

THE EFFECT OF SERVICE QUALITY AND BRAND IMAGE ON CUSTOMER LOYALTY THROUGH CUSTOMER SATISFACTION AMONG CUSTOMERS OF BPR RASUNA MAGETAN BANK

Warih Partikalia Widyawati¹⁾, Hari Purwanto²⁾.

¹Management Program, Faculty of Economics and Business, Universitas PGRI Madiun
email: warihpratika13@gmail.com

²Management Program, Faculty of Economics and Business, Universitas PGRI Madiun
email: hari.purwanto@unipma.ac.id

Abstract

The development of the banking sector in Indonesia continues to increase in line with the increasingly complex needs of the public for financial services. The title of the study is "The Effect of Service Quality and Brand Image on Customer Loyalty Through Customer Satisfaction Among Customers of Bank BPR Rasuna Magetan." This study uses primary data, namely questionnaires distributed to respondents. The sample size for this study was 398 respondents. This study used SPSS Version 21. The results show that service quality has a significant effect on customer satisfaction. Brand image has a significant effect on customer quality. Service quality has no significant effect on customer loyalty. Brand image has a significant effect on customer loyalty. Customer satisfaction has a significant effect on customer loyalty. Service quality has a significant effect on customer loyalty through customer satisfaction. Service quality has no significant effect on customer loyalty through customer satisfaction.

Keywords: Service Quality, Brand Image, Customer Loyalty, Customer Satisfaction

A. INTRODUCTION

The development of the banking sector in Indonesia continues to grow in line with the increasingly complex public demand for financial services (Sukesi et al., 2024). Banks, as financial intermediary institutions, play an important role in promoting economic growth through credit distribution, fund mobilization, and the provision of financial services that are easily accessible to all levels of society (Ceysa et al., 2024). Competition among banks, both commercial banks and Rural Banks (BPR), is becoming increasingly intense, requiring every financial institution to maintain service quality and build a strong brand image in order to retain customers. In this increasingly competitive environment, customer loyalty has become one of the key factors for banks to survive and grow.

Rural Banks (Bank Perkreditan Rakyat/BPR), as microfinance institutions, have a strategic role, particularly in providing services to local communities, MSME actors, and the lower-middle economic sector. BPRs serve as a solution for people who need financial services with simpler, faster, and more flexible procedures compared to commercial banks (Wahyu et al., 2024). However, in general, large banks such as BRI, BCA, Mandiri, and BNI have successfully attracted public attention due to their strong brand image, extensive networks, and advanced digital service quality.

This situation creates significant challenges for BPRs, which focus on the lower-middle market segment, in maintaining their existence. Although BPRs play an important role in supporting regional economies through micro and small business lending, many customers are now more interested in using large banks that are perceived as more modern, secure, and trustworthy (Malihah et al., 2024). As public preference shifts toward state-owned or large private banks offering similar products with stronger brand images and faster, more efficient services, this phenomenon indicates that BPR Rasuna needs to pay close attention to two crucial aspects influencing customer satisfaction and loyalty: service quality and brand image.

BPR Rasuna Magetan, as one of the regional financial institutions in Magetan Regency, strives to provide the best services to the community, particularly in credit distribution and fund collection (Firdaus & Damanuri, 2024). In carrying out its functions, BPR Rasuna faces challenges from competition with other BPRs, commercial banks, and non-bank financial institutions. To address these challenges, BPR Rasuna must continuously improve its service quality and maintain a strong brand image in order to remain the primary choice of the local community. The bank's success in retaining and increasing its number of customers is highly influenced by its ability to maintain customer satisfaction through excellent service and a trustworthy brand image.

