

## **The Influence of Word of Mouth on the Trust, Satisfaction and Loyalty of Bank BPD Southeast Sulawesi**

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### **Abstract:**

*This study aimed to test and analyze the impact of word of mouth on the trust, satisfaction and loyalty of bank BPD sulawesi southeast. The location of the study is BPD Southeast Sulawesi. The population in this study were all credit customers totaling 40,428 and the sample size used in this study was 156 based on the Slovin formula. Meanwhile, the research approach used is SmartPLS. The SmartPLS approach is a development of PLS (Partial Least Square) analysis. The results of this study indicate that there is a positive and significant influence between word of mouth (WOM) on customer trust. There is a positive and significant influence between word of mouth (WOM) on customer satisfaction. There is a positive and significant influence between word of mouth (WOM) on customer loyalty. There is a positive and significant influence between trust and customer satisfaction. There is a positive and significant influence between trust and customer loyalty. There is a positive and significant influence between satisfaction and customer loyalty. There is an influence between word of mouth (WOM) on customer loyalty mediated by customer trust. There is an influence between word of mouth (WOM) on customer loyalty mediated by customer satisfaction. There is an influence between customer trust and customer loyalty not mediated by customer satisfaction.*

**Keywords:** Word Of Mouth, Trust, Satisfaction, Loyalty Customers, BPD Southeast Sulawesi

## Introduction

In the last few decades, the banking industry in Indonesia has undergone significant changes marked by a shift in the focus of banking services from corporate banking to consumer banking. This shift began to be seen after the economic crisis in 1997, where many companies experienced a financial crisis that had an impact on the narrowing of the corporate market segment. To maintain its existence, banks began to shift their target market to the individual or personal segment (Suhardi, 2006). This strategy has proven to make banks more able to survive in the midst of unstable economic conditions.

However, increasing competition in the banking sector, especially in personal services, encourages banks to build competitive advantages, one of which is through increasing customer loyalty. Customer loyalty is a benchmark that a bank is able to provide superior and long-term oriented services. According to Garcia et al. (2020), loyalty is a strong commitment from a consumer to continue using a product or service in the future, without being too influenced by competitors' marketing strategies. Consumer loyalty also plays an important role in business sustainability (Kassim & Abdullah, 2010; Krismonicha & Prasetyo, 2021), and can be built through long-term, mutually beneficial relationships (Chung & Shin, 2010).

On the other hand, customer loyalty cannot be separated from two main aspects, namely banking financial performance in terms of products, and operational performance in terms of service. Unfortunately, most banks tend to excel in only one aspect, while the balance between the two is very important to create sustainable loyalty (Suhardi, 2006).

The phenomenon of customer loyalty has become increasingly complex since the Covid-19 pandemic, where competition between banks has become increasingly tight, so that the tendency for consumers to switch to other institutions has also increased (Mappatempo et al., 2011). Therefore, customer satisfaction is the main key to maintaining loyalty, especially for Islamic and conventional banking (Windarwati et al., 2017). In addition, the development of information and communication technology has also changed customer behavior and expectations of banking services, so that efforts to attract and retain customers are increasingly challenging (Al-Hawary, 2013b; Al-Hawary & Metabis, 2013).

Some of the main factors that influence customer loyalty include Word of Mouth (WOM), trust, and satisfaction. WOM or word of mouth communication has a major influence on the image and loyalty of a bank. Information or recommendations given by people close to you, such as friends or family, are often more trusted than formal promotions from the bank (Tjiptono, 2008;

Meiliana & Erdiansyah, 2020). In practice, WOM can be an effective marketing tool, especially if the bank is able to create a positive experience that makes customers willingly recommend services to others (Sernovitz, 2009; Purbandari et al., 2018; Chung & Shin, 2010).

However, in Bank BPD, there is still a phenomenon of negative WOM, such as complaints about unfriendly service, less than optimal handling of customer complaints, and service standards that have not met expectations. This is a serious challenge because negative WOM can have a direct impact on decreasing customer loyalty.

In addition to WOM, trust is the main foundation in building loyalty. Customer trust in banks is not only related to the promises made, but also consistency in service, transparency of product information, and customer experience while using bank services (Kumar et al., 2018; Muzakir et al., 2018). Unfortunately, some BPD customers still feel inconsistent service, unclear product information, and negative experiences, such as long waiting times or lack of responsiveness of officers, which reduces their level of trust (O'Shaughnessy & O'Shaughnessy, 2002; Darwin & Kunto, 2014; Kotler & Keller, 2012).

