From Satisfaction to Loyalty: Analyzing the Impact of Service Quality and Corporate Image in Islamic Banking

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Abstract

This study aims to analyze the relationship between service quality, corporate image, customer satisfaction, and customer loyalty at Bank Syariah Indonesia (BSI) in Semarang, with customer satisfaction serving as an intervening variable. The study employs a quantitative approach using a survey method, involving 100 respondents selected through purposive sampling. Primary data were collected using questionnaires and analyzed through Structural Equation Modeling (SEM), including inner and outer model evaluations. The findings indicate that service quality has a significant effect on customer loyalty, whereas corporate image does not significantly influence loyalty. Furthermore, customer satisfaction successfully mediates the relationship between service quality and customer loyalty but does not mediate the relationship between corporate image and loyalty. These findings highlight that improving service quality plays a crucial role in enhancing customer satisfaction, ultimately strengthening customer loyalty. Therefore, BSI in Semarang must focus on optimizing service quality to improve customer experience and ensure long-term customer loyalty to the Islamic bank.

Keywords: *Customer Loyalty, Customer Satisfaction, Company Image, Service Quality*

INTRODUCTION

The sizeable Muslim population in Indonesia every year makes Indonesia a country with good prospects for developing Islamic Commercial Banks in the future, both nationally and regionally. Furthermore, Muslim residents also dominate big cities in Indonesia, such as Semarang, the largest city in Central Java. Total population of Semarang is 1.668.578 people, and the total Muslim population is 1.456.536 people or 86 % of the total population of Semarang in 2020 (www.semarangkota.bps.go.id, 2020). This amount should be a chance for Islamic Commercial Banks in Semarang to gain many loyal customers. However, Islamic Commercial Banks in Semarang have not taken advantage of this opportunity optimally. This is reflected by the amount of Third-Party Funds (TPF) of Islamic Commercial Banks in Semarang, which fluctuates and tends to decline in 2023.

Based on the growth of Third-Party Funds (TPF) from Islamic Commercial Banks in Semarang between March 2022 and March 2023, it showed fluctuations with a downward trend. The highest decrease occurred in February 2023, which was -17,78 %, and the highest increase happened in December 2022, which was 7,20 %. Meanwhile, in January 2023, it again experienced a decline of -1,24 %.

Currently, BSI stands as one of the most prominent Islamic Commercial Banks in Indonesia, resulting from the merger of three banks. Reporting from www.bankbsi.co.id (2023), Bank Syariah Indonesia stated that its customer base has reached 17.78 million and continues to grow. This amount is much higher compared to its predecessor Islamic Bank, Bank Muamalat, which only has 1,5 million customers (www.bankmuamalat.co.id, 2023). Seeing its

positive development, Bank Syariah Indonesia needs to maintain customer satisfaction and loyalty because both are the keys to company success and sustainability.

Nationally, in 2023 the customer satisfaction and loyalty index of BSI is still in second place. Bank Syariah Indonesia customer satisfaction index of 81,48 % is still below BCA Syariah, which has the index of 82,52 % or a difference of 1,04 %. Furthermore, the customer loyalty index for Bank Syariah Indonesia 2023 of 62,04 %, which is also under Bank Muamalat, which has index of 65,91 % or with a difference of 3,87 %. Reporting from www.infobanknews.com (2023), the Satisfaction, Loyalty, & Engagement (SLE) survey was conducted through customer experience using m-banking and interactions at branch offices. As a result, Bank Syariah Indonesia did not secure first place in the customer satisfaction and loyalty category at SLE 2023 due to its service and convenience not being fully optimized, which has led to unmet customer expectations. Consequently, it is essential for Bank Syariah Indonesia, including its branch in Semarang, to prioritize enhancing satisfaction and loyalty.

