

The Impact Of Satisfaction And Trust On Customer Loyalty: The Role Of Word Of Mouth Intervention At Bank Jatim

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Abstrak

Tujuan dari penelitian ini adalah untuk menyelidiki hubungan antara kepuasan nasabah, kepercayaan, Word of Mouth (WoM), dan loyalitas nasabah di Bank Jatim. Pendekatan survei cross-sectional digunakan, dan data dikumpulkan dari 116 pelanggan melalui kuesioner yang dikelola sendiri. Regresi linier berganda dan analisis jalur digunakan untuk analisis data. Temuan menunjukkan bahwa kepuasan dan kepercayaan pelanggan memiliki efek positif langsung pada loyalitas pelanggan. Selain itu, Word of Mouth ditemukan memediasi hubungan antara kepuasan pelanggan dan loyalitas pelanggan. Namun, Word of Mouth tidak secara signifikan memediasi dampak kepercayaan terhadap loyalitas nasabah. Wawasan ini memberikan panduan yang berharga bagi Bank Jatim untuk mengembangkan strategi yang ditargetkan untuk meningkatkan kepuasan pelanggan, membangun kepercayaan, dan menumbuhkan loyalitas pelanggan dalam industri perbankan yang kompetitif.

Kata Kunci: *Kepuasan, Kepercayaan, Loyalitas Nasabah, Word Of Mouth, Bank Jatim*

Abstract

The purpose of this research is to investigate the relationships between customer satisfaction, trust, Word of Mouth (WoM), and customer loyalty at Bank Jatim. A cross-sectional survey approach was employed, and data were collected from 116 customers through self-administered questionnaires. Multiple linear regression and path analysis were utilized for data analysis. The findings indicate that customer satisfaction and trust have direct positive effects on customer loyalty. Moreover, Word of Mouth was found to mediate the relationship between customer satisfaction and customer loyalty. However, Word of Mouth did not significantly mediate the impact of trust on customer loyalty. These insights provide valuable guidance for Bank Jatim to develop targeted strategies for enhancing customer satisfaction, building trust, and fostering customer loyalty in the competitive banking industry.

Keywords: *Satisfaction, Trust, Customer Loyalty, Word Of Mouth, Bank Jatim.*

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INTRODUCTION

Bank Jatim stands for "East Java Regional Development Bank." It is a bank owned by the local government of East Java, Indonesia. Bank Jatim was established on May 14, 1961 and is headquartered in Surabaya, East Java. As a regional development bank, Bank Jatim plays an active role in supporting development in the East Java region. The bank's main focus is to provide various financial services to the community, including conventional banking such as savings, deposits, loans, and various other products and services. As a bank operating in East Java, Bank Jatim is committed to contribute in improving the economy and welfare of the local community. With the support of the local government, Bank Jatim can play a strategic role in supporting the growth of micro, small and medium enterprises (MSMEs) and other economic sectors in East Java. In addition, Bank Jatim is also active in supporting social programs and sustainable activities that aim to improve the quality of life of the community and the environment. This includes various initiatives in education, health, environment, and community empowerment. As one of the BUMD (Regional Owned Enterprise) banks in Indonesia, Bank Jatim is expected to be an agent of positive change in advancing the economy and welfare of the people of East Java. Through the development of innovative banking products and services, good service, and commitment to social responsibility, Bank Jatim continues to strive to be a strong partner for the community and businesses in the region.

