

The effect of service quality and shariah compliance on customer loyalty by mediating customer satisfaction

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Abstract

Purpose: This research to examine the influence of Service Quality and Shariah Compliance on Customer Loyalty; Service Quality and Shariah Compliance influence customer satisfaction; Customer Loyalty influences Customer Satisfaction; Service Quality and Shariah Compliance towards Customer Loyalty by mediating customer satisfaction.

Methodology/approach: This study uses a quantitative descriptive research. Taken from clients of PT Bank Syariah Indonesia KCP Makassar Panakukang with a test estimate of 150 respondents.

Results: Service quality, Shariah Compliance and customer satisfaction has a positive effect on customer loyalty; service quality and Shariah Compliance has a positive effect on customer satisfaction; service quality has a positive effect but Shariah Compliance has not effect on customer loyalty through customer satisfaction.

Conclusion: Of the seven hypotheses found, six were accepted but one hypothesis was rejected.

Limitations: A survey of 150 clients at one branch, which restricts the generalizability of the findings to all customers of PT Bank Syariah Indonesia in Makassar.

Contribution: It is hoped that the results of this research can provide information on marketing strategies in sharia practice, especially in improving service quality, sharia compliance, customer satisfaction in increasing customer loyalty.

Keywords: *Customer Loyalty, Customer Satisfaction, Service Quality, Shariah Compliance*

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1. Introduction

Bank competition in the era of globalization demands efforts from bank operators to strengthen and build new capabilities. Therefore, every competitive business model must have competitive advantages, including creativity and product innovation, and must be more flexible. In Indonesia, the development of Sharia banking began with the demands of society, which needed a reliable financial system that provided banking and other financial services according to Sharia standards (Ullah, Harwood, & Jamali, 2018). The development and growth of sharia banking is supported by government regulations, which can further strengthen the existence of sharia banking based on sharia principles (Wani, Khanam, & Almonifi, 2021).

In addition, Bank Indonesia continues to support the role of Sharia economics and finance in achieving sustainable growth. Islamic economics and finance have great potential because its principles

emphasize ethics, justice, and equality to achieve wealth (Dzulkepli & Barom, 2021). Interest-free Sharia banking is an alternative to the financial problems of people who still have problems with bank interest. In contrast, bank interest, known as the fee for lending money to the financial and banking industry, is identified as usury (Lekan, Adekola, & Braide, 2018). Based on Sharia Banking Statistics data from 2020 to March 2024, it continues to grow. Total Assets 2020 amounted to Rp. 397,073 billion, then the total assets for 2021 will be IDR. 441,789 billion, then the total assets in 2022 will be IDR. 531,860 billion, the total assets in 2023 will be IDR. 594,709 billion until March 2024, with total assets amounting to IDR 603,782 billion (Source: Keuangan, 2024). Although active growth continues to increase, Islamic banks in Indonesia still face several obstacles, including the growth rate of Islamic banking not being able to match the growth of conventional banks, where, until March 2024, total assets will be IDR. 11,272,046 Billion.

The intense competition between sharia and conventional banking requires sharia banks to develop strategies to maintain customer loyalty. The elements that form customer loyalty are quality service, where a combination of human qualities is reflected by personal behavior or attitudes in interacting with customers (Tumanung, 2021). Customers are a source of company sustainability. Therefore, many companies maintain their markets through customer loyalty development programs that use customer satisfaction as an assessment standard. The tight competition between Islamic and conventional banking requires Islamic banks to develop strategies to maintain customer loyalty. The elements that form customer loyalty are quality service, where a combination of human qualities is reflected by personal behavior or attitudes in interacting with customers (Tumanung, 2021). Customers are a source of sustainability for companies. Therefore, many companies maintain their market through customer loyalty development programs based on customer satisfaction as a standard of assessment.

One of the keys to the success and progress of a business today is maintaining customer loyalty. Considering that it is difficult to obtain and maintain loyal customers, companies are required to maintain them. Loyalty can be observed through certain attitudes and behaviors. Loyalty behavior is important and reflects a positive customer response to the repurchase of certain products or services. The creation of a good relationship between the bank and customers is one of the factors that can cause customers to become loyal (Al-Adwan, Kokash, Adwan, Alhorani, & Yaseen, 2020). One of the factors that influences customer loyalty is the improvement of bank services. Service quality is an important factor in Sharia banking. Cesariana, Juliansyah, and Fitriyani (2022) believes that service quality has become one of the important factors for the success of a business. This quote requires Sharia banking to continue and improve the quality of serving customers. Because Sharia banking service companies are currently facing very tight competition, both with fellow Sharia banks and conventional banks.