The third factor that also influences loyalty is satisfaction. Satisfaction is a feeling of pleasure or disappointment that arises after customers compare service performance with their expectations (Kotler & Keller, 2009). Satisfaction has a strategic role in creating long-term loyalty, because satisfied customers tend to make repeat purchases and recommend bank services to others (Norhermaya & Soesanto, 2016; Junaedi et al., 2022).

However, in reality, there are still BPD customers who feel dissatisfied, especially regarding the slow handling of complaints, to concerns about the security of customer data and funds, especially amidst the rampant issues of data leaks or account hacking. Based on these various problems, it is important to examine in more depth the influence of Word of Mouth, trust, and satisfaction on customer loyalty of Bank BPD in Kendari. The results of this study are expected to provide recommendations for BPD in improving service strategies, building trust, and creating positive WOM in order to maintain and increase customer loyalty amidst the tight competition in the banking industry.

## **Literature Review**

### **Word of Mouth**

According to Kotler & Keller (2009:512), word of mouth marketing is a marketing activity through intermediaries from person to person verbally, in writing, or using electronic communication tools related to the experience of

purchasing or using a product or service. Word of Mouth has the power to impact consumer purchasing behavior. Recommendations from trusted friends, associations, and other consumers have the potential to be more trusted than from commercial sources. Mostly, word of mouth occurs naturally, starting from talking about a brand that someone uses to other people (Kotler & Armstrong, 2012:139). Word of mouth (WOM) is a positive promotion carried out by customers voluntarily (Bakti et al., 2020). WOM is an effort to deliver and convey business information and messages to other people such as family, friends or business partners (Rizanata, 2014). WOM communication is one of the most influential tools in consumer behavior. Emotional relationships and friendships tend to influence consumers and their attitudes, so if they consider positive information about the company through WOM (San-Martín et al., 2015). Another definition of word of mouth is also given by Kotler (2010) that WOM is oral, written, and electronic communication between people related to the buyer's experience with a product or service. Siswanto and Maskan (2020) say that word of mouth is word-of-mouth communication with stories in the form of impressions from consumers to their friends regarding a pleasant service and promotion of a product or service. Siswanto and Maskan (2020) say that word of mouth is word-of-mouth communication with stories in the form of impressions from consumers to their friends regarding a pleasant service and promotion of a product or service. According to Poerwanto and Zakaria (2014) WOM is a trusted communication medium, because it starts with customers who have used the company's services, by getting satisfaction then sharing their experiences with others.

### **Trust**

Customer trust is a belief in the service provider (Garbarino & Johnson, 1999). According to Mcknight and Chervany (2002), trust has three characteristics - ability, benevolence and integrity. Ability refers to the belief of the customer (trustor) that the service provider (guardian) has the ability to fulfill what the service provider needs to do. In the banking sector, trust means that the bank is trustworthy, honest, applies integrity, and is reliable in providing services to its customers. Studies such as Garbarino and Johnson (1999), Singh and Sirdeshmukh (2000), and Gounaris (2005) show that trust is an important factor that influences customer intentions, as well as developing and maintaining long-term customer relationships. High levels of trust lead to the potential future relationship between customers and service providers. Amin et al. (2013) studied the role of customer satisfaction and customer loyalty for Islamic banks and they found that when customers do not want to

trust the bank, customers also cannot be loyal. Trust can also be a desire to rely on an exchange partner in which a person has confidence (Moorman, Deshpandé, & Zaltman, 1993). Consumer trust as a consumer's expectation that a service provider is reliable and able to fulfill its promises. Without strong trust and real evidence from other customers in utilizing banking services, banks will have difficulty collecting funds from the public. This belief has been widely studied by previous researchers including (Rendy Rachman, 2021), (Dewi Murtiningsih, 2021), (Aprilia Cahyaning, 2018), (Hashim & Ali, 2022), (Kholisoh & Ali, 2020), (Fauzi & Ali, 2021), (Ali, Zainal, & Ilhamalim, 2022). Trust is generally seen as a fundamental element for the success of relationship marketing. Without trust, a relationship will not last in the long term. Morgan and Hunt (1994) stated that trust is the basis of partnership strategy, when there are parties who have the desire to commit or bind themselves to a certain relationship.

