

The Effect of Company Reputation and Service Quality on Customer Loyalty with Trust as an Intervening Variable (Case Study on Bank Mandiri Taspen Kcp Belitung Customers)

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Abstract. *This study examines the unstable loyalty of retired customers at Bank Mandiri Taspen KCP Belitung amidst the dominance of long-standing local banking competitors. The main issue raised is the role of corporate reputation and service quality in maintaining customer loyalty, and the extent to which trust can mediate this relationship. The purpose of this study is to analyze and explain the direct and indirect effects of corporate reputation (X1) and service quality (X2) on customer loyalty (Y) by placing trust in the company. (Z) as an intervening variable. The research method applied is an explanatory quantitative approach. Data collection was conducted by distributing structured questionnaires to a saturated sample of 79 respondents who were retired customers at Bank Mandiri Taspen KCP Belitung. The data analysis technique used to test the structural model and research hypothesis was Partial Least Squares - Structural Equation Modeling (PLS-SEM). The results of the model testing show empirical findings that contrast with service quality being proven to have a positive and significant direct effect on customer loyalty (coefficient = 0.763) and on trust (coefficient = 0.681). Trust was also found to have a positive and significant effect on increasing customer loyalty (coefficient = 0.559). Conversely, corporate reputation empirically does not have a significant direct effect on trust or customer loyalty. The results of the indirect effect test indicate that trust is unable to significantly mediate the relationship between corporate reputation and service quality on customer loyalty. The study's conclusions confirm that at Bank Mandiri Taspen KCP Belitung, the loyalty of retired customers is not shaped by the company's national macro reputation. As a new bank, operating in the study area since December 2021, the bank's local reputation is still developing and must compete with regional banks with strong emotional ties and local branding. Customer loyalty is more predominantly constructed by tangible experiences of direct interactions through quality physical service and interpersonal trust.*

Keywords: Corporate Reputation; Customer Loyalty; Service Quality; Trust; PLS-SEM.

1. Introduction

The massive and ongoing development of the digital era has impacted increasingly complex competition in the banking industry. Economic globalization demands that banking companies continuously improve their services, maintain their reputation, and understand customer behavior and perceptions in their banking decisions. According to (Souiden & Ladhari, 2021), competition between banks now revolves not only around products and interest rates, but also around customer experience, digital quality, and service speed. This indicates that the competitive orientation has shifted toward service aspects and customer perceptions of the value offered by banking institutions.

In the context of banks as business entities/financial institutions that collect funds from the public in the form of savings and distribute them back to the public, in the form of credit or financing in other forms in order to improve the standard of living of the people (Law of the Republic of Indonesia Number 10 of 1998 concerning Amendments to Law Number 7 of 1992 concerning Banking, 1998). The main function of banks is as financial intermediaries, facilitating payment traffic and improving the standard of living of the people. Indonesia has many types of banking that can be categorized based on function, ownership and operations. Based on function, banks can be divided into Central Banks, Commercial Banks, and Rural Credit Banks (BPR). The important role that commercial banks play in improving corporate reputation and service quality, as well as trust, are crucial factors influencing customer loyalty.

Quoting Fandy Tjiptono's opinion in the Book of Service Marketing: Principles, Applications, and Research, Customer loyalty or in this case the customer describes a condition where the customer not only has a good perception and attitude towards a brand, but is also committed to continuing to choose it and consistently making repeat purchases within a certain period of time (Tjiptono, 2014). Meanwhile, according to (Kotler et al., 2016) in the Marketing Management Book, they define that customer loyalty is the tendency of customers to continue using a company's products or services in the long term and show a positive attitude and recommend it to others. Thus, customer loyalty is not just repeat purchasing behavior, but a representation of banking success in building long-term relationships based on trust, satisfaction, and emotional attachment. Loyalty is a strategic indicator that reflects the extent to which the value offered by banking is able to meet customer expectations and maintain the sustainability of mutually beneficial relationships amidst increasingly dynamic industrial competition.

