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Analysis of Services and Promotions to Increase Customer Loyalty Mediated by Customer Satisfaction at Pt. Bank Btpn Putri Hijau Branch

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ABSTRACT

This study aims to analyze the factors that affect customer loyalty of Bank BTPN Putri Hijau Branch with a focus on service and promotion. The type of research used is quantitative with a descriptive approach. The analysis method used is Structural Equation Modeling-Partial Least Square (SEM-PLS). The variables studied include Customer loyalty (Y) as a dependent variable, service (X1) and promotion (X2) as independent variables, and Customer satisfaction (Z) as a mediating variable. The results of the study show that services and promotions have a positive and significant effect on customer satisfaction of Bank BTPN Putri Hijau Branch. In addition, service and promotion also have a positive effect on customer loyalty which plays an important role as a mediator between independent variables and customer satisfaction. This research emphasizes the need for Bank BTPN Putri Hijau Branch to continue to improve customer satisfaction, especially in terms of service and promotion. By improving innovative services, Bank BTPN Putri Hijau Branch can improve customer perception, adjust to their lifestyle, and fulfill their motivation to choose BTPN as their flagship bank.

Keywords:
Customer loyalty, service, promotion, customer satisfaction

1. Introduction

Currently, the world has entered the era of industrial revolution 5.0, namely a broad transformation of all aspects of production in the industry through the combination of digital technology and the internet in collaboration with conventional industries (Prasetyo & Sutopo, 2018). These developments make information technology able to accelerate all forms of transactions more efficiently, effectively, and without limits. One of the technological developments that is being

studied recently is about *financial technology* (*fintech*) (Vidianata, 2018).

Financial service users (customers) in Indonesia vary, ranging from for the purpose of loans and deposits. Customers are charged fees such as administrative fees, interest or tax fees, and transaction fees after benefiting from banking activities. The determination of the fee is set by the bank in accordance with what is expected by the customer. Customers tend to feel satisfied if they are treated as expected so that they are expected to become loyal and loyal customers (Wahjono, 2019). There are differences between banking institutions regarding the fees applied to customers, ranging from monthly administration fees to transfer fees charged when transferring money between banks (Flip, 2019). This difference in costs has caused several attitudes from customers, one of which is related to customer satisfaction. According to (Homburg *et al.*, 2019) there is a relationship between cost and consumer satisfaction, the higher the cost incurred by consumers, the more satisfied consumers will be. Nasution (2017) also said the same thing that cost affects customer satisfaction.

Based on research (Gaddafi, 2019) and (Purnamasari, 2019) that promotions affect customer loyalty and cost variables have an influence on customer satisfaction assessing the performance of a brand that is able to create value.

Increasingly tight competition between institutions providing products and services in addition to the influence of globalization, customer factors that are increasingly intelligent, price-conscious, demanding, less forgiving, many products that approach customers, the development of communication technology are factors of competition between products or service providers (Mardalis, 2020). With this, the company strives to continue to improve and provide the advantages of products or services in order to create high satisfaction and loyalty for customers (Winarno & Givan, 2019). According to (Griffin, 2020) loyalty is a behavior that is shown by repeated purchases based on decision-making.

One of *the fintechs that is developing in Indonesia is mobile banking. Mobile banking* is a transaction service provided by banking institutions that is usually present on *smartphones* which can reduce activities

visits to bank outlets and can save time and costs (Srivastava & Rai, 2020). According to *the Mobile Ecosystem Forum* (MEF), 80 percent of respondents in Indonesia stated that they have used *mobile banking services* (Deliana & Rum, 2019).

Jenius has an advantage in terms of cheap transfer fees, namely Rp.0 (free) to other banks other than BTPN, compared to other banks that charge customers Rp. 2500 for BI Fast transfer fees to interbank and Rp.6,5000 for interbank transfer fees at Automated Teller Machines (ATMs) of the Link network and transferred between Link networks (Flip, 2019). Currently, the total number of genius users in Medan City is more than 10,000 people.

To measure customer loyalty, Ansari & Riasi (2016) developed the *Neural Networks* Model, which is a model that mimics the concept of neural networks in humans so that it can compute complex models. There are three layers used, namely the first layer as the *input* layer, the second layer as the hidden layer, and the last layer as the *output* layer. The *input* layer consists of six of the eight factors that affect customer loyalty, namely *switching barries*, *trust*, commitment, *perceived quality*, intuitive image, and emphaty. The hidden layer consists of satisfaction and *perceived value*.

1. Theoretical Foundations

a. Customer Loyalty

According to Griffin (2020), loyalty is a behavior that is shown by repeated purchases based on decision-making. According to Kicaid (2020), loyalty is a consumer behavior that is built on the experience of purchasing products, even including the purchase of products purchased not on rational decisions. Loyalty is a business question that is considered important, although invisible but has a strategic position in a competitive business environment (Srivastava & Rai, 2020). Based on the description above, loyalty is a behavior that is built on repeated use of the product and loyalty is an important value and has a strategic position in the business environment.

b. Customer Satisfaction

According to Kotler quoted again by (Tjiptoni *et al*., 2022) consumer satisfaction is the level of a person's feelings after comparing the performance (or results) he perceives compared to his expectations. According to (Kotler & Keller, 2018) satisfaction is a feeling of pleasure or disappointment that arises from comparing the perceived performance of a product (or result) against their expectations. According to Day, customer satisfaction is an evaluation of the perceived *disconfirmation* between

previous expectations and the actual performance of the product after its use. According to (Kotler, 2022) reveals that satisfaction is a feeling of liking/disliking a person for a product after he compares the product's achievements with his expectations. According to Supranto (2020) states that satisfaction is the level of a person's feelings after comparing the perceived performance (results) with their expectations. From the various definitions above, it can be concluded that basically the definition of customer satisfaction includes the difference between expectations and expected performance or results.

