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FACTOR INFLUENCING OF GCG AND SERVICE QUALITY TO INCREASE CUSTOMER LOYALTY IN ISLAMIC BANK

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Abstract:

This research aims to determine the effect of service quality and the implementation of GCG on customer trust, knowing the effect of trust on customer loyalty, and knowing the effect of service quality and the implementation of GCG on customer loyalty. The data that was successfully collected was then analyzed using SEM with AMOS 24 software. The findings in this study state that: a) The implementation of GCG affects customer trust, as well as the quality of service, and positively influences customer trust. b) Customer trust has a positive and significant influence on customer loyalty. c) the quality of service and the implementation of GCG do not affect customer loyalty. The existence of the customer trust factor as a mediator is getting stronger with no positive influence on service quality and GCG distribution on customer loyalty.

A. INTRODUCTION

The development of Islamic banking assets, financing, and third-party funds in 2022 continues to experience positive growth, with the number of Islamic banking assets predicted to reach 694 to 734 billion. Financing growth reached 452 to 470 billion, and third-party fund growth reached 549 to 575 billion (Rusydiana, 2019). The increasing development of the Islamic banking industry will trigger intense competition in Islamic banking services. The fierce competition in the banking industry forces banks to maintain customer loyalty because customer loyalty is the most important part of the repeat of purchases and services (Caruana, 2002). Research conducted by Iglesias et al. stated that the higher the customer trust, the higher the result of customer loyalty. The role of customer trust becomes crucial in the formation of loyalty. Many things affect customer confidence, including the quality of banking services in raising and distributing funds. The quality of services provided by banks greatly affects customer confidence. (Iglesias et al., 2020) This is in line with the research of Harun et al., who explained that the quality of service has a positive and significant effect on customer trust, meaning that the better the quality of service, the better loyalty. (Haron et al., 2020) The same is true of the research conducted by Lie (Lie et al., 2019).

Banks with Sharia principles have a higher risk when compared to conventional banks, especially with the increasing amount of financing disbursed. It will open up opportunities for losses if the financing is not managed as well as possible, and then good and correct management is needed. To carry out good financing management, a Good Corporate Governance (GCG) system can be applied, governance that applies the principles of openness, accountability, responsibility, independence, and fairness (KNKG, 2006) (Wang et al., 2019). Good corporate governance is how corporations grow beneficially for a long time and always appease the rivalry of globalization business (Lahuri, 2020). Many things cause banks to need the implementation of GCG principles in managing their financing. These things are that external and internal situations are increasingly complex, financing risks are increasingly diverse, and banks are institutions that manage publicly owned funds. GCG is the implementation of the vision and mission of Islamic banking. Fulfilling the principle of prudence is the

main point that becomes the reference of the vision, and preparing the concept and implementing risk-based regulation and supervision to guarantee the validity of Islamic banking operations is the point of its mission. Muhammad's research in Pakistan explained that the governance disclosure quality of the Pakistani listed banks in their annual reports enhanced (and so trust) after each revision of the SECP Corporate Governance Code (Muhammad, 2022). Similarly, the research by Wang (Wang et al., 2019).

From the background above, the author seeks to find and test factors that can increase customer loyalty by using the theory of service quality and the application of good corporate governance as factors used to increase trust to increase and maintain customer loyalty. This research is a quantitative study using Structural Equation Modeling (SEM) as an analytical tool because, in SEM, latent variables or variables that cannot be measured directly are used as in this research variable. The quantitative method was chosen because this research technique is a creative way to ensure customer trust and loyalty that is difficult to express. The renewal in this study lies in the use of variables it, which include several important aspects that are factors that affect customer loyalty, the placement of trust variables as a mediation variable between the influence of independent variables on dependent variables, as well as the selection of places in Ponorogo Regency with a Muslim majority population, has many Islamic boarding schools and universities. The findings in this study state that: a) The implementation of GCG affects customer trust, as well as the quality of service, and positively influences customer trust. b) Customer trust has a positive and significant influence on customer loyalty. c) the quality of service and the implementation of GCG do not affect customer loyalty. The existence of the customer trust factor as a mediator is getting stronger with no positive influence on service quality and GCG distribution on customer loyalty. With this research, it is expected to be one of the considerations and guidelines to increase customer loyalty.

