DETERMINANTS OF COMMUNITY PREFERENCES AND CUSTOMER LOYALTY AT BANK SYARIAH INDONESIA IN NORTH SULAWESI

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ABSTRACT

This study aims to identify and analyze the key factors that influence customer preferences and loyalty toward Bank Syariah Indonesia (BSI) in North Sulawesi. Employing a descriptive quantitative approach, data were collected through questionnaires distributed to 52 active BSI customers across three cities: Manado, Bitung, and Kotamobagu, with respondents aged between 20 and 35 years. The research instrument underwent validity and reliability testing, yielding a Cronbach's Alpha score of 0.969, indicating excellent internal consistency. The analysis revealed that internal bank factors, particularly the quality of employee service, including friendliness and professionalism, are the most dominant contributors to customer loyalty. External factors, such as recommendations from close associates, also play a significant role. In contrast, location and technological infrastructure, such as ATM availability, scored the lowest, suggesting areas that require improvement. The study highlights that human interaction and excellent service delivery are more decisive in fostering loyalty than physical infrastructure or rational considerations. These findings offer strategic insights for enhancing BSI services, particularly in regions with predominantly non-Muslim demographics. Practical implications include continued frontliner training, expansion of digital infrastructure and branch locations, and reinforcement of community-based marketing strategies. The study also recommends future research to explore the impact of digitalization on customer loyalty through a longitudinal approach.

Keywords: Community Preferences; Customer Loyalty; Bank Syariah Indonesia.

ABSTRAK

Penelitian ini bertujuan untuk mengidentifikasi dan menganalisis faktor-faktor utama yang memengaruhi preferensi dan loyalitas nasabah terhadap Bank Syariah Indonesia (BSI) di Sulawesi Utara. Dengan menggunakan pendekatan deskriptif kuantitatif, data dikumpulkan melalui penyebaran kuesioner kepada 52 nasabah aktif BSI yang tersebar di tiga kota: Manado, Bitung, dan Kotamobagu, dengan rentang usia responden antara 20 hingga 35 tahun. Instrumen penelitian telah melalui uji validitas dan reliabilitas, dengan hasil nilai Cronbach's Alpha sebesar 0,969 yang menunjukkan konsistensi internal yang sangat baik. Hasil analisis menunjukkan bahwa faktor internal dari bank, khususnya kualitas pelayanan karyawan seperti keramahan dan profesionalisme, merupakan kontributor paling dominan terhadap loyalitas nasabah. Faktor eksternal seperti rekomendasi dari orang terdekat juga memiliki peran

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yang signifikan. Sebaliknya, faktor lokasi dan infrastruktur teknologi, seperti ketersediaan ATM, memperoleh skor terendah, yang mengindikasikan area yang perlu ditingkatkan. Studi ini menyoroti bahwa interaksi manusia dan pelayanan yang unggul lebih berpengaruh dalam membangun loyalitas dibandingkan dengan infrastruktur fisik atau pertimbangan rasional semata. Temuan ini memberikan wawasan strategis untuk peningkatan layanan BSI, khususnya di wilayah dengan demografi mayoritas non-Muslim. Implikasi praktis dari penelitian ini mencakup pelatihan berkelanjutan bagi petugas layanan (frontliner), perluasan infrastruktur digital dan lokasi cabang, serta penguatan strategi pemasaran berbasis komunitas. Penelitian ini juga merekomendasikan agar penelitian selanjutnya mengeksplorasi dampak digitalisasi terhadap loyalitas nasabah melalui pendekatan longitudinal.

Kata Kunci: Preferensi Komunitas; Loyalitas Pelanggan; Bank Syariah Indonesia.

INTRODUCTION

Bank Syari'ah Indonesia (BSI) is a community banking financial institution by offers and implements several kinds of transaction products based on the context of economic activities and philosophical principles in the text as a guide for human economic behavior. Based on the teaching system, it can be seen that all kinds of transaction processes of Bank Syari'ah Indonesia include various aspects of teachings, starting from rights or legal issues to financial institution affairs (Bustari Muchtar Dkk, 2016).