c. Service

Service is an effort to serve the needs of others by obtaining rewards (money) or services. According to the US. Moenir, service is the process of fulfilling needs through the direct activities of others (Moenir 2019:16). These needs include physical needs, social needs, and psychological needs (Agus Sulastiyono, 2022:41). Endar Sugiarto stated that service is an action that is carried out to meet the needs of other people (consumers, customers, guests, clients, patients, passengers and others) whose level of satisfaction can only be felt by the person serving or being served. Employee service behavior is the action of individuals (employees) to meet the needs of others (guests or consumers).

d. Promotions

According to Laksana (2019:129) "promotion is a communication from sellers and buyers that comes from the right information that aims to change the attitude and behavior of buyers, who previously did not know to know so that they become buyers and still remember the product". According to Kotler & Armstrong in Ridwansyah (2017:52) stated that "Promotion is a tool or activity used by a company to communicate customer value". According to Rohaeni in (Arieca, 2022) stated that, "Promotion is very important in introducing a product and also attracting consumers to buy the product. Because with promotion, consumers will know more about the products produced by the company."
From the definitions above, it can be concluded that promotion is a communication from sellers and buyers that comes from the right information that aims to change the attitude and behavior of buyers, who previously did not know to know the product, so that they become buyers who always remember the product so that they are willing

to accept, buy, and be loyal to the product offered by the company concerned.

2. Method

Research Approach

The type of research carried out in this study is quantitative research with a descriptive approach. Quantitative research methods are research whose specifications are systematic, planned and clearly structured from the beginning to the creation of the research design (Sugiyono, 2019). The variables studied include Customer Loyalty (Y), dependent variables, Customer satisfaction
(Z) mediation variables, Services (X1), and Promotion (X2) as independent variables.

a. Definition of Operatioanal

Table 3.1 Variable Operational Definition

No.	Variable	Operational Definition	Indicators	Scale
1	Customer Loyalty (Y)	Loyalty is a behavior that is shown by repeated purchases that are based on decision making (Griffin, 2020)	1. Repurchase 2. Habits of consuming the brand 3. Always like the brand 4. Stick to the brand 5. Confident that The brand is the best 6. Recommend the brand to others (Griffin, 2020)	Likert
2	Customer Satisfaction (Z)	Customer satisfaction is the level of feeling that a person has compared the performance (results) he perceives compared to his expectations. Winarno & Givan (2019)	1. Service Quality 2. Product Quality 3. Price 4. Communication to customers 5. Skills of officers (Winarno & Givan, 2019)	Likert
3	Services (x1)	The definition of service is that any action or activity that can be offered by one party to another party is basically intangible and does not result in any ownership. According to Kotler (2019:83)	1. Reliability. 2. Responsiveness. 3. Assurance. 4. Empathy. 5. Tangibles. (According to Kotler (2019:83)	Likert

No.	Variable	Operational Definition	Indicators	Scale
4	Promotion (X2)	states that Promotion is a tool or activity used by a company to communicate customer value According to Kotler & Armstrong in Ridwansyah (2017:52)	1. Promotional Messages. 2. Promotional Media. 3. Promotion Timing. 4. Promotion Frequency. According to Kotler & Armstrong in Ridwansyah (2019:52)	Likert

Source: Processed by Researcher (2024)

b. Population and Sample

The population and population sample in this study are all customers of BTPN bank Putri Hijau branch. Samples were randomly taken from customers at the BTPN bank Putri Hijau branch during the research period. The targeted sample size is 150 respondents to ensure the validity and reliability of the data is sufficient for analysis.

c. SEM – PLS

1) Direct Effects

a) Direct influence of service and promotion on Y = f(X) Y = a + b1X1 + b2X2 + e

Y is customer loyalty, X1 is service, and X2 is promotion

2) The effect of service and promotion on Z = f(X) Z = a + b1X1 + b2X2 + e

Z is customer satisfaction, X1 is service, and X2 is promotion.

3) Indirect Effects

a) The effect of service and promotion on customer loyalty mediated by customer satisfaction

Y = f(X, Z)

Y = a + bX + f(Z) + e

Y is customer loyalty, X is an independent variable that includes service and promotion and Z is customer satisfaction as a mediating variable.

4) Total Effects

a) The effect of service and promotion on customer loyaltyY = f(X, Z)

Y = a + b1X1 + b2X2 + cZ + e

Y is customer loyalty, X1 is the influence of service and promotion, and Z is customer satisfaction

Y = a + Bx + b1X1 +b2X2 + bZ + e

3. Results and Discussion

A. Characteristics of Research Respondents

The following is an analysis for each of the characteristics of the respondents which is a sample of 150 respondents, the characteristics can be described as follows:

1. Respondent Analysis by Gender

Table 4.1 Respondents by Gender

It	Gender	Frequency (f)	Percentage (%)
1	Man	59	39.3%
2	Woman	91	60.7%
	Sum	**150**	**100%**

Source: Research Results (2024)

From the data obtained, the number of male and female respondents is dominated by female respondents. Male customers reached 39.3%, while female customers reached 60.7%. This shows that Jenius users are dominated by female users. This dominance may be due to a variety of reasons, including employment, intended use, or other social factors.

2. Respondent Analysis Based on Education

Respondents by Age are broken down in the following table:

Table 4.2 Respondents Based on Educational Background

It	Education	Frequency (f)	Percentage (%)
1	SMA & D3	46	30.7%
2	S1	64	42.7%
3	S2	29	19.3%
4	S3	11	7.3%
	Sum	**150**	**100%**

Source: Research Results (2024)

The majority of respondents have an undergraduate education, reaching 42.7%,

which shows that most of the customers have a high academic background. High school/D3 education is also quite significant with 30.7%, while respondents with S2 education are 19.3% and S3 7.3%. This shows that Jenius users come from various backgrounds and with various levels of education, with a predominance of those with undergraduate education.

