

The Influence of Service Quality (Tangibles, Empathy, Reliability, Responsiveness, and Assurance) on Customer Satisfaction and Customer Loyalty of Brilink Agent NN Group

Muhammad Nurwahid¹, Zulia Khairani^{2*}, Susandri³

¹Magister of Management, Graduate Scholl, Lancang Kuning University, Indonesia

²Magister of Management, Graduate Scholl, Lancang Kuning University, Indonesia

³Magister of Management, Graduate Scholl, Lancang Kuning University, Indonesia

Correspondence *:
zuliakhairani@unilak.ac.id

Abstract

The advancement of financial technology in Indonesia has facilitated the emergence of BRILink agents as a strategic instrument in supporting financial inclusion programs, particularly for communities in rural and underserved areas. This study aims to examine the influence of service quality on customer satisfaction and customer loyalty through the five dimensions of the SERVQUAL model, namely tangibles, empathy, reliability, responsiveness, and assurance. Furthermore, this research investigates the mediating role of customer satisfaction in indirectly shaping customer loyalty. This study adopts a quantitative approach using Structural Equation Modeling based on Partial Least Squares (SEM-PLS). The analysis was conducted on data collected from 155 respondents who are active users of BRILink NN Group services in Indragiri Hulu Regency. The findings indicate that service quality has a significant positive effect on customer satisfaction, and customer satisfaction, in turn, significantly contributes to the formation of customer loyalty. However, no significant direct relationship was found between service quality and customer loyalty without the mediation of customer satisfaction. These findings underscore the importance of a relational approach in the management of financial services, where the emotional dimension of customer perception plays a central role in fostering long-term loyalty. Therefore, service strategies should not only emphasize operational efficiency but also prioritize personal engagement and the fulfillment of customers' specific needs. This study provides a conceptual foundation for the development of BRILink service standards that are customer experience-oriented and aimed at achieving sustainable competitive advantage.

Keywords : Service Quality, Customer Satisfaction, Customer Loyalty, BRILink Agent, SERVQUAL Model

I. Introduction

The development of the financial services industry has demonstrated significant dynamism in recent years, driven by the increasing public demand for services that are fast, accessible, and reliable. Banking services are no longer confined to conventional branch offices; rather, they have evolved toward agency-based systems that enable financial access to reach communities not directly served by formal banking networks. In line with the national financial inclusion agenda promoted by the Financial Services Authority (Otoritas Jasa Keuangan/OJK), the *Laku Pandai* agent banking program implemented by various banks, including Bank Rakyat Indonesia (BRI), has emerged as an innovative solution to expand financial access to communities in 3T areas (underdeveloped, frontier, and outermost regions). Within this framework, the presence of BRILink agents as an extension of BRI plays a highly strategic role in broadening financial service outreach in a comprehensive and inclusive manner.

BRILink agents represent a service innovation introduced by BRI that enables customers and the general public to conduct banking transactions through officially appointed agents. These agents are typically micro-entrepreneurs equipped with technological access such as Electronic Data Capture (EDC) devices or the BRILink Mobile application. Through this system, customers can perform various real-time transactions, including cash withdrawals and deposits, interbank transfers, bill payments, mobile credit purchases, and other financial services. One of the agents experiencing rapid growth is BRILink Agent NN Group located in Belilas, Indragiri Hulu Regency, Riau. With transaction volume increasing from 18,000 transactions in 2021 to 130,000 transactions in 2024, NN Group demonstrates a vital contribution to fulfilling the financial needs of the local community.

Despite the rapid expansion of BRILink services, competition within the sector has intensified. BRILink agents must compete not only with fellow agents within the same network but also with agency banking services from other institutions such as Mandiri and BNI. In this competitive landscape, customers possess greater flexibility in selecting service providers based on their perceptions of service quality. Consequently, service quality becomes a fundamental determinant influencing customer satisfaction and loyalty. The SERVQUAL model developed by Parasuraman, Zeithaml, and Berry (1988) conceptualizes service quality through five primary dimensions: tangibles, empathy, reliability, responsiveness, and assurance. These dimensions reflect customers' perceptions of the service received and constitute essential factors in shaping a positive service experience that ultimately fosters loyalty.