B. LITERATUR REVIEW

The author considers the quality of services and implementing good corporate governance important to building trust. Many studies explain a very close relationship between the quality of service and customer trust, as well as customer

loyalty. Likewise, the selection of GCG is one of the variables in this study because GCG is the vision and mission of implementing and managing the Bank with Sharia principles. Indeed, there has not been much research in banking that is clear about the effect of GCG on trust, so this is an updated point in this study. In addition, a trust variable, which is a mediator variable, is also a form of research update. In this study, the authors seek to find and test factors that can increase customer loyalty, using the theory of service quality and the application of good corporate governance as factors used to increase trust to increase and maintain customer loyalty. The novelty in this study lies in the use of variables, which include several important aspects that are factors that affect customer loyalty, the placement of trust variables as a mediation variable between the influence of independent variables on dependent variables, as well as the selection of places in Ponorogo Regency with a Muslim majority population, has many Islamic boarding schools and universities (Keller, 2013).

Customer Loyalty

Loyalty is customers' behaviour to continue using a company's products or services. In addition, customers will engage in word-of-mouth behaviour, which involves talking about good things about products or services from the bank to other people (Foster & Cadogan, 2000). Furthermore, on the loyalty that has been built up, a long-term relationship between producers and consumers continues. Several characters can show loyalty indicators. In this study, the authors used four indicators developed by Liu (Liu et al., 2005) and Slater (Slater, 1997), which consisted of Making a repeat purchase, saying positive things, recommending the company to others, and providing personal information to the company.

Service Quality

Service Quality is comparing the service obtained by the consumer with the expected service (Parasuraman et al., 1985). The quality or not of service depends largely on consumer perceptions because consumers can decide and judge this, and consumer perceptions are consumers' overall assessment of a service. According to Zeithaml, Berry, and Parasuraman, service quality is a concept that consists of five

dimensions, namely: tangible, reliability, responsiveness, assurance, and empathy (Zeithaml et al., 1996).

Good Corporate Governance

Good corporate governance is a process of making decisions transparently and conveying information in the presentation of information to stakeholders regarding operational performance, finances, and company risks. Good corporate governance has principles. The principles of good corporate governance as a measurement indicator are transparency, accountability, responsibility, independence, and fairness (KNKG, 2006), and the five components must be carried out optimally to achieve the goals of good corporate governance.

Trust

Trust is a belief or view of a person to a certain party to act by the expectations of achieving his goals (Covey & Merrill, 2006; Titare, 2020). Moorman mentioned that trust is when a person is willing to rely on the other party involved in the exchange based on a sense of confidence in that party. McKnight said two basic elements build this trusting intention: the subjective probability of depending and the willingness to depend. In line with McKnight, Mayer et al., in the research of Dan J. Kim et al., said that the formulation of trust is built on three dimensions, namely ability, benevolence, and integrity. These three formulations are the basis for seeing the background of the formation of a belief (Kim et al., 2003).

C. METHODOLOGY

This research uses a qualitative approach with a survey method, which uses questionnaires as a data collection tool. The data type is primary data, collected directly from the source using data collection techniques. The analysis method used is Structural Equation Modeling (SEM) using AMOS 24 software. In quantitative research, three instrument development processes will be used in this study: instrument development, instrumentation of measurement items, reliability, and validity, including the reliability of the questionnaire and validity of the measurement scale. The questionnaire is divided into two main parts. Part A is the demographic

information of respondents, part B contains these research variables with a measurement design using a Likert scale type to measure variables to achieve the research objectives.

Quantitative methods will analyze the data obtained from respondents. There are six steps in applying analysis in this study. The first step is to code the collected data and then process it in AMOS 22 software. The second step of Data Preparation and Screening includes missing, irrational, and incompatible data issues. The third step is Descriptive Statistics. The fourth step is testing Validity and Reliability. The fifth step is testing Confirmatory Factor Analysis (CFA). The sixth step is Structural Equation Modelling (SEM), which tests models and hypotheses.