Service quality is closely related to customer satisfaction, which cultivates devotion to the bank. Thus, Sharia-compliant banking can increase client fulfillment and cultivate a state of mind of dependability, where Sharia-compliant money maximizes charming client encounters and minimizes unsavory client encounters. Whether or not the quality of Sharia-compliant money for clients is affected by the customer's perception of the quality of the services provided. If the quality of service provided by Sharia banking is good, the customer will feel satisfied, and vice versa; if the quality of service provided to the customer is poor, the customer will feel disappointed and may leave the bank (Zulkarnain, Taufik, & Ramdansyah, 2020).

Most customers are loyal to a Sharia bank because the bank uses basic Sharia principles. This principle is important because it is the main pillar of Sharia compliance. Bank Syariah Indonesia (BSI) assures customers that it makes Sharia values the main foundation in realizing Sharia economic sustainability. This statement can be said to be interesting because the origin of customers' loyal attitude is questioned. Is the application of Sharia values the reason? The researchers found the right variable to describe the sharia values recognized by BSI, namely the Sharia Compliance variable. Sharia principles are Sharia values/norms, and the standards in these values must be satisfied to attain a Sharia bank that meets the measures of the Financial Services Authority (OJK). There are several verses as signs for Islamic banks in the Islamic economic system to comply with Sharia Principles in accordance with the Al-Qur'an and

Hadith. This statement ensures that Sharia compliance is one of the factors whose influence has been tested on customer loyalty and satisfaction as a variable that mediates the two.

Several studies have examined the relationship between service quality and customer loyalty (Dam & Dam, 2021; Surahman, Yasa, & Wahyuni, 2020). However, in contrast to the research results, Sitorus and Yustisia (2018) found that service quality has no effect on customer loyalty. Research related to the relationship between sharia compliance and customer loyalty was found by Ibrahim and Rachmawati (2020), Syarifuddin and Mahesa (2020) and Oktapiani and Anggraini (2022), but the opposite result by Nurjannah, Junaidi, and Maulana (2023) which states that Shariah Compliance does not have a significant effect on customer loyalty.

Then research Dewi, Hajadi, Handranata, and Herlina (2021) and Alabboodi (2019) found that service quality has a positive effect on customer satisfaction. However, this is different from the research Supriyanto, Wiyono, and Burhanuddin (2021), who found that service quality does not significantly affect customer satisfaction. Dam and Dam (2021) and Naini, Santoso, Andriani, Claudia, and Nurfadillah (2022) found that customer satisfaction significantly affects customer loyalty. With a high level of satisfaction, loyalty will also increase. However, Khairawati (2020) found that customer satisfaction does not significantly affect customer loyalty.

The Theory of Planned Behavior (TPB) is used to measure consumer behaviors. The Theory of Planned Behavior (TPB) is a development of the Theory of Resonated Action (TRA), a theory discovered earlier by LaCaille (2020). This research uses TPB as the Grand Theory because it covers consumer behavior described in this research. In the context of customer loyalty, the Theory of Planned Behavior (TPB) states that increasing customer loyalty in BSI will be in line with increasing attitudes, subjective norms, and perceived behavioral control. The more positive attitudes there are and the more confidence a person has in carrying out this behavior, the more it will lead to strong customer loyalty.

2. Literature Review

2.1 *Service Quality Has A Positive Effect On Customer Loyalty*

Service Quality is the provision of services to customers in accordance with company standards, and efforts are made to deliver Sharia banking services or products that are the same as what customers expect or exceed their expectations. For this reason, more efforts are needed, where the company looks further into the future, not only providing satisfaction to customers but also making customers loyal to the company. If the service received is lower than the desired expectation, the customer will feel disappointed, and if the service received is higher than the desired expectation, the customer will feel satisfied. In addition, providing good service quality on an ongoing basis results in high customer loyalty to the company. Research results (Dam & Dam, 2021; Surahman et al., 2020) found that service quality influences customer loyalty. However, this is different from the research results Sitorus and Yustisia (2018), who found that service quality has no effect on customer loyalty.