Furthermore, Kotler and Keller (2016) argue that customer satisfaction arises from the evaluative comparison between initial expectations and actual service performance. When services exceed expectations, satisfaction increases; conversely, discrepancies between expectations and performance may result in dissatisfaction and declining loyalty. In the context of BRILink agents, the ability to deliver services that are prompt, convenient, secure, and responsive is likely to be reflected in higher levels of customer satisfaction, which in turn strengthens loyalty toward the service provider.

Customer loyalty represents a long-term commitment to a particular service provider. Oliver (1999) defines loyalty as the outcome of sustained and repeated satisfaction, reinforced by an emotional attachment to a brand or service provider. In micro-banking contexts such as BRILink, customer loyalty may manifest through repeat transactions, exclusive use of services, and positive word-of-mouth recommendations. The higher the level of satisfaction experienced, the greater the likelihood that customers will continue using the same service despite the availability of alternative providers.

Previous studies have consistently confirmed the close relationship between service quality, customer satisfaction, and customer loyalty. Empirical findings indicate that service quality positively influences customer satisfaction, and satisfaction significantly mediates the relationship between service quality and loyalty. In the context of branchless banking agents, responsiveness and empathy have been identified as dominant factors in fostering satisfaction and loyalty. However, empirical research specifically examining service quality within rural BRILink agents such as NN Group in Belilas remains limited. This gap is noteworthy, given the complex service dynamics in rural and semi-urban areas, where customers exhibit diverse socio-economic and geographical backgrounds.

The novelty of this study lies in its contextual focus: the simultaneous evaluation of the five SERVQUAL dimensions in relation to customer satisfaction and loyalty within the setting of a BRILink agent operating in a semi-urban area. Moreover, this research examines the mediating role of customer satisfaction in linking service quality and loyalty, an aspect that has not been comprehensively explored in local-level studies. Accordingly, this study contributes not only to the theoretical enrichment of service marketing literature but also offers practical insights for micro-financial service providers in designing service improvement strategies grounded in customer expectations and experiences.

The primary objective of this research is to analyze the extent to which service quality dimensions influence customer satisfaction, to examine the relationship between satisfaction and customer loyalty, and to evaluate the mediating role of satisfaction in bridging the relationship between service quality and loyalty. The

findings are expected to serve as a strategic reference for BRILink agent management and BRI in enhancing service systems, designing agent training programs, and establishing service standards capable of sustainably addressing community needs.

Theoretically, this study reinforces the relevance of the SERVQUAL model within the context of digital and branchless micro-financial services. The five core dimensions of service quality remain effective in assessing customers' perceptions of BRILink services. Additionally, theories of customer satisfaction and loyalty, as articulated by Oliver (1999), Kotler and Keller (2016), and other scholars, provide a conceptual foundation for understanding the psychological processes through which customers develop loyalty based on their service experiences.

Considering the ongoing expansion of digital financial services, the strengthening of financial inclusion initiatives, and the demand for superior service delivery, this research offers an in-depth understanding of service quality within the real-life context of rural communities. The findings are expected to contribute to the formulation of service strategies grounded in empathy and high responsiveness, thereby enhancing customer satisfaction and fostering sustainable loyalty. As a key pillar in expanding financial access, BRILink agents must prioritize customer-oriented service delivery and adapt to local social and economic dynamics in order to build a competitive and human-centered service system.

2. Literature Review and Hypotheses Development

Service quality constitutes a fundamental construct in service marketing literature, particularly within industries characterized by intensive customer interaction such as banking and financial services. Parasuraman, Zeithaml, and Berry (1988) conceptualized service quality as the discrepancy between customer expectations and perceived service performance. Through the SERVQUAL model, they identified five primary dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy. Tangibles refer to physical facilities, equipment, and employee appearance; reliability denotes the ability to perform services dependably and accurately; responsiveness reflects promptness and willingness to assist customers; assurance encompasses employee competence, courtesy, and the ability to inspire trust; while empathy represents individualized attention and genuine concern for customers.