### **Satisfaction**

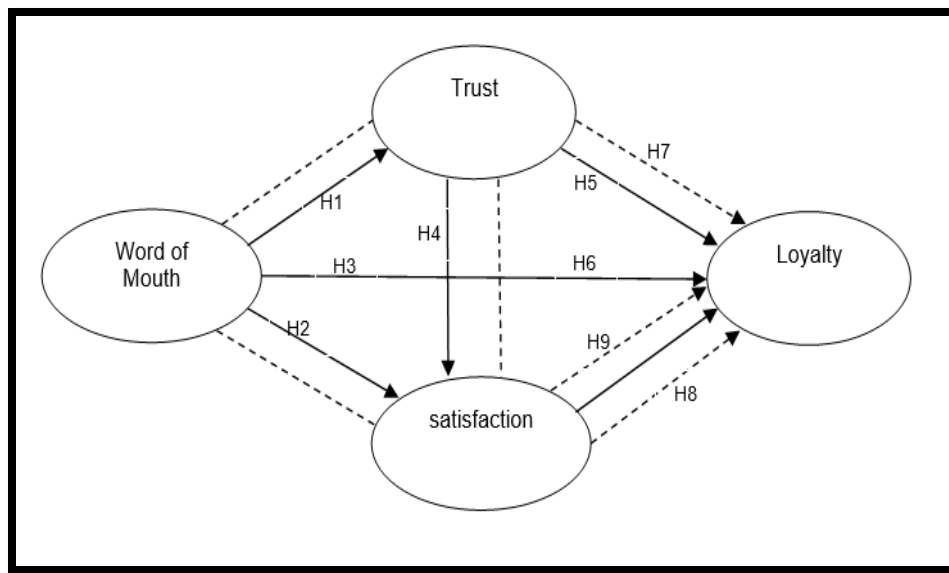
Oliver (1997), stated that satisfaction is a customer response to the fulfillment of their needs. This means an assessment that a form of specialty of a good or service itself, provides a level of comfort related to the fulfillment of a need including needs below expectations or fulfillment of needs exceeding customer expectations. Initially, the theory of customer satisfaction conceptualized a simple standard, namely the expectation of how the service will perform its function. However, the results of research conducted by Woodruff and Gardial (1996) in Astuti (2001) proved that the comparison standards used vary and even vary throughout the consumption process. Other standards besides expectations used as a comparison are ideal products, competing products, other product categories, promises from marketers (made through marketing communications) and industry norms (Woodruff and Gardial: *ibid*). Customer satisfaction depends on the estimated performance of the product to provide value, relative to the buyer's expectations. The buyer is satisfied if the performance is in accordance with expectations. Buyers are dissatisfied if the product performance is much lower than customer expectations, Kotler and Armstrong, (2001). According to Kotler (2005), satisfaction is a person's feeling of comfort or disappointment as a result of a comparison between the product's perceived performance (or outcome) in relation to his or her expectations. Day (Tjiptono 2000) defines customer satisfaction/dissatisfaction as a customer response to the evaluation of perceived disconformity between initial expectations before purchasing (or other performance norms) and actual performance felt after use. Furthermore,

Engel, et al., (1990) in Syamsuddin, (2002: 40) defines customer satisfaction as a post-purchase evaluation where the chosen alternative is at least the same or exceeds customer expectations. While Oliver in Syamsiddin, (2002: 41) defines customer satisfaction based on the disconfirmation paradigm.

### **Loyalty**

Behavioral loyalty refers to customer behavior to make repeat purchases such as purchase frequency and purchase proportion and loyalty attitude refers to the emotional and psychological state of customers to repurchase (Reichheld, 1993). Oliver (1999, p. 34) defines loyalty as "loyalty held firmly by customer commitment to a product/service reflected in repeated purchases of the same brand while ignoring other brands influence to leave the brand". Overall, the literature describes loyalty as when customers repeatedly purchase services/products over time, or when customers have a favorable attitude towards a service/product (Wong & Sohal, 2003; Baumann et al., 2011). In this study, loyalty refers to the continued support of a particular bank by customers over time (Ladhari et al., 2011). Loyalty is a concept of commitment to persist in making purchases, re-subscribing or re-subscribing to selected services consistently throughout the future (Khotimah, 2018). According to Saputri and Pranata (2014), loyal customers will not consider other brands because they believe in the services they use. Customers can choose a well-known brand without comparing it to other brands (Junaedi et al., 2022). The main goal in customer relationship marketing is 'getting and retaining customers' (Grönroos, 1995). Peng and Wang (2006) define relationship marketing as all marketing activities aimed at building customer loyalty (maintaining and winning customers) by providing value to all parties involved in the relational exchange". According to Durianto, et al. (2001, p.126) Customer Loyalty is a measure of consumer attachment to a brand. This measure is able to provide an overview of the possibility of customers switching to another product brand, if the product brand is found to have changes, either regarding price or other attributes.