H1: Service quality has a positive effect on customer loyalty

2.2 *Shariah Compliance has a positive effect on Customer Loyalty*

Shariah compliance is a Shariah bank's compliance with Shariah principles, which means that the bank in its operations follows the provisions of Islamic Shariah, especially regarding Islamic procedures for muamalat. Sharia compliance is operationally defined as compliance with the fatwa of the National Sharia Council (DSN), because the DSN fatwa is an embodiment of sharia principles and rules that must be obeyed by sharia banking (Astuti & Tarantang, 2020).

Sharia compliance in Islamic banking is the ability of Islamic banks to carry out their operational activities in accordance with the established Sharia principles (Nurhisam, 2016). The striking aspect of this operational activity is that it does not use an interest system in its activities. In its operations, there is no term for borrowing money, but it is known as mudharabah and musyarakah or partnership cooperation using profit sharing in the work system. Sharia Compliance or Sharia Compliance is a banking and financial transaction activity and other related businesses based on the Qur'an and the Hadith. Sharia compliance is the application of a bank's form of accountability to Sharia principles in

its operational activities as a financial institution (Nurhisam, 2016). This becomes an indicator and guarantee of Islamic bank compliance with established principles.

There are several previous studies that examined the Shariah Compliance variable on customer loyalty, including research Ibrahim and Rachmawati (2020), Syarifuddin and Mahesa (2020) and Oktapiani and Anggraini (2022) shows that Shariah Compliance has an effect on loyalty. In his research, he explains that enforcing Sharia compliance principles provides a signal and guarantees Islamic banks' compliance with Sharia principles. However, Nurjannah et al. (2023) found the opposite result, that Shariah Compliance does not significantly affect customer loyalty. Therefore, the hypothesis in this section is as follows:

H2: Shariah Compliance has a direct effect on customer loyalty

2.3 Service Quality Has A Positive Effect On Customer Satisfaction

Service quality is closely related to customer satisfaction. Service quality provides a special impetus for customers to establish long-term, mutually beneficial relationships with the company. For customers, service quality and customer satisfaction stem from organized services, thus creating a positive perception for customers (Susanti, Reniati, & Warlina, 2024). Service quality is an action or deed of a person or institution that aims to provide satisfaction to customers or employees (Zairina, Wibisono, Ngaliman, Indrayani, & Satriawan, 2023). In principle, service quality emphasizes efforts to fulfill needs and desires and the accuracy of delivery in meeting customer expectations (Hsu, Chen, & Feng, 2024). Consumer perception of service quality is a total assessment of the superiority of a product that can be in the form of goods or services (Gajewska, Zimon, Kaczor, & Madzik, 2020). Dewi et al. (2021) and Alabboodi (2019) found that service quality positively affects customer satisfaction. However, this is different from the research results Supriyanto et al. (2021), who found that service quality does not significantly affect customer satisfaction. Therefore, the hypothesis in this section is as follows:

H3: Service quality has a positive effect on customer satisfaction

2.4 The Influence Of Shariah Compliance On Customer Satisfaction

Sharia compliance refers to the obedience of Islamic banks to Sharia principles. Islamic banks are financial institutions that operate in accordance with Islamic Sharia principles, meaning that banks in their operations follow the provisions of Islamic Sharia, especially regarding Islamic transaction procedures. The main principle of Islamic banks is reflected in the products they produce, which are interest-free and use the profit-sharing principle. By enforcing the principle of Sharia compliance, it provides an indicator and guarantees the compliance of Islamic banks with Sharia principles. The results of Nurhaliza (2022) and Widiya and Safitri (2022) found that Shariah Compliance leads to satisfaction. This means that if Shariah Compliance is implemented in accordance with Shariah provisions, it will make it easier for customers to make transactions, thereby increasing customer satisfaction. Therefore, the hypothesis in this section is as follows:

H4: Shariah Compliance influences customer satisfaction

2.5 The Influence of Customer Satisfaction on Customer Loyalty

Customer satisfaction is an evaluation after a purchase in which the product chosen is at least the same as or exceeds customer expectations, whereas dissatisfaction arises when the results do not meet expectations. For this reason, more efforts are needed where the company looks further ahead, not only providing satisfaction to customers but also creating loyal customers. Customer satisfaction leads to the intention to buy again (Chen, Chen, and Leung (2023), because when customers are satisfied, they are interested in buying products from companies whose performance meets their expectations (Rahman & Shanjabin, 2022). Achieving customer expectations will not only provide customer satisfaction but also result in customer loyalty, which will reduce customer attrition or increase retention rates. Satisfaction can be increased by providing quality service in accordance with the company's commitment to its customers.