In the context of agent-based financial services such as BRILink NN Group, these five dimensions are particularly relevant. Since agents operate outside traditional bank branches, customers' trust and perceptions of professionalism are heavily influenced by visible facilities, agent conduct, responsiveness in handling transactions, and assurances of security. The SERVQUAL framework therefore provides an appropriate theoretical foundation for evaluating perceived service quality in branchless and rural financial inclusion settings.

Customer satisfaction is generally defined as an evaluative judgment resulting from the comparison between expected and actual service performance (Oliver, 1997; Kotler & Keller, 2016). Satisfaction arises when service performance meets or exceeds expectations, whereas dissatisfaction occurs when expectations are not fulfilled. In service contexts, satisfaction is not merely a cognitive assessment but also encompasses emotional responses generated during service encounters. Empirical studies consistently confirm that service quality significantly influences customer satisfaction. Agustiani et al. (2020) demonstrated that service quality dimensions positively affect customer satisfaction in banking institutions. Similarly, Islam et al. (2024) found that responsiveness and empathy play dominant roles in shaping satisfaction within agent-based financial services.

Within BRILink NN Group, tangible aspects such as comfortable facilities and modern transaction equipment, reliability in accurate transaction processing, responsiveness in addressing customer issues, assurance of security, and empathetic interactions are expected to enhance satisfaction levels. When these dimensions are consistently delivered, customers are more likely to perceive value, comfort, and trust during service interactions. Accordingly, the first hypothesis is formulated as follows:

H1: Service quality has a positive and significant effect on customer satisfaction.

Customer loyalty represents a deeply held commitment to repurchase or continue using a preferred service consistently in the future (Oliver, 1999). Loyalty encompasses both behavioral and attitudinal components, including repeat usage, resistance to competitors, and positive word-of-mouth recommendations (Griffin, 2005). The literature widely acknowledges satisfaction as a critical antecedent of loyalty. Satisfied customers are more inclined to maintain long-term relationships, recommend services to others, and exhibit resistance to switching behaviors. Mira et al. (2020) emphasize that satisfaction often functions as a mediating variable linking service quality to loyalty.

In the context of BRILink NN Group, customers who feel satisfied with service efficiency, friendliness, transaction accuracy, and security are more likely to reuse the service and recommend it to others. Satisfaction

thus becomes a crucial psychological foundation for sustaining long-term customer relationships. Based on this reasoning, the second hypothesis is proposed:

H2: Customer satisfaction has a positive and significant effect on customer loyalty.

Although service quality is frequently associated with loyalty, theoretical perspectives suggest that this relationship may not always be direct. Oliver (1999) argues that loyalty develops progressively through cognitive evaluation (perceived quality), affective response (satisfaction), and conative commitment. Without satisfaction, high service quality alone may not necessarily translate into loyal behavior. Banser (2016) also found that in competitive service industries, service quality does not automatically guarantee customer loyalty, as customers may switch providers when emotional attachment or satisfaction is insufficiently established.

In BRILink NN Group, while customers may positively evaluate service quality, loyalty is more likely to emerge when these evaluations result in sustained satisfaction. Nevertheless, the direct relationship remains theoretically relevant and requires empirical testing. Therefore, the third hypothesis is formulated as follows:

H3: Service quality has a positive and significant effect on customer loyalty.

Furthermore, the mediating role of customer satisfaction between service quality and loyalty has been extensively supported in marketing research. Caruana (2002) demonstrated that satisfaction significantly mediates the relationship between service quality and service loyalty. This indicates that service quality influences loyalty indirectly through the formation of satisfaction. In agent-based financial services, service quality shapes cognitive perceptions; when these perceptions generate positive emotional experiences and satisfaction, customers are more likely to develop loyalty. Without satisfaction, the impact of service quality on loyalty may weaken. Given this theoretical foundation and empirical evidence, the final hypothesis is proposed:

H4: Customer satisfaction mediates the relationship between service quality and customer loyalty.

Overall, this conceptual framework positions service quality measured through the five SERVQUAL dimensions as the independent variable, customer satisfaction as the mediating variable, and customer loyalty as the dependent variable. The framework reflects relational marketing theory and reinforces the relevance of SERVQUAL in evaluating agent-based digital financial services operating in rural and semi-urban contexts.