3. Respondent Analysis Based on Jobs

Table 4.3 Respondents By Job Type

It	Job Type	Frequency (f)	Percentage (%)
1	Private	27	18%
2	Civil servants	12	8%
3	TNI-Police	19	12.7%
4	Self employed	35	23.3%
5	Not Working	57	38%
	Sum	**150**	**100%**

Source: Research Results (2024)

In terms of type of work, respondents who have not worked dominate with a total of 57 people (38%). Self-employed reached 35 people (23.3%), private workers reached 27 people (18%), TNI-Police as many as 19 people (12.7%), and civil servants reached 12 people (8%).

This composition shows that the majority of respondents who are not working reflect the views of groups that may be freer from the pressures of formal work and usually those who do not work such as students, people working in households, retirees, or those who are still pursuing formal education, and subsequently respondents who have formal jobs (private and civil servants), which may reflect stability in their careers and income. Meanwhile, the self-employed group is also quite significant in number, indicating the presence of representation from the independent business sector.

B. Response of Respondents to Research Variables

A. SEM-PLS Method Analysis

The data analysis in this study uses the Partial Least Square (PLS) method with the help of SmartPLS 4.0 software, which is divided into two main stages: Outer Model and Inner Model testing. In the Outer Model stage, the analysis is focused on evaluating the validity and reliability of the research construct. The goal is to ensure that the instruments used in the study accurately represent the variables being measured. This process involves testing, factor analysis, and assessment of measurement models. The

variables studied include Customer Loyalty (Y) dependent variables, Customer Satisfaction (Z) mediation variables, services (X1), and promotions (X2) as independent variables. The PLS approach in this analysis is divided into two key aspects, namely instrument validation and testing of relationships between variables.

In the first stage, the evaluation of the Outer Model ensures that each indicator truly represents the research construct by testing its validity and reliability. This is very important to ensure that the data collected reflects the variables to be measured precisely. Next, the Inner Model stage focuses on testing hypotheses as well as understanding how each variable in the model interacts with each other. This stage evaluates the strength and direction of the relationship between variables to ensure that the research model is able to explain the phenomenon being studied comprehensively and validly.

1. Outer Model

In the Outer Model measurement stage using SEM-PLS, the researcher conducted a convergent validity test to evaluate the indicator value of each latent variable reflected in the loading factor (outer loading). The purpose of this test is to assess the extent to which the indicators used are able to represent relevant latent variables. The outer model is often also called the outer relation or measurement model, defining how each block of indicators relates to a latent variable (Ghozali. I, 2019). In this study, there are 40 items that act as indicators of the latent variables tested. The results of the validity test using the PLS algorithm through SmartPLS 4.0 software show that all indicators have an outer loading value above 0.7, which means that these indicators accurately represent the latent variables they represent.

In the diagram of the outer structural model, a clear relationship between the latent variable and its indicators is seen, where each indicator shows a significant contribution to the latent variable through a high outer loading value. These results confirm that the instruments used in this study are of high quality and valid, thus providing a solid basis for proceeding to the next stage of analysis.

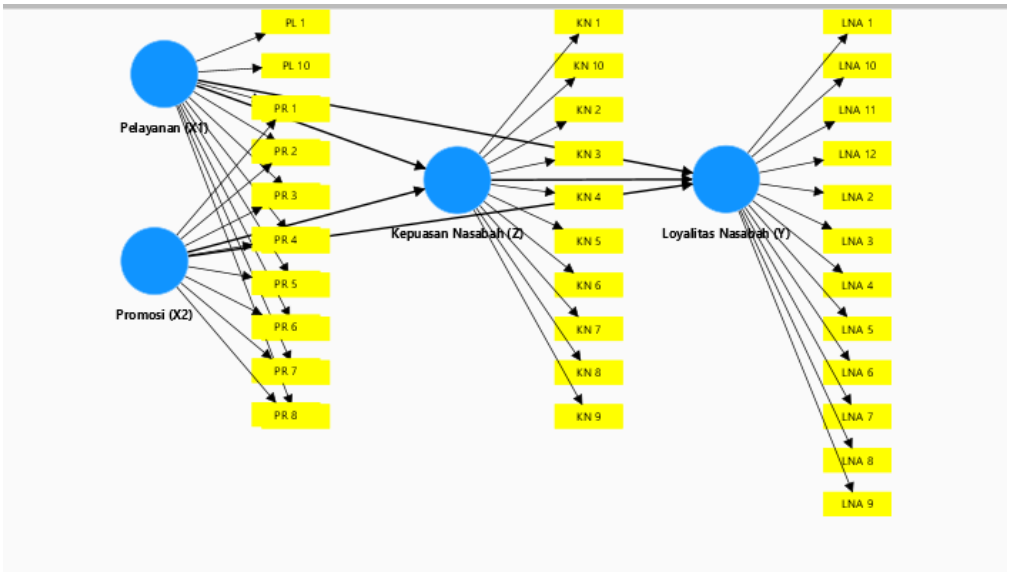
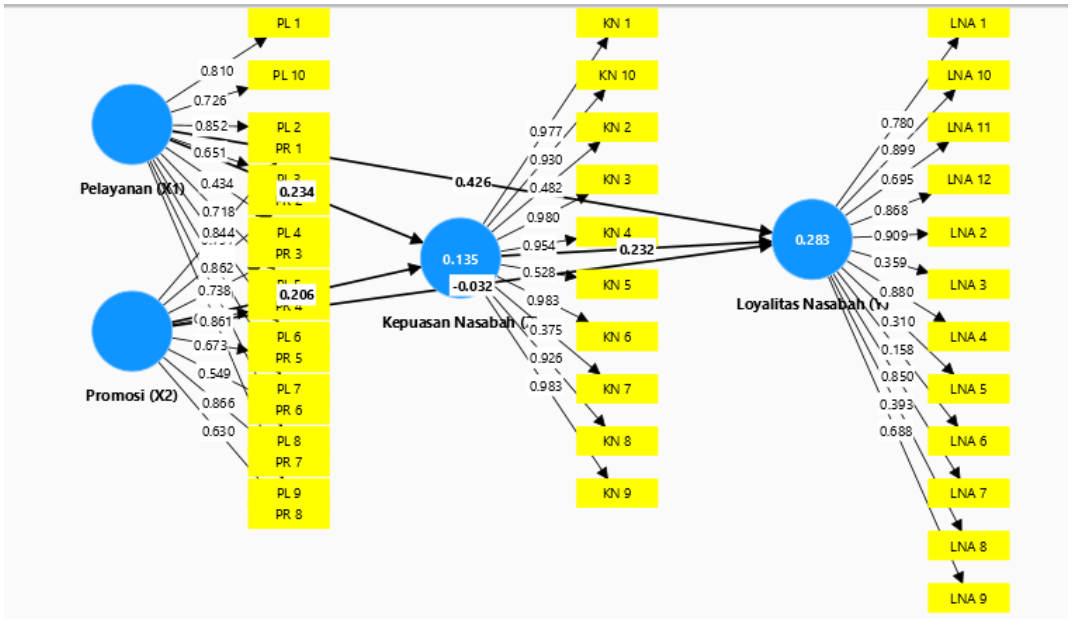


