Customer Trust Mediated Customer Loyalty in Bank Group Based On Core Capital (GBCC) 4

Yohanes Ferry Cahaya 1, Hedwigis Esti Riwayati 2*, Markonah Markonah 3

123 Perbanas Institute, Jakarta 12940, Indonesia

https://doi.org/10.35609/gcbssproceeding.2023.1(26)

ABSTRACT

This pandemic has not only impacted the world economy but also the family economy. Banking service companies are currently faced with very sharp, complex competition and rapid changes in the business environment. Customer loyalty is a major driver of banking marketing activities (Watson et al., 2015) to continue to survive in business competition. Customer loyalty can be reflected in the continued increase in third-party funds placed at the bank. Good financial literacy will help individuals avoid financial problems, especially during the COVID-19 pandemic. This study aims to analyze and prove the effect of financial literacy, and customer engagement on customer loyalty mediated by customer trust in Bank Groups Based on Core Capital (KBMI) 4. Analysis was carried out using Structural Equation Modeling (SEM) based on components or variants (component-based), which is popular with Partial Least Square (PLS) with the help of the SmartPLS program with a total of 253 customer respondents from Bank Central Asia, Bank Mandiri, Bank Negara Indonesia, Bank Rakyat Indonesia.

Keywords: Financial Literacy, Customer Engagement, Customer Loyalty, Customer Trust