Tabel 1 Kompetitor BPR Rasunan Magetan

KOMPETITOR
PT BPR Ekadharma Bhinaraharja
Bank Pundhi Magetan (PT BPR Pundhi Arta Indonesia)
PT BPR Buana Citra Sejahtera
PT BPR Caruban Indah

Sumber: Google.com

PT BPR Ekadharma Bhinaraharja, Bank Pundhi Magetan (PT BPR Pundhi Arta Indonesia), PT BPR Buana Citra Sejahtera, and PT BPR Caruban Indah are the main competitors of BPR Rasuna Magetan in providing banking services to the community. The presence of these competitors requires BPR Rasuna Magetan to continuously enhance customer satisfaction, particularly through service quality, transaction speed, ease of credit processes, and clarity of product information. In competition among BPRs that offer relatively similar products, customer satisfaction becomes a key factor influencing customer loyalty and customers' decisions to continue using the services of BPR Rasuna Magetan rather than switching to competing banks.

In the banking industry, service quality is a fundamental aspect that determines customer satisfaction and loyalty (Krisdiyani & Rimadiaz, 2023). High-quality service not only includes transaction speed, accuracy of information, and service convenience, but also the ability of employees to serve customers in a friendly, professional, and responsive manner (Hermawati et al., 2025). Customers will feel valued when services are delivered optimally, and this creates a positive experience that influences their attachment to the bank. Therefore, consistent service quality becomes an essential foundation for the formation of long-term customer loyalty (Aninam & Akely, 2024).

Service quality at BPR Rasuna Magetan remains a concern, as several aspects have not fully met customer expectations. The service quality gap phenomenon that occurs in

practice indicates that, although service delivery has generally been implemented well, there is still a discrepancy between customers' expectations and the actual experience they receive. In the modern era, customers expect services that are faster, more accurate, and more informative, particularly regarding administrative processes, clarity of procedures, and ease of obtaining product information. However, in practice, certain situations such as peak-hour congestion, limitations in specific service aspects, and the need for more detailed explanations mean that customer experiences do not always align with their expectations. This gap does not necessarily reflect a weakness, but rather highlights opportunities for improvement so that service quality can better meet customers' needs and preferences.

In terms of brand image, BPR Rasuna Magetan has established a reputation as a local bank that is close to the community and easily accessible. However, the increasingly digital and competitive development of the banking industry has created a gap between the ideal image expected by customers and the actual image they perceive (Saputri & Fitri, 2025). Some customers now compare BPRs with commercial banks or digital financial services that offer more modern, fast, and technology-based branding. As a result, BPR Rasuna Magetan's brand image is perceived as still having room for improvement, particularly in terms of service innovation, modernity, and professionalism. This perceptual gap indicates the need for a brand image strengthening strategy that aligns with the expectations of today's customers.

Customer loyalty is an important variable in the banking industry because it determines the sustainability of long-term relationships between customers and banks (Ainayah et al., 2025). Loyalty is not only reflected in the continuous use of banking services, but also in customers' willingness to recommend the bank to others as a form of trust and satisfaction they experience. Research by Budiman (2020) states that customer loyalty in financial institutions emerges when customers feel secure, comfortable, and perceive added value from the services provided by the bank.

Customer loyalty is closely related to customer satisfaction. Customers who experience positive interactions, consistent service, and satisfactory transaction outcomes tend to demonstrate higher levels of loyalty (Dasim & Tarigan, 2024). Research by Barus & Nisa (2025) reveals that service quality has a significant influence on customer loyalty, both directly and indirectly through customer satisfaction. In addition to service quality, brand image also makes a substantial contribution to customer loyalty. Findings by Kartika (2025) indicate that brand image significantly affects customer loyalty, as customers tend to remain loyal to institutions they perceive as secure and professional.