Figure 4.1 Diagra



Outer Structural Model

Figure 4.2 Outer Structural Model Diagram 1
Source: Research Results, (2024)

2. Outer Loading

Convergen validity in the good category if the outer loading value is >0.7. An indicator is said to have good reliability, if the outer loding value is above 0.70 (Sarwono, 2014). Meanwhile, the outer loading value can still be tolerated up to 0.50 and below the value of 0.50 can be dropped from the analysis (Ghozali, 2019), which is more than 0.7. This shows that these indicators have a strong and significant relationship with the latent variables being measured. This finding indicates that the measurement instrument has good validity, so that these indicators are considered effective in representing the construction in question.

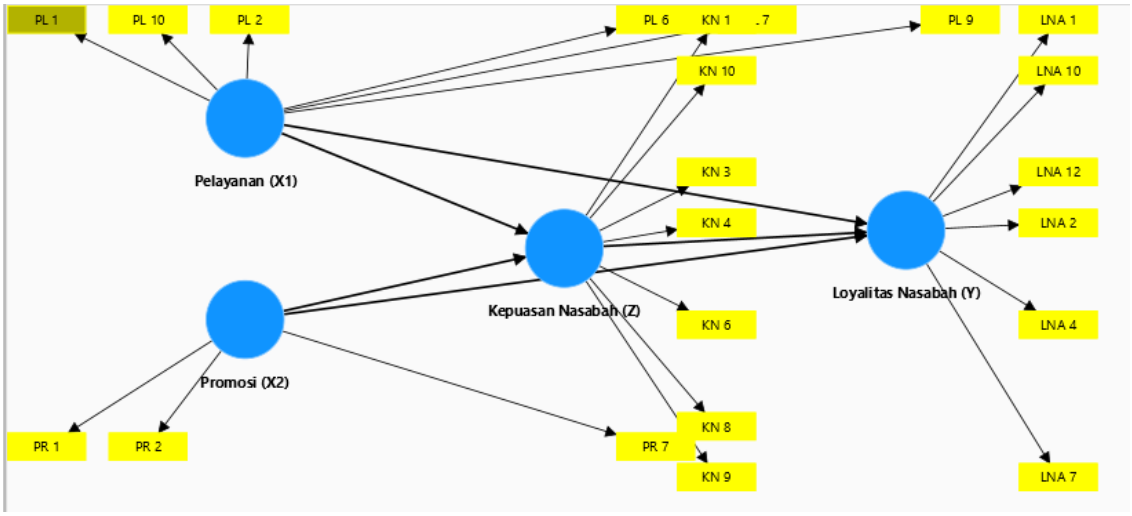
Table. Outer Loading Value

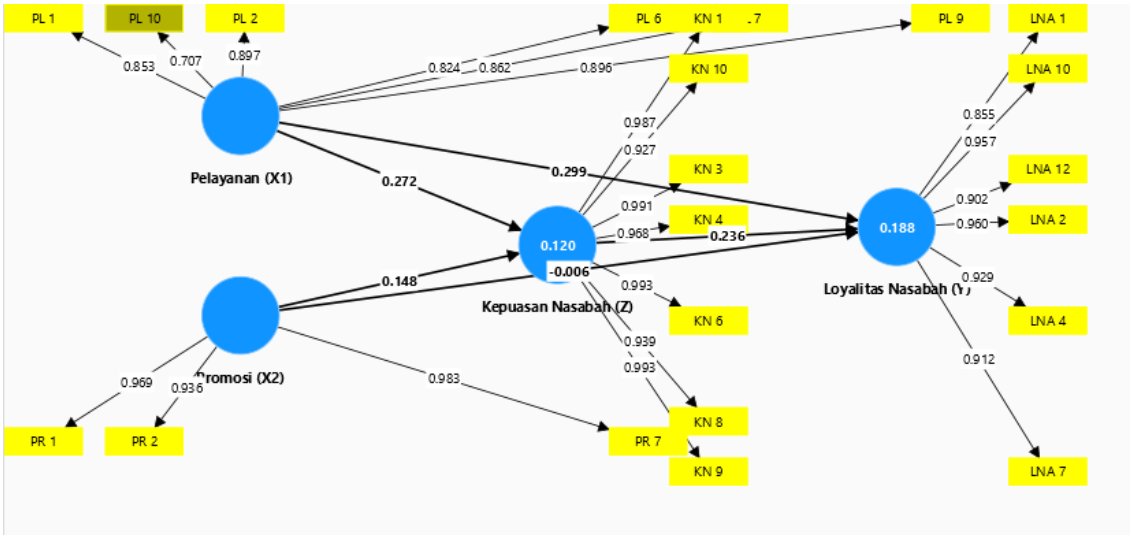
	Customer Satisfaction (Z)	Customer Loyalty (Y)	Services (x1)	Promotion (X2)
KN 1	0.977			
KN 10	0.930			
KN 2	0.482			
KN 3	0.980			
KN 4	0.954			
KN 5	0.528			
KN 6	0.983			
KN 7	0.375			
KN 8	0.926			
KN 9	0.983			
LNA 1		0.780		
LNA 10		0.899		
LNA 11		0.695		
LNA 12		0.868		
LNA 2		0.909		
LNA 3		0.359		
LNA 4		0.880		
LNA 5		0.310		
LNA 6		0.158		
LNA 7		0.850		
LNA 8		0.393		