Customer loyalty is considered a result of customer satisfaction when customers who have a good experience with the company's service continue to deal with companies that they consider less risky, thus making them loyal and rational in decision-making. Dam and Dam (2021) and Naini et al. (2022)

found that customer satisfaction significantly affects customer loyalty. However, Khairawati (2020) found that customer satisfaction does not significantly affect customer loyalty. Therefore, the hypothesis in this section is as follows:

H5: Customer satisfaction on customer loyalty

2.6 The Influence Of Service Quality On Customer Loyalty Is Mediated By Customer Satisfaction

High service quality in a company can significantly impact buyer fulfillment and lead to expanded shopper dependability. The quality of a company's benefits is required to preserve client fulfillment (Chen & Shun, 2023). The quality of a bank's service that is done well will give rise to a feeling of satisfaction because it is well served, especially nowadays when competition is increasingly intense. Companies must create truly quality services so that customers or consumers will be loyal, and the company will not be less competitive with other competitors. Putra and Suarmanayasa (2023) and Utami, Saparso, and Wahyoedi (2023) found that Service Quality affects Customer Loyalty, which is mediated by customer satisfaction. Therefore, the hypothesis in this section is as follows:

H6: Service Quality on Customer Loyalty is mediated by customer satisfaction

2.7 The Influence Of Shariah Compliance On Customer Loyalty Is Mediated By Customer Satisfaction

Concurring with inquiries conducted by analysts, not many have inspected the impact of Shariah Compliance on client devotion intervened by fulfillment. Nurjannah et al. (2023) found that customer satisfaction could mediate the influence of Shariah Compliance on Customer Loyalty. In contrast to the results Oktapiani and Anggraini (2022), Sari, Nasution, and Hasibuan (2024) found that customer satisfaction could not mediate the influence of Shariah Compliance on Customer Loyalty. This shows that the Shariah Compliance value given by customers to increase loyalty is greater than the Shariah Compliance value given by customers through satisfaction to increase loyalty. Therefore, the Shariah Compliance value given by customers has a greater influence on increasing loyalty than that generated through satisfaction. Therefore, the hypothesis in this section is as follows:

H7: Shariah Compliance influences customer loyalty through customer satisfaction as an intervening variable

3. Research Methodology

This study used an associative type of explanatory research, which aims to determine the relationship between two or more variables. The population in this study is unbounded, where the unbounded population in this study is taken from the clients of PT Bank Syariah Indonesia KCP Makassar Panakukang. Accidental sampling was used. The minimum sample size for SEM is determined as follows: $(\text{number of indicators} + \text{number of latent variables}) \times (5 \text{ to } 10 \text{ times})$ Based on these guidelines, the maximum sample size for this research is: $\text{Maximum sample} = (26 + 4) \times 5 = 150$ respondents. with a sample size of 150 respondents, was used. The analysis technique used is Structural Equation Modeling-Partial Least Square (SEM-PLS) as a statistical technique used in building and testing statistical models, usually in the form of a causal model, with data collection carried out through research instruments, by distributing questionnaires to customers and then processed to obtain research results.

4. Results and Discussion

4.1 Result

4.1.1 Validity and Reliability Test

Table 1. Validity and Reliability Test Results

Variable	Instrument	Outer Loading	Average Variance Extracted (AVE)
Service Quality (X1)	SQ.1	0.803	0.841
	SQ.2	0.843	
	SQ.3	0.760	
	SQ.4	0.774	
	SQ.5	0.808	

Shariah Compliance (X2)	SQ.6	0.802	0.834
	SQ.7	0.842	
	SQ.8	0.816	
	SC.1	0.779	
	SC.2	0.787	
	SC.3	0.801	
	SC.4	0.738	
	SC.5	0.868	
Customer Satisfaction (Z)	SC.6	0.836	0.879
	SC.7	0.812	
	SC.8	0.810	
	CS.1	0.894	
	CS.2	0.834	
Customer Loyalty (Y1)	CS.3	0.734	0.823
	CS.4	0.775	
	CS.5	0.832	
	CL.1	0.810	
	CL.2	0.757	
	CL.3	0.816	
	CL.4	0.791	
	CL.5	0.835	

Source: Data processed, 2024

From the table above, it is found that the outer model value or correlation between constructs and variables is above the loading factor value of 0.50, meaning that service quality, sharia compliance, customer satisfaction and customer loyalty meet the validity criteria.