Various factors influencing customers in choosing products are believed to shape their perceptions of a bank, one of which is the reputation of the banking company. Reputation itself is a perception formed through interaction, communication, and Stakeholder experience influences the credibility and performance of an organization (Chowdhury, 2019). Therefore, reputation not only reflects a company's image but also demonstrates consistency in providing services and meeting customer expectations. In the banking

industry, a good reputation is an important indicator that can increase trust, strengthen loyalty, and encourage customers to choose certain services. This is consistent with previous research (Panggalo, 2020a), which found that company reputation has been shown to have a positive and significant influence on customer decisions in selecting products at a bank. A good reputation also reflects the level of trust, credibility, and positive image of a financial institution, making it a key factor in determining customer loyalty.

In essence, customer loyalty is not only determined by the bank's reputation, but also by the quality of service received. To increase customer loyalty, management is required to be able to improve the quality of service to customers. Quoted in the book "Service, Quality and Customer Satisfaction" (Tjiptono & Chandra, 2019), service quality reflects the level of excellence expected and control over that level of excellence to meet customer desires. Tjiptono emphasizes that service quality is a continuous effort to consistently meet or exceed customer expectations. Service quality is the customer's perception of the excellence of the service provided, compared to their expectations, and includes aspects such as reliability, empathy, responsiveness, assurance, and Physical evidence. As one of the factors that must be considered in supporting banking activities, service quality is a crucial factor in driving long-term customer loyalty.

To support long-term loyalty between banks and customers, trust is a fundamental aspect that underpins the continuity of customer interactions with banking institutions. Trust not only reflects customer confidence in the bank's credibility but also forms the basis for decision-making and customer behavior, which dictates the continued use of certain bank products or services. Morgan and Hunt, in relationship marketing, emphasize that trust is a central element that underpins commitment in buying and selling relationships. Trust arises when one party believes in the reliability, integrity, and good intentions of the other party in fulfilling promises and maintaining a mutually beneficial long-term relationship (Morgan & Hunt, 1994). In other words, trust serves as a binding force for customers to banking institutions because it can reduce the perception of risk and uncertainty in their financial decision-making.

Mayer, Davis, and Schoorman define trust as a person's willingness to be vulnerable to the actions of another party, based on the expectation that that party will act appropriately and harmlessly, even though the individual does not have complete control over the situation. In other words, trust still involves an element of risk and uncertainty. In the context of service relationships, trust is seen as a fundamental element in building long-term relationships, as it reflects confidence in the reliability, integrity, and competence of the service provider in fulfilling its obligations. Therefore, customers are willing to entrust their financial needs to banks that are perceived as having credibility and reliable capabilities (Mayer, Davis, & Schoorman, 1995).

In banking, reputation and service quality are crucial factors in building customer trust. Service quality reflects a bank's ability to meet customer expectations through reliability,

responsiveness, empathy, and service assurance (Tjiptono & Chandra, 2019). Theoretically, these two factors play a role in building trust, which in turn forms the basis for long-term loyalty (Morgan & Hunt, 1994).

Although the relationship between corporate reputation, service quality, trust, and loyalty has been extensively researched, previous empirical findings remain inconsistent. Irawan and Tjahjaningsih (2016) found that corporate reputation and service quality significantly influence customer trust. Handayani's findings indicate that corporate reputation and trust have a positive effect on customer loyalty (Handayani, 2024). However, other studies have shown different results. Rozikin et al., 2022 found that (Damayanti, 2024) found that service quality had no significant effect on loyalty, while corporate reputation did not significantly influence loyalty. These differing results indicate that the relationship between corporate reputation, service quality, trust, and loyalty is not yet fully conclusive and requires further testing.

