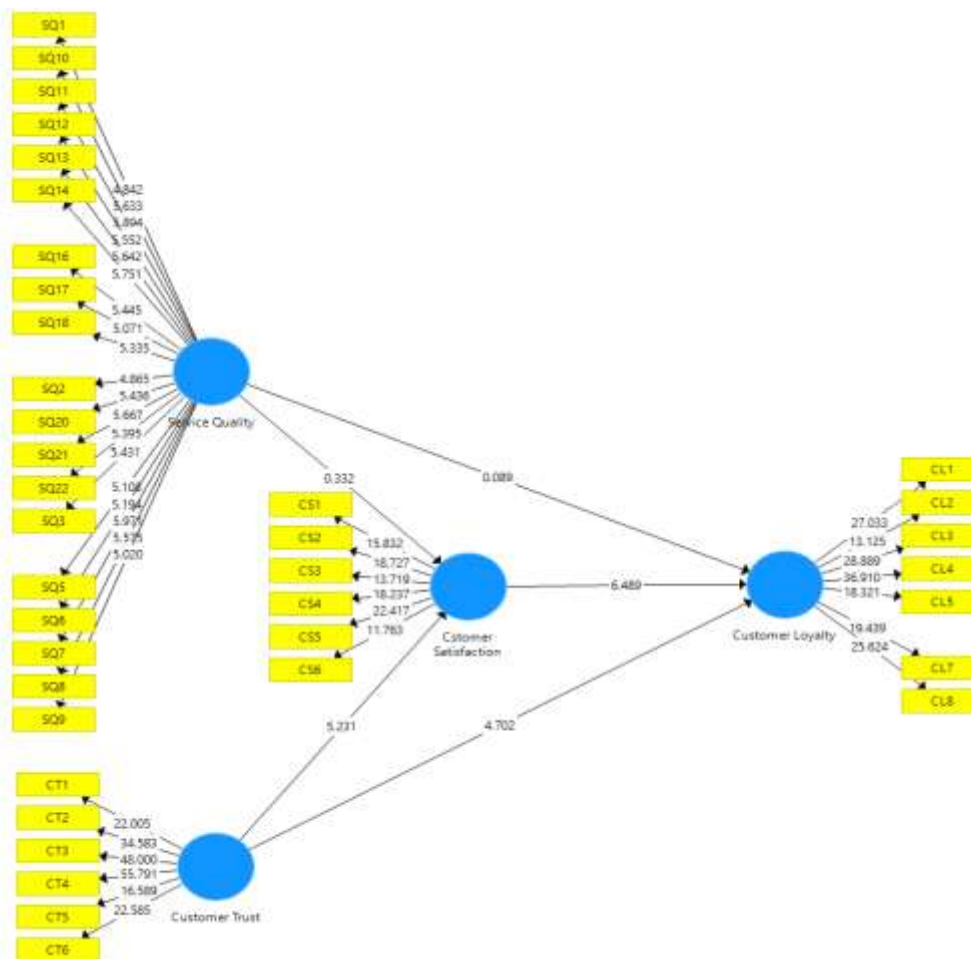


Figure 1 Structural Model Testing

Structural model assessment (SMA) is used to understand the influence of one or several variables on other variables. The results of the structural model assessment (SMA) with the bootstrapping method are presented in the figure 1.

Table 6 The Results of Direct Relationship

	Original Sample	T Statistics	P Values	Decisions
Service Quality -> Customer Loyalty	0,007	0,089	0,929	H ₁ rejected
Customer Trust -> Customer Loyalty	0,351	4,702	0,000	H ₂ accepted
Service Quality -> Customer Satisfaction	0,048	0,332	0,740	H ₃ rejected
Customer Trust -> Customer Satisfaction	0,408	5,231	0,000	H ₄ accepted
Customer Satisfaction -> Customer Loyalty	0,446	6,489	0,000	H ₅ accepted

Table 6 explains the effect of service quality on customer loyalty has an original sample value of 0.007, T-statistics 0.089 (lower than 1.96), and P-value 0.929 (higher than 0.05), so it can be concluded that the service quality did not affect significantly the customer loyalty. Thus, hypothesis 1 (H₁) is rejected. The justification that can be conveyed is that service quality does not directly affect customer loyalty because loyalty is often more influenced by other factors, such as trust, satisfaction and competitive prices. Customers may sometimes feel that good quality service should be provided, so it is not a significant differentiating factor. Additionally, loyalty can be influenced by emotional attachment, loyalty program incentives, or ease of service access. Customer loyalty may remain intact if service quality does not meet customer expectations, but factors such as trust in the company or long-term relationships remain strong. Thus, service quality can be a prerequisite but not the primary determinant in building customer loyalty.

The effect of customer trust on customer loyalty has an original sample value of 0.351, T-statistics 4.702 (higher than 1.96), and P value 0.000 (lower than 0.05), so it can be interpreted that customer trust has a positive and significant effect on customer loyalty. Thus, hypothesis 2 (H₂) is accepted. Customer trust significantly affects loyalty because trust creates a sense of security and confidence that the company will fulfill its promises and provide consistent service. Customers who trust a company's integrity, competence and reliability tend to feel more comfortable sticking with the product or service in the long term. Trust also strengthens the emotional connection between customers and the company, which can reduce the desire to switch to competitors. In uncertainty, trust becomes the main foundation that encourages customers to remain loyal, even when the company faces challenges or difficult situations. This makes trust a key element in building and maintaining customer loyalty.