**Figure 1 Conceptual Framework****Research Hypothesis**

- H1: Word of mouth (WOM) has a positive and significant effect on the trust of BPD southeast sulawesi bank customers.
- H2: Word of mouth (WOM) has a positive and significant effect on the satisfaction of BPD southeast sulawesi bank customers.
- H3: Word of mouth (WOM) has a positive and significant effect on the loyalty of BPD southeast sulawesi bank customers.
- H4: Trust has a positive and significant effect on the satisfaction of BPD southeast sulawesi bank customers.
- H5: Trust has a positive and significant effect on the loyalty of BPD southeast sulawesi bank customers.
- H6: Satisfaction has a positive and significant effect on the loyalty of BPD southeast sulawesi bank customers.
- H7: Word of mouth (WOM) has a positive effect on loyalty mediated by the trust of BPD southeast sulawesi bank customers.
- H8: Word of mouth (WOM) has a positive effect on loyalty mediated by the satisfaction of BPD southeast sulawesi bank customers.
- H9: Trust has a positive effect on loyalty mediated by the satisfaction of BPD southeast sulawesi bank customers.

**Research Methods**

The location of the study is PT. BPD Southeast Sulawesi. The population in this study were all credit customers totaling 40,428 and the sample size used in this study was 156 based on the Slovin formula. Meanwhile, the

research approach used is SmartPLS. The SmartPLS approach is a development of PLS (Partial Least Square) analysis.

## Research Result

### Structural Model Evaluation (Inner model)

Testing on the structural model is evaluated by considering the percentage of explained variance, namely by looking at the value ( $R^2$ ). To assess the model with PLS, start by looking at the R-Square of each latent variable. Changes in the value ( $R^2$ ) used to assess the influence of the independent variable on the dependent variable whether it has a substantive influence. The coefficient of determination ( $R^2$ ) of the endogenous variable is presented in Table 1.

**Table 1 Evaluation of Goodness of Fit Indices Overall Model Criteria**

Goodness of Fit Index	Cut-of Value	Model Results	Information
Chi-square	Expected small	107,321	Good
Probability	$\geq 0.05$	0,244	Good
CMIN/DF		1,095	Good
GFI	$\geq 0.90$	0,921	Good
CFI	$\geq 0.90$	0,994	Good
TLI		0,992	Good
RMSEA	$\geq 0.08$	0,025	Good

Source: Processed primary data, 2025

Based on table 1, it can be seen that the model is suitable for use. From the table, it can be seen that the value of the goodness of fit criteria meets the requirements. From the evaluation of the proposed model, it shows that the evaluation of the model against the construct as a whole turns out that from various criteria there are no critical violations that are still below the critical value, but the value has exceeded the critical value. So it can be stated that the model is relatively acceptable or in accordance with the data, so that further model suitability tests can be carried out.



### Hypothesis Testing

The analysis of the direct effect between constructs of the model can be compared to evaluate the influence of each construct on the direct effect, which is none other than the coefficient of all coefficient lines with one-ended arrows (Augusty, 2005), the test results of which are presented as follows:

**Table 2 Direct Path Research Hypothesis Results**

<b>Influence Between Variables</b>	<b>Beta coefficient</b>	<b>Probability</b>	<b>information</b>
Trust <--- Word_of_Mouth	0,551	0,000	Significant
Satisfaction <--- Word_of_Mouth	0,228	0,011	Significant
Satisfaction <--- Trust	0,475	0,000	Significant
Loyalty <--- Trust	0,365	0,000	Significant
Loyalty <--- Satisfaction	0,311	0,001	Significant
Loyalty <--- Word_of_Mouth	0,177	0,036	Significant

Source: Processed primary data, 2025

**Table 3 Indirect Path Research Hypothesis Results**

<b>Influence Between Variables</b>	<b>Beta coefficient of indirect influence</b>	<b>Beta coefficient of direct influence</b>	<b>Classification of Mediation</b>
Satisfaction <--- Trust <--- Word_of_Mouth	0,262	0,228	Partial mediation
Loyalty <--- Trust <--- Word_of_Mouth	0,353	0,177	Partial mediation
Loyalty <--- Satisfaction <--- Trust	0,148	0,365	Partial mediation