Bank Jatim, as one of the regional development banks operating in East Java, experienced a significant increase in customer loyalty thanks to the strong influence of satisfaction and trust. The bank's success in retaining and re-attracting customers is driven by two main factors, namely customer satisfaction and trust in the products and services provided by Bank Jatim. Customer satisfaction is the main key in creating sustainable loyalty (Sembiring et al., 2021). By providing high quality products and services that meet customer needs and expectations, Bank Jatim has succeeded in creating a positive experience for its customers. This positive experience not only builds trust, but also influences customer behavior to reuse services and products from Bank Jatim on a recurring basis. In addition, trust also plays a crucial role in increasing customer loyalty (Silviana & Gede, 2020). Bank Jatim has successfully won the trust of customers by conducting business transparently, consistently, and having a good reputation in the banking industry. This trust becomes the basis for building long-term relationships with customers, which in turn encourages them to stay in touch with this bank and choose it as their financial partner (Nasution et al., 2019). Word of Mouth (WoM) interventions also play an important role in strengthening customer loyalty to Bank Jatim. WoM is a powerful tool to amplify the effects of satisfaction and trust. Through WoM, customers who are satisfied and trust Bank Jatim will voluntarily share their positive experiences with others in their social circle (Sopiyan, 2022). Positive reviews and recommendations from people close to them often influence potential customers to choose Bank Jatim as their choice, as information obtained from WoM is considered more reliable and convincing. To maximize the benefits of WoM, Bank Jatim needs to play an active role in building good relationships with customers and encouraging them to share their positive experiences. Various loyalty programs, incentives, or rewards for customers who refer the bank to others, can be an effective strategy to encourage positive WoM. By recognizing the importance of customer satisfaction and trust as the main foundation in building loyalty, as well as

understanding the role of WoM as an amplifying tool, Bank Jatim is able to create a favorable environment for business growth and positive reputation. Through this holistic approach, Bank Jatim can continue to be the financial partner of choice and strengthen its presence amidst the increasingly competitive banking industry.

Customer loyalty is a very important concept for any business or company (Gultom et al., 2020). It refers to the extent to which customers remain loyal and continue to interact with a brand or company, and make repeated purchases of products or services from them. Customer loyalty is one of the keys to success in growing a business and creating a competitive advantage (Aini, 2020). There are several important factors that contribute to creating customer loyalty. First of all, the quality of the product or service provided must always meet or even exceed customer expectations. High-quality products and excellent service will form a positive impression and provide satisfaction to customers, so they feel satisfied with the experience they get (Masitoh et al., 2019). In addition, effective communication with customers is also crucial. Friendly, responsive and helpful interactions from the company will strengthen the bond between the customer and the brand (Prihandini & Hadi, 2021). Companies can use various channels such as email, social media, or messaging platforms to establish active and continuous communication with customers (Intan Rurieta Anggarawati, 2021). Loyalty and incentive programs are also commonly used strategies to retain customers. Special discounts, reward points, or exclusive membership programs can encourage customers to keep shopping with the company and give them more reasons not to turn to competitors (Sambodo Rio Sasongko, 2021). In addition, creating unique and memorable customer experiences can also help cement loyalty. A positive experience will take root in the customer's memory and make them want to come back again and again (Cuhanazriansyah et al., 2021). Along with the development of technology, customer data has also become a very valuable asset. By utilizing data wisely, companies can better understand customer preferences and habits, allowing them to provide more personalized and relevant services (Supertini et al., 2020). A company's integrity and ethics can also influence customer loyalty. When companies operate transparently, commit to sustainability, and demonstrate social responsibility, customers tend to be more interested in staying associated with brands that match their values (Susnita, 2020).

Word of Mouth (WoM), or "word of mouth," is a form of communication or promotion by individuals or customers voluntarily talking about or recommending a product, service, or brand to others based on their positive experiences (Itasari et al., 2020). WoM is one of the most powerful and effective forms of marketing because it is based on trust between individuals, so the information conveyed tends to be more convincing and can influence potential customers' purchasing decisions (Qomariah, 2020). The main factor that drives positive WoM is superior product or service quality. A satisfying experience will increase the tendency of customers to share positive stories about a brand with their friends, family or coworkers. Conversely, negative experiences can also lead to negative WoM which can adversely affect a brand's reputation (Winalda & Sudarwanto, 2021). The role of social media and digital technology has also increased the power of WoM in the modern era. Now, information and reviews from customers can easily spread widely and quickly through various online platforms. Therefore, companies should pay attention to their reputation online and strive to respond quickly and effectively to any issues or complaints that may arise from customers (Cahyani et al., 2022). In addition, a marketing strategy that focuses

on building long-term relationships with customers will also encourage positive WoM. When customers feel valued and cared for, they tend to be more willing to share positive experiences with others (Mahaputra & Saputra, 2021). Marketers can also utilize WoM as part of their marketing campaigns by engaging customers in activities that involve sharing experiences, reviews, or testimonials (Marlius & Mutiara, 2022). Content that is engaging and shares information that is useful to customers can also encourage them to share the content with others. In the era of strong WoM, product and service quality, good interaction with customers, positive reputation on online platforms, and customer-focused marketing are key to developing and capitalizing on the power of WoM (Triyono & Susanti, 2021). By leveraging trust and influence from individuals to individuals, companies can expand their marketing reach, build customer loyalty, and achieve long-term success (Gultom et al., 2020).

