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Analysis of the Influence of Service Quality on Customer Loyalty: A Study at Bank BNI, Pasuruan Branch

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ABSTRACT
This study aims to determine the influence of service quality—comprising tangibles, reliability, responsiveness, assurance, and empathy—on customer loyalty, both simultaneously and partially, at Bank BNI, Pasuruan Branch. The study population consisted of TAPLUS customers at Bank BNI, Pasuruan Branch, during the 2024 period, totaling 1,725 customers. Using Slovin's formula, a sample size of 100 respondents was determined. Accidental sampling was employed as the sampling technique. Data collection was conducted via questionnaires, and multiple linear regression analysis was used for data analysis. The research results indicate that: (1) There is a significant positive simultaneous influence of tangibles, reliability, responsiveness, assurance, and empathy on customer loyalty. (2) There is a significant positive partial influence of tangibles, reliability, responsiveness, assurance, and empathy on customer loyalty. (4) The variable that most strongly influences customer loyalty is empathy.

INTRODUCTION

The banking industry in Indonesia has experienced rapid growth alongside advances in information technology, the digitalization of financial services, and intensifying competition among banks. This competition extends beyond products and interest rates to encompass the quality of services provided to customers. In the service industry, particularly banking, service quality has become a strategic factor because banking products are relatively easy for competitors to imitate, whereas superior service creates added value and serves as a sustainable competitive advantage. Consequently, banks are required to deliver services that are prompt, accurate, courteous, secure, and capable of meeting customer expectations in order to maintain long-term relationships with their customers.

According to Parasuraman, Zeithaml, and Berry (1988), service quality is defined as the gap between customers' expectations and their perceptions of the services they receive. Service quality is measured through five primary dimensions: tangibles, reliability, responsiveness, assurance, and empathy. When the services provided meet or exceed customer expectations, customers are likely to experience satisfaction, which ultimately enhances their loyalty to the bank.

Customer loyalty is one of the key indicators of a banking institution's success in maintaining its market share. Loyal customers not only continue using the bank's products and services but are also willing to recommend the bank to others, demonstrate resistance to switching to competing banks, and remain committed to maintaining a long-term relationship with the institution. In an increasingly competitive market, retaining existing customers is considered more cost-effective than acquiring new ones, as customer acquisition costs are substantially higher than customer retention costs. Therefore, customer loyalty represents a valuable asset that contributes significantly to the long-term sustainability of banking operations.

PT Bank Negara Indonesia (Persero) Tbk (BNI), one of Indonesia's state-owned commercial banks, has continuously sought to improve its service quality through the development of digital banking services, enhancement of employee competencies, and modernization of customer service facilities. Nevertheless, despite the rapid expansion of digital banking services, the quality of direct interactions between bank employees and customers remains a crucial determinant of customers' perceptions of service quality. Service accuracy, transaction processing speed, employee courtesy, problem-solving capability, and the comfort of banking facilities are among the factors that directly influence customers' overall banking experience.

BNI Pasuruan Branch, which serves customers from both Pasuruan City and Pasuruan Regency, faces significant challenges in maintaining customer loyalty amid increasingly intense competition from both conventional and digital banks. Today's banking customers have access to numerous alternatives that offer convenient transactions, competitive pricing, and technology-based financial services. These market conditions require BNI Pasuruan Branch to continuously improve its service quality in order to provide positive customer experiences and foster stronger customer loyalty.

Previous empirical studies have consistently demonstrated that service quality has a positive and significant influence on customer loyalty. A study conducted at BNI Samarinda Branch found that service quality directly affected customer loyalty while also enhancing customer satisfaction, which further strengthened this relationship. Similarly, research at BNI Karawang Branch revealed that service quality is a crucial determinant of customer loyalty, both directly and indirectly through customer satisfaction. Comparable findings were reported in a study conducted at BNI Sukabumi Main Branch (KCU), which concluded that improvements in service quality have a positive and significant effect on customer loyalty. Furthermore, a comprehensive review of banking studies in Indonesia indicated that all dimensions of service quality consistently influence customer loyalty across various banking institutions.

Nevertheless, customer characteristics vary across regions, suggesting that the findings of previous studies cannot necessarily be generalized to all bank branches. Differences in socioeconomic conditions, service culture, banking competition, and customer expectations may lead to variations in the relationship between service quality and customer loyalty. Therefore, an empirical investigation specifically focusing on BNI Pasuruan Branch is necessary to provide a more comprehensive understanding of the relationship between these two variables within its unique organizational and regional context.

Based on the foregoing discussion, the present study, entitled **"The Effect of Service Quality on Customer Loyalty: A Study at BNI Pasuruan Branch,"** is considered both relevant and necessary. The findings are expected to contribute to the advancement of knowledge in services marketing management, particularly within the banking sector, while also providing practical insights for the management of BNI Pasuruan Branch in formulating effective service quality improvement strategies to strengthen customer loyalty.