LNA 9		0.688		
PL 1			0.810	
PL 10			0.726	
PL 2			0.852	
PL 3			0.651	
PL 4			0.434	
PL 5			0.718	
PL 6			0.797	
PL 7			0.862	
PL 8			0.390	
PL 9			0.861	
PR 1				0.844
PR 2				0.847
PR 3				0.738
PR 4				0.610
PR 5				0.673
PR 6				0.549
PR 7				0.866
PR 8				0.630

Source: Research Results, (2024)

The results of the outer loading show that all indicators for the variables Customer Satisfaction (Z), Customer Loyalty (Y), Service (X1), and Promotion (X2) partially have values above 0.7 so that items that have a value value below 0.70 are discarded due to the outer loading requirement >=0.70, then the latest Outer Loading is as follows:





Picture. Latest Outer Structural Model Diagram

Table. Outer Loading Value

	Customer Satisfaction (Z)	Customer Loyalty (Y)	Services (x1)	Promotion (X2)
KN 1	0.987			
KN 10	0.927			
KN 3	0.991			
KN 4	0.968			
KN 6	0.993			
KN 8	0.939			
KN 9	0.993			
LNA 1		0.855		
LNA 10		0.957		
LNA 12		0.902		
LNA 2		0.960		
LNA 4		0.929		
LNA 7		0.912		
PL 1			0.853	
PL 10			0.707	
PL 2			0.897	
PL 6			0.824	
PL 7			0.862	
PL 9			0.896	
PR 1				0.969

PR 2				0.936
PR 7				0.983

These values show that all indicators have good validity in representing their respective constructs, with the highest outer loading value in the Service variable indicator (X1) in PL9 (0.896), then in Promotion (X2) in PR7 (0.963), while for other variables such as Customer Loyalty (Y) in LN2 (0.96) and in the Customer Satisfaction variable (Z), namely in KN6 (0.993).

3. Average Variance Extracted (AVE) Validity Test

The validity test further examines the *Average Variance Extracted* (AVE) values, which are presented in Table 4.11. AVE is a metric used to evaluate the convergent validity of latent variables in confirmatory factor analysis (CFA). The AVE value describes the extent to which the indicators used can capture variations in the latent variable. Usually, if the AVE value is more than 0.5, then the latent variable is considered to have good convergent validity (Ghazali, 2020), indicating that these indicators as a whole are able to explain the majority of variations in latent variables. A high AVE score strengthens the reliability and credibility of the research results.

Table. Average Variance Extracted (AVE) Results

	Average variance extracted (AVE)
Customer Satisfaction (Z)	0.943
Customer Loyalty (Y)	0.846
Services (x1)	0.710
Promotion (X2)	0.927

Source : Research Results, (2024)

The results of the Average Variance Extracted (AVE) test show the following values:

a. Service (X1) : 0.710

b. Promotion (X2) : 0.927

c. Customer Loyalty (Y): 0.846

d. Customer Satisfaction (Z) : 0.943

All AVE values exceed 0.5, indicating that these latent variables have good convergent validity. This means that the indicators for each latent variable effectively describe the variation in those variables, indicating that the results of the study can be considered valid and reliable.

4. Reliability Tests (Composite Reliability & Cronbach's Alpha)

The reliability test using *Composite Reliability* and *Cronbach's Alpha* aims to ensure that the indicators used in the study have an adequate level of consistency and reliability. The results of this reliability test, which includes both *Composite Reliability* and *Cronbach's Alpha values,* can be found in the following table.

Table 4.4 Composite Reliability & Cronbach's Alpha Results

	Cronbach's alpha	**Composite reliability (rho_a)**	**Composite reliability (rho_c)**
Customer Satisfaction (Z)	0.990	0.990	0.991
Customer Loyalty (Y)	0.963	0.964	0.970
Services (x1)	0.917	0.917	0.936
Promotion (X2)	0.961	0.986	0.974

Source: Research Results, (2024)

The reliability test results show the following values:

a. Service (X1) Cronbach's Alpha 0.917 (over 0.70), Composite Reliability 0.990 (over 0.70)

b. Promotion (X2) Cronbach's Alpha 0.961 (over 0.70), Composite Reliability 0.986 (over 0.70)

c. Customer Loyalty (Y) Cronbach's Alpha 0.963 (over 0.70), Composite Reliability 0.964 (over 0.70)

d. Customer Satisfaction (Z) Cronbach's Alpha 0.990 (over 0.70), Composite Reliability 0.990 (over 0.70)

All *Cronbach's Alpha* and *Composite Reliability* values exceeded the threshold recommended by Hair et al. (2010), which was 0.70, indicating that the indicators used in this study had excellent consistency and reliability.

5. Fornell-Larcker Criterion Validity Discrimination Test

In the external model measurement stage of the SEM-PLS analysis, the discriminatory validity test is an important step to ensure that the latent variable in the study can be clearly distinguished from other variables. One of the methods used to assess the validity of discrimination is the *Fornell-Larcker Criterion*. This method helps evaluate the extent to which latent variables differ from each other in the model studied. Discriminatory Validity Requirements according to Ghazali (2020) The root of the AVE for each latent variable must be greater than the correlation of the variable with other latent variables. This means that the root value of the AVE of each variable must be greater than the correlation value between that variable and the other variables in the model. The following results can be seen in the next table.