Based on the factors influencing customer loyalty described above, the researcher sets clear limitations for this study. The variables used in this research are service quality and brand image, which are expected to influence customer loyalty through customer satisfaction. Service quality refers to a company's ability to provide services that meet customers' needs and expectations (Piay et al., 2021). According to Widodo & Santoso (2023), good service quality is reflected in services that provide convenience, comfort, security, and accurate information for customers. Optimal service delivery will enhance customer satisfaction and strengthen customers' confidence in using the company's services. The following describes the service quality provided by BPR Rasuna Magetan:

Tabel 2 Daftar Produk BPR Rasunan Magetan

Tabungan:	Tabungan Daya Surya
	Tabungan Takesmat
	Tabungan Al-Amin
	TabunganKU
	Tabungan Takeswajar (Simpel)
Deposito:	Deposito Berjangka (1, 3, 6, 12 bulan)
Kredit:	Kredit Perdagangan
	Kredit Industri / Usaha

Kredit Peternakan

Kredit Jasa

Kredit Konsumtif

Sumber: BPR Rasunan Magetan, 2026

Based on Figure 1.1 and Table 1.2, the services at Bank Rasuna show that the bank provides a wide range of savings and financing products designed to meet the needs of the community. The savings products offered are quite diverse, including Tabungan Daya Surya with daily interest features, Tabungan Takesmat which emphasizes community welfare, and Tabungan Al-Amin which highlights customer trust. In addition, there is Tabunganku for future financial preparation, Tabungan Takeswajar Sempel targeting students and university students, as well as time deposits (Deposito) as a safer investment option with fixed returns. Bank Rasuna also provides credit services to support the financing needs of the community. This variety of products demonstrates Bank Rasuna's commitment to delivering inclusive, accessible financial services tailored to the needs of different customer segments (Nursifa et al., 2023).

Research results indicate that service quality has a positive and significant effect on customer loyalty (Suryani & Firmansyah, 2023). This is consistent with the findings of Putra & Rachmawati (2023), who concluded that the better the service quality provided, the higher the level of customer loyalty, as customers feel professionally served in accordance with their expectations. Friendly, fast, and accurate service enhances customer comfort, thereby encouraging them to remain loyal to the bank's services. Furthermore, Wibowo et al. (2024) also found that service quality significantly influences customer loyalty, where consistent and satisfying service makes customers reluctant to switch to other banks.

Brand image also plays a significant role in shaping customers' perceptions of financial institutions. A strong brand image can enhance trust, a sense of security, and

customers' confidence in continuing to use the bank's services. According to Pradana & Wijayanti (2024), brand image refers to the perceptions, impressions, and beliefs formed in customers' minds about a company or product. A strong brand image creates trust, comfort, and confidence in customers when using a company's services. Lestari & Mandasari (2023) state that a positive brand image can increase a company's value because customers perceive the company as reputable and trustworthy. The brand image of BPR Rasuna Magetan is reflected in its reputation for safe and friendly service, as well as its close relationship with the local community, thereby building positive perceptions among customers in choosing financial services that suit their needs.



Gambar 1 Citra Merek BPR Rasuna Magetan

Sumber : BPR Rasuna Magetan, 20225

The figure illustrates various activities and achievements of BPR Rasuna Magetan that reflect the company's professionalism, commitment, and service quality. The "Top 100 BPR Award 2023 for Banks with Assets Above IDR 100 Billion" serves as a symbol of the bank's success in maintaining strong financial performance, credibility, and good corporate governance. In addition, documentation of internal activities and employee togetherness indicates that BPR Rasuna possesses solid and well-trained human resources who are ready to provide the best possible service to customers.

The bank's participation in various programs and the active involvement of its team further strengthen public perception that BPR Rasuna is a trustworthy, professional financial institution that remains close to the community. Overall, these visuals shape a

positive brand image, portraying the bank not only as institutionally competent but also as humane and responsive to the needs of customers and the surrounding environment. A positive brand image creates a strong impression that the company is professional, credible, and capable of meeting customer needs, thereby encouraging customers to remain loyal to the services provided (Pradana & Wijayanti, 2024).

Research by Lestari & Mandasari (2023) indicates that brand image has a strong influence on customer loyalty. The better the image projected by a company, the stronger the emotional attachment and trust customers have in continuing to use the bank's products and services. Similar findings were reported by Yusuf & Hariani (2022), who found that brand image has a positive and significant effect on loyalty, where customers tend to remain with banks that have a good reputation and a convincing image. This is further supported by Anggraini (2022), who states that a strong brand image becomes a primary consideration for customers in maintaining long-term commitment, as they feel secure, valued, and confident in the quality of the company's services.