Source: Processed primary data, 2025

## Discussion

### The Influence Of Word Of Mouth (Wom) On Trust

Based on the results of the SEM analysis, word of mouth has been proven to have a positive and significant effect on consumer trust. This shows that the better the quality of word of mouth communication delivered by consumers, the higher the level of consumer trust in a product, service, or brand. The development of technology and communication today has brought about major changes in the pattern of information delivery in society, including in the realm of marketing. Communication that used to be traditional, has now developed into something more dynamic by utilizing various media, both offline and online. Word of mouth is one form of communication that is very effective because it relies on real experiences that are conveyed directly by consumers to others. According to Kotler and Keller (2013), word of mouth is able to create a more personal relationship between consumers and companies, making it a very powerful tool in building consumer perception and confidence. In addition, word of mouth is also considered a marketing strategy that has a low cost but has a big impact. Its effectiveness lies in the unbroken chain of communication between consumers, both face to face and through digital platforms. This communication influences consumer responses through three main aspects, namely affect (feelings), behavior (behavior), and cognition (knowledge), which ultimately contribute to the formation of consumer satisfaction. The satisfaction felt by consumers after using a product or service then becomes the basis for building trust. This trust is a crucial element in the purchasing decision-making process, because consumers who already trust will find it easier to decide to buy and tend to be loyal to the brand. Furthermore, in today's digital era, the concept of word of mouth has developed into electronic word of mouth (eWOM). eWOM is a form of word-of-mouth communication that is carried out online through various digital media such as social media, blogs, websites, and discussion forums. Previous research by Akram and Wibowo (2016) and Dewi et al. (2021) showed that eWOM plays an important role in building consumer trust. Through eWOM, consumers can easily exchange information, share experiences, provide recommendations, or even criticize products and services they have used. Information conveyed through eWOM tends to be more trusted because it comes from the real experiences of fellow consumers, not from company advertisements. In an increasingly competitive business environment, building trust is a major challenge for companies. Consumer trust does not only arise from promises made by the company, but also from real evidence felt directly by consumers or from the experiences of

other consumers disseminated through word of mouth or eWOM. Previous studies, such as those conducted by Charvia & Erdiansyah (2020), Septiari (2018), and Ihsan et al. (2022), consistently show that eWOM has a significant positive impact on consumer trust in brands. Therefore, companies need to actively manage word of mouth communication, both offline and online, as part of a strategy to increase trust, satisfaction, and ultimately drive consumer loyalty.

### **The Influence of Word of Mouth (WOM) on Satisfaction**

Based on the analysis results, word of mouth (WOM) has a positive and significant effect on customer satisfaction. This shows that the better the information or recommendations conveyed by customers to others, the higher the level of satisfaction felt. WOM is a communication process between consumers that involves the exchange of information, reviews, or experiences related to products, services, or companies. WOM has a major influence on purchasing decision making and can improve or damage a brand's reputation depending on the content of the message conveyed. When customers receive positive information from others, it can increase their trust and confidence in the quality of the product or service which ultimately contributes to satisfaction. Conversely, negative information can reduce the level of satisfaction and even hinder purchasing intentions. Customer satisfaction itself arises as a result of a comparison between customer expectations and the actual performance they feel after using the product or service. If the performance of the product or service exceeds expectations, then the customer will feel satisfied. Along with the development of technology, the concept of WOM has developed into electronic word of mouth (eWOM), which is word of mouth communication that is disseminated through digital platforms such as social media, online forums, websites, and virtual communities. eWOM is one of the main sources of information for modern consumers in making purchasing decisions. Forms of eWOM such as buzz marketing and viral marketing also strengthen the spread of information that is faster, wider, and has a major impact on customer perception and satisfaction. Various previous studies have also proven that eWOM has a positive and significant influence on customer satisfaction, as stated by Ginting et al. (2023), Kuo & Nakhata (2019), and Tandon et al. (2020). Positive information spread on digital media can build a good perception of the quality of the products or services offered. Conversely, eWOM also has the potential to cause dissatisfaction if the information disseminated is negative. In service industries such as banking that face very tight competition, implementing a WOM strategy is very

important to increase customer satisfaction while strengthening loyalty. WOM not only strengthens positive perceptions of service quality, but is also an effective tool for companies to retain old customers and attract new customers. Satisfied customers tend to recommend the product or service to others, thus expanding the customer network naturally. Previous research such as Nugraha & Aditya (2015), Budiarto & Suhermin (2018), and Sinaga (2017) also prove that word of mouth has a significant effect on customer satisfaction. Therefore, companies need to manage WOM, both conventionally and digitally, to maintain their reputation, improve service quality, and meet customer expectations in order to achieve optimal satisfaction.