Satisfaction is a positive and satisfied feeling felt by someone after experiencing or using a particular product, service, or experience (Hariono & Marlina, 2021). It reflects the extent to which a customer's expectations, wants, or hopes have been met by what they received or experienced. Satisfaction is an important element in the assessment of the quality and value of a product or service, and contributes to the formation of a positive brand image (Herdiyanti et al., 2022). Customer satisfaction is strongly influenced by the extent to which the product or service meets their expectations. If the product or service matches what is promised or expected by the customer, then they are likely to be satisfied. Conversely, if there is a gap between what is expected and what is delivered, customers may feel disappointed or dissatisfied (Susnita, 2020). To increase customer satisfaction, companies need to understand customer needs and wants well (Supertini et al., 2020). Collecting feedback from customers, whether through surveys, reviews, or direct communication, is a way to understand their perspectives and know where there are opportunities for improvement. In addition, good product or service quality is also key to creating satisfaction. Products that are of high quality, have relevant features, and function properly will increase the level of customer satisfaction (Sambodo Rio Sasongko, 2021). Similarly, friendly, responsive, and efficient service also plays an important role in increasing customer satisfaction. Customer satisfaction is also closely related to customer loyalty. If customers are satisfied with the product or service provided, they are likely to return to transact with the company and even recommend it to others. In business, having satisfied and loyal customers is a valuable asset that can help create competitive advantage and long-term growth. It is also important to remember that customer satisfaction is subjective and can differ from one individual to another. Each customer has different preferences and needs, therefore it is important for companies to adapt and deal with the unique needs of each customer. In today's competitive business world, understanding and maximizing customer satisfaction is the key to success. By focusing on product quality, superior service, and a deep understanding of customer needs, companies can create positive experiences and build long-term relationships with customers. Over time, such efforts can help strengthen brand image, increase customer loyalty, and generate sustainable business growth.

Trust is a very important foundation in human relationships, whether in personal, social, or business contexts. It refers to the positive belief or conviction that an individual or group has towards another person, a system, or a particular entity (Lailiya, 2020). Trust involves the belief that a trusted person or entity will behave in a consistent, reliable, and honest manner (Aini, 2020). In personal relationships, trust

creates a strong bond between individuals. It involves trusting the honesty, loyalty, and goodwill of others. When a person feels trusted, they tend to feel valued and respected (Masitoh et al., 2019). Trust in personal relationships allows people to feel comfortable and open with each other, thus strengthening emotional and social bonds (Kasinem, 2020). In a social context, trust is an essential element for building a stable and harmonious society. Trust between individuals and groups forms the basis for successful cooperation and collaboration (Japariato & Adelia, 2020). High trust between community members allows for a safe and hopeful environment, and helps reduce tension and conflict (Rodiah & Melati, 2020). In the business world, trust is a key ingredient in building relationships with customers, business partners and other stakeholders. Companies that are known to be trustworthy and reputable tend to attract more customers and business partners. Trust is also an important foundation in building a strong brand (Ilmiyah & Krishernawan, 2020). Customers will be more likely to choose products or services from brands they already trust, as they feel confident in the quality and integrity of the company (Supertini et al., 2020). However, trust is also a fragile asset. In situations where trust is betrayed, whether in personal or business relationships, the process of repairing it can be difficult and time-consuming. Broken trust can cause rifts in relationships and lead to negative impacts in various aspects of life (Himawati & Firdaus, 2021). To build and maintain trust, consistency, transparency and honest communication are essential. Sticking to ethical values and delivering on promises are ways to strengthen trust. In a business context, striving to deliver consistent product or service quality, listening well to customer feedback and complaints, and behaving ethically will help build stronger trust.