The decision on model suitability in this study is based on the criteria for the Goodness of Fit Statistics (GOF) model suitability test, namely: Chi-Square ($\chi 2$) with a p-value of > 0.05; Root means a square error of approximation (RMSEA) < 0.08; Expect Cross-Validation Index (ECVI) with ECVI value < ECVI sat. and indep. Model: Goodness of Fit Index (GFI), Adjusted Goodness of Fit Index (AGFI), Parsimonious Goodness of Fit Index (PGFI), Normed Fit Index (NFI), Parsimonious Normed Fit Index (PNFI), Comparative Fit Index (CFI), Non-Normed Fit Index (NNFI), Incremental Fit Index (IFI), and Relative Fit Index (RFI) of > 0.9 each; Standardized Root Mean Square Residual (SRMR) < 0.05; and Critical N (CN) < N (Narayanan, 2012). This study used 17 indicators that became the main reference for the statement items in the questionnaire. The number of samples taken was at least 5 times and a maximum of 10 times the number of indicators used in the study (Hair et al., 2019). The number of questionnaires distributed in this study was as many as 150. An additional 30 questionnaires were used to anticipate if there were incomplete questionnaires, did not meet the criteria, or were defective.

D. RESULT AND ANALYSIS

Reliability Test

The level of reliability of a research construct/variable can be seen from the statistical results of Cronbach Alpha (α) A variable is said to be reliable if it gives a Cronbach alpha value of > 0.60. If the alpha value is closer to 1 then the data reliability value is more reliable (Sujarweni, 2015).

Table 1. Recapitulation of Research Instrument Reliability Test Result

Variable	Number of Items	Cronbach's Alpha
Good Corporate Governance	6	0,678
Service Quality	12	0,732
Customer Trust	5	0,798
Customer Loyalty	5	0,701

The table above shows the results of Cronbach's alpha value on all variables: Good Corporate Governance of 0.678, Quality Service of 0.732, Customer Trust of 0.798, and Customer Loyalty of 0.701. From this calculation, the conclusion that we can draw is that all research variables are successively reliable.

Multicollinearity Analysis

In this study, there was no multicollinearity in the research variables, based on the VIF test, because the values shown were below 10, while the tolerance values shown were more than 0.10.

Table 2. The Efficiency of Customer Trust and Loyalty

Model	Collinearity Statistics	
	Tolerance	VIF
Good Corporate Governance	,717	1,394
Quality Service	,717	1,394

Normality Test

Before exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) tests, it is necessary to assess data using normality tests to achieve assumptions underlying multivariate analysis.

Table 3. Normality Testing

Variable	Skewness	Kurtosis
Good Corporate Governance	,766	-,798
Service Quality	,707	-,297
Customer Trust	,856	-,135
Customer Loyalty	1,032	,283

The normality test results of all variables, as shown in Table 3, show that no normality assumption was violated between all variables because the skewness value

was less than 3.0 and the kurtosis value was less than 10.0. Thus, variable data is considered normally distributed.

Exploratory Factor Analysis (EFA)

In this study, after the questionnaire had gone through all the feasibility tests, the EFA test was carried out with measurements looking at the values of Bartlett's Test of Sphericity ($p<0.05$) and Kaiser-Meyer-Olin (KMO), the KMO value should be 0.5 and above. Any variable with an item value of less than 0.50 in each factor will be eliminated or dropped so that it can be applied in the labelling of the reactor. The reasons applied in the labelling of a particular factor will depend on variables that have a higher impact, as observed in their loading (Hair et al., 2019).

Table 4. Factor Analysis for Good Corporate Governance

Code	Indicator	Component
GCG 3	The Bank adheres to the principle of prudence and guarantees the implementation of the applicable provisions	,666
GCG 4	Banks avoid unnatural dominance by any party	,698
GCG 5	The bank is objective and free from any pressure in decision-making	,700
GCG 6	The Bank treats customers and employees equally and reasonably	,763
Eigenvalue		**2,004**
Percent of Variance		**50,091**
Cumulative (%)		**50,091**

The table above shows that GCG6 has the highest factor component value of 0.763, while the lowest is GCG3, with a value of 0.666. The eigenvalue shown is also more than one, namely at 2,004 with a cumulative of 50.091%. With this, it can be concluded that the results of the EFA test with PCA and varimax rotation with Kaizer normalization show that these four indicators are the most influential in the implementation of GCG, so it is worth continuing in the next stage of testing (Hair et al., 2019).