### **The Influence of Word of Mouth (WOM) on Loyalty**

Based on the analysis results, word of mouth (WOM) has a positive and significant influence on customer loyalty. This shows that the better the information or recommendations conveyed by customers to others, the higher the level of loyalty that will be formed. WOM is a form of interpersonal communication carried out by customers to share their positive experiences with a product or service with others with the aim that others have better knowledge and confidence before making a purchase. WOM not only helps reduce consumer uncertainty and risk perception, but is also able to strengthen the company's image and create a greater sense of trust in the product or service. Satisfied customers tend to spread positive information to others, thereby helping to strengthen loyalty, both to themselves and to other potential customers. This phenomenon is further strengthened by the existence of electronic word of mouth (eWOM) through digital media that can reach more people in a shorter time. In a cultural context like Indonesia, WOM is a very effective marketing strategy because people tend to trust recommendations from people closest to them more than commercial advertising. Therefore, WOM not only functions as a free promotional media, but also becomes a very powerful tool in building customer loyalty on an ongoing basis. Previous studies by Putri (2018), Saputra et al. (2017), and Agustin et al. (2021) showed that WOM has been proven to have a significant impact on customer loyalty. When the information conveyed is positive, it will build consumer confidence, encourage repeat purchases, increase commitment to the brand, and strengthen the intention to continue using the product or service in the future. Conversely, negative information can damage brand reputation and reduce customer loyalty. Therefore, companies need to maintain product and service quality consistently so that customers are encouraged to continue spreading

positive WOM. Thus, WOM is an important key in maintaining customer loyalty and company competitiveness amidst increasingly fierce business competition.

### **The Effect of Trust on Satisfaction**

Based on the results of the analysis, trust has been shown to have a positive and significant effect on customer satisfaction. This shows that the higher the level of customer trust in the company, the higher the level of satisfaction they feel. Trust is a fundamental factor that not only builds customer confidence in the company's ability to fulfill promises and provide the best service, but also becomes the foundation for creating satisfaction. Trust does not just appear, but is built through consistent interaction, honesty, responsibility, transparency, and integrity that are directly felt by customers in every service provided. According to Morgan and Hunt, trust is formed when customers believe in the reliability and integrity of a company, and this belief becomes the basis for a quality long-term relationship. The results of previous studies also strengthen this finding, as stated by Kesuma et al. (2015), Noeraini (2016), Diza (2016), and Sarah Rahmawaty et al. (2021) which show that trust has a significant effect on satisfaction. Trust not only has an impact on satisfaction alone, but also on the perception of brand image, where brands that have a positive image tend to be more trusted and ultimately increase customer satisfaction. Satisfaction itself is created when customers feel a match between their expectations before purchasing and the actual experience gained after using a product or service. According to Kotler and Keller, satisfaction is a feeling of pleasure or disappointment that arises from the comparison between initial expectations and the actual performance of a product or service. Therefore, companies that are able to build and maintain customer trust through consistent, honest, and quality service will find it easier to create satisfaction, which ultimately has an impact on loyalty and business continuity. Findings from various studies also show that trust is an important foundation in strengthening long-term relationships with customers, reducing customer anxiety or uncertainty about products or services, and increasing convenience in transactions. Thus, maintaining trust is a top priority for companies in an effort to create and maintain customer satisfaction amidst increasingly competitive business competition.