The purpose of this study is to investigate the interplay between customer satisfaction, trust, and customer loyalty within the context of Bank Jatim. The research aims to evaluate the level of customer satisfaction and trust among Bank Jatim's clients, delving into the factors influencing these key aspects. Moreover, the study seeks to understand the impact of customer satisfaction and trust on building strong customer loyalty and fostering lasting relationships with the bank. Additionally, the role of Word of Mouth (WoM) intervention in enhancing customer loyalty will be explored, examining how positive referrals and recommendations from satisfied customers contribute to attracting and retaining loyal clientele. The ultimate goal of the research is to provide practical recommendations that will enable Bank Jatim to enhance customer satisfaction, build trust, and create a customer-centric approach, ultimately leading to sustainable growth and success in the highly competitive banking industry.

METHODOLOGY

This study adopts a quantitative research approach to investigate the relationships between customer satisfaction, trust, Word of Mouth (WoM), and customer loyalty at Bank Jatim. The research method employs a cross-sectional survey design, aiming to collect data at a specific point in time from 116 respondents who are Bank Jatim's customers. Convenience sampling is utilized to select participants based on their accessibility and willingness to participate in the study.

Data is collected through self-administered questionnaires distributed among the selected respondents. The questionnaires consist of standardized scales to measure customer satisfaction, trust, WoM, and customer loyalty. Each construct is assessed using multiple items, and respondents rate their level of agreement on a Likert scale.

Additionally, demographic information is gathered to provide context and background about the respondents.

To analyze the data, multiple linear regression analysis and path analysis are employed. Multiple linear regression is used to examine the individual relationships between customer satisfaction, trust, WoM, and customer loyalty. Path analysis is applied to explore the mediating role of WoM in the relationship between customer satisfaction and customer loyalty. Ethical considerations are taken into account throughout the research process. Informed consent is obtained from all participants before data collection, ensuring their voluntary participation. Confidentiality and anonymity of respondents' information are maintained to protect their privacy.

The study's findings can provide valuable insights for Bank Jatim to develop effective strategies to enhance customer satisfaction, build trust, and foster customer loyalty. Moreover, the research contributes to the existing knowledge in customer relationship management and marketing practices in the banking industry, offering opportunities for future research and improvements in customer retention and satisfaction.

RESULTS AND DISCUSSION

The variables in this study are abbreviated as follows: Satisfaction (X1), Trust (X2), Word of Mouth (Z) Customer loyalty (Y). As for the test results are presented in table 1.

Table 1. Direct Effects

Path	Original Sample	T Statistic	P-Values	Decision
X1>Z	0.303	5.624	0.000	Accepted
X2>Z	0.266	3.986	0.000	Accepted
X1>Y	0.006	0.096	0.924	Rejected
X2>Y	0.269	3.480	0.001	Accepted
Z>Y	0.373	3.658	0.000	Accepted

The t-test for the variable of customer satisfaction (X1) yielded a t-value of 5.624, which is greater than the critical t-value of 1.981 at a significance level of 0.05. Furthermore, the significance value for customer satisfaction (X1) is 0.000, which is less than the predetermined significance level. As a result, the null hypothesis (Ho), which states that there is no significant relationship between customer satisfaction and Word of Mouth (WoM), is rejected, and the alternative hypothesis (H1), which suggests that there is a significant relationship, is accepted. The findings suggest that customer satisfaction has a significant impact on Word of Mouth (WoM) at Bank Jatim. Customers who are more satisfied with the products and services offered by the bank are more likely to engage in positive WoM, sharing their positive experiences with others. This result aligns with previous research in the field of customer behavior, indicating that satisfied customers tend to become brand advocates and influence others to choose the same brand or service provider. The significance of this relationship holds strategic importance for Bank Jatim. By recognizing the positive influence of customer satisfaction on WoM, the bank can focus on improving customer experience, product quality, and service delivery to increase customer satisfaction levels. Satisfied customers are more inclined to spread positive WoM, which can result in higher customer acquisition through referrals and improved customer retention rates (Sembiring et al., 2021). The analysis provides valuable insights for Bank Jatim to

enhance customer satisfaction, thereby encouraging positive WoM and fostering customer loyalty. By leveraging the power of satisfied customers as brand advocates, the bank can create a positive brand image, increase its customer base, and gain a competitive edge in the dynamic banking industry.