Customer satisfaction is crucial because it helps build trust with customers, creates a reliable foundation for future transactions, and fosters loyalty (Sangadji & Sopiah, 2013). Thus, Bank Syariah Indonesia can maintain and increase customer loyalty in Semarang by first increasing satisfaction (Zulkarnain, et al., 2020). In this case, satisfaction functions as an intervening variable (Ainun, et al., 2021; Hendrawan, et al., 2021; Khoiri & Adityawarman, 2021; Kuswandarini & Annisa, 2021; Zulkarnain, et al., 2020; Pakpahan, et al., 2021; Kurniati, et al., 2022; Rodhiati, et al., 2024).

Multiple factors affect loyalty, including service quality and company image. Within the service sector, service quality plays a vital role as it serves as a profit-driven strategy to acquire new customers, maintain current ones, minimize customer attrition, and establish competitive advantages. Furthermore, building a company image is crucial for companies engaged in services, such as Islamic Commercial Banks. According to Furthermore, building a company image is crucial for companies engaged in services, such as Islamic Commercial Banks. In the view of Kotler & Keller (2007), achieving customer satisfaction, alongside good service quality, depends on the company's image. A positive company image also enhances satisfaction, and satisfaction is likely to result in customer loyalty.

According to Google My Business (2023), the service quality and company image of Bank Syariah Indonesia in Semarang require further improvement, as reflected in the ratings of its Branch and Sub-Branch Offices in Semarang.

Table 1. Ratings of PT Bank Syariah Indonesia in Semarang

Office Network	Grade
BSI KC Pandanaran	3,9
BSI KC Ahmad Yani	4,1
BSI KC MT Haryono	4,1
BSI KCP Banyumanik	4,4
BSI KCP Durian Selatan	3,3
BSI KCP Majapahit	3,9
BSI KCP Brigjen Sudiarto	4,2
BSI KCP Ngaliyan	3,7
BSI KCP UNISSULA	4,3
BSI KCP Tentara Pelajar	4,6
BSI KCP Manyaran	4,5

Source: Google My Business, 2023.

Referring to Table 1, it is evident that the customer evaluation of the service at the Branch and Sub-Branch Offices of Bank Syariah Indonesia in Semarang is still far from the maximum score of 5.0. Service quality assessment shows the lowest score of 3,3 and the highest score of 4,6. This indicates that the service quality offered by BSI Semarang needs to be optimized because a review on Google My Business expresses customer satisfaction and dissatisfaction when using services and services that will affect loyalty. Furthermore, the attached comments and the relatively low accumulated ratings also reflect the company's image, which has not yet reached its full potential. This is important because, in today's era, every tweet and statement can impact others, influencing readers during the decision-making process and potentially causing uncertainty among customers about whether to continue using the services and products of Bank Syariah Indonesia.

As shown by the research carried out by Zulkarnain, et al., (2020), Khoiri & Adityawarman (2021), and Zebrga & Zaveri (2020) show that service quality has a significant effect on loyalty. In contrast, research by Ainun, et al., (2021), Rahmah, et al., (2021), and Kristania, et al., (2022) show that service quality has no significant effect on loyalty. In addition, the research results of Kuswandarini & Annisa (2021) and Nurasiah, et al., (2023) show that service quality significantly affects customer loyalty through satisfaction. In contrast, a study performed by Pakpahan, et al., (2021) and Fitriani (2023) shows that service quality has no significant effect on loyalty through satisfaction.

Research by Behaki, et al., (2021) and Kristania, et al., (2022) shows that company image has a significant effect on loyalty. Another investigation by Manullang, et al., (2021) and Fitriani (2023) show that company image has no significant effect on loyalty. Additionally, according to research by Hendrawan, et al., (2021) and Fitriani (2023), company image significantly affects loyalty through satisfaction. However, a separate study by Pakpahan, et al., (2021) and Kurniati, et al., (2022) shows that company image has no significant effect on loyalty through satisfaction.

Considering the problem background, previous findings, and relevant supporting theories, the issue to be addressed in this study is how BSI in Semarang can sustain or enhance customer loyalty by focusing on service quality and company image, with customer satisfaction serving as an intervening variable.