Customer loyalty cannot be separated from the level of satisfaction provided by the company. Customer satisfaction is a crucial factor in determining whether customers will continue using a bank's services or switch to another financial institution. According to Hidayat & Ramdhani (2023), customer satisfaction is the feeling of pleasure or disappointment that arises after customers compare the service performance they receive with their expectations. This satisfaction becomes a primary consideration for customers in assessing whether the services provided are worth continuing or not.

Tabel 3 Data Populasi Nasabah

Kategori Usia	Jumlah Nasabah	Persentase
18–30 tahun	418	10,45%
31–40 tahun	1.02	25,50%
41–55 tahun	1.583	39,58%

>55 tahun	979	24,47%
TOTAL	4000	100%

Sumber: Observasi, 2026

Based on the customer data of BPR Rasuna Magetan, the age group of 41–55 years dominates with 1,583 customers (39.58%), followed by the 31–40 age group with 1,020 customers (25.50%) and those aged over 55 with 979 customers (24.47%). Meanwhile, the 18–30 age group represents the smallest proportion, with 418 customers (10.45%). The dominance of customers aged over 35 indicates a relatively high level of customer loyalty, as this age group tends to have ongoing financial needs, long-term relationships with the bank, and strong trust in the services provided by BPR Rasuna Magetan. In contrast, the lower proportion of customers aged 18–30 suggests less stable loyalty, since this group is generally more flexible and more likely to switch to other financial institutions. Therefore, customer loyalty at BPR Rasuna Magetan is largely supported by adult and older customers who maintain long-term relationships with the bank.

Research by Pratama & Wijayanti (2021) shows that customer satisfaction has a significant effect on customer loyalty, where satisfied consumers tend to make repeat purchases and recommend the product to others. This is consistent with the findings of Rahmawati (2020), who states that the higher the level of satisfaction provided by a company, the stronger the customers' commitment to continue using its products and services sustainably. Furthermore, research by Putra & Sari (2022) also supports that satisfied customers are more likely to remain loyal, as they feel that their needs and expectations have been properly fulfilled. Therefore, customer satisfaction becomes a crucial factor in creating long-term loyalty and building stable relationships between customers and the company.

B. METHOD

This study was conducted at BPR Rasuna, located at Jl. Imam Bonjol No. 1, Dusun Magetan, Magetan District, Magetan Regency, East Java. The population in this study consisted of all customers of Bank BPR Rasuna Magetan, totaling 4,000 customers. Therefore, the study employed a non-probability sampling technique. The sampling technique used in this research was based on the Isaac and Michael formula. Isaac and Michael have calculated sample sizes for populations ranging from 10 to 1,000,000. Based on this formula, the determined sample size was 398 customers. The questionnaire was designed using a Likert scale with a scoring system, and the data were analyzed using SPSS.

C. RESULTS AND DISCUSSIONS

The partial test is a statistical test conducted on individual regression coefficients to determine whether a single regression coefficient has an effect on the dependent variable (Y) (Ghozali, 2018). The following are the results of the partial test.

Tabel 4 Hasil Uji Parsial t (Uji t)

Coefficients ^a						
Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
	(Constant)	9.342	1.164		8.027	.000
1	X1	.183	.035	.267	5.213	.000
	X2	.108	.036	.155	3.033	.003

a. Dependent Variable: Z

Based on the results of the t-test in the table above, the conclusions can be drawn as follows:

1. For variable (X1), the t-value is greater than the t-table value ($5.213 > 1.966$) with a significance level of $0.000 < 0.05$. This means that H_0 is rejected and H_a is accepted. It indicates that partially, variable (X1) has a significant effect on Z. Therefore, the first hypothesis is accepted.
2. For variable (X2), the t-value is greater than the t-table value ($3.033 > 1.966$) with a significance level of $0.003 < 0.05$. This means that H_0 is rejected and H_a is accepted. It indicates that partially, variable (X2) has a positive and significant effect on Z. Therefore, the second hypothesis is accepted.