Table 2. Composite Reliability and Cronbach alpha

Variable	Composite Reliability	Cronbach's Alpha
Service Quality (X1)	0.782	0.876
Shariah Compliance (X2)	0.873	0.867
Customer Satisfaction (Z)	0.720	0.812
Customer Loyalty (Y1)	0.853	0.856

Source: Primary data processed, 2024

The composite reliability and Cronbach's alpha results show that the values of service quality, sharia compliance, customer satisfaction, and customer loyalty are each above 0.70, meaning that all variable instruments are reliable.

Table 3. R Square Test

Construct	R Square	Adj. R Square
Customer Satisfaction(Z)	0.723	0.716
Customer Loyalty(Y1)	0.684	0.674

Source: Data processed (PLS, 2024)

The adjusted R-squared value for the Customer Satisfaction variable is 0.716 or equal to 71.60% yang means that customer satisfaction can be explained by service quality and sharia compliance amounting to 71.60%, while the remaining 28.40% can be explained by other variables not included in this study. The Adjusted R-Square value for the customer loyalty variable is 0.674 or equal to 67.40% yang means that customer loyalty can be explained by service quality, sharia compliance, and customer satisfaction, amounting to 67.40%, while the remaining 32.60% can be explained by other variables not included in this study.

Hypothesis Testing After evaluating the model using the SEM-PLS approach with the PLS 3.0 analysis tool, the test results are obtained based on the path coefficient and p-value, which can be seen in Figure 1 and Table 4 below:

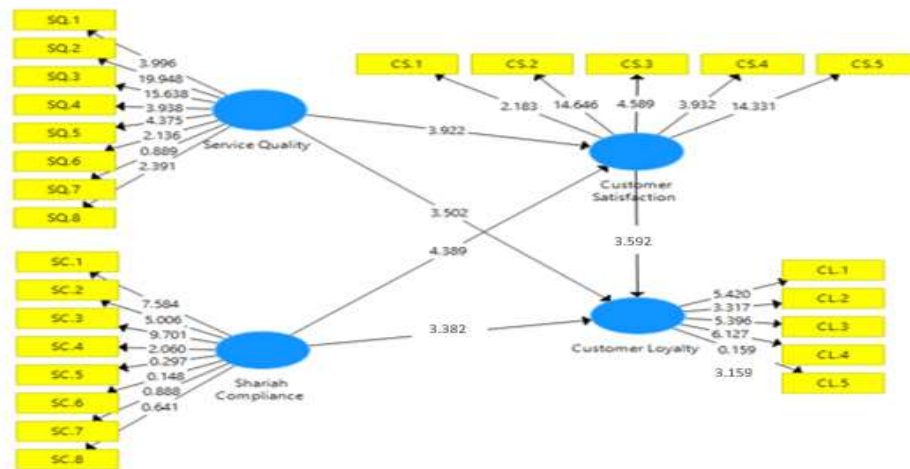


Figure 1. PLS output
Source: Data processed (PLS, 2022)

The results of the PLS data processing in Figure 1 are summarized in the hypothesis test results in Table 4.

Table 4. Hypothesis Test Results

Variable Iner	Original Sample	Std. Deviation	T Statistics	P Values
Service Quality on Customer Satisfaction	0.420	0.456	3,922	0,000
Shariah Compliance on Customer Satisfaction	0.490	0.107	4,389	0,000
Service Quality on Customer Loyalty	0.628	0.584	3,502	0.001
Shariah Compliance on Customer Loyalty	0.236	0.253	3,382	0.003
Customer Satisfaction on Customer Loyalty	0.229	0.242	3,592	0.001

Source: Data processed (PLS, 2024)

Figure 1 and Table 4 show that Benefit Quality has a critical, positive impact on Client Fulfillment, as seen from the coefficient esteem of 0.420 and p-value of 0.000 (backed). Shariah Compliance has a critical positive impact on Client Satisfaction, as shown by the path coefficient value of 0.490 and p-value of 0.000 (supported). Service Quality has a critical, positive impact on Client Dependability, as evidenced by a coefficient of 0.628 and a p-value of 0.001 (supported). Shariah Compliance has a critical positive impact on Customer Loyalty, as shown by the path coefficient value of 0.236 and p-value of 0.003 (supported). Customer Satisfaction has a noteworthy positive impact on Client Devotion, as shown by the path coefficient value of 0.229 and p-value of 0.001 (supported).