In addition to inconsistent results, most previous studies have prioritized satisfaction as a mediating variable over trust. Yet, in the high-risk banking industry, trust is a fundamental factor that mediates the influence of reputation and service quality on loyalty. Therefore, there is still a gap in research that simultaneously examines the influence of corporate reputation and service quality on customer loyalty, with trust as an intervening variable, particularly in the context of banks serving the retired customer segment.

This research gap becomes even more relevant when linked to the empirical conditions at Bank Mandiri Taspen KCP Belitung, which shows fluctuations in customer acquisition achievements throughout 2025, as seen in Table 1.1. The significant fluctuation in acquisition percentages indicates that customer loyalty is not yet fully stable. This raises the question of whether the company's reputation and the quality of its services have been able to build strong trust, thus impacting customer loyalty, or whether there are relationship mechanisms that have not been comprehensively identified.

Based on customer acquisition data at Bank Mandiri Taspen KCP Belitung which shows fluctuations, both decreases and increases, during the period from January to December 2025. April was the highest acquisition achievement with a percentage of 83% while May was the lowest acquisition achievement with a percentage of only 13%. This significant fluctuation indicates the possible influence of company reputation and service quality on loyalty with trust as an intervening variable which in this case is retired customers of Bank Mandiri Taspen KCP Belitung.

Therefore, the research "The influence of company reputation and service quality on loyalty with trust as an intervening variable (Case study on customers of Bank Mandiri Taspen KCP Belitung) is important and urgent to be carried out in order to empirically test the influence of reputation and service quality on loyalty with trust as an intervening variable (Case study on customers of Bank Mandiri Taspen KCP Belitung) company and service quality on

customer loyalty with trust as an intervening variable on Bank Mandiri Taspen KCP Belitung customers.

The findings of this study not only provide theoretical contributions to the development of financial services consumer behavior models, but also practically, the results of this study are expected to be a basis for the management of Bank Mandiri Taspen KCP Belitung in formulating strategies to improve reputation and service quality that are oriented towards strengthening trust and increasing customer loyalty in a sustainable manner.

2. Research Methods

The type of research used in this study is explanatory research. Explanatory research is research that aims to explain the causal relationship between variables through testing previously formulated hypotheses (Sugiyono, 2019). This approach not only describes phenomena but also attempts to analyze the relationships and influences between constructs in a research model. According to (Creswell & Creswell, 2017), explanatory research in a quantitative approach is used to test theories by measuring the relationship between variables and analyzing them using statistical procedures. In addition, (Sekaran & Bougie, 2016) state that explanatory research aims to identify causal relationships between variables and explain how and why a phenomenon occurs.

3. Results and Discussion

3.1. Measurement Model Analysis (Outer Model)

Measurement model analysis (outer model) aims to evaluate the relationship between latent variables and their constituent indicators. In this study, the latent variables tested include company reputation (X1), service quality (X2), trust (Z), and customer loyalty (Y). Outer model testing is conducted to ensure that each indicator used is appropriate and capable of measuring the intended construct validly and reliably. Imam Ghozali (Ghozali, 2018) stated that the evaluation of the measurement model in SEM-PLS includes tests of convergent validity, discriminant validity, and construct reliability.

Convergent Validity Test

Convergent validity tests were conducted to determine the extent to which the indicators in each variable, namely company reputation (X1), service quality (X2), trust (Z), and customer loyalty (Y) are able to represent the constructs being measured. This test ensures that the indicators in one variable have a high level of interrelationship and consistently measure the same concept.

According to Imam Ghozali (2018), convergent validity can be evaluated through loading factor values and Average Variance Extracted (AVE). Therefore, in this study, convergent validity testing was conducted in two stages: loading factor analysis and AVE value.

Loading Factor Value

This test is conducted by examining the outer loading value, namely the correlation between the indicator and its construct. In the SEM-PLS approach, an indicator is considered valid if it has a loading factor value above 0.70, but in exploratory research, a value above 0.50 is still acceptable. Conversely, indicators with loading values below 0.50 must be eliminated because they are deemed incapable of adequately representing the construct.