The effect of service quality on customer satisfaction has an original sample value of 0.048, T statistics of 0.332 (lower than 1.96), and a P-value of 0.740 (higher than 0.05). This result can be interpreted as the service quality not affecting customer satisfaction. Thus, hypothesis 3 (H_3) is rejected. Service quality does not directly affect customer satisfaction because various customer expectations, external factors, or other elements such as price, perceived value, or emotional experience often influence satisfaction. Customers may consider good service quality as a minimum standard that must be provided so that it does not significantly increase satisfaction. In addition, if other aspects, such as service delays, product incompatibility, or lack of personalization, affect customer satisfaction even if the service quality is technically sound, although service quality is important, its impact on satisfaction can be limited if customer needs and expectations are not met holistically.

The effect of customer trust on customer satisfaction has an original sample value of 0.408, T-statistics of 5.231 (higher than 1.96), and P-value of 0.000 (lower than 0.05), so it can be concluded that the customer trust has a positive and significant effect on customer satisfaction. Thus, hypothesis 4 (H_4) is accepted. Customer trust influences satisfaction because trust creates confidence that the company will consistently meet their needs and expectations. When customers believe that a company has integrity, competence, and good intentions, they tend to feel more satisfied with their experience, even if there are minor flaws in the service or product. Trust also minimizes feelings of worry or uncertainty, increasing positive perceptions of interactions with the company. In addition, trust strengthens the emotional connection between customers and the company, which can increase their appreciation of the company's efforts to provide added value. Thus, trust becomes an important foundation in building sustainable satisfaction.

Next, the effect of customer satisfaction on customer loyalty has an original sample value of 0.446, T-statistics of 6.489 (higher than 1.96), and P-value of 0.000 (lower than 0.05), so it can be interpreted that customer satisfaction has a positive and significant effect on customer loyalty. Thus, hypothesis 5 (H_5) is accepted. Customer satisfaction positively affects loyalty because satisfied customers tend to feel that the company has met or exceeded their expectations, creating a positive experience that encourages emotional and rational attachment. Satisfaction increases customer trust in the company, strengthening the desire to continue using the same product or service. Additionally, satisfied customers are more likely to recommend a company to others, creating loyalty not only on an individual level but also socially through recommendations. Satisfaction also reduces the possibility of customers switching to competitors because they feel comfortable with the quality and value they have received. Therefore, satisfaction is the primary basis for building and maintaining customer loyalty.

Table 7 The Results of the Mediating Effect

	Original Sample	T Statistics	P Values	Decisions
Service Quality -> Customer Satisfaction -> Customer Loyalty	0,021	0,319	0,750	H ₆ rejected
Customer Trust -> Customer Satisfaction -> Customer Loyalty	0,182	3,809	0,000	H ₇ accepted

The effect of customer satisfaction as a mediation between service quality and customer loyalty has an original sample value of 0.021, T-statistics 0.319 (lower than 1.96), and P-value 0.750 (higher than 0.05), so it can be concluded that customer satisfaction did not mediate the relationship between service quality and customer loyalty. Therefore, the hypothesis 6 (H₆) is rejected. Customer satisfaction does not mediate the relationship between service quality and customer loyalty if other factors have a more dominant influence on loyalty. For example, trust, emotional value, or loyalty programs may influence customer loyalty more than satisfaction alone. In addition, customers may perceive service quality as a standard that must be met without directly affecting their satisfaction level, so the relationship between service quality and loyalty becomes weak or insignificant. In certain situations, loyalty can arise due to contractual attachments or practical needs, regardless of customer satisfaction with the quality of service provided. This shows that satisfaction is only sometimes a potent mediator in this relationship.

Next, The effect of customer satisfaction as a mediation between customer trust and customer loyalty has an original sample value of 0.182, T-statistics of 3.809 (higher than 1.96), and P-value of 0.000 (lower than 0.05), so that it can be interpreted as customer satisfaction mediated the relationship between customer trust and customer loyalty. Thus, hypothesis 7 (H₇) is accepted. Customer satisfaction can mediate the relationship between customer trust and loyalty because strong trust in a company often results in experiences that meet or exceed expectations, thereby increasing satisfaction. Customers who believe a company is reliable and has integrity feel more satisfied because their needs are well met, and the risk of poor service is minimized. This satisfaction, in turn, strengthens customers' attachment to the company and drives higher loyalty, both behavioral (such as repeat purchases) and emotional (such as brand loyalty). Thus, satisfaction is a bridge that turns trust into loyalty, ensuring a stronger and more sustainable relationship between customers and companies.

CONCLUSION

Some conclusions were obtained and summarized: 1) Service quality did not affect customer satisfaction and loyalty. 2) Customer trust has a positive effect on customer

satisfaction and customer loyalty. 3) Customer satisfaction has a positive effect on customer loyalty. 4) Customer satisfaction did not mediate the relationship between service quality and customer loyalty. g) Customer satisfaction mediated the relationship between customer trust and customer loyalty.

The findings of this research provide practical recommendations to the management of Mega Central Finance, Ltd. Branch Padang City, West Sumatra, Indonesia, namely a) in order to increase customer loyalty in the future, management should strive to increase customer satisfaction because the results of this research prove empirically that customer satisfaction is an important variable in determining customer loyalty, b) other efforts that can be made to increase customer satisfaction as explained previously are by paying attention to and even increasing customer trust because the results of this research found that customer trust has a positive and significant effect on customer satisfaction.

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