Table 5. Hypothesis Test Results

Variable Iner	Original Sample	Std. Deviation	T Statistics	P Values
Service Quality on Customer Loyalty through Customer Satisfaction	0.436	0.401	3,221	0.003

Shariah Compliance on Customer Loyalty through Customer Satisfaction	0.312	0.138	1,618	0.103
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Source : Data processed (PLS, 2024)

Figure 1 and Table 4 show that Service Quality has a significant positive effect on Customer Loyalty through trust, as seen from the path coefficient value of 0.436 and p-value 0.000 (supported). Shariah Compliance has a significant positive effect on Customer Loyalty through Customer Satisfaction, as indicated by a path coefficient value of 0.312 and a p-value of 0.103 (not supported).

4.2 Discussion

4.2.1 Service quality influences customer loyalty

The results of this research found that service quality has a positive and significant effect on customer loyalty. This means that if the quality of service provided by the company is in line with expectations and performance, consumers will be happy because the expectations and performance of the service are good, and consumer loyalty will directly arise to the company. Fulfilling customer expectations regarding the various services provided by BSI will further increase customers' sense of loyalty towards BSI. The results of this study support the research results Rahman and Shanjabin (2022), Dam and Dam (2021), Novyantri and Setiawardani (2021) and Asri and Dwiayanto (2022) found that service quality has a direct effect on customer loyalty. However, this is different from the research results Handayani, Wijono, and Sulistyowati (2022) and Wibowo, Alwie, and Putro (2022), who found that service quality does not have a direct effect on customer loyalty.

4.2.2 Shariah Compliance influences customer loyalty

The results of this study found that Sharia compliance has a positive and significant effect on customer loyalty. This means that the higher the sharia compliance of a customer, the higher the level of customer loyalty. Compliance with Islamic law can have an influence on customer commitment in choosing a financial institution in accordance with the customer's beliefs in choosing a financial institution in accordance with the customer's beliefs. Customers who try to implement Islamic laws will carry out repeat transactions and choose Bank Syariah Indonesia because it offers Islamic products and is far from haram activities, which increases customer loyalty. The results of this study support the research results Syarifuddin and Mahesa (2020), Ibrahim and Rachmawati (2020) and Oktapiani and Anggraini (2022) shows that Shariah Compliance has an effect on loyalty. However, the research results Nurjannah et al. (2023) found the opposite result: Shariah Compliance did not significantly affect customer loyalty.

4.2.3 Service Quality on Customer Satisfaction

The results of this study found that service quality has a positive and significant effect on customer satisfaction. This means that the better the service provided, the more satisfied the customer will feel. Customers who are satisfied with the quality of service provided will have a positive attitude, so that customers will be satisfied. If the quality of service provided is very poor, customers tend not to make transactions. The results of this study support the research results Dewi et al. (2021) and Putra and Suarmanayasa (2023) found that service quality has a positive effect on customer satisfaction. However, this is different from the research results Supriyanto et al. (2021), who found that service quality does not significantly affect customer satisfaction.

4.2.4 Shariah Compliance on Customer Satisfaction

The results of this study found that Sharia compliance has a positive and significant effect on customer satisfaction. This means that the higher Bank Syariah Indonesia's compliance with Sharia principles in operating transactions offered to customers, namely interest-free using the profit-sharing principle, the greater the customer satisfaction. The results of this study support the findings of Nurhaliza (2022) and Widiya and Safitri (2022), who found that Shariah Compliance affects satisfaction. This means that if Shariah Compliance is implemented in accordance with Shariah provisions, it will make it easier for customers to make transactions, thereby increasing customer satisfaction. However, no research

contradicts the results of this study, which states that Sharia compliance does not have a positive and significant effect on customer satisfaction.