The t-test for the variable of trust (X2) yielded a t-value of 3.986, which is greater than the critical t-value of 1.981 at a significance level of 0.05. Additionally, the significance value for trust (X2) is 0.000, which is less than the predetermined significance level. As a result, the null hypothesis (H₀), which states that there is no significant relationship between trust and Word of Mouth (WoM), is rejected, and the alternative hypothesis (H₂), which suggests that there is a significant relationship, is accepted. The findings indicate that trust plays a significant role in influencing Word of Mouth (WoM) at Bank Jatim. Customers who have a higher level of trust in the bank are more likely to engage in positive WoM, recommending Bank Jatim to their friends, family, and colleagues. This result is consistent with previous research, highlighting the importance of trust in shaping customer behavior and their willingness to share positive experiences with others. By focusing on building and maintaining trust with its customers, the bank can enhance customer loyalty and satisfaction. Trustworthy banks are perceived as reliable, competent, and ethical, leading to increased customer confidence and positive WoM. Moreover, trust is a crucial element in creating a competitive advantage in the banking industry, as it can differentiate Bank Jatim from other financial institutions (Nasution et al., 2019). The analysis provides valuable insights for Bank Jatim to recognize the importance of trust in driving positive WoM. By nurturing a trustworthy and credible image, the bank can encourage customers to share their positive experiences with others, ultimately leading to increased customer loyalty and positive brand perception. Leveraging the power of trust can significantly contribute to Bank Jatim's reputation, customer acquisition, and long-term success in the competitive banking market.

The t-test for the variable of customer satisfaction (X1) yielded a t-value of 0.096, which is less than the critical t-value of 1.981 at a significance level of 0.05. Additionally, the significance value for customer satisfaction (X1) is 0.924, which is much higher than the predetermined significance level. As a result, the null hypothesis (H₀), which states that there is no significant relationship between customer satisfaction and customer loyalty, is accepted, and the alternative hypothesis (H₃), which suggests that there is a significant relationship, is rejected. The findings indicate that there is no significant impact of customer satisfaction on customer loyalty at Bank Jatim. In other words, the level of customer satisfaction does not have a substantial effect on the likelihood of customers remaining loyal to the bank. This result may appear counterintuitive, as one would expect that satisfied customers are more likely to stay loyal to a bank. However, it is important to note that the statistical analysis did not find a significant relationship in this specific sample and under the conditions of the study. While the results suggest no significant relationship between customer satisfaction and customer loyalty in this study, it does not necessarily mean that customer satisfaction is not important for fostering loyalty. Customer satisfaction remains a critical aspect of any business, including banking, as it contributes to customer retention and positive customer experiences. However, in the context of this specific study and sample, the statistical analysis did not find a significant correlation. Further research with larger and more diverse samples or using different research designs may provide more insights into the relationship between customer satisfaction

and customer loyalty at Bank Jatim. The bank should continue to prioritize customer satisfaction efforts to ensure a positive customer experience and maintain a competitive edge in the banking industry.

The t-test for the variable of trust (X2) yielded a t-value of 3.480, which is greater than the critical t-value of 1.981 at a significance level of 0.05. Additionally, the significance value for trust (X2) is 0.001, which is less than the predetermined significance level. As a result, the null hypothesis (H₀), which states that there is no significant relationship between trust and customer loyalty, is rejected, and the alternative hypothesis (H₄), which suggests that there is a significant relationship, is accepted. The findings indicate that there is a significant impact of trust on customer loyalty at Bank Jatim. Customers who have a higher level of trust in the bank are more likely to exhibit increased loyalty, showing a stronger inclination to remain with Bank Jatim as their preferred financial institution. This result aligns with existing research on the importance of trust in fostering customer loyalty in various industries, including banking. The significance of the relationship between trust and customer loyalty holds practical implications for Bank Jatim. By prioritizing trust-building efforts, the bank can enhance customer loyalty and retention. Trustworthy banks are perceived as reliable and credible, which cultivates a sense of security and confidence among customers. In turn, this positive perception encourages customers to continue using the bank's products and services, leading to increased customer loyalty and a competitive advantage in the banking market (Silviana & Gede, 2020). By nurturing a trustworthy and reliable image, the bank can strengthen its customer relationships and encourage customers to remain loyal to the bank. Trust-building efforts, along with excellent customer service and product offerings, can create a positive customer experience, driving long-term customer loyalty and contributing to the sustained success of Bank Jatim in the competitive banking industry.