LITERATURE REVIEW

Previous studies provide the empirical foundation for strengthening the argument regarding the relationship between service quality and customer loyalty. Numerous studies have demonstrated that service quality is a critical determinant of customer loyalty, both directly and indirectly through mediating variables such as customer satisfaction and trust.

Study by Sri Devi and Irma Yulita Silviany (2025)

Sri Devi and Irma Yulita Silviany (2025) conducted a study entitled "*The Effect of Service Quality on Customer Loyalty at Bank Syariah Indonesia.*" The study aimed to examine the influence of service quality on customer loyalty at Bank Syariah Indonesia, Bandung UNISBA 2 Sub-Branch Office (KCP). A quantitative research approach was employed using simple linear regression analysis. The findings indicated that service quality had a positive and statistically significant effect on customer loyalty. The better the quality of services provided by the bank, the higher the level of customer loyalty. These findings support the

SERVQUAL theory, which posits that service quality is a key factor in customer retention.

Similarities

- Both studies examine the effect of service quality on customer loyalty.
- Both employ a quantitative research approach.

Differences

- The previous study focused on Bank Syariah Indonesia, whereas the present study focuses on BNI Pasuruan Branch.

Study by Antonius Satria Widyananta and Sulistyo Budi Utomo (2024)

Widyananta and Utomo (2024) conducted a study entitled "*The Effect of Customer Service Performance and Service Quality on Customer Loyalty at BRI Surabaya.*" The research adopted a quantitative approach using multiple linear regression analysis involving active customers of BRI Pogot Unit, Surabaya. The results revealed that customer service quality had a positive and significant effect on customer loyalty. Prompt, courteous, and solution-oriented customer service increased customers' willingness to continue using the bank's services.

Similarities

- Customer loyalty serves as the dependent variable.
- Both studies investigate the influence of service quality.

Differences

- The previous study included customer service performance as an additional independent variable.
- The research was conducted at BRI Surabaya.

Study by Chamdan Purnama et al. (2024)

Purnama et al. (2024) conducted a study entitled "*Investigating the Temporal Role of Service Quality on Customer Loyalty with Customer Satisfaction as a Mediating Variable at Bank Syariah Indonesia.*" The study employed a quantitative approach using Partial Least Squares (PLS) analysis. The findings demonstrated that service quality positively influenced customer satisfaction, whereas its direct effect on customer loyalty was not statistically significant. However, customer satisfaction fully mediated the relationship between service quality and customer loyalty.

Similarities

- Both studies use service quality as the principal independent variable.
- Customer loyalty is measured as the dependent variable.

Differences

- The previous study incorporated customer satisfaction as a mediating variable.
- The study was conducted at Bank Syariah Indonesia.

Study by Rizky Sihaloho and Jul Aidil Fadli (2024)

Sihaloho and Fadli (2024) examined "*The Effect of Service Quality on Customer Loyalty with Perceived Value and Customer Satisfaction as Mediating*

Variables." The study adopted a quantitative approach involving banking customers in Indonesia. The findings indicated that service quality positively influenced customer loyalty, both directly and indirectly through customer satisfaction and perceived value.

Similarities

- Both studies investigate the relationship between service quality and customer loyalty.
- Both employ a quantitative research approach.

Differences

- The previous study introduced perceived value and customer satisfaction as mediating variables.

Study by Hamdi Adityo Prakoso and Basuki Rachmat (2023)

Prakoso and Rachmat (2023) conducted a study entitled "*Analysis of the Antecedents of Customer Satisfaction and Their Implications for Customer Loyalty among Customers of Bank Jatim Bangkalan Branch.*" The study employed the Structural Equation Modeling (SEM) method. The results indicated that service quality positively influenced customer satisfaction, which subsequently enhanced customer loyalty.

Similarities

- Customer loyalty is used as the dependent variable.
- Service quality is considered a key determinant of customer loyalty.

Differences

- The previous study employed customer satisfaction as an intervening variable and additionally included product quality, brand image, and brand trust as explanatory variables.

Study by Ira Cahyanti, Mochamad Rizal Yulianto, and M. Misti Hariasih (2026)

Cahyanti, Yulianto, and Hariasih (2026) conducted a study entitled "*The Effect of Service Quality, Trust, and Satisfaction on Credit Customer Loyalty*" at Buduran Deltapurnama Rural Bank (Bank Perkreditan Rakyat). The study employed a quantitative approach using Partial Least Squares (PLS) analysis. The findings revealed that both service quality and trust had positive and statistically significant effects on credit customer loyalty.

Similarities

- Both studies examine the influence of service quality on customer loyalty.
- Both are conducted within the banking sector.

Differences

- The previous study incorporated trust and customer satisfaction as additional independent variables.
- The research object was a Rural Bank (BPR).

Research Gap

Based on the findings of previous studies, several conclusions can be drawn. First, the majority of empirical studies have demonstrated that service quality has a positive and statistically significant effect on customer loyalty.