### **The Influence of Trust on Loyalty**

Based on the results of the analysis, trust has been proven to have a positive and significant effect on customer loyalty. This shows that the higher the level of customer trust in the company, the higher the loyalty shown by the customer. Trust plays a very important role in building long-term relationships

between companies and customers, because customers who feel confident in the credibility, integrity, and capabilities of the company tend to continue to use the product or service repeatedly. Trust arises when a company is able to provide consistent service, fulfill promises, be honest, and pay attention to the needs of its consumers. Customers who trust the company will not only make repeat purchases, but are also willing to recommend to others, thus indirectly improving the company's image and reputation. Previous studies such as those conducted by Gwinner et al., Miles and Covin (2000), Hidayat and Firdaus (2016), and Laely (2016) strengthen the finding that trust has a significant effect on customer loyalty. In addition, trust drives customer commitment to the brand, because customers believe that the brand is able to provide positive value and meet their expectations. The theory proposed by Swan and Nolan (1985) also states that long-term loyalty will not be achieved without high trust from customers. Therefore, trust is the main foundation in creating loyalty, where customers who trust will feel more comfortable, safe, and confident to continue using the products or services offered by the company. Strong trust will minimize doubts and risk perceptions, so that customers do not feel the need to look for other alternatives. In the long term, companies that succeed in building trust well will have a loyal customer base, which will not only have an impact on increasing sales, but also on sustainable business growth.

### **The Influence of Satisfaction on Loyalty**

Based on the results of the analysis, satisfaction has been shown to have a positive and significant effect on loyalty. This shows that the higher the satisfaction felt by customers, the higher their level of loyalty to the company. Customer satisfaction is a feeling of pleasure or satisfaction that arises when the performance of a product or service meets or even exceeds customer expectations (Kotler & Keller, 2009). Satisfied customers tend to continue to make repeat purchases, do not switch to other products, and are willing to recommend products to others. Satisfaction is a key factor that can drive loyalty, because customers feel comfortable, safe, and confident that the products or services provided are in accordance with their expectations (Griffin, 2008; Band, 1991). Various previous studies (Maskur et al., 2016; Tjahjaningsih et al., 2021; Bahrudin & Zuhro, 2016) show consistent results that customer satisfaction has a significant effect on customer loyalty. When customers are satisfied, they not only make repeat purchases, but also establish long-term relationships with the company and tend to provide positive recommendations to others. Customer loyalty formed from satisfaction will have a major impact on the sustainability of the company's business,



because loyal customers will be a valuable asset that is difficult to replace. Although a small number of studies such as Robby Dharma (2017) show different results, in general most studies conclude that satisfaction plays an important role in increasing loyalty. Therefore, for companies, maintaining and increasing customer satisfaction is one of the main strategies in maintaining loyalty and ensuring sustainable business growth.

### **Word of Mouth (WOM) Influences Loyalty Mediated by Trust**

The results of the analysis show that word of mouth (WOM) has a positive and significant effect on loyalty mediated by satisfaction. WOM is one form of effective communication in influencing consumer attitudes and behavior because the information conveyed is considered more reliable than formal advertising (Fang, 2011; Chen, 2013). WOM not only helps consumers in decision making but also builds trust in products or services. When positive information is spread, consumer trust will increase, which ultimately leads to satisfaction and loyalty. According to Kotler and Keller (2013), WOM creates a more personal relationship between consumers and companies without requiring large costs but is very effective. Trust plays an important role in forming loyalty, because consumers who believe in a product or brand tend to be more loyal and make repeat purchases (Putra, 2018). Previous studies have also shown that WOM, trust, and satisfaction are interrelated in building customer loyalty (Yusfita & Yulianto, 2018; Hasan, 2013). In addition, brand image is also a supporting factor that can strengthen trust and loyalty, because consumers tend to trust brands that have a positive image (Shimp, 2014). Therefore, companies need to continue to encourage the creation of positive WOM, strengthen trust, and maintain customer satisfaction as the main strategy to increase customer loyalty.

### **Word of Mouth (WOM) Influences Loyalty Mediated by Satisfaction**

Based on the results of the analysis, it was found that word of mouth (WOM) has a positive and significant effect on customer loyalty mediated by satisfaction. This means that the better the information or recommendations conveyed from one consumer to another, the more it will have a direct impact on increasing customer satisfaction which ultimately contributes to the creation of loyalty. WOM is one of the communication and marketing strategies that has a strong influence on consumer behavior because the information provided is more personal, credible, and trusted than promotions through formal media. Consumers trust information provided by people close to them such as friends, family, or colleagues more than advertisements from companies (Rohandi, 2016). WOM is effective because it can reduce consumers'