3. Method

This study adopts a quantitative approach with a causal research design aimed at examining the relationships among variables, both direct and indirect, in accordance with the predetermined conceptual framework. The research was conducted at BRILink Agent NN Group operating in Belilas, Seberida District, Indragiri Hulu Regency, Riau Province. This location was selected based on the consideration that the area has demonstrated significant growth in the utilization of digital financial services through the BRILink platform.

The population of this study consists of all active customers who utilize the services of BRILink Agent NN Group. To obtain a sample aligned with the research objectives, purposive sampling was employed with inclusion criteria requiring respondents to have conducted at least two transactions within the past three months. A total of 155 respondents were successfully collected, which is considered adequate for multivariate statistical analysis.

The primary data source was derived from firsthand data collected through the distribution of structured questionnaires to respondents. The questionnaire instrument was developed based on indicators adapted from the SERVQUAL model introduced by Parasuraman et al. (1988), encompassing five principal dimensions of service quality: tangibles, empathy, reliability, responsiveness, and assurance. In addition, customer satisfaction and customer loyalty were measured as dependent and mediating variables within the research model. All variables were measured using a five-point Likert scale ranging from strongly disagree to strongly agree.

Data analysis was conducted using Structural Equation Modeling (SEM) based on the Partial Least Squares (PLS) approach with the assistance of SmartPLS software. The analytical procedure consisted of two primary stages. First, the measurement model (outer model) was evaluated to assess construct validity and reliability through outer loading values, Average Variance Extracted (AVE), and composite reliability. Second, the structural model (inner model) was examined to analyze the relationships among latent variables, including hypothesis testing using t-statistics and evaluation of the coefficient of determination (R^2). The selection of SEM-

PLS was justified by its capability to accommodate complex models with multiple indicators and its robustness in handling data that do not necessarily meet multivariate normality assumptions.

Through this methodological framework, the study seeks to identify and quantify the extent to which service quality influences customer satisfaction and customer loyalty, as well as to examine the mediating role of satisfaction in the relationship between service quality and loyalty. The SEM-PLS approach enables a comprehensive analysis of inter-construct relationships within the context of agent-based digital financial services developing in rural and semi-urban areas.

4. Result and Discussion

This study was conducted at BRILink Agent NN Group located in Belilas, Seberida District, Indragiri Hulu Regency. Since its establishment in 2014, the agent has developed into a trusted provider of agent-based financial services within the local community. Operating daily from 07:00 to 22:00 WIB, supported by 21 employees working in shifts, and equipped with adequate physical facilities such as Electronic Data Capture (EDC) devices, computers, CCTV, a comfortable service area, and a strategically located outlet, the agent demonstrates strong tangible attributes. These physical elements serve as important signals of credibility and professionalism, particularly in the context of branchless banking services where formal institutional structures are less visible.

The respondent profile indicates that the majority of customers are male (63.88%) and predominantly belong to the 17–35 age group. This demographic composition suggests that younger generations, who are generally more adaptable to technology-based financial services, represent the primary user segment of BRILink. The average transaction frequency reaches 12 transactions per month, reflecting a relatively high level of service utilization. However, nearly half of the respondents (47.10%) have used the service for one year or less, indicating that many customers are still in the early stages of relationship development. Consequently, consistent service quality becomes essential for fostering long-term loyalty.

Descriptively, respondents' perceptions of service quality are generally positive. The tangible dimension received the highest evaluation, indicating that physical facilities significantly influence initial customer impressions. The reliability and responsiveness dimensions were also rated favorably, particularly regarding transaction accuracy and staff promptness in assisting customers. Nevertheless, the assurance dimension and certain aspects of empathy reveal areas for improvement, especially in strengthening customers' psychological sense of security and deepening understanding of individual complaints. In financial services, assurance plays a crucial role due to its direct association with perceived risk and trust formation.

Regarding customer satisfaction, most respondents reported being satisfied with the service; however, the proportion of those expressing very high satisfaction remains relatively low (11.61%). This finding suggests that although the service performance is perceived as good, it has not yet consistently exceeded customer expectations. In terms of loyalty, a majority of respondents expressed intentions to continue using the service and to recommend it to others. Nevertheless, such loyalty appears to be potential rather than fully established, given the relatively short duration of customer relationships.