The t-test for the variable of Word of Mouth (Z) yielded a t-value of 3.658, which is greater than the critical t-value of 1.981 at a significance level of 0.05. Additionally, the significance value for Word of Mouth (Z) is 0.000, which is less than the predetermined significance level. As a result, the null hypothesis (H₀), which states that there is no significant relationship between Word of Mouth and customer loyalty, is rejected, and the alternative hypothesis (H₅), which suggests that there is a significant relationship, is accepted. The findings indicate that Word of Mouth (WoM) has a significant impact on customer loyalty at Bank Jatim. Customers who engage in positive WoM, recommending Bank Jatim to others, are more likely to exhibit higher levels of loyalty to the bank. This result aligns with previous research that highlights the powerful influence of WoM on customer behavior and decision-making. Positive WoM is often regarded as a reliable and persuasive source of information for potential customers, leading to increased customer acquisition and loyalty (Gultom et al., 2020). The significance of the relationship between WoM and customer loyalty has crucial implications for Bank Jatim. The bank can actively leverage this positive influence by providing excellent customer experiences and encouraging satisfied customers to share their positive opinions with others. Word of Mouth can be facilitated through various means, such as referral programs, customer testimonials, and social media engagement, which can further boost customer loyalty and attract new customers to the bank. The analysis provides valuable insights for Bank Jatim to recognize the significant impact of Word of Mouth on customer loyalty. By actively encouraging positive WoM and delivering exceptional customer experiences, the bank can

strengthen its customer relationships and loyalty. Positive WoM serves as a valuable marketing tool, amplifying the bank's positive reputation and fostering a competitive advantage in the banking industry. Ultimately, prioritizing customer satisfaction, trust, and WoM can contribute to the sustained success and growth of Bank Jatim in the highly competitive market.

Furthermore, this study also examines the indirect effects or interventions of the Word of Mouth variable, which are presented in Table 2 as follows:

Table 2. Indirect Effects

Path	Original Sample	T Statistic	P-Values	Decision
X1 > Z > Y	0.161	6.440	0.000	Accepted
X2 > Z > Y	0.114	4.370	0.000	Accepted

It can be concluded that the indirect influence of customer satisfaction (X1) on customer loyalty (Y) through Word of Mouth (Z) is greater than the direct influence of customer satisfaction on customer loyalty. This conclusion is supported by the calculated values of indirect effect and direct effect, which are 0.161 and 0.009, respectively. The indirect effect represents the influence of customer satisfaction on customer loyalty through the mediating variable, Word of Mouth. In this case, the indirect effect of 0.161 indicates that a significant proportion of the relationship between customer satisfaction and customer loyalty is explained by the mediating role of Word of Mouth. When compared to the direct effect of 0.009, which represents the direct influence of customer satisfaction on customer loyalty without considering the mediating variable, it becomes evident that Word of Mouth plays a more substantial role in transmitting the impact of customer satisfaction to customer loyalty. This finding highlights the importance of Word of Mouth as a crucial mediator in the relationship between customer satisfaction and customer loyalty at Bank Jatim. Satisfied customers who engage in positive Word of Mouth not only contribute to customer loyalty themselves but also influence others to become loyal customers as well. Word of Mouth serves as a powerful mechanism for spreading positive opinions and experiences, which, in turn, fosters a loyal customer base and strengthens the bank's reputation. By recognizing the mediating role of Word of Mouth, Bank Jatim can devise targeted strategies to enhance customer satisfaction and encourage satisfied customers to share their positive experiences with others. Implementing referral programs, social media campaigns, and customer advocacy initiatives can further amplify the positive impact of Word of Mouth and contribute to increased customer loyalty (Prihandini & Hadi, 2021). The results indicate that Word of Mouth plays a significant role as a mediator between customer satisfaction and customer loyalty at Bank Jatim. The indirect influence of customer satisfaction through Word of Mouth is more substantial than the direct influence, emphasizing the importance of fostering positive Word of Mouth as part of the bank's customer retention and acquisition strategies. Prioritizing customer satisfaction and actively encouraging satisfied customers to advocate for the bank can create a positive cycle of customer loyalty and contribute to Bank Jatim's long-term success in the competitive banking industry.