Second, several studies have found that the relationship between service quality and customer loyalty becomes stronger when mediated by customer satisfaction or influenced by additional variables such as trust and perceived value. Third, these studies were conducted in different banking institutions, including Bank Syariah Indonesia (BSI), Bank Rakyat Indonesia (BRI), Bank Jatim, and Rural Banks (BPR), whereas empirical research focusing specifically on BNI Pasuruan Branch remains very limited. This indicates the existence of a research gap. Consequently, examining the effect of service quality on customer loyalty at BNI Pasuruan Branch is warranted to provide empirical evidence that reflects the characteristics of customers within the local context.

METHODOLOGY

Population and Sample

The population of this study comprised all TAPLUS savings account customers of BNI Pasuruan Branch recorded as of the April 2024 report. The total population consisted of 1,725 customers (BNI Pasuruan Branch, 2024). The study employed an **accidental sampling** technique, whereby respondents were selected based on convenience; any BNI Pasuruan Branch customer who happened to meet the researcher and was willing to participate was included in the sample. Using the Slovin formula with a 10% margin of error, the required sample size was determined to be **100 respondents**. Data were collected using a structured questionnaire. Prior to data collection, the questionnaire was subjected to validity and reliability testing to ensure the accuracy and consistency of the measurement instrument. The collected data were analyzed using both descriptive and inferential statistical analyses. Descriptive analysis was employed to describe respondents' characteristics and research variables, whereas inferential analysis was conducted using **multiple linear regression analysis** to examine the effect of service quality on customer loyalty.

RESULTS AND DISCUSSION

Hypothesis Testing

Simultaneous Effect of Tangibles, Reliability, Responsiveness, Assurance, and Empathy on Customer Loyalty at BNI Pasuruan Branch

To examine the simultaneous effect of the independent variables—**tangibles, reliability, responsiveness, assurance, and empathy**—on the dependent variable, **customer loyalty**, among customers of BNI Pasuruan Branch, a multiple linear regression analysis was performed. The results of the analysis are presented in **Table 1**.

Table 1. Results of the Multiple Linear Regression Analysis of the Simultaneous Effects of the Independent Variables on the Dependent Variable

Indepndent Variable	**Dependent Variable**	F hitung	Sig	Hipotesis
Tangibles (X_1) Reliability (X_2)	Customer Loyalty (Y)	25,385	0,000	Ha is Accep ted.

Responsiveness (X_3) Assurance (X_4) Empathy (X_5)				
Konstanta : -4,825	R Square : 0,555			
Multiple R : 0,755	*Adjusted R Square* : 0,535			

Source: Processed Field Data Appendix (2024).

Based on the data analysis presented in **Table 1**, the calculated **F-value** is **25.385** with a significance level of **0.000**, which is substantially lower than the significance level (**α = 0.05**). These results indicate that, at the 5% significance level, the dimensions of service quality—**tangibles, reliability, responsiveness, assurance, and empathy**—simultaneously have a statistically significant effect on **customer loyalty** at BNI Pasuruan Branch.

Therefore, the **alternative hypothesis (H_a)**, which states that *tangibles, reliability, responsiveness, assurance, and empathy simultaneously have a positive and significant effect on customer loyalty at BNI Pasuruan Branch*, is **accepted**. Conversely, the **null hypothesis (H_0)**, which states that *tangibles, reliability, responsiveness, assurance, and empathy do not simultaneously have a positive and significant effect on customer loyalty at BNI Pasuruan Branch*, is **rejected**.

Based on the results of the multiple linear regression analysis presented in **Table 2**, the regression equation is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5$$

$$Y = -4.825 + 0.242X_1 + 0.268X_2 + 0.348X_3 + 0.213X_4 + 0.378X_5$$

The **Model Summary** indicates an **Adjusted R^2** value of **0.531**, implying that the dimensions of service quality—namely **tangibles, reliability, responsiveness, assurance, and empathy**—collectively explain **53.1%** of the variation in customer loyalty at BNI Pasuruan Branch. The remaining **46.9%** is explained by other factors not included in the present research model.

To examine the **partial effect** of each independent variable (**tangibles, reliability, responsiveness, assurance, and empathy**) on the dependent variable (**customer loyalty**) at BNI Pasuruan Branch, the results of the multiple linear regression analysis are presented in **Table 2**.

Table 2. Results of the Multiple Linear Regression Analysis of the Partial Effects of the Independent Variables on the Dependent Variable

Variabel	SE	**t hitung**	Sig t	Hipotesis
X_1 X_2 X_3	0,125 0,087 0,127 0,052	4,049 3,500	0,000 0,001	Ha is Accepted Ha is Accepted

X_4	0,162	3,667	0,000	Ha is Accepted
X_5		2,222	0,029	Ha is Accepted
		5,368	0,000	Ha is Accepted
Significance Level (α) = 0,05				

Source: Processed Field Data Appendix (2024).