Table 5. Factor Analysis for Service Quality

Code	Indicator	Component
SQ 7	Service in the application and financing process is satisfactory	,675
SQ 8	Employees of the bank service have a good willingness to serve customers	,705
SQ 10	Bank employees always are friendly and polite to all customers to cause a sense of comfort	,670
SQ 12	Bank employees always listen, respect, and provide solutions to every customer complaint	,803
Eigenvalue		**2,047**
Percent of Variance		**51,164**
Cumulative (%)		**51,164**

Table 5 above shows that SQI2 has the highest component factor, 0.803, followed by SQ8 with a value of 0.705, while SQ7 and SQ10 produce factor component values of 0.675 and 0.670, respectively. With this, it can be concluded that the results of the EFA test with PCA and varimax rotation with Kaizer normalization show that these four indicators are the most influential in-service quality, so it is worth continuing in the next testing stage.

Table 6. Factor Analysis for Customer Trust

Code	Indicator	Component
CT 1	I believe that employees at Bank Syaria Indonesia have experience in serving every customer and are experienced in their duties.	,738
CT 2	Bank Syariah Indonesia pays attention to every customer in all service processes and existing products	,786
CT 3	Bank Syariah Indonesia always accepts opinions and inputs for the good of the bank and customers	,688
CT 4	Bank Syariah Indonesia strives to meet customer needs in the service process	,734
CT 5	Bank Syariah Indonesia upholds honesty in every activity carried out	,773
Eigenvalue		**2,772**
Percent of Variance		**55,443**
Cumulative (%)		**55,443**

Table 6 above shows that CT2 has the highest factor component, namely 0.786, and CT3 has the lowest factor component, with a value of 0.688. At the same time, CT1, CT4, and CT5 produce factor component values of 0.738, 0.734 and 0.773, respectively. With this, it can be concluded that the results of the EFA test with PCA and varimax rotation with Kaizer normalization show that these five indicators are the most influential in customer trust, so it is worth continuing in the next testing stage.

Table 7. Factor Analysis for Customer Loyalty

Code	Indicator	Component
CL 1	I intend to reuse Bank Syariah Indonesia products/services in the future	,598
CL 2	I intend to say positive things about Islamic Bank Indonesia to others	,599
CL 3	I intend to recommend Bank Syariah Indonesia to someone who needs information about banking services	,705
CL 4	I intend to provide personal information about the performance of the product/service I experienced to the bank	,824
CL 5	I intend to provide advice for the improvement of products/services, services, and processes regarding products in order for the development of the bank in the future	,647
Eigenvalue		2,312
Percent of Variance		46,245
Cumulative (%)		46,245

Table 7 above shows that CL4 has the highest factor component, namely 0.824, and CL1 has the lowest factor component with a value of 0.598, while CL2. CL3 and CT5 produced factor component values of 0.599, 0.705, and 0.647, respectively. With this, it can be concluded that the results of the EFA test with PCA and varimax rotation with Kaizer normalization show that these five indicators are the most influential in customer loyalty. Hence, they are worth continuing at the next stage of testing.

Confirmatory Factor Analysis (CFA)

In previous EFA tests, items with poor values and two loading factors were removed, so the CFA test will focus on testing items that have passed the EFA test. The overall model to be tested is the variables of good corporate governance (4 items), service quality (4 items), customer trust (5 items), and customer loyalty (5 items). Figure 5.1 below illustrates this construction and the relevant items:

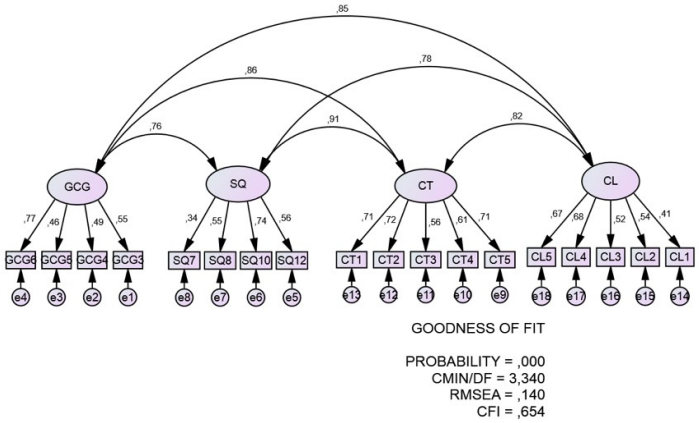

Figure 2. Initial Overall Measurement Mode

Figure 2 shows that the output of the CFA test results shows a poor fit of the measurement model. The probability value shown is below 0.05, the CMIN/DF value is greater than 2, the CFI value is less than 0.90, and the RMSEA value is greater than 0.08(Hair et al., 2019). With this result, it is necessary to make further modifications to improve the fit of the measurement model.