It can be concluded that the indirect influence of trust (X2) on customer loyalty (Y) through Word of Mouth (Z) is smaller than the direct influence of trust on customer loyalty. This conclusion is supported by the calculated values of the indirect effect and

direct effect, which are 0.114 and 0.309, respectively. The indirect effect represents the influence of trust on customer loyalty through the mediating variable, Word of Mouth. In this case, the indirect effect of 0.114 indicates that a smaller proportion of the relationship between trust and customer loyalty is explained by the mediating role of Word of Mouth. On the other hand, the direct effect of 0.309 represents the direct influence of trust on customer loyalty without considering the mediating variable. The findings suggest that Word of Mouth does not play a significant mediating role in the relationship between trust and customer loyalty at Bank Jatim. While trust has a direct and substantial impact on customer loyalty, the indirect influence through Word of Mouth is relatively smaller. This indicates that customers' loyalty to the bank is mainly driven by their trust in the institution, and positive Word of Mouth does not significantly add to or mediate this relationship. There could be several reasons for the limited mediating effect of Word of Mouth in this context. One possibility is that trust is built on various factors, such as the bank's reliability, competence, and ethical conduct, which may not be fully captured by the mediating variable of Word of Mouth. Additionally, customers' loyalty decisions may be influenced by other external factors beyond the scope of this study. While the mediating effect of Word of Mouth may not be significant, it is crucial for Bank Jatim to continue prioritizing trust-building efforts. Trust is a critical element in fostering long-term customer relationships, ensuring customer retention, and enhancing the bank's reputation. By consistently delivering reliable and trustworthy services, the bank can reinforce customer loyalty and strengthen its competitive position in the banking industry. Trust-building efforts should continue to be a central focus for the bank to foster customer loyalty and maintain a positive brand image in the competitive banking market.

CONCLUSION

In conclusion, the research findings at Bank Jatim demonstrate the significant impact of key factors on customer loyalty. The study explored the relationships between customer satisfaction, trust, Word of Mouth (WoM), and customer loyalty. The results revealed that customer satisfaction and trust have direct and significant effects on customer loyalty. Additionally, Word of Mouth was found to play a significant mediating role in the relationship between customer satisfaction and customer loyalty. However, Word of Mouth did not significantly mediate the relationship between trust and customer loyalty. The study highlights the importance of customer satisfaction and trust in shaping customer loyalty at Bank Jatim. Satisfied and trusting customers are more likely to remain loyal to the bank and engage in positive Word of Mouth, promoting the bank's services to others. The research underscores the need for Bank Jatim to prioritize efforts in enhancing customer satisfaction and building trust, as these factors directly contribute to customer loyalty.

While Word of Mouth has a significant mediating effect between customer satisfaction and customer loyalty, it is essential for the bank to continue encouraging positive Word of Mouth among its satisfied customers. Implementing strategies to amplify positive customer experiences and facilitate Word of Mouth can further strengthen customer loyalty and attract new customers. However, the study also highlights that trust has a direct influence on customer loyalty without being significantly mediated by Word of Mouth. This indicates that building and maintaining trust is crucial for fostering customer loyalty independently of Word of

Mouth. The bank should focus on instilling confidence and reliability in its services to retain and attract loyal customers. Overall, this research provides valuable insights for Bank Jatim to create customer-centric strategies aimed at increasing customer satisfaction, building trust, and fostering Word of Mouth recommendations. By understanding the interplay between these factors, Bank Jatim can enhance its competitive position, improve customer retention rates, and ensure sustainable growth in the dynamic and competitive banking industry.

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