LITERATURE REVIEW
Customer Loyalty

Customer loyalty is a firm dedication to continuously purchasing or supporting a product or service, regardless of external influences or promotional efforts that might encourage customers to switch brands (Kotler & Keller, 2016). Indicators for measuring loyalty include repeat purchases, referrals, and retention.

Customer Satisfaction

As stated by Tjiptono (2015), customer satisfaction is the result of a subjective evaluation based on the comparison between what is expected and what is experienced. Indicators for measuring satisfaction include product quality, price, quality of service, emotional factors, and cost and convenience.

Service Quality

According to Othman & Owen (2002), service quality refers to how an institution delivers its services, guided by moral values and in compliance with Islamic law. Indicators for

measuring service quality include tangibles, reliability, responsiveness, assurance, empathy, and compliance with Islamic law.

Company Image

According to Gregory. R. & Jack (2011), company image is the overall impression formed by observers based on all verbal and visual aspects of the company, whether these are intentionally designed or not, and influenced by other external factors. Indicators for measuring company image include personality, reputation, value, and company identity.

The Effect of Service Quality on Customer Loyalty

Othman & Owen (2002) states that improving service quality will undoubtedly benefit Islamic banks, one of which is loyalty. High service quality has the potential to foster repeat purchases, positive word of mouth, and loyalty in the minds of customers (Rangkuti, 2013). Research by Zulkarnain, et., al. (2020), Khoiri & Adityawarman (2021), Zebrga & Zaveri (2020), and Panday & Nursal (2021) show that service quality has a significant effect on customer loyalty.
H1: Service Quality has a significant effect on Customer Loyalty.

The Effect of Company Image on Customer Loyalty

According to Kenneth & Donald (2018), the positive image that the company has in carrying out its activities, positive comments made by employees or consumers by word of mouth, as well as the impression of happy consumers when using services has a positive effect on loyalty. In accordance with that, Alma (2018) stated that companies with a good image of their consumers could increase the loyalty of the consumers themselves. Research by Behaki, et al., (2021) and Kristania, et al., (2022) show that company image has a significant effect on customer loyalty.
H2: Company Image has a significant effect on Customer Loyalty.

The Effect of Customer Satisfaction on Customer Loyalty

The company gains numerous advantages from reaching a high level of customer satisfaction. Customer satisfaction helps build strong connections with customers, provides a solid foundation for repeat buying, and fosters customer loyalty (Sangadji & Sopiah, 2013). Research by Zulkarnain, et al., (2020) and Kuswandarini & Annisa (2021) show that customer satisfaction has a significant effect on customer loyalty.
H3: Customer Satisfaction has a significant effect on Customer Loyalty.

The Effect of Service Quality on Customer Satisfaction

Kotler & Keller (2007) stated that service quality has a positive impact on customer satisfaction, meaning that the higher the quality of service provided, the greater the level of satisfaction. Research by Zulkarnain, et al., (2020), Djan & Adawiyyah (2021), Khoiri & Adityawarman (2021), and Saputra & Sugiat (2023) show that service quality has a significant effect on customer satisfaction.
H4: Service Quality has a significant effect on Customer Satisfaction.

The Effect of Company Image on Customer Satisfaction

Image is the public perception of a company, shaped intentionally, and a positive image can enhance satisfaction and loyalty (Ardianto & Soemirat, 2011). As stated by Kotler & Keller

(2007), achieving customer satisfaction, along with high service quality, depends on the company's image. A positive company image enhances satisfaction, and satisfaction may result in customer loyalty. Studies conducted by Mahsyar, et al., (2020), Pakpahan, et al., (2021), and Kurniati, et al., (2022) show that company image has a significant effect on customer satisfaction.

H5: Company image has a significant effect on customer satisfaction.

Service Quality on Customer Loyalty Through Customer Satisfaction

As stated by Tjiptono (2015), companies can increase satisfaction by providing pleasant services, which will undoubtedly create high loyalty from consumers to companies because service quality is strongly connected to customer satisfaction in influencing consumer loyalty. Research by Kuswandarini & Annisa (2021), Nurasiah, et al., (2023), and Rodhiati, et al., (2024) show that service quality has a significant effect on customer loyalty through customer satisfaction.