Modifications are based on the Modification Indices (MI) values displayed on the AMOS output. After MI checking, high covariance was found in the error items e14, e9, e13, e4, e7, e8, e18, e1, and e11. After testing and checking many times by eliminating the error of the item, it was found that the fit model affixed all the criteria for the goodness of fit, as shown in Figure 3 below:

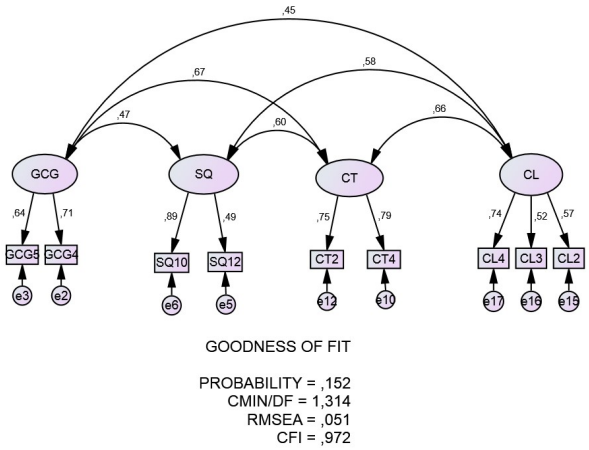

Figure 3: Modified Overall Measurement Model

The results displayed in the second CFA test by modifying the MI were excellent, which can be seen in the probability value of more than 0.05 (0.152), the CMIN/DF value of less than 2 (1.314), the CFI value of more than 0.95 (0.97), and the RMSEA value is less than 0.08 (0.051). All the goodness of fit results from the CFA test have been by the standards, so this model can be said to be fit. Table 8 below describes the comparison between the CFA tests.

Table 8. The Result of CFA for an Overall Mod

Name of Category	Goodness of Fit Statistic	Initial Model	Modified Model	Threshold Value for Fit Indices	Comments
Probability	P Value	0,000	0,152	≥ 0,05	The required level is achieved in the modified model
Parsimonious Fit	Normed Chi-Square	3,340	1,314	≤ 0,50 acceptable (Schumacker & Lomax, 2004)	The required level is achieved in the modified model
Incremental Fit	CFI	0,654	0,971	≥ 0,095 great, ≥ 0,90 traditional, ≥ 0,80 sometimes	The required level is achieved in the modified model

				permissible (Hu & Bentler, 1999)	
Absolute Fit	RMSEA	0,140	0,051	≤ 0,05 ideal, ≤ 0,08 good, ≤ 0,10 moderate (Hu & Bantler, 1999)	The required level is achieved in the modified model

Structural Model

In this study, structural models are demonstrated and examined based on theoretical models presented in chapter two. All latent constructs are allowed to have relationships with each other freely without the attribution of causal rules. Figure 4 shows a structural model for goodness-of-fit indices.

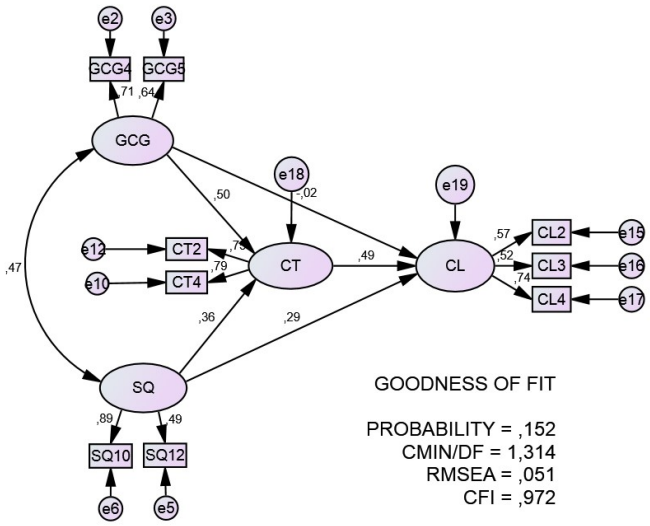

Figure 4. Structural Model

As seen in the picture above, all goodness of fit measurement items has reached the established standards, and there is no change in the value of the previous CFA test results. The probability value is more than 0.05 (0.152), the CMIN/DF value is less

than 2 (1.314), the CFI value is more than 0.95 (0.97), and the RMSEA value is less than 0.08 (0.051). The relationship scores to endogenous variables are as follows:

Table 9. Square Multiple Corral

Variable	Estimate
Customer Trust	0,550
Customer Loyalty	0,484

The meaning of table 9 explains that the endogenous variable in this study can explain each exogenous variable. The estimated value of customer trust is 0.550 or in other words, the endogenous variable of 55% can explain the customer trust variable, while the rest is explained by other variables that are not included in this study. Likewise, the customer loyalty variable has an estimated value of 0.484, which means that the endogenous variable can explain this variable by 48%, and the rest is explained by other variables not discussed in this study.