Based on the results of the first stage of testing in Table 4.6, most indicators have met the convergent validity criteria with outer loading values above 0.50. However, there are several indicators in the service quality variable (X2) that have not met these criteria, namely indicators X2.3 (0.479), X2.5 (0.449), and X2.8 (0.469). These values are below the minimum threshold of 0.50, so these indicators are declared invalid and need to be removed from the measurement model.

After eliminating invalid indicators, retesting was carried out in the second stage as presented in Table 4.7. The test results show that all indicators in the company reputation (X1), service quality (X2), trust (Z), and customer loyalty (Y) variables have

The outer loading value is above 0.50. Thus, all indicators used in the second stage are declared valid and able to represent the construct being measured. The fulfillment of convergent validity indicates that each indicator has an adequate correlation with its construct, so that the research instrument is able to measure the variables accurately. This serves as an important foundation for further analysis, especially in testing the relationship between variables in accordance with the research objectives, namely analyzing the influence of company reputation and service quality on customer trust and loyalty, as well as testing the role of trust as an intervening variable.

Average Variance Extracted (AVE)

Convergent validity testing in this study was conducted through the evaluation of the Average Variance Extracted (AVE) value, which aims to measure the construct's ability to explain the variance of its constituent indicators. AVE reflects the extent to which the indicators of a latent variable are able to explain the construct. According to (Hair et al., 2021), a construct is said to have good convergent validity if the AVE value is greater than 0.50, meaning the construct is able to explain more than 50% of the variance of its indicators. Furthermore, Imam Ghozali also stated that a low AVE value indicates weaknesses in the indicators in optimally representing the latent construct.

Based on the data processing results in Table 4.8, it is known that the trust variable (Z) has an AVE value of 0.592 and corporate reputation (X1) of 0.547, so both have met the convergent validity criteria. This indicates that the indicators in both variables are able to explain the construct adequately and have a good level of validity.

However, the service quality variable (X2) has an AVE value of 0.339 and customer loyalty (Y)

of 0.486, which is below the threshold of 0.50. This condition indicates that the service quality and loyalty constructs have not been fully able to explain the variance of their indicators optimally. Referring to Imam Ghozali's opinion, an AVE value below 0.50 indicates that some indicators still have a weak contribution to the construct, so further evaluation of the measurement model is needed.

In the context of this research, these findings are important because the variables of service quality and loyalty are key variables in achieving the research objectives. Service quality (X2) is analyzed for its influence on trust (Z) and loyalty (Y), while loyalty (Y) is the main dependent variable. Meanwhile, trust (Z) acts as a variable.

intervening in the relationship between corporate reputation and service quality on customer loyalty. Therefore, optimal construct validity is essential for accurate interpretation of the test results of the relationship between variables. However, in SEM-PLS practice, an AVE value slightly below 0.50 is still tolerable as long as the indicators have adequate outer loadings and the construct meets reliability criteria, as explained by Hair et al., 2021. This indicates that the measurement model can still be used, provided further evaluation of suboptimal indicators is conducted.

Thus, the AVE test results indicate that some constructs have theoretically met convergent validity, while others still require refinement. These findings provide an important basis for ensuring that the analysis of the relationship between corporate reputation, service quality, trust, and customer loyalty can comprehensively support the achievement of the research objectives.

Reliability Test

Reliability testing is conducted to measure the level of internal consistency of indicators in forming latent variables, namely company reputation (X1), service quality (X2), trust (Z), and customer loyalty (Y). This testing aims to ensure that the indicators used are able to provide consistent results when measured repeatedly.

In SEM-PLS, construct reliability is measured using two indicators.

The main criteria are Cronbach's Alpha and Composite Reliability. According to Imam Ghozali, a construct is said to be reliable if it has a Cronbach's Alpha and Composite Reliability value above 0.70.