Table 4.5 Fornell-Larcker Criterion Results

	Customer Satisfaction (Z)	**Customer Loyalty (Y)**	**Services (x1)**	**Promotion (X2)**
Customer Satisfaction (Z)	0.971			
Customer Loyalty (Y)	0.329	0.920		
Services (x1)	0.317	0.372	0.842	
Promotion (X2)	0.231	0.141	0.307	0.963

The results of the discrimination validity test using the Fornell-Larcker Criterion showed:

a. Service (X1) : 0.842

b. Promotion (X2) : 0.963
c. Customer Loyalty (Y): 0.920
d. Customer Satisfaction (Z) : 0.971

Correlation between variables:

a. Service (X1) ≤ 0.317
b. Promotion (X2) ≤ 0.231
c. Customer Loyalty (Y) ≤ 0.329
d. Customer Satisfaction (Z) ≤ 0.971

6. Inner Model

The Inner Model test aims to analyze the influence and relationship between latent variables in the research structural model. This process involves evaluating the path coefficients to determine the strength and direction of the causal relationship between the variables. After that, the hypothesis is tested based on the significance of the path coefficient. Significant results showed that there was a meaningful influence between variables in the model.

7. Outer Loading Bootstraping

Outer Loading Bootstraping is used to evaluate the reliability and validity of indicators in the measurement model. With this technique, researchers can:

a. Measuring Relationship Strength Assessing the extent to which each indicator contains the latent variables being measured.
b. Assessing Stability Using bootstrap techniques to test the stability of the path coefficient estimation and check the accuracy of the model's results.
c. Verifying Significance Determines whether the coefficient of the indicator path is statistically significant in measuring latent variables.

The results of these tests provide information on how well the indicator reflects the intended construct and ensures that the measurement model used is valid and stable. The following are the results in Outer Loading Bootstraping of this study.

Table 4.6 Outer Loading Bootstraping Results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
KN 1 <- Customer Satisfaction (Z)	0.987	0.987	0.007	134.137	0.000
KN 10 <- Customer Satisfaction (Z)	0.927	0.927	0.034	26.906	0.000
KN 3 <- Customer Satisfaction (Z)	0.991	0.991	0.004	228.133	0.000
KN 4 <- Customer Satisfaction (Z)	0.968	0.967	0.017	56.956	0.000
KN 6 <- Customer Satisfaction (Z)	0.993	0.993	0.002	494.992	0.000
KN 8 <- Customer Satisfaction (Z)	0.939	0.939	0.024	38.561	0.000
KN 9 <- Customer Satisfaction (Z)	0.993	0.993	0.002	508.872	0.000
LNA 1 <- Customer Loyalty (Y)	0.855	0.854	0.051	16.734	0.000
LNA 10 <- Customer Loyalty (Y)	0.957	0.957	0.014	70.512	0.000
LNA 12 <- Customer Loyalty (Y)	0.902	0.901	0.028	31.756	0.000

LNA 2 <- Customer Loyalty (Y)	0.960	0.960	0.014	70.559	0.000
LNA 4 <- Customer Loyalty (Y)	0.929	0.928	0.023	39.664	0.000
LNA 7 <- Customer Loyalty (Y)	0.912	0.912	0.031	29.288	0.000
PL 1 <- Service (X1)	0.853	0.850	0.034	24.969	0.000
PL 10 <- Service (X1)	0.707	0.709	0.059	11.966	0.000
PL 2 <- Service (X1)	0.897	0.895	0.023	39.838	0.000
PL 6 <- Service (X1)	0.824	0.823	0.042	19.659	0.000
PL 7 <- Service (X1)	0.862	0.863	0.022	38.758	0.000
PL 9 <- Service (X1)	0.896	0.893	0.031	28.594	0.000
PR 1 <- Promotion (x2)	0.969	0.968	0.028	34.952	0.000
PR 2 <- Promotion (X2)	0.936	0.932	0.038	24.878	0.000
PR 7 <- Promotions (x2)	0.983	0.983	0.023	41.945	0.000

Source : Research Results, 2024

The results of Outer Loading Bootstraping show that all indicators have high and significant coefficient values:

a. Service (X1): All indicators (PL 1 – PL 10) have a loading value between 0.707 to

0.983 with a statistical T of > 41.595 and P values = 0.000, indicating that these indicators significantly contain the structure of the influence of service.

b. Promotion (X2): All indicators (PR 1- PR 7) have a loading value between 0.936 to 0.983 with a statistical T of > 41.595 and P values = 0.000, indicating that these indicators significantly load the promotion construct

c. Customer Loyalty (Y): All indicators (LN1-LN12) have loading values between 0.855 to 0.960 with a statistical T of > 41.595 and Pvalues = 0.000, indicating that these indicators significantly load the customer loyalty construct

d. Customer Satisfaction (Z): All indicators (KN1-KN10) have a loading value between 0.957 to 0.996 with a statistical T of > 41.595 and Pvalues = 0.000, indicating that these indicators significantly contain the customer satisfaction construct

Overall, all indicators in the model have a high and significant load, indicating that these indicators are valid and reliable in measuring their respective constructs.

8. Path Coefficients

The Path Coefficients test assesses the strength and direction of the direct relationship between latent variables in the model. Based on the criteria of Hair et al (2018) and Ghazali (2020), here are the main points:

a. Path Coefficients Measures the strength and direction of the relationship between independent and dependent variables. The value of the path coefficient shows how much the influence of the independent variable on the dependent variable.

b. Significance Tested using T-statistics. According to Hair et al (2018), a T-statistic value above 1.96 indicates that the relationship between variables is significant at a significance level of 0.05. Ghazali (2020) also refers to this value to determine the significance of the relationship.

c. Relationship Direction A positive coefficient indicates a positive relationship, while a negative coefficient indicates a negative relationship between variables.