H6: Service Quality has a significant effect on Customer Loyalty through Customer Satisfaction.

Company Image on Customer Loyalty Through Customer Satisfaction

Kotler & Armstrong (2017) state that achieving customer satisfaction, along with good service quality, is affected by the company's image. A good image of the company also raises satisfaction, and satisfaction can lead to customer loyalty. According to Ardianto & Soemirat (2011), company image refers to the public perception of an organization or institution, intentionally shaped by various factors. A positive image can enhance satisfaction and foster loyalty. Research by Hendrawan, et al., (2021) and Fitriani (2023) show that company image has a significant effect on customer loyalty through customer satisfaction.

H7: Service Quality has a significant effect on Customer Loyalty through Customer Satisfaction.

Drawing from the theoretical foundation, previous research findings, and the issues identified, a conceptual framework for this study is developed as the basis for hypothesis formulation. The conceptual framework for this study is illustrated in Figure 1.

Figure 1. Theoretical Thinking Framework
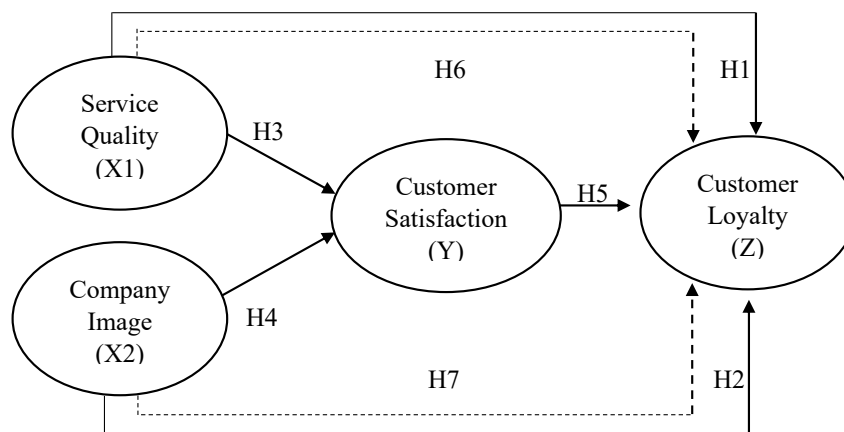
METHOD

This research adopts an applied quantitative study design with a focus on causality. The author employs purposive sampling, selecting particular individuals from the population. Sampling criteria for this study include: (1) respondents being customers of BSI, (2) residing in Semarang, and (3) respondents being at least 17 years old. Based on the Lemeshow formula, the calculated sample size is 96 people, but the researchers selected 100 respondents to facilitate data processing and improve the quality of the analysis. Data collection is conducted through a questionnaire, which was provided to participants containing closed-ended questions regarding service quality, company image, satisfaction, and loyalty at BSI in Semarang.

Developed by Herman Wold in 1966, PLS is a multivariate statistical technique that serves as an alternative to structural equation modeling with a weaker theoretical foundation, primarily used to forecast the impact of variable X on Y and to explain the theoretical relationship between them. According to Ghozali (2015), PLS-SEM consists of two stages: the Outer Model (measurement), which shows the connection between latent constructs and indicators, and the Inner Model (structural), which identifies the associations between latent variables.

RESULTS AND DISCUSSION

Results

Respondent Demographics

According to the findings, the profile of participants in the research is as follows. A larger proportion of respondents are female, making up 55%, with the age group of 17-26 years representing the highest percentage at 41%. In terms of educational background, the majority have completed a bachelor's degree, comprising 44% of the respondents. Regarding employment, the predominant occupation is civil servants or employees, making up 29% of the respondents. The majority earn between IDR 1,000,000 and IDR 5,000,000 per month, accounting for 57%. Additionally, more than half of the respondents, 51%, have been customers of Bank Syariah Indonesia for over two years.