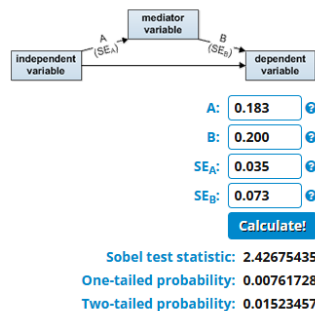
Tabel 5 Uji T

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	10,285	1,825	5,634	,000
	X1	,019	,053	,020	,723
	X2	,114	,052	,119	,029
	Z	,200	,073	,144	,007
a. Dependent Variable: Y					

1. For variable (X1), the t-value is lower than the t-table value ($0.354 < 1.966$) with a significance level of $0.7723 > 0.05$. This means that H_0 is accepted and H_a is rejected. It indicates that partially, variable (X1) does not have a significant effect on Y. Therefore, the first hypothesis is rejected.
2. For variable (X2), the t-value is greater than the t-table value ($2.185 > 1.966$) with a significance level of $0.029 < 0.05$. This means that H_0 is rejected and H_a is accepted. It

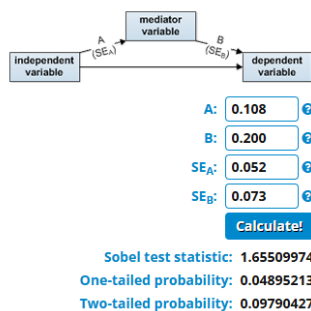
indicates that partially, variable (X₂) has a positive and significant effect on Z. Therefore, the second hypothesis is accepted.

- For variable (Y), the t-value is greater than the t-table value ($2.729 > 1.966$) with a significance level of $0.007 < 0.05$. This means that H_0 is rejected and H_a is accepted. It indicates that partially, variable (Y) has a positive and significant effect on Z. Therefore, the third hypothesis is accepted



Gambar 2 Sobel Test 1

Based on the calculation shown above, the Sobel test value is $2.426 > 1.96$. Therefore, service quality is able to mediate the effect on customer loyalty through customer satisfaction.



Gambar 3 Sobel Test 2

Based on the calculation shown above, the Sobel test value is $1.655 < 1.96$. Therefore, there is no mediating effect of brand image on customer loyalty through customer satisfaction.

D. CONCLUSIONS

Based on the results of data processing and hypothesis testing conducted to examine the seven hypotheses in this study, the findings are as follows: Service quality does not have a significant effect on customer satisfaction at Bank BPR Rasuna Magetan. Brand image has a significant effect on customer satisfaction at Bank BPR Rasuna Magetan. Service quality does not have a significant effect on customer loyalty at Bank BPR Rasuna Magetan. Brand image has a significant effect on customer loyalty at Bank BPR Rasuna Magetan. Customer satisfaction has a significant effect on customer loyalty at Bank BPR Rasuna Magetan. Service quality has a significant effect on customer loyalty through customer satisfaction at Bank BPR Rasuna Magetan. However, service quality does not have a significant effect on customer loyalty through customer satisfaction at Bank BPR Rasuna Magetan.

E. SUGGESTIONS

Future research is expected to further develop this study by incorporating additional variables that may influence customer satisfaction and loyalty, such as customer trust, perceived value, product pricing, or the quality of digital banking systems. In addition, future researchers may apply different research methods, such as qualitative methods or a mixed-methods approach, and expand the research object to other banks or different financial institutions in order to obtain more comprehensive and comparable results.