To determine whether each independent variable (**X_1, X_2, X_3, X_4, and X_5**) has a significant effect on the dependent variable (**Y**), a **t-test** was conducted at a **5% significance level** with **94 degrees of freedom (df = 94)**. The critical **t-value** was **1.660**. The t-test was performed by comparing the calculated **t-value (t-statistic)** with the critical **t-value**, or equivalently by evaluating the **5% significance level (α = 0.05)**. If the calculated **t-value** exceeds the critical **t-value**, the **null hypothesis (H_0)** is rejected and the **alternative hypothesis (H_a)** is accepted. Conversely, if the calculated **t-value** is lower than the critical **t-value**, the **null hypothesis (H_0)** is accepted and the **alternative hypothesis (H_a)** is rejected.

The hypothesis tested in this study is as follows:
H_a: *The dimensions of service quality – namely **tangibles, reliability, responsiveness, assurance, and empathy** – each have a positive and statistically significant partial effect on customer loyalty at BNI Pasuruan Branch.*

The Effect of Tangibles on Customer Loyalty at BNI Pasuruan Branch

Based on the data analysis, the calculated **t-value (t-statistic)** is **4.049** with a significance level of 5%, resulting in a **p-value of 0.000**. (If the significance level is ≤ 0.05 and the calculated t-value is greater than the critical t-value, the regression coefficient is considered statistically significant). The estimated coefficient (**B**) value of **0.242** indicates that if the tangibles dimension of service quality at BNI Pasuruan Branch is increased by one unit, customer loyalty will increase by **0.242 units**.

These findings demonstrate that tangibles have a **positive and statistically significant effect** on customer loyalty at BNI Pasuruan Branch. Therefore, the alternative hypothesis (**H_a**), stating that tangibles have a positive and significant effect on customer loyalty at BNI Pasuruan Branch, is accepted. It can therefore be concluded that tangibles significantly influence customer loyalty at BNI Pasuruan Branch.

The Effect of Reliability on Customer Loyalty at BNI Pasuruan Branch

Based on the data analysis, the calculated **t-value** is **3.500** with a significance level of 5%, resulting in a **p-value of 0.001**. (If the significance level is ≤ 0.05 and the calculated t-value is greater than the critical t-value, the regression coefficient is considered statistically significant). The estimated coefficient (**B**) value of **0.268** indicates that if the reliability dimension of service quality at BNI Pasuruan Branch is increased by one unit, customer loyalty will increase by **0.268 units**.

The results indicate that reliability has a **positive and statistically significant effect** on customer loyalty at BNI Pasuruan Branch. Therefore, the alternative hypothesis (**H_a**), stating that reliability has a positive and significant effect on customer loyalty at BNI Pasuruan Branch, is accepted. Thus, it can be concluded that reliability significantly influences customer loyalty at BNI Pasuruan Branch.

The Effect of Responsiveness on Customer Loyalty at BNI Pasuruan Branch

Based on the data analysis, the calculated **t-value** is **3.667** with a significance level of 5%, resulting in a **p-value of 0.000**. (If the significance level is ≤ 0.05 and the calculated t-value is greater than the critical t-value, the regression coefficient is considered statistically significant). The estimated coefficient (**B**) value of **0.348** indicates that if the responsiveness dimension of service quality at BNI Pasuruan Branch is increased by one unit, customer loyalty will increase by **0.348 units**.

The findings demonstrate that responsiveness has a **positive and statistically significant effect** on customer loyalty at BNI Pasuruan Branch. Therefore, the alternative hypothesis (**H_a**), stating that responsiveness has a positive and significant effect on customer loyalty at BNI Pasuruan Branch, is accepted. It can be concluded that responsiveness significantly influences customer loyalty at BNI Pasuruan Branch.

The Effect of Assurance on Customer Loyalty at BNI Pasuruan Branch

Based on the data analysis, the calculated **t-value** is **2.222** with a significance level of 5%, resulting in a **p-value of 0.029**. (If the significance level is ≤ 0.05 and the calculated t-value is greater than the critical t-value, the regression coefficient is considered statistically significant). The estimated coefficient (**B**) value of **0.213** indicates that if the assurance dimension of service quality at BNI Pasuruan Branch is increased by one unit, customer loyalty will increase by **0.213 units**.

The results confirm that assurance has a **positive and statistically significant effect** on customer loyalty at BNI Pasuruan Branch. Therefore, the alternative hypothesis (**H_a**), stating that assurance has a positive and significant effect on customer loyalty at BNI Pasuruan Branch, is accepted. Thus, it can be concluded that assurance significantly influences customer loyalty at BNI Pasuruan Branch.

The Effect of Empathy on Customer Loyalty at BNI Pasuruan Branch

Based on the data analysis, the calculated **t-value** is **5.368** with a significance level of 5%, resulting in a **p-value of 0.000**. (If the significance level is ≤ 0.05 and the calculated t-value is greater than the critical t-value, the regression coefficient is considered statistically significant). The estimated coefficient (**B**) value of **0.378** indicates that if the empathy dimension of service quality at BNI Pasuruan Branch is increased by one unit, customer loyalty will increase by **0.378 units**.