Cronbach's Alpha

Reliability testing in this study was conducted using the Cronbach's alpha coefficient to assess the internal consistency of each construct in the SEM-PLS model. This test aims to ensure that the indicators used to measure the research variables, namely company reputation (X1), service quality (X2), trust (Z), and loyalty (Y), have an adequate level of reliability to support the accuracy of the analysis results in answering the research

objectives.

Based on the data processing results presented in Table 4.10, it is known that all variables have Cronbach's alpha values above the recommended threshold, which is 0.70. In detail, the reputation variable (X1) has a value of 0.795, service quality (X2) of 0.892, trust (Z) of 0.824, and loyalty (Y) of 0.740. These values indicate that each construct has a level of consistency good internal.

The high Cronbach's alpha value for the service quality variable indicates that the indicators used are highly consistent in representing the construct. Meanwhile, the trust and reputation variables also demonstrated strong reliability, indicating that both variables are measured stably. Meanwhile, the loyalty variable, although having a relatively lower value compared to the other variables, remains above the established minimum threshold and can therefore be categorized as reliable.

Thus, it can be concluded that all variables in this study met reliability criteria. This indicates that the research instrument is able to consistently measure the constructs of reputation, service quality, trust, and loyalty, making it suitable for use in further analysis to examine the relationships between variables in accordance with the research objectives.

Composite Reliability

The construct reliability test in this study was also strengthened through Composite Reliability (CR) testing to assess the internal consistency of indicators in forming latent variables in the SEM-PLS model. According to Imam Ghozali, Composite Reliability is a more appropriate measure in a variance-based SEM approach like PLS, because it does not assume indicator equivalence (tau-equivalence) as in Cronbach's alpha. Therefore, Composite *Reliability* is considered more capable of accurately describing the construct's reliability. The recommended Composite Reliability value is greater than 0.70 to indicate that the construct has good reliability.

Based on the data processing results in Table 4.11, all variables in this study showed Composite Reliability values above 0.70. The trust variable (Z) has a value of 0.878, service quality (X2) of 0.906, loyalty (Y) of 0.823, and company reputation (X1) of 0.858. These values indicate that each construct has a high level of internal consistency in explaining its constituent indicators.

More specifically, the service quality variable demonstrated the highest Composite Reliability value, reflecting the highly consistent representation of the construct being measured. The trust and corporate reputation variables also demonstrated strong reliability, while the loyalty variable still met reliability criteria despite having a relatively lower value compared to the other variables.

Referring to the criteria put forward by Imam Ghazali, all

The variables in this study met construct reliability standards. This indicates that the research instrument is able to measure corporate reputation, service quality, trust, and loyalty consistently and reliably, making it suitable for use in further analysis to address the research objectives.

Structural Model Analysis (Inner Model)

The structural model analysis (inner model) aims to test the causal relationship between the latent variables in the study, namely company reputation (X1), service quality (X2), trust (Z), and customer loyalty (Y). This model illustrates the extent to which the independent variables are able to explain and influence the dependent variable based on the theoretical framework that has been constructed.

According to Imam Ghozali, evaluation of the inner model in SEM-PLS is carried out through several tests, namely the coefficient of determination (R^2), effect size (f^2), predictive relevance (Q^2), and hypothesis testing through bootstrapping.

Coefficient of Determination Test (R^2)

The coefficient of determination (R^2) in this study is used to measure the extent to which exogenous variables are able to explain endogenous variables in the SEM-PLS structural model. The R^2 value indicates the level of the model's predictive ability in explaining variations in the dependent construct. According to Imam Ghozali, R^2 values are classified into three categories: 0.75 (strong), 0.50 (moderate), and 0.25 (severe) (weak). In addition, the Adjusted R^2 value is used to adjust for the number of predictor variables in the model, thus providing a more accurate estimate.