The Partial Least Squares (PLS) analysis confirms that the measurement model meets the required validity and reliability criteria. All indicators demonstrate outer loadings above 0.7, composite reliability values exceeding 0.7, and Average Variance Extracted (AVE) values above 0.5. From a structural perspective, the coefficient of determination (R^2) for customer satisfaction is 0.751, indicating that 75.1% of the variance in satisfaction is explained by service quality. Meanwhile, the R^2 value for customer loyalty is 0.655, meaning that 65.5% of the variance in loyalty is explained jointly by service quality and customer satisfaction. These values indicate strong explanatory power of the proposed model.

Structurally, service quality has a positive and statistically significant effect on customer satisfaction, with a path coefficient of 0.867 ($p = 0.000$). This finding implies that improvements in perceived service quality are directly translated into higher levels of satisfaction. The result is consistent with the disconfirmation of expectations theory, which posits that satisfaction arises when perceived performance meets or exceeds prior expectations. In the context of BRILink NN Group, transaction accuracy, staff friendliness, and facility comfort serve as primary determinants of customer satisfaction.

Customer satisfaction also exerts a positive and significant influence on customer loyalty, with a path coefficient of 0.719 ($p = 0.000$). This indicates that higher satisfaction levels increase customers' likelihood of continued usage and positive word-of-mouth recommendations. The finding aligns with Oliver's (1999) loyalty framework, which conceptualizes loyalty as a progressive psychological process beginning with satisfaction as an affective response that evolves into behavioral commitment.

Interestingly, the direct effect of service quality on customer loyalty is not statistically significant (path coefficient = 0.102; $p = 0.387$). This suggests that service quality alone is insufficient to generate loyalty without the mediating role of satisfaction. Customers may acknowledge high service quality, yet such cognitive evaluation

does not automatically result in long-term commitment. In competitive service industries, customers often compare alternatives before establishing loyalty.

Conversely, the indirect effect of service quality on loyalty through customer satisfaction is significant (path coefficient = 0.623; $p = 0.000$), indicating full mediation. This confirms that loyalty is formed through a sequential process: service quality shapes positive cognitive perceptions, these perceptions generate satisfaction, and sustained satisfaction ultimately leads to loyalty.

Overall, the findings emphasize that in agent-based financial services, emotional dimensions play a central role in fostering customer loyalty. Loyalty does not emerge automatically from high service quality; rather, it is the outcome of consistently satisfying service experiences. Therefore, managerial strategies at BRILink NN Group should balance operational excellence with relational approaches that emphasize empathy, trust, and personal engagement. Such an approach will strengthen emotional bonds with customers and enhance the likelihood of achieving authentic and sustainable loyalty in an increasingly competitive financial services environment.

5. Conclusion

This study highlights the crucial role of customers' perceptions of service quality in shaping meaningful customer experiences. Satisfaction does not arise solely from the technical excellence of service delivery; rather, it emerges from the integration of functional and emotional aspects within service interactions. Therefore, the success of agent-based financial services such as BRILink cannot be measured merely by speed and the completeness of facilities, but also by the ability to foster personal closeness and a sense of security among customers. In an increasingly competitive financial services landscape, customer loyalty should not be regarded as an automatic consequence of good service performance. Instead, it represents the outcome of a cumulative psychological process formed through consistent positive experiences. This condition necessitates a more personalized, adaptive, and empathy-driven service approach, particularly for new users who are still developing long-term preferences. The study further underscores the importance of a relational approach in cultivating long-term relationships with customers. Service quality should be viewed as the starting point of loyalty development rather than its ultimate goal. Within this framework, satisfaction functions as both an emotional and evaluative bridge that mediates the transition from being a mere customer to becoming a loyal patron. Consequently, service improvement strategies should focus on creating customer experiences that are not only efficient but also enjoyable and trustworthy. Organizations capable of designing interactions centered on trust and emotional comfort will possess a greater opportunity to retain customers and foster authentic, enduring loyalty.

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