The findings demonstrate that empathy has a **positive and statistically significant effect** on customer loyalty at BNI Pasuruan Branch. Therefore, the alternative hypothesis (**H_a**), stating that empathy has a positive and significant effect on customer loyalty at BNI Pasuruan Branch, is accepted. It can be concluded that empathy significantly influences customer loyalty at BNI Pasuruan Branch.

The Service Quality Dimension with the Strongest Influence on Customer Loyalty at BNI Pasuruan Branch

Based on the empirical findings, the independent variable representing service quality that has the strongest influence on customer loyalty at BNI Pasuruan Branch is **empathy**, as it has the highest beta coefficient value of **0.377** and the highest calculated **t-value of 5.368**. Meanwhile, the service quality dimension with the weakest influence is **assurance**, as it has the lowest beta coefficient value of **0.158** and a calculated **t-value of 2.222**.

The dominant dimension of service quality influencing customer loyalty at BNI Pasuruan Branch is presented in **Table 3**.

Table 3. Distribution of the Effective Contribution of Each Independent Variable

Variabel	**Koefisien Beta**	**Koefisien Korelasi**	**R^2**	**SE (%)**
Tangibles (X_1)	0,298	0,421	0,125	12,5
Reliability (X_2)	0,246	0,354	0,087	8,7
Responsiveness (X_3)	0,272	0,470	0,127	12,7
Assurance (X_4)	0,158	0,330	0,052	5,2
Empathy (X_5)	0,377	0,429	0,162	16,2
Total Sumbangan Efektif			0,553	55,3

Source: Processed Field Data Appendix (2024).

Based on **Table 3**, the effective contribution of each independent variable can be identified as follows: the **tangibles variable (X_1)** contributes **12.5%**; the **reliability variable (X_2)** contributes **8.7%**; the **responsiveness variable (X_3)** contributes **12.7%**; the **assurance variable (X_4)** contributes **5.2%**; and the **empathy variable (X_5)** contributes **16.2%**. Among the five service quality dimensions, the dimension that has the most dominant influence on customer loyalty at BNI Pasuruan Branch is **empathy**, with an effective contribution of **16.2%**.

The Simultaneous Effect of Tangibles, Reliability, Responsiveness, Assurance, and Empathy on Customer Loyalty at BNI Pasuruan Branch

Based on the results of data analysis, it was proven that the dimensions of service quality, namely **tangibles, reliability, responsiveness, assurance, and empathy**, simultaneously have a positive and statistically significant effect on customer loyalty at BNI Pasuruan Branch. The results of multiple linear regression analysis show that the calculated **F-value is 23.384** with a significance value of **0.000 < 0.05**. Furthermore, the regression model summary indicates an

Adjusted R^2 value of 0.531. This means that **53.1% of the variation in customer loyalty is explained by tangibles, reliability, responsiveness, assurance, and empathy**, while the remaining **46.9%** is influenced by other factors outside the service quality dimensions examined in this study.

The findings of this study are supported by Umar (2016), whose research demonstrated that tangibles, reliability, responsiveness, assurance, and empathy simultaneously have a positive and significant effect on customer loyalty in Islamic banking institutions in Malang. Similarly, Endah (2016) supported these findings by showing that the five dimensions of service quality simultaneously have a positive and significant influence on customer loyalty at BRI Kawi Malang.

In developing customer loyalty, Raphel and Raphel (in Kotler, 2016) explain that customer loyalty consists of several stages, namely:

1. **Prospects**: Customers who have recently become aware of a product or service but have never used it. At this stage, customers are still uncertain (*suspects*) about the product or service and may not proceed with a purchase (*disqualified prospects*).
2. **First-time Customers**: Customers who have decided to purchase a particular product or service and have made at least one purchase transaction.
3. **Repeat Customers**: Customers who repeatedly purchase a particular product or service.
4. **Clients**: Customers who regularly or routinely purchase a particular product or service.
5. **Advocates**: Customers who have experienced satisfaction with a product or service and therefore voluntarily promote, recommend, and encourage others to purchase the same product or service.
6. **Partners**: Customers who have reached the highest level of loyalty, where they are able to collaborate with the company providing the product or service. They may provide suggestions for product or service improvement, enabling the company to maintain its position as the best provider within its category.

When customers feel satisfied with the service quality received during transaction processes and with the services provided by the bank, they are more likely to return, make additional purchases, and recommend the company and its products to friends and family. Furthermore, satisfied customers are less likely to switch to competitors.

Andreassen (2008) stated that companies can obtain several benefits from having loyal customers, including:

1. **Reducing marketing costs**, because acquiring new customers is more expensive than retaining existing customers.
2. **Reducing transaction costs**, such as contract negotiation costs and order processing costs.
3. **Reducing customer turnover costs**, due to lower customer replacement rates.

4. **Increasing cross-selling opportunities**, which can expand the company's market share.
5. **Generating more positive word-of-mouth communication**, based on the assumption that loyal customers are generally satisfied customers.
6. **Reducing failure-related costs**, such as product or service replacement costs.