Based on the test results in Table 4.12, the R^2 value for the trust variable (Z) is 0.413 with an Adjusted R^2 value of 0.397. This indicates that the company reputation (X1) and service quality (X2) variables are able to explain 41.3% of the variation in customer trust, while the remaining 58.7% is influenced by other variables outside the research model. This value is included in the moderate category, which indicates that the model has sufficient explanatory power in shaping customer trust, but there are still other external factors that contribute.

Furthermore, the customer loyalty variable (Y) has an R^2 value of 0.580 with an Adjusted R^2 of 0.563. This indicates that the service quality (X2) and trust (Z) variables are able to explain 58% of the variation in customer loyalty, while the remaining 42% is influenced by other variables outside the model. This value is also in the moderate category, indicating that the research model has quite good predictive ability in explaining customer loyalty.

In relation to the research objectives, these results provide evidence

Empirical evidence suggests that corporate reputation and service quality play a role in shaping customer trust, as formulated in the third and fourth research objectives. Furthermore, the influence of service quality and trust on customer loyalty, as stated in the

second and fifth research objectives, also demonstrates a significant contribution in explaining the dependent variable.

Furthermore, the relatively higher R^2 value for the loyalty variable compared to trust indicates that trust plays a significant role in strengthening customer loyalty. This also supports the sixth research objective, which is to analyze the role of trust as an intervening variable in the relationship between corporate reputation and service quality on customer loyalty at Bank Mandiri Taspen KCP Belitung.

Thus, based on the results of the coefficient of determination (R^2) test, it can be concluded that the research model has a fairly good (moderate) explanatory ability in describing the relationship between variables, so it is suitable for use for further hypothesis testing.

Hypothesis Testing

Testing was conducted using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) approach through bootstrapping to obtain path coefficients, T-statistics, and P-values. These results were used to determine whether the relationship between variables in the model was significant.

The basis for decision-making in hypothesis testing refers to the significance criteria proposed by Imam Ghozali, namely if the T-Statistics value > 1.96 and P-Values < 0.05 at a 5% significance level, then the hypothesis is declared accepted or proven significant. Conversely, if the value does not meet these criteria, then the hypothesis is declared unsupported by the data.

In addition to testing significance, this analysis also aims to examine the direction and strength of the relationship between variables in the research model, both direct and indirect effects through the mediating variable trust (Z). Therefore, this hypothesis test serves as the primary basis for answering all previously established research objectives, particularly those related to the influence of company reputation and service quality on customer trust and loyalty.

Furthermore, within the Structural Equation Modeling–Partial Least Squares (SEM-PLS) framework, model evaluation focuses not only on testing structural relationships (inner model), but also includes assessing the measurement model (outer model) through convergent validity, discriminant validity, and construct reliability tests to ensure that each indicator accurately represents the latent variable. Furthermore, the coefficient of determination (R^2) and predictive relevance (Q^2) are also used to assess the model's ability to explain data variability and its predictive power regarding the relationships between variables. Thus, the combination of significance testing, direction and strength of relationships, and model quality evaluation provides a comprehensive foundation for interpreting research findings related to the influence of corporate reputation and service quality on customer trust and loyalty.

3.2. Bootstrapping Test Results

Direct effect

Hypothesis testing was carried out using the bootstrapping method on the SEM-PLS model by looking at the T-Statistics value (>1.96) and P-Value (<0.05) as stated by Imam Ghozali.

Based on the results of hypothesis testing, this study shows that customer loyalty of Bank Mandiri Taspen KCP Belitung is more influenced by the quality of service and trust built through direct service experience than the company's reputation, which is influenced by the characteristics of the Belitung and East Belitung communities which tend to be rural and the existence of Bank Sumsel Babel as a competitor which already has stronger social closeness and local branding in the community.

Indirect effect

The indirect influence test in this study aims to

To determine the role of the trust variable (Z) as an intervening variable in the relationship between exogenous variables and endogenous variables. Testing was carried out using the bootstrapping method with significance criteria based on T-Statistics values > 1.96 and P-Value < 0.05 , as stated by Imam Ghozali.