Outer Model

SmartPLS applies two criteria to estimate the Outer Model for data analysis, specifically through validity and reliability tests.
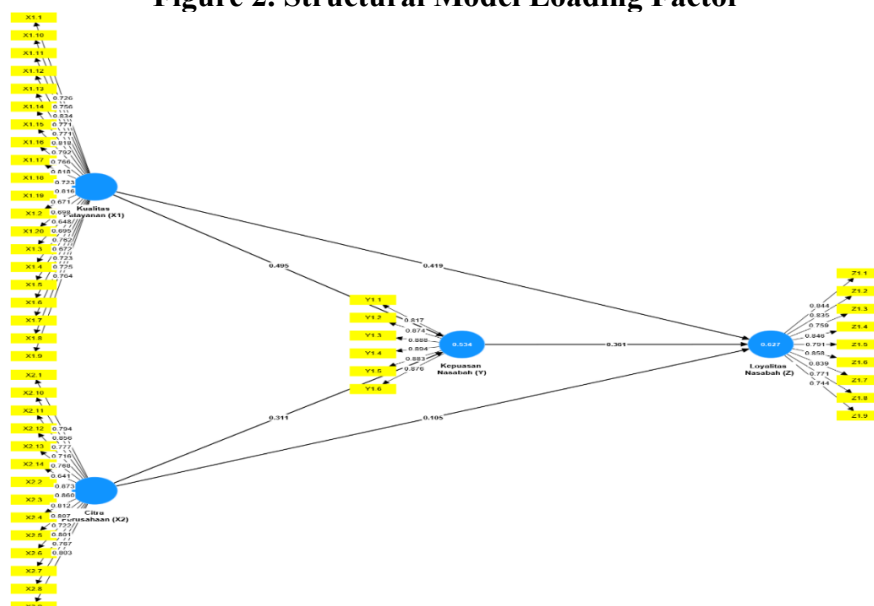
Validity Test

Convergent Validity

The assessment in this test is determined by two parameters, namely the AVE value, which is more than 0.5 and the measurement of the loading value of 0.5 to 0.6 is considered sufficient (Ghozali, 2015).

Figure 2. Structural Model Loading Factor

Source: Primary data processed, 2023.

According to Figure 2., the loading factor values for all indicators in each construct are above 0.6 indicating that they fulfill the convergent validity requirements.

Table 2. AVE

Variable	AVE
Service Quality	0,561
Company Image	0,621
Customer Satisfaction	0,761
Customer Loyalty	0,657

Source: Primary data processed, 2023.

Referring to Table 2., shows that the AVE in the service quality is 0.561; company image of 0.621; customer satisfaction of 0.761; and customer loyalty of 0.657, demonstrates that these data exceed the requirements above 0.5 so that it can be stated that the AVE value meets the requirements.

Discriminant Validity

Discriminant Validity explains the degree to which the constructed variables or constructs are distinct from other variables or constructs and are assessed through statistical tests. Discriminant validity testing is carried out at the level of indicators and variables.

Cross Loading

At the indicator level, a cross-loading measure is used to ensure that each measurement item related to construct or variable A has a stronger connection to construct or variable A than to other constructs or variables (Hair, et al., 2021). It can be concluded that each measurement item assessing the construct has a stronger connection with the construct it evaluates, so based on the discriminant validity assessment, all indicators are considered valid.

Reliability Test

This test evaluates the consistency and stability of participants' responses by assessing the reliability of latent variables through Cronbach's Alpha and Composite Reliability. Variables are considered reliable if both values are > 0.7 (Hair, et al., 2021).

Table 3. Cronbach Alpha and Composite Reliability

Variable	Cronbach's Alpha	Composite Reliability
Service Quality	0,959	0,962
Company Image	0,952	0,958
Customer Satisfaction	0,937	0,950
Customer Loyalty	0,935	0,945

Source: Primary data processed, 2023.

Referring to Table 3., shows that the variables measured by Cronbach's Alpha and Composite Reliability tests show values > 0.7 so all variables have good reliability.

Inner Model

Inner model testing examines the relationships between latent variables by assessing the strength of their influence based on path coefficient values, calculated using the bootstrapping method.