risk perceptions of products or services, and indirectly encourage them to make purchasing decisions with more confidence. In line with previous research, WOM has been shown to increase consumer satisfaction and loyalty (Nugraha et al., 2015; Saputra & Hidayat, 2018), where information conveyed positively can build good perceptions of products and services. Customers who are satisfied with the experience they get will tend to share the experience with others, thus creating a chain effect in the marketing process. However, several studies also show that the influence of WOM on perceived quality is not always significant, depending on the consistency of the product and the customer's own preferences (Shi et al., 2016; Buttle, 1998). This shows that WOM does play a very important role in shaping expectations and satisfaction, but must still be supported by good product and service quality. Customer satisfaction is an important factor in building loyalty. When customers are satisfied with the products or services they use, they tend to stay, make repeat purchases, and even recommend to others. Loyalty is not just a momentary satisfaction, but is the result of a strong emotional attachment to a brand or company, which makes customers remain loyal even though there are more attractive offers from competitors (Kiseleva et al., 2016). Thus, companies need to understand that positive WOM not only has an impact on increasing satisfaction but also strengthens long-term loyalty. Therefore, companies must focus on providing excellent service, maintaining product quality, responding to customer needs, and building effective two-way communication to create a positive experience that will continue to spread through WOM. This strategy is the main key to retaining old customers and attracting new customers sustainably in the face of increasingly tight business competition.

### **Trust Affects Loyalty Mediated by Satisfaction**

Based on the results of the analysis, it was found that trust has a positive and significant effect on loyalty through satisfaction. This means that the higher the level of customer trust, the more it will have a direct impact on increasing customer satisfaction and loyalty to the bank. Trust is the main foundation in building long-term relationships with customers, which is characterized by a sense of security and confidence that the company is able to meet their needs and expectations (Rafiah, 2019). This trust is influenced by various factors such as service quality, transparency, integrity, problem solving, and brand reputation (Tjiptono & Chandra, 2012). When customers feel confident in an institution, they tend to feel satisfied because their expectations and needs are met. Satisfaction itself is the result of a comparison between customer expectations and the performance of the service or product

received (Kotler & Keller, 2007), and is the main indicator in assessing the quality of service of a company or institution, including banking. High satisfaction encourages customers to remain loyal and make repeat transactions, which ultimately strengthens loyalty. However, the results of this study also show that trust in loyalty mediated by satisfaction is not always significant in all conditions. This is in line with the findings of Saputra et al. (2023) which states that satisfaction does not always have a significant partial effect on loyalty. While several other studies, such as Andhini (2017), found different results that trust has a significant effect on satisfaction, especially in the e-commerce sector. This difference shows that the effect of trust on satisfaction can be very contextual, depending on the type of industry, customer characteristics, and market situation. However, this study is also supported by the results of Gultom et al. (2020) and Winasih & Hakim (2021) who found that trust and satisfaction together have a positive and significant effect on loyalty. This means that companies that are able to build a high level of trust and are consistent in maintaining customer satisfaction have a greater chance of retaining customers and creating sustainable relationships. This is in line with Supertini's research (2020) which emphasizes that customer trust and satisfaction play an important role in driving customer loyalty. Therefore, banks and other companies must continue to focus on improving service quality, transparency, effective communication, and solving customer problems to strengthen trust, increase satisfaction, and ultimately create strong and sustainable customer loyalty.

**Conclusion:**

Based on the research results and discussions that have been presented, it can be concluded as follows: There is a positive and significant influence between word of mouth (WOM) on customer trust. This means that the better the customer's word of mouth, the more it will increase customer trust. There is a positive and significant influence between word of mouth (WOM) on customer satisfaction. This means that the better the customer's word of mouth, the more it will increase customer satisfaction. There is a positive and significant influence between word of mouth (WOM) on customer loyalty. This means that the better the customer's word of mouth, the more it will increase customer loyalty. There is a positive and significant influence between trust and customer satisfaction. This means that the higher the level of customer trust, the more it will increase customer satisfaction. There is a positive and significant influence between trust and customer loyalty. This means that the higher the level of customer trust, the more it will increase customer loyalty.

There is a positive and significant influence between satisfaction and customer loyalty. This means that the higher the level of customer satisfaction, the more it will increase customer loyalty. There is an influence between word of mouth (WOM) on customer loyalty mediated by customer trust. This means that the better the customer's word of mouth (WOM) will increase customer loyalty through trust. There is an influence between word of mouth (WOM) on customer loyalty mediated by customer satisfaction. This means that the better the customer's word of mouth (WOM) will increase customer loyalty through satisfaction. There is an influence between customer trust and customer loyalty not mediated by customer satisfaction. This means that the higher the customer's trust will decrease customer loyalty through satisfaction.

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