Therefore, banks must continuously improve their service quality to strengthen customer loyalty. Lorber (in Hurriyati, 2005) stated that retaining existing customers can save costs up to five times compared with acquiring new customers. This highlights the importance of maintaining service excellence as a strategic approach to building sustainable customer relationships in the banking industry.

The Influence of Tangibles on Customer Loyalty at Bank BNI Pasuruan Branch

Based on the results of data analysis, it was proven that the tangible variable has a significant influence on customer loyalty at Bank BNI Pasuruan Branch. This indicates that tangibles (physical facilities) represent one of the dimensions of service quality that plays an important role in shaping customer interest and loyalty. Tjiptono (2002), supported by previous studies, stated that "service design and layout are closely related to the formation of customer perceptions. The perceptions obtained from customers' interactions with service facilities influence their evaluation of service quality."

Furthermore, Umar (2006) supported the findings of this study by demonstrating that tangibles have a positive and significant influence on student loyalty in Islamic banking institutions. Sulistyowati (2016) also supported these findings by identifying a significant relationship between tangibles and customer satisfaction at Bank BCA Malang.

The implementation of tangible aspects at Bank BNI Pasuruan Branch includes exterior and interior arrangements, employee appearance and neatness, banking facilities (computers and supporting programs), waiting room comfort, parking facilities, and ATM conditions. These tangible elements serve as important foundations for Bank BNI Pasuruan Branch in fulfilling customer expectations and providing greater attractiveness to customers.

Tangibles as a dimension of service quality represent one of the important factors considered by customers that influence their loyalty toward Bank BNI Pasuruan Branch. This occurs because customers cannot evaluate the outcome of a service before experiencing it directly. Due to the intangible nature of services, customers tend to pay attention to tangible elements that represent and support the delivery of the service. Kotler (2020), supported by Nitin Mehta, Surendra Rajiv, and Kannan Srinivasan (2016), stated that "to reduce uncertainty, buyers will seek signs or evidence of service quality." Customers can draw conclusions about intangible services through tangible evidence such as the physical location, employees, equipment, and other visible indicators.

Managing tangible evidence becomes a significant challenge and an essential responsibility for the staff of Bank BNI Pasuruan Branch. Therefore, the primary task of banking service providers is to manage tangible aspects effectively in order to deliver satisfactory services, thereby encouraging customers to maintain their loyalty.

The application of the above theory at Bank BNI Pasuruan Branch can be observed through the proper arrangement of exterior and interior facilities, comfortable waiting areas supported by adequate seating capacity and spacious rooms, sufficient banking facilities with advanced computer systems and programs, secure and convenient ATM facilities, as well as spacious and safe parking areas.

In addition to physical evidence, customer evaluations of services are also influenced by indicators related to employees and service processes. This can be observed through the neat appearance of Bank BNI employees, professional attitudes, and positive employee behavior toward customers. These factors influence customer perceptions regarding the quality of services provided.

The Influence of Reliability on Customer Loyalty at Bank BNI Pasuruan Branch

Based on the results of data analysis, it was proven that the reliability variable has a significant influence on customer loyalty at Bank BNI Pasuruan Branch. Tor Wallin Andreassen (2018) supported the findings of this study by demonstrating a positive and significant relationship between reliability and customer loyalty in banking institutions in the United States. Sulistyowati (2006) also supported these results by finding a significant influence of reliability on customer satisfaction at Bank Permata Malang.

These findings indicate that reliability, which includes consistency between service promises and actual service delivery, ease of administrative procedures, the ability to solve customer problems, and accuracy and precision in data management, represents important elements of the reliability dimension that influence customer loyalty at Bank BNI Pasuruan Branch.

Every customer expects high-quality services supported by simple and uncomplicated administrative procedures, fulfillment of promises according to commitments, quick and effective resolution of customer problems, and accurate data management. Therefore, Bank BNI Pasuruan Branch continuously emphasizes improving the quality of services provided to customers because the quality of service determines customer satisfaction, and customer satisfaction subsequently determines the level of customer loyalty toward the company.

In service companies, particularly banking institutions, reliability can be reflected through the competence of employees who directly interact with customers. When employees become more skilled, accurate, and capable of communicating effectively, they will create efficient and effective service delivery. Consequently, customers will feel that their needs are fulfilled and are more likely to continue using the services offered, leading to stronger customer loyalty.

When customers achieve the highest level of loyalty toward a company, it can contribute to increased revenue growth and improved organizational profitability.

Customer perceptions in evaluating the reliability of Bank BNI Pasuruan Branch generally indicate a highly positive assessment. This is demonstrated by the research findings showing that 59% (59 respondents) strongly agreed with the reliability of Bank BNI Pasuruan Branch. Tjiptono (2024) stated that "reliability refers to the ability to provide promised services promptly, accurately, and satisfactorily." This statement emphasizes that reliability is a crucial factor in service delivery.