R-Square

Table 4. R-Square Value

Variable	R-Square	R-Square Adjusted
Customer Satisfaction	0,534	0,525
Customer Loyalty	0,627	0,616

Source: Primary data processed, 2023.

Referring to Table 4., shows that the R-Square adjusted for customer satisfaction of 0.525 and customer loyalty variable of 0.616. Therefore, it can be concluded that service quality and company image contribute 0.525 or 52.5% to customer satisfaction. At the same time, 47.5% is impacted by factors beyond the scope of the research. Furthermore, 0.616 or 61.6% of customer loyalty is determined by service quality, company image, and customer satisfaction. Meanwhile, other factors beyond this research account for the remaining 38.4%. Referring to Hair, et al., (2021), this is classified as a moderating effect.

Discriminant validity is also measured using HTMT, which compares correlations between different and same-variable items. A recommended HTMT value is < 0.9 (Hair, et al., 2021). The HTMT output for this study is as follows:

Table 5. HTMT (Heterotrait Monotrait Ratio)

Variable	Company Image	Satisfaction	Service Quality
Satisfaction	0,653		
Service Quality	0,646	0,707	
Customer Loyalty	0,618	0,757	0,753

Source: Primary data processed, 2023.

Referring to Table 5., all HTMT obtained from pairs of variables are < 0.9. It indicates that the variable displays proper discriminant validity.

Fit Model

Table 6. SRMR (Standardized Root Mean Residual) Value

	Saturated model	Estimated model
SRMR	0,081	0,081

Source: Primary data processed, 2023.

SRMR is used to assess the fit of the model to the empirical data. As shown in Table 6, the SRMR value for this research model is 0.081 which is less than 0.10 indicating that the model aligns with the empirical data.

Hypothesis Test Results

Hypothesis testing is carried out by evaluating the selected t-statistics or t-values. The t-count from the bootstrapping test must exceed 1.96 or have a p-value below 0.05 for a 5% standard error (Hair, et al., 2021).

Tabel 7. Direct Effect

	Original sample (O)	Sample mean (M)	Standard Deviation (STDEV)	T statistics (|O/STDEV|)	P value
Service Quality -> Customer Loyalty	0.419	0.435	0.111	3.777	0.000
Company Image -> Customer Loyalty	0.105	0.091	0.105	0.997	0.319
Service Quality -> Customer Satisfaction	0.495	0.475	0.136	3.638	0.000
Company Image -> Customer Satisfaction	0.311	0.341	0.155	2.003	0.045
Customer Satisfaction -> Customer Loyalty	0.361	0.359	0.095	3.638	0.000

Source: Primary data processed, 2023.

In the first analysis, it is found that service quality (X1) impacts customer loyalty (Z) by 0.416, with a T-Statistic of 3.815. This outcome is deemed significant as the T-Statistic exceeds 1.96, and the P-value is below 0.05. Thus hypothesis 1 **is accepted**.

In the second analysis, it is found that the company image (X2) impacts customer loyalty (Z) by 0.105, with a T-Statistic of 0.997. This result is considered insignificant as the T-Statistic is less than 1.96 and the P-value is above 0.05. Thus hypothesis 2 **is rejected**.

In the third analysis, it is found that customer satisfaction (Y) impacts customer loyalty (Z) by 0.361, with a T-Statistic of 3.791. This result is considered significant as the T-Statistic exceeds 1.96 and the P-value is below 0.05. Thus hypothesis 3 **is accepted**.

In the fourth analysis, it is found that service quality (X1) impacts customer satisfaction (Y) by 0.495, with a T-Statistic of 3.638. This result is considered significant as the T-Statistic exceeds 1.96 and the P-value is below 0.05. Thus hypothesis 4 **is accepted**.

In the fifth analysis, it is found that company image (X2) impacts customer satisfaction (Y) by 0.311, with a T-Statistic of 2.003. This result is considered significant as the T-Statistic exceeds 1.96 and the P-value is below 0.05. Thus hypothesis 5 **is accepted**.