4.2.5 Customer Satisfaction on Customer Loyalty

The results of this study found that customer satisfaction has a positive and significant effect on customer loyalty. This means that if customers feel satisfied with the services and products offered by Bank Syariah Indonesia, customer loyalty will increase. Customer satisfaction is a person's feeling of happiness or disappointment that arises after comparing the customer's perception or impression of the results of a product with the customer's expectations. A company's success depends on its employees' ability to provide good service, so that customers feel satisfied, and in the eyes of customers, the company's image is good and positive. The results of this study support the findings of Dam and Dam (2021) and Naini et al. (2022), who found that satisfaction has a significant effect on customer loyalty. This explains that services are activities or actions, so when a service is delivered to customers, several factors influence customer loyalty. However, the results of this study are different from the results of research Khairawati (2020) and Jennifer and Lailita (2023) found that satisfaction has no significant effect on customer loyalty. This usually occurs because satisfaction is not the main factor in increasing customer loyalty to the bank that is the object of research.

4.2.6 Service Quality on Customer Loyalty Through Customer Satisfaction

The results of this study found that service quality has a positive and significant effect on customer loyalty through customer satisfaction. This means that the better the quality of service in the company, the more it can influence consumer satisfaction and lead to increased consumer loyalty. Quality provides an incentive for customers to build strong relationships with the company. In the long term, ties like this allow companies to thoroughly understand customer expectations and needs. In this way, companies can increase customer satisfaction by providing pleasant service, which will create high consumer loyalty towards the company. The results of this study support the research results Putra and Suarmanayasa (2023) and Utami et al. (2023), who found that Service Quality affects Customer Loyalty, which is mediated by customer satisfaction. However, this is different from the research results Asri and Dwiayanto (2022), who found that customer satisfaction could not mediate the relationship between service quality and customer loyalty.

4.2.7 Shariah Compliance influences customer loyalty through mediating customer satisfaction

The results of this study found that sharia compliance has no effect on customer loyalty through customer satisfaction. This means that the higher Sharia compliance of Bank Syariah Indonesia does not guarantee customer loyalty through the mediation of consumer satisfaction. The results of this study support the findings of Oktapiani and Anggraini (2022) and Sari et al. (2024), who found that customer satisfaction could not mediate the influence of Shariah Compliance on customer loyalty. This shows that the Shariah Compliance value given by customers to increase loyalty is greater than the Shariah Compliance value given by customers through satisfaction to increase loyalty. Therefore, the Shariah Compliance value given by customers has a greater influence on increasing loyalty than that produced through satisfaction. However, the results of this study do not support the findings of Nurjannah et al. (2023), who found that customer satisfaction could mediate the influence of Shariah Compliance on customer loyalty.

5. Conclusion

5.1 Conclusion

The conclusions of this study are as follows: (1) Service quality has a positive and significant effect on customer loyalty. This means that if the quality of service provided by the company is in line with expectations and performance, consumers will be happy because the expectations and performance of the service are good, and consumer loyalty will directly arise to the company. (2) Shariah compliance positively and significantly affects customer loyalty. This means that the higher the sharia compliance of a customer, the higher the level of customer loyalty. (3) Service quality positively and significantly affects customer satisfaction. This means that the better the service provided, the more satisfied the customer will feel with what they have received; (4) Sharia compliance has a positive and significant effect on customer satisfaction. This means that the higher Bank Syariah Indonesia's compliance with

Sharia principles in operating transactions offered to customers, namely interest-free using the profit-sharing principle, the greater the customer satisfaction., (5) Customer satisfaction has a positive and significant effect on customer loyalty. This means that if customers feel satisfied with the services and products offered by Bank Syariah Indonesia, customer loyalty will increase. (6) Service quality positively and significantly affects customer loyalty through customer satisfaction. This means that the better the quality of service in the company, the more it can influence consumer satisfaction and lead to increased consumer loyalty. (7) Shariah compliance does not affect customer loyalty through customer satisfaction. This means that the higher Sharia compliance of Bank Syariah Indonesia does not guarantee customer loyalty through the mediation of consumer satisfaction.

5.2 Limitation

This study had some limitations. First, it uses primary data sources derived from questionnaires, where the research sample is 150 customers of PT Bank Syariah Indonesia KCP Makassar Panakukang, who are also consumers of Honda Sanggar Laut Selatan in Makassar. Therefore, it is not possible to generalize all customers of PT Bank Syariah Indonesia in Makassar.

5.3 Suggestion

Based on the results of this study, several suggestions can be made for future research. Future researchers who test customer loyalty influenced by service quality, Shariah compliance, and customer satisfaction should research a wider range of materials so that the research results can be generalized. Other factors, both externally and internally, must be considered again because they can determine the influence of customer loyalty, which is more significant than the quality of service, Shariah compliance, and customer satisfaction.

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