REFERENCES

- Ainayah, D., Hutagalung, M. A. K., Riski, B., & Arafah, S. (2025). Pengaruh Perceived Value Dan Perceived Quality Terhadap Loyalitas Nasabah Pembiayaan Kpr Ib Griya Pada Pt Bank Sumut Syariah Kepsy Hamparan Perak. *Riggs: Journal Of Artificial Intelligence And Digital Business*, 4(4), 2015–2021. <https://doi.org/10.31004/Riggs.V4i4.3561>
- Aninam, W. S., & Akely, M. (2024). Analisis Kualitas Layanan Terhadap Loyalitas Yang Dimediasi Kepuasan Nasabah (Studi Pada Bank Pembangunan Daerah Cabang Kaimana).
- Barus, C., & Nisa, P. (2025). Pengaruh Kualitas Layanan Dan Kepercayaan Pelanggan Terhadap Loyalitas Pelanggan Yang Dimediasi Oleh Kepuasan Pelanggan.
- Budiman, F. (2020). Kepuasan Dan Loyalitas Nasabah Bank Syariah Indonesia Cabang Boyolali. (05).
- Ceysa, S. D., Putri, J. D., & Putri, D. A. (2024). Peranan Perbankan Dalam Perekonomian Indonesia. 8.
- Dasim, I. I. D., & Tarigan, C. Y. (2024). Pengaruh Customer Relationship Management Dan Kualitas Pelayanan Terhadap Loyalitas Nasabah Melalui Kepuasan Nasabah Di Pt Bank Central Asia.
- Firdaus, A., & Damanuri, A. (2024). Fungsi Manajemen Dalam Meningkatkan Pelayanan Nasabah Di Pt. Bpr Raga Surya Nuansa Ponorogo. *Jesya*, 7(1), 863–870. <https://doi.org/10.36778/Jesya.V7i1.1470>
- Ghozali, I. (2018). *Aplikasi Analisis Multivariate Dengan Program Ibm Spss 25*. Univertas Diponegoro.
- Hermawati, Jumaidi, & Mahdalina. (2025). Kualitas Pelayanan Non Perizinan Di Kantor Kecamatan Muara Harus Kabupaten Tabalong.
- Ika Kartika. (2025). Pengaruh Citra Merek Dan Harga Terhadap Loyalitas Pelanggan Sparepart Mobil Payung Auto Solution. *Jurnal Riset Rumpun Ilmu Ekonomi*, 4(1), 51–65. <https://doi.org/10.55606/Jurrie.V4i1.4390>
- Krisdiyani, D., & Rimadiaz, S. (2023). Pengaruh E-Service Quality Terhadap E-Loyalty Nasabah Pengguna Mobile Banking “Livin” By Mandiri Dengan E-Satisfaction Sebagai Variabel Intervening. *Journal Of Accounting, Management And Islamic Economics*, 1(1), 187–206. <https://doi.org/10.35384/Jamie.V1i1.438>
- Malihah, S., Sundhusiah, A., Ramadani, A., & Astuti, R. P. (2024). Analisis Bank Perkreditan Rakyat (Bpr).
- Piay, R. N., Tamengkel, L. F., & Manoppo, W. S. (2021). Pengaruh Kualitas Pelayanan Terhadap Kepuasan Konsumen Pada Manado Icon Convention Center. 2(3).
- Putri Nursifa, Hilma Halimatus Sa’diah, & Netania Emilisa. (2023). Pengaruh Antara Emotional Exhaustion Dan Job-Related Affective Ill-Being Terhadap Job Satisfaction Yang Dimediasi Oleh Performance Pada Karyawan Developer Perumahan Provinsi Banten.

Journal Of Social And Economics Research, 5(2), 561–578.
<https://doi.org/10.54783/Jser.V5i2.165>

Saputri, F. O., & Fitri, A. O. (2025). *Strategi Industri Perbankan Dalam Menghadapi Perubahan Pasar Dan Transformasi Digital Di Indonesia*. (5).

Sukei, E., Astuti, R. P., Wijayanti, L., & Wicaksono, R. B. (2024). *Peran Dan Tantangan Jasa Perbankan Di Era Digital*.

Wahyu, M., Arsyad, M., & Rahman, M. F. N. (2024). *Peran Bank Perekonomian Rakyat (Bpr) Dalam Meningkatkan Pendapatan Usaha Mikro Kecil Menengah (Studi Kasus Pada Pt. Bpr Candi Agung, Amuntai)*.