The interaction between service providers and customers represents a distinctive characteristic of service marketing, in which both parties influence the outcomes of service delivery. Therefore, Bank BNI Pasuruan Branch, as a service provider, needs to continuously improve the effectiveness of individuals responsible for delivering services (contact personnel), particularly in terms of transaction speed, accuracy in completing transactions, and precision in document handling.

The Influence of Responsiveness on Customer Loyalty at Bank BNI Pasuruan Branch

Based on the results of data analysis, it was proven that the responsiveness variable has a significant influence on customer loyalty at Bank BNI Pasuruan Branch. The findings of this study are supported by Endah (2016), whose research demonstrated a positive and significant relationship between responsiveness and customer loyalty in state-owned banks in East Java. Sulistyowati (2016) also supported these findings by identifying a significant influence of responsiveness on customer satisfaction at Bank Permata Malang.

This finding confirms that responsiveness, which includes the speed in resolving customer problems, responsiveness to customer requests and complaints, the ability to provide clear information, and employees' willingness to assist customers, represents important elements of the responsiveness dimension that influence customer loyalty at Bank BNI Pasuruan Branch.

The results of this study indicate that 67% (67 respondents) gave a positive assessment by agreeing that Bank BNI Pasuruan Branch provides good responsiveness. Tjiptono (2024), supported by Florian v. Wangenheim and Tomás Bayón (2015), stated that "responsiveness refers to the willingness of employees to help customers and provide prompt services."

This theoretical concept is reflected in the practices implemented by employees of Bank BNI Pasuruan Branch, including the ability to resolve customer problems quickly, respond effectively to customer complaints, provide clear information, and demonstrate willingness to assist customers whenever needed.

Bank BNI Pasuruan Branch fully recognizes that customers who visit the bank essentially expect assistance and solutions to their financial needs. Therefore, the bank consistently strives to respond to customer complaints, provide accurate and understandable information, and facilitate customers in accessing banking services. These efforts are intended to encourage customers to continue using Bank BNI products and services, thereby strengthening customer loyalty.

Thus, it can be concluded that the responsiveness provided by Bank BNI Pasuruan Branch plays an important role in directly motivating customers to continue utilizing banking services. Effective responsiveness will create customer satisfaction, which ultimately encourages customers to develop loyalty toward the bank.

The Influence of Assurance on Customer Loyalty at Bank BNI Pasuruan Branch

Based on the results of data analysis, it was proven that the assurance variable has a significant influence on customer loyalty at Bank BNI Pasuruan Branch. Umar (2016) supported the findings of this study by demonstrating a positive and significant influence of assurance on student loyalty in Islamic banking institutions in Malang. Sulistyowati (2016) also supported these results by finding a significant relationship between assurance and customer satisfaction at Bank Permata Malang.

This finding confirms that assurance, which includes the bank's reputation, customers' sense of security when conducting transactions, employees' attitudes in providing a feeling of safety, and security in conducting transactions through ATMs, represents an important indicator that influences customer loyalty at Bank BNI Pasuruan Branch.

Every customer expects certainty that the services they receive are reliable and guaranteed. Therefore, Bank BNI Pasuruan Branch continuously pays attention to the quality of services, particularly in terms of assurance, so that customers develop positive perceptions regarding the services provided.

The results of this study show that 62% (62 respondents) agreed that Bank BNI Pasuruan Branch provides adequate assurance in its services. Andreassen (2018) stated that "assurance refers to the guarantee that services provided will ensure security, the competence of service providers in delivering services according to established standards, and other factors that provide confidence that all service elements meet customer expectations."

This theoretical concept has been implemented by Bank BNI Pasuruan Branch through various practices, including providing a sense of security during transactions, demonstrating employee attitudes that create customer confidence, ensuring transaction security through ATMs, and maintaining the strong reputation of Bank BNI.

Another manifestation of assurance is reflected in Bank BNI Pasuruan Branch's commitment to protecting customer security and creating a positive corporate image by implementing organizational work culture values. In this study, the assurance dimension is defined as the knowledge, competence, credibility, and trustworthiness possessed by Bank BNI Pasuruan Branch employees, as well as the reputation and credibility of Bank BNI as a banking institution.

The Influence of Empathy on Customer Loyalty at Bank BNI Pasuruan Branch

Based on the results of data analysis, it was proven that the empathy variable has a significant influence on customer loyalty at Bank BNI Pasuruan Branch. The findings of this study are supported by Endah (2017), whose research demonstrated a positive and significant influence of empathy on customer loyalty at Bank BRI Kawi Malang. Similarly, Sulistyowati (2016) also supported these findings by identifying a significant relationship between empathy and customer satisfaction at Bank Permata Malang.

This finding confirms that empathy, which includes the bank's willingness to provide updated information, customer service understanding of customer needs, employees' willingness and ability to assist customers, as well as employee friendliness and politeness, represents an important indicator that significantly influences customer loyalty at Bank BNI Pasuruan Branch.