1. The Influence of Service Quality (X2) $\rightarrow$ Trust (Z) $\rightarrow$ Loyalty

The coefficient value obtained was 0.381, the T-Statistics value was 1.767, and the P-Value was 0.077 (>0.05). This indicates that the indirect effect is not significant, so trust is unable to mediate the relationship between service quality and customer loyalty.

This condition shows that customer loyalty at Bank Mandiri Taspen KCP Belitung is formed more directly through the service experience felt by customers compared to through the process of building trust as an intermediary variable. The majority of respondents in this study were retired customers with early elderly characteristics who tend to prioritize real-world experiences in transactions, such as staff friendliness, ease of service, convenience, and speed of service. Thus, good service quality can directly encourage customer loyalty without having to go through the process of trust mediation first.

Furthermore, the predominantly rural or semi-rural nature of Belitung and East Belitung communities makes interpersonal relationships and direct service experiences key factors in maintaining customer loyalty. In such a society, loyalty is more quickly formed through social interactions and direct service experiences than through indirect psychological mechanisms.

2. The Influence of Company Reputation (X1) $\rightarrow$ Trust (Z) $\rightarrow$ Loyalty

The coefficient value was -0.027, the T-statistic was 0.264, and the P-value was 0.791 (>0.05). This indicates that the indirect effect is not significant, so trust does not act as a

mediator in the relationship between corporate reputation and customer loyalty.

The findings indicate that the company's reputation has not yet become the primary basis for building customer trust and loyalty at Bank Mandiri Taspen KCP Belitung. This situation may be influenced by Bank Mandiri Taspen KCP Belitung's relatively new status, which began operating in December 2021, so the process of building a local reputation is still ongoing. On the other hand, retirees in the Belitung and East Belitung regions are already familiar with Bank Sumsel Babel as a regional bank with a longer existence and stronger social ties with the community.

In the context of retired customers, familiarity, habitual use of certain banking services, and long-term relationships with previous banks are important factors in determining loyalty. Therefore, a company's national reputation is not yet fully capable of building customer trust and loyalty in the local context of the research area.

Thus, H6 is rejected, meaning that trust is not proven as an intervening variable in this research model. These results indicate that customer loyalty of Bank Mandiri Taspen KCP Belitung is more influenced by service quality and direct interaction experiences, especially in the context of Belitung and East Belitung communities which are characterized by rural and island communities so that interpersonal relationships become a more dominant factor compared to company reputation or indirect influence through trust.

4. Conclusion

Based on the results of the analysis using the SEM-PLS method, this study produced several important findings that not only answered the research objectives, but also provided a critical understanding of the relationship between variables in the banking context. First, corporate reputation was shown to have no significant influence on customer loyalty or trust. This finding suggests that reputation, often theoretically considered a strategic corporate asset, is not always a determining factor in shaping customer behavior. This suggests that, in the context of Bank Mandiri Taspen KCP Belitung, customers tend to consider direct experience more than general perceptions of the company's image. Second, service quality proved to be the most dominant variable in this research model, having a positive and significant impact on both customer trust and loyalty. This finding confirms that in the service industry, particularly banking, the quality of interactions and service directly experienced by customers plays a stronger role than abstract factors such as reputation. Third, trust has been shown to have a significant influence on customer loyalty, which indicates that long-term relationships between customers and Banks are highly dependent on the level of trust they establish. However, although trust plays an important role as an independent variable, its role as an intervening variable has not been empirically proven in this study. Fourth, the insignificant indirect effect indicates that trust is unable to mediate the relationship between corporate reputation and service quality on customer loyalty. This indicates that the relationship between the variables in this research model is more of a direct effect, making the mediation role irrelevant in the research context. Overall, this

research shows that customer loyalty is more influenced by practical and directly perceived factors, particularly service quality, than by perceptual factors such as company reputation. Therefore, this research model leads to the conclusion that a customer experience-based approach is more relevant in explaining loyalty than an image-based approach.

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