Analysis

Five hypotheses emerged from several previous studies based on a theory covering all variables: good corporate governance, service quality, customer trust, and customer loyalty. Table 10 below shows the results of the statistical path based on maximum likelihood estimation and estimate parameters that support the adequacy of the modified model.

Table 10. Path Statistic

	Hypothesized Path	Esti-mate	S.E	P value	Decision
H1	Good Corporate Governance (GCG) → Customer Trust (CT)	,788	,266	,003	GCG and CT are significant and positively related (Supported)
H2	Service Quality (SQ) → Customer Trust (CT)	,565	,228	,013	SQ and CT are significant and positively related (Supported)
H3	Customer Trust (CT) → Customer Loyalty (CL)	,350	,170	,040	CT and CL are significant and positively related (Supported)
H4	Good Corporate Governance (GCG) → Customer Loyalty (CL)	-,019	,225	,933	GCG and CL are not significant and not related (Not Supported)

H5	Service Quality (SQ) → Customer Loyalty (CL)	,321	,187	,086	SQ and CL are not significant and not related (Not Supported)

If we refer to hypothesis 1 in this study, the results of the study support hypothesis 1, namely that the implementation of GCG will have a positive and significant effect on customer trust (CT). As illustrated in Table 10, the p-value is lower than 0.05 (0.003), with the indicator parameter being 0.788, which means that if GCG rises by 1, then CT will also experience a reduction of 0.788. This shows that GCG can positively and significantly influence customer trust.

In line with hypothesis 1, the results of hypothesis testing also explain that hypothesis 2 in this study is supported by the results of hypothesis testing, which means that hypothesis 2 is accepted in this study. This is evidenced in Table 10, which explains that the p-value of H2 is 0.013; this value is below 0.05, which means that H2 is accepted. The parameter in this hypothesis is 0.565, which means that if the quality of service (SQ) rises by 1, the trust (CT) will increase by 0.565. The results are statistically significant, practically relevant, and logically justified. So, the results of the hypothesis test explain that the quality of service has a positive and significant effect on customer trust.

Hypothesis 3 is supported by this study which found that trust affects customer loyalty. This can be seen in the p-value that reaches the standard in the acceptance of a hypothesis, which is below 0.05 (0.040), while the estimated value shows the number 0.350 in table 10. This means, if confidence rises by 1, then customer loyalty will rise by 0.350. The results are statistically significant, practically relevant, and logically justified, as shown in the path analysis in figure 4.3 so it can be concluded that the main factor affecting customer loyalty is customer trust, and customer trust is built with the implementation of good GCG and service quality.

The results of hypothesis 4 are not supported by this study. There is an insignificant and negative relationship between GCG implementation and customer loyalty. As illustrated in table 10, what p-value is at 0.933 which is far from the existing standard (<0.05), and the indication parameter is -0.019 indicating that if GCG rises by 1, customer loyalty decreases by -0.019. The results show that customer

loyalty is not formed by the implementation of good GCG, this is hypothesis 4 rejected.

In line with hypothesis 4, hypothesis 5 is not supported by this study, there is an insignificant relationship between service quality (SQ) and customer loyalty. Table 10 shows a p-value of 0.086 which means that it is still not sufficient for the ad standard (.0.05), the estimated parameter is 0.321 which means that if the quality of service (SQ) rises by 1, then customer loyalty decreases by 0.321. This result shows that customer loyalty is not affected by the quality of services provided by the bank.