In summary, the direct influence test with path coefficients provides information on the strength, direction, and significance of the relationship between

latent variables, with a T-statistic above 1.96 indicating the significance of the relationship.

Table 4.7 Path Coefficient

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
Customer Satisfaction (Z) -> Customer Loyalty (Y)	0.236	0.234	0.077	3.050	0.002
Service (X1) -> Customer Satisfaction (Z)	0.272	0.276	0.086	3.144	0.002
Service (X1) -> Customer Loyalty (Y)	0.299	0.304	0.086	3.462	0.001
Promotion (X2) -> Customer Satisfaction (Z)	0.148	0.150	0.087	3.710	0.03
Promotion (X2) -> Customer Loyalty (Y)	0.006	0.009	0.078	3.074	0.04

Source: Research Results, (2024)

Based on the results of the Langusng Path Coefficients test, all T Statistical results above and below 1.96 and the p-value obtained less than 0.05 indicate that all the effects observed in the model are statistically significant.

9. Specific Indirect Effects Test

The Specific Indirect Effects test evaluates the effects of independent variables on dependent variables through mediator variables in structural models. This test identifies and measures the indirect effects that occur when an independent variable affects a dependent variable through one or more mediator variables. The main points

of this test According to Hair et al (2018) and Ghazali (2020) are:

a. Indirect Effect Measurement Calculates the impact of an independent variable on a dependent variable mediated by a mediator variable. This effect was measured by multiplying the path coefficient between the independent variable and the mediator, and the path coefficient between the mediator and the dependent variable.
b. Significance To determine the significance of indirect effects, T-statistics and P-values are used. An effect is considered significant if the T-statistical value exceeds 1.96 and the p-value is less than 0.05, indicating that the effect is statistically significant
c. The limitations of this test include the need to ensure that the mediator model used is valid and that all model assumptions are met. Indirect effects can also be influenced by the number of mediators present and the strength of the relationships between variables in the model. In general, indirect influence tests provide insight into how and to what extent independent variables affect dependent variables through mediator variables, with significance measured using T-statistics and p values.

Table 4.8 Specific Indirect Effects

	Original sample (O)	**Sample mean (M)**	**Standard deviation (STDEV)**	**T statistics (|O/STDEV|)**	**P values**
Service (X1) -> Customer Satisfaction (Z) -> Customer Loyalty (Y)	0.064	0.066	0.032	1.986	0.047
Promotion (X2) -> Customer Satisfaction	0.035	0.034	0.023	1.993	0.035

(Z) -> Customer Loyalty (Y)					

Based on the results of the Specific Indirect Effects test, all T-Statistic results are above 1.96 and the p-value obtained is more than 0.05, indicating that all indirect effects observed in the model are statistically significant.

d. Coefficient of Determination (R2)

R-square (coefficient of determination) is a measure used to assess the extent to which an independent variable can explain variations in dependent variables in statistical models. A high R-square value indicates that the independent variable is able to account for most of the variation in the dependent variable. Illustrated, an R-square of 1 indicates that the entire variation in the dependent variable is explained by an independent variable, while an R-square of 0 means that there is no variation in the dependent variable that can be explained. R-square Adjusted is a modified version of R-square that takes into account the number of independent variables in the model. In contrast to R square, which is always increasing with the addition of independent variables, R-square Adjusted adjusts the R-square value based on the number of variables and sample size, providing a more accurate assessment of how well the model explains the variability of the data. R-square Adjusted is useful for comparing models with different numbers of independent variables and preventing biased judgments when additional variables do not make a significant contribution to the model. In this study, the results presented are R-square Adjusted.

Table 4.9 Determination Coefficient (R2) Results

	R-square	**R-square adjusted**
Customer Satisfaction (Z)	0.945	0.931
Customer Loyalty (Y)	0.903	0.985

Based on the results of R-square Adjusted, here is the interpretation:

a. Customer Satisfaction has an Adjusted R-square of 0.931, which shows that 93.1% of the variation in the Customer Satisfaction variable can be explained by a

combination of independent variables (Service and Promotion Influence).

b. Customer Loyalty has an Adjusted R-square of 0.985, which means that 98.5% of the variation in the Satisfaction variable is explained by the independent variable that affects it, namely Service and Promotion.

With a high R-square Adjusted value, it can be concluded that the model involving Service Influence and Promotion as independent variables is quite good in explaining the dependent variables of Customer Satisfaction and Customer Loyalty.

B. Hypothesis Testing

In hypothesis testing in path analysis, there are two important criteria that need to be considered, the path *coefficient value* and the t-statistical value. The positive path coefficient indicates the existence of a unidirectional relationship between variables, while the negative path coefficient indicates an opposite-direction relationship. For t-statistics, a value greater than 1.96 indicates that the relationship is statistically significant at a significance level of $\alpha = 0.05$, or when the P-value is less than 0.05. In a hypothesis analysis involving intervening variables, specific indirect effects are tested to see if the independent variable affects the dependent variable through the mediator. The evaluation of the significance and direction of the relationship in this mediation model is also carried out by paying attention to the value of the path coefficient and statistical t-, in order to determine whether the hypothesized influence occurs significantly.