Table 8. Indirect Effect

		Original sample (O)	Sample mean (M)	Standard Deviation (STDEV)	T statistics (|O/STDEV|)	P value
Service Quality Satisfaction -> Loyalty	->	0.179	0.169	0.066	2.690	0.007
Company Image Satisfaction -> Loyalty	->	0.112	0.124	0.075	1.505	0.132

Source: Primary data processed, 2023.

In the first analysis, it is found that service quality (X1) impacts customer loyalty (Z) through customer satisfaction (Y) by 0.179, with a T-Statistic of 2.690. This outcome is deemed significant as the T-Statistic exceeds 1.96, and the P-value is below 0.05. Thus hypothesis 6 **is accepted.**

In the second analysis, it is found that company image (X2) impacts customer loyalty (Z) through customer satisfaction (Y) by 0.112, with a T-Statistic of 1.505. This outcome is deemed insignificant as the T-Statistic is below 1.96, and the P-value is above 0.05. Thus hypothesis 7 **is rejected.**

Discussion
Hypothesis 1

Service Quality significantly affects Customer Loyalty at BSI in Semarang. Research by Zulkarnain, et., al. (2020), Khoiri & Adityawarman (2021), Zebrga & Zaveri (2020), and Panday & Nursal (2021) also found that Service Quality has a significant effect on Customer Loyalty. Thus, higher levels of Service Quality are more likely to enhance Customer Loyalty. To maintain customer loyalty, BSI needs to consistently uphold its service standards, as exceptional service quality not only strengthens customer loyalty but also drives repeat business and promotes positive word-of-mouth.

Hypothesis 2

Company Image variable has no significant effect on Customer Loyalty at BSI in Semarang. Initially, it was suspected that Company Image significantly affected Customer Loyalty at BSI in Semarang. Kenneth & Donald (2018) believes that the positive image of the company in carrying out its activities, positive comments made by employees or consumers through word of mouth, and the impression of happy consumers when using services or products contribute to enhancing customer loyalty. Similarly, Alma (2018) stated that companies with a strong image among their consumers are able to boost customer loyalty.

However, this study shows that the Company Image variable has no significant effect on Customer Loyalty at BSI in Semarang. Therefore, whether the company image is good or bad at Bank Syariah Indonesia does not necessarily influence the level of customer loyalty. This may be due to the fact that the influence of Company Image on Customer Loyalty is only 10.5%, making it the least significant factor affecting Customer Loyalty in this study.

This study contradicts the research by Behaki, et al., (2021) and Kristania, et al., (2022), which shows that company image significantly affects customer loyalty. However, it aligns with the findings of Manullang, et al., (2021), Fitriani (2023), and Sofa & Handini (2023) which indicate that company image has no significant effect on customer loyalty.

Hypothesis 3

Customer Satisfaction significantly affects Customer Loyalty at BSI in Semarang. The findings of this study align with research conducted by Zulkarnain, et al., (2020), Djan & Adawiyyah (2021), and Kuswandarini & Annisa (2021), which state that customer satisfaction has a significant effect on customer loyalty. Thus, the greater the satisfaction felt by customers, the more likely it is to enhance their loyalty to BSI in Semarang. High customer satisfaction is able to strengthen customer loyalty, minimize customer attrition, lower price sensitivity, reduce operational expenses by retaining more customers, enhance marketing efficiency, and boost the company's reputation. In addition, customer satisfaction is capable of fostering strong connections between the company and its customers and serving as a solid foundation for repeat transactions.

Hypothesis 4

Service Quality significantly affects customer satisfaction at BSI in Semarang. The findings of this study align with the work of Zulkarnain, et al., (2020), Khoiri & Adityawarman (2021), and Saputra & Sugiat (2023) which state that service quality has a significant effect on customer satisfaction. Therefore, the better service quality, the more likely it is to enhance customer satisfaction at BSI in Semarang. Service quality represents the element most closely observed by customers compared to other aspects offered by the company, as it directly relates to the experiences or perceptions of the customers. When service meets or even exceeds customer expectations, it is regarded as high-quality and satisfying.