As resulting from the SEM analysis with AMOS 24, all hypotheses proposed have been answered with the input of estimates generated by the statistical path. Two hypotheses, directed at customer trust, are both accepted and have positive and significant results on the test of factors that affect customer trust. With this result, it states that the implementation of GCG has a positive and significant influence on customer trust. Likewise, the quality of service also has a positive and significant influence on customer trust. The implementation of GCG has the best results among all hypotheses proposed; as explained in Table 9, the implementation of GCG has a signification value below 0.05, which is 0.003. This value is the best value that shows a positive and significant influence on customer trust in this study. This is in line with previous research conducted by Muhammad (Muhammad, 2022), Wang (Wang et al., 2019), and Ltifi (Ltifi & Hichri, 2022). If reviewed again in the EFA, CFA, and SEM Analysis, of the six question items that have represented the five GCG indicators, in the EFA test, four items are considered the most influential in the implementation of GCG so that they are worth continuing in the next stage of testing. The four items are gcg3, gcg4, gcg5, gcg6, which oversee indicators of responsibility, independence, and fairness. However, based on the CFA and SEM tests in Figures 3 and 4, only independence indicators (gcg4 and gcg5) remain in overseeing the involvement of this research.

The quality of service also has a positive and significant influence on customer trust. It has been proven that the signification value is 0.013, below 0.05, so it has met the standards for influencing trust. Judging from the demographics of respondents, the majority of respondents in this study were customers who used bank services in the form of Sharia savings and Sharia financing or loans, namely 93 people and 20

people. This dominance in Islamic savings and financing is enough to start bank services because most customers in a bank use savings and financing services. Other services, such as current accounts and deposits, are less important than financing and savings. One of the indicators in measuring service quality is empathy, which is also one part of benevolence, one of the indicators of trust. Suppose you look closely after conducting EFA and CFA tests. In that case, the items considered the most fit in the service quality indicators are SQ10 and SQ12, representing indicators of empathy in service quality variables. Similarly, CT2 and CT4 are considered the most fit items in the trust variable, and CT2 represents the benevolence indicator in the trust variable. This is in line with the research conducted by Haron (Haron et al., 2020).

Variable trust in this study becomes a mediator for service quality and the implementation of GCG to influence customer loyalty. As explained in Table 9, the signification value of the influence of trust on loyalty is 0.040 and is below 0.050, which indicates that the existing influence is positive and significant. The trust that has been built through the implementation of good GCG and the quality of services that have been provided to customers can have a good impact on increasing customer loyalty. The better the trust formed, the better the customer's loyalty to Islamic banks. In other words, the results of this study indicate that trust can mediate the implementation of GCG and service quality to increase customer loyalty.

In the discussion above, it has been explained that customer trust can mediate the quality of service and the application of good corporate governance in increasing customer loyalty. However, whether the implementation of GCG and service quality should be mediated by the trust to increase loyalty because it does not rule out the possibility that the implementation of GCG can directly influence loyalty without having to make trust a mediator. Likewise, with the quality of service, it may have a direct influence on customer loyalty.

However, the results of AMOS 24 stated that all hypotheses aimed at customer loyalty were rejected. With this, we can conclude that the quality of service and the implementation of GCG do not directly influence customer loyalty. In other words, if you want to increase customer loyalty, the quality of service and the implementation of GCG must be mediated by trust because trust positively and significantly influences

customer loyalty. Meanwhile, the quality of service and the implementation of GCG only positively and significantly influence customer trust, not customer loyalty.

E. CONCLUSION

The first findings obtained after processing the data with structural model analysis found that the application of good corporate governance affects customer trust, while the application of good corporate governance does not directly affect customer loyalty, so it must be mediated by customer trust, whose value has proven significant. This shows that customer trust will also increase if good corporate governance is implemented. The same applies to the quality of service, which burdens customer trust and has no influence on loyalty. Hence, a customer trust factor is required to link service quality and customer loyalty.

The second finding in this study is that customer trust has a positive and significant influence on customer loyalty. This finding further strengthens the existence of trust as a mediator banks use to increase customer loyalty by implementing GCG and service quality. This shows that if BRI Syariah strengthens the trust of its customers by continuing to improve service quality and always implementing GCG principles, it will be able to continue to build customer loyalty.

Meanwhile, the third finding was that the quality of service and the implementation of good corporate governance did not affect customer loyalty. The existence of the customer trust factor as a mediator is getting stronger with no positive influence on service quality and THE distribution of GCG on customer loyalty. Because without being mediated by trust, customer loyalty cannot be directly influenced by the quality of service and the implementation of GCG. In other words, the bank's main focus on increasing loyalty is customer trust, which can be formed by implementing good GCG and improving service quality.

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