Table 4.10 Research Hypothesis

	Hypothesis	**T statistics (|O/STDEV|)**	**P values**	**Statement**
H1	Promotion affects customer satisfaction at Bank BTPN Putri Hijau Branch	3.050	0.002	Accepted

H2	Service for customer satisfaction at Bank BTPN Putri Hijau Branch	3.144	0.002	Accepted
H3	Promotion affects customer loyalty at Bank BTPN Putri Hijau Branch	3.074	0.04	Accepted
H4	Service affects customer loyalty at Bank BTPN Putri Hijau Branch	3.462	0.001	Accepted
H5	Customer Satisfaction Affects Customer Loyalty at BTPN Putri Hijau Branch	3.050	0.002	Accepted
H6	Promotion affects Customer Loyalty at BTPN Putri Hijau Branch mediated by Customer Satisfaction	1.993	0.035	Accepted
H7	Service affects Customer Loyalty at BTPN Putri Hijau Branch mediated by Customer Satisfaction	1.986	0.047	Accepted

C. Discussion

1. Promotions have a positive and significant effect on customer satisfaction at BTPN Putri Hijau Branch

   According to Laksana (2019:129), promotion is a communication from sellers and buyers that comes from the right information that aims to change the attitude and behavior of buyers, who previously did not know to know so that they become buyers and still remember the product. According to Kotler & Armstrong in Ridwansyah (2017:52) stated that promotion is a tool or activity used by companies to communicate customer value. Promotions have a positive and significant effect on customer satisfaction at BTPN. Hypothesis Results, T Statistics

(|O/STDEV|) :3.050. P Values: 0.002. Research conducted by Kumajas et al (2022) The results of testing the hypothesis show that promotion has a positive effect on customer satisfaction. Promotion is a way of introducing products/services to customers. Promotion to educate users so that they are more effective and understand in utilizing the products/services offered by the company. Thus, this study is in accordance with the theory that "Sales promotion is the main element in a sales campaign and can be defined as a form of direct persuasion through the use of various incentives/rewards, generally short-term and can be regulated to stimulate and influence customer satisfaction immediately". This shows that customer satisfaction tends to be caused by good promotions.

2. Service has a positive and significant effect on customer satisfaction at BTPN Putri Hijau Branch

Service is an effort to serve the needs of others by obtaining rewards (money) or services. According to the US. Moenir, service is the process of fulfilling needs through the direct activities of others (Moenir 2019:16). These needs include physical needs, social needs, and psychological needs (Agus Sulastiyono, 2022:41). Endar Sugiarto stated that service is an action that is carried out to meet the needs of other people (consumers, customers, guests, clients, patients, passengers and others) whose level of satisfaction can only be felt by the person serving or being served. Employee service behavior is the action of individuals (employees) to meet the needs of others (guests or consumers). Service has a positive and significant effect on customer satisfaction at BTPN. Hypothesis Results, T Statistics (|O/STDEV|) : 3.144. P Values: 0.002. Service has a positive and significant effect on customer satisfaction. This shows that service tends to increase customer satisfaction.

3. Promotion has a positive and significant effect on loyalty

According to Laksana (2019:129), promotion is a communication from sellers and buyers that comes from the right information that aims to change the attitude and

behavior of buyers, who previously did not know to know so that they become buyers and still remember the product. According to Kotler & Armstrong in Ridwansyah (2017:52) stated that promotion is a tool or activity used by companies to communicate customer value. Promotions have a positive and significant effect on customer loyalty at BTPN. In the context of BTPN, social has a positive and significant effect on customer loyalty at BTPN. Hypothesis Results, T Statistics (|O/STDEV|): 3.074 with P-Values: 0.04. Promotions have a positive and significant effect on customer loyalty. This shows that the use of customer loyalty is due to promotions.

4. Service has a positive effect on customer loyalty at BTPN Putri Hijau Branch

Service is an effort to serve the needs of others by obtaining rewards (money) or services. According to the US. Moenir, service is the process of fulfilling needs through the direct activities of others (Moenir 2019:16). These needs include physical needs, social needs, and psychological needs (Agus Sulastiyono, 2022:41). Endar Sugiarto stated that service is an action that is carried out to meet the needs of other people (consumers, customers, guests, clients, patients, passengers and others) whose level of satisfaction can only be felt by the person serving or being served. Employee service behavior is the action of individuals (employees) to meet the needs of others (guests or consumers). Service has a positive and significant effect on customer satisfaction at BTPN. In the context of BTPN, the results of the hypothesis, t statistics (|O/STDEV|): 3.462. P Values: 0.001. Service has a positive and significant effect on customer loyalty. This shows that service tends to increase customer loyalty.

5. Customer satisfaction has a positive and significant effect on customer loyalty at BTPN Putri Hijau Branch

According to (Kotler & Keller, 2018) satisfaction is a feeling of pleasure or disappointment that arises from comparing the perceived performance of a product (or result) against their expectations. According to Day, customer satisfaction is an evaluation of the perceived *disconfirmation* between previous expectations and the

actual performance of the product after its use. According to (Kotler, 2022) reveals that satisfaction is a person's feelings of liking/disliking a product after he compares the product's achievements with his expectations. Customer satisfaction has a positive and significant effect on customer loyalty at BTPN. In the context of BTPN, it has a positive and significant effect on customer loyalty at BTPN. Hypothesis Results, T Statistics (|O/STDEV|): 3.050. P Values: 0.002. Customer satisfaction has a positive and significant effect on customer loyalty. This shows that the use of customer satisfaction tends to increase customer loyalty.

6. Promotions have a positive and significant effect on Customer Loyalty mediated by Customer Satisfaction at BTPN Putri Hijau Branch

Promotions have a positive and significant effect on customer loyalty at BTPN. In the context of BTPN, promotions have a positive and significant effect on customer loyalty mediated by customer satisfaction at BTPN. Hypothesis Results, T Statistics (|O/STDEV|): 1.993 with P-Values: 0.035. Promotion has a positive and significant effect on customer loyalty which is mediated by customer satisfaction. This shows that the use of customer loyalty is due to promotions and experiencing satisfaction.

7. Service has a positive and significant effect on Customer Loyalty mediated by Customer Satisfaction at BTPN Putri Hijau Branch

In the context of BTPN, service has a positive effect and has a significant effect on customer loyalty which is mediated by customer satisfaction at BTPN. Hypothesis Results, T Statistics (|O/STDEV|): 1.986 with P-Values 0.047. Service has a positive and significant effect on customer loyalty mediated by customer satisfaction. This shows that the use of customer loyalty is caused by service and experiencing satisfaction.

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