Hypothesis 5

Company image significantly affects customer satisfaction at BSI in Semarang. This study aligns with the findings of Mahsyar, et al., (2020), Pakpahan, et al., (2021), and Kurniati, et al., (2022), which state that company image has a significant effect on customer satisfaction. Thus, the better the corporate image, the more likely it is to enhance customer satisfaction at BSI in Semarang. Image represents the feeling, self-perception, or public impression of a company, organization, or institution, intentionally created through an object, person, or organization. The formation of a positive image can enhance satisfaction. Therefore, a good image must be developed and consistently maintained to foster customer satisfaction, and beyond that, it can encourage trust and a sense of security among customers.

Hypothesis 6

Service quality significantly affects customer loyalty through customer satisfaction at BSI in Semarang. This study shows that the variable customer satisfaction can mediate the relationship between service quality and customer loyalty. This suggests that as service quality provided by Islamic banks improves, it will lead to an increase in customer satisfaction, which ultimately boosts customer loyalty. Customer satisfaction plays a key role in the relationship between service quality and customer loyalty, as when the service provided to customers remains consistent over time or even exceeds their expectations, customers will continue to enjoy the service. Loyal customers indirectly always demand a service system that leads to satisfaction, and in fact, the provision of products or services as promised has the potential to fulfill customer expectations. If the quality of service at least fulfills customer expectations, the customer will feel satisfied. If this satisfaction is consistently maintained, it will positively impact customer loyalty.

Findings from this study support the work of Kuswandarini & Annisa (2021), Nurasiah, et al., (2023), and Rodhiati, et al., (2024), which state that customer satisfaction can mediate the effect of service quality on customer loyalty.

Hypothesis 7

Company Image variable has no significant effect on Customer Loyalty through Customer Satisfaction at BSI in Semarang. At first, it was hypothesized that the image of the company has a significant impact on customer loyalty through customer satisfaction at BSI in Semarang. According to Kotler & Armstrong (2017), achieving customer satisfaction is not only influenced by the quality of service but also by the image of the company. A positive corporate image contributes to greater satisfaction, which in turn fosters customer loyalty. Ardianto & Soemirat (2011) define image as the public perception or impression of a company, organization, or institution, intentionally shaped through an object, person, or organization. The establishment of a favorable image has the potential to enhance satisfaction and cultivate loyalty toward the company.

Nevertheless, the findings of this study suggest that company image does not have a significant impact on customer loyalty through customer satisfaction at BSI in Semarang. This indicates that the customer satisfaction variable does not serve as a mediator between company image and customer loyalty. The lack of a significant effect of the company image on customer loyalty, coupled with the absence of a reinforcing role of customer satisfaction, demonstrates that the relationship between company image and customer loyalty has not been strengthened by the presence of customer satisfaction.

This study presents findings that contradict the research conducted by Hendrawan, et al., (2021) and Fitriani (2023) show that company image significantly affects customer loyalty through customer satisfaction. However, findings from this study support the work of Pakpahan, et al., (2021) and Kurniati, et al., (2022), the company image has no significant effect on customer loyalty through satisfaction.

CONCLUSION

Based on the results of the analysis and discussion, the following conclusions are obtained as follows:

1. Service quality significantly affects customer loyalty at PT Bank Syariah Indonesia in Semarang.
2. Company image does not significantly affect customer loyalty at PT Bank Syariah Indonesia in Semarang.
3. Customer satisfaction significantly affects Customer Loyalty at PT Bank Syariah Indonesia in Semarang.
4. Service quality significantly affects customer satisfaction at PT Bank Syariah Indonesia in Semarang.
5. Company image significantly affects customer satisfaction at PT Bank Syariah Indonesia in Semarang.
6. Service quality significantly affects customer loyalty through customer satisfaction at PT Bank Syariah Indonesia in Semarang.
7. Company image does not significantly affect customer loyalty through customer satisfaction at PT Bank Syariah Indonesia in Semarang.

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