Customer perceptions in evaluating the empathy provided by Bank BNI Pasuruan Branch generally correspond to their expectations. Customers positively assessed the empathy provided by the bank, as indicated by the research results showing that 40% (40 respondents) agreed and 51% (51 respondents) strongly agreed with the empathy dimension provided by Bank BNI Pasuruan Branch.

Therefore, it can be concluded that empathy, which consists of the bank's willingness to provide the latest information, customer service understanding of customer needs, employees' willingness and ability to assist customers, and employee friendliness and courtesy, significantly contributes to customer loyalty at Bank BNI Pasuruan Branch.

The Service Quality Dimension with the Strongest Influence on Customer Loyalty at Bank BNI Pasuruan Branch

Based on the results of data analysis, it can be identified that the service quality dimension with the strongest influence on customer loyalty at Bank BNI Pasuruan Branch is empathy, with the highest beta coefficient value of 0.377.
The findings of Endah (2017) support this study by demonstrating that empathy was the dominant variable influencing customer loyalty at Bank BRI Kawi Malang, with the highest beta coefficient of 0.492. However, Sulistyowati (2016) did not support the findings of this study, as her research indicated that tangibles were the dominant variable influencing customer satisfaction at Bank Permata Malang, with a beta coefficient value of 0.241.

Empathy has the strongest influence because customers can directly perceive the quality of services provided by Bank BNI Pasuruan Branch, particularly through several aspects, including:

1. The bank's willingness to provide the latest information;
2. Customer service employees' understanding of customer needs;
3. Employees' willingness and ability to assist customers; and
4. Employee friendliness and politeness.

Furthermore, the empathy variable has the strongest influence compared with other service quality dimensions because empathy is closely related to customer perceptions, emotional experiences, and impressions generated during service interactions. These factors ultimately shape customers' perceptions of the quality of services provided by the bank.
Amy Wong and Amrik Sohal (2018) stated that "empathy refers to an individual's ability to understand and share the feelings of others without being dominated by personal emotions, emphasizing the attention that a company provides to its customers."

Basically, each customer has different characteristics, such as geographical background, educational level, personal experience, and cultural background. However, in general, all customers share similar expectations, namely the desire to have their needs fulfilled and to receive personal attention from service providers.

Bank BNI understands that customers who visit the bank essentially expect attention, assistance, and solutions. Therefore, Bank BNI Pasuruan Branch consistently emphasizes careful and attentive customer service. The bank encourages every employee not to underestimate customers or neglect their needs, but instead to provide full attention so that customers genuinely feel valued and appreciated.

One form of customer attention is demonstrated through employees' sincere willingness to assist customer complaints, provide services with polite and friendly attitudes, and maintain calm and professional behavior when dealing with challenging customer situations. In addition, the bank continuously provides updated information to customers to ensure that they receive relevant and accurate services.

Another distinctive aspect of Bank BNI's service is the familial and personal approach demonstrated by employees toward customers. The maximum service quality provided by employees cannot be separated from management's concern for employee welfare and organizational support. Employees who feel valued and supported by the organization are more motivated to provide excellent services to customers.

The efforts undertaken by Bank BNI to improve employee performance include the refinement of the grading system (including the implementation of personal values, job families, and career paths) as well as the implementation of a clear and firm reward and punishment system, applied from managerial positions to operational employees.

CONCLUSION AND RECOMENDATION

Based on the results of the analysis conducted in this study, the following conclusions can be drawn:

1. The description of the measurement results regarding service quality and customer loyalty at Bank BNI Pasuruan Branch indicates that, overall, respondents provided a positive assessment of service quality and demonstrated a high level of loyalty toward Bank BNI Pasuruan Branch.
2. There is a positive and significant simultaneous influence of the dimensions of tangibles, reliability, responsiveness, assurance, and empathy on customer loyalty at Bank BNI Pasuruan Branch.
3. There is a positive and significant partial influence of the dimensions of tangibles, reliability, responsiveness, assurance, and empathy on customer loyalty at Bank BNI Pasuruan Branch.
4. Empathy is the service quality dimension that has the strongest influence on customer loyalty at Bank BNI Pasuruan Branch.

Based on the conclusions above, the following recommendations are proposed:

1. Since the five dimensions of service quality simultaneously influence customer loyalty at Bank BNI Pasuruan Branch, the bank should continuously improve its service quality in order to strengthen customer loyalty. Regarding the tangibles dimension, the bank should expand ATM facilities, particularly by providing additional ATM access points in shopping centers and public areas. Furthermore, the bank should continuously improve the arrangement of service areas and queue management systems to create a more comfortable environment for both customers and employees.
2. In facing increasingly competitive business conditions and continuously changing environmental challenges, Bank BNI Pasuruan Branch should remain responsive to customer expectations and complaints. This can be achieved by providing customer suggestion and complaint channels, allowing customers to easily submit feedback regarding banking services.
3. Future researchers are encouraged to examine service quality variables in greater depth by using broader samples and more comprehensive analytical approaches to obtain more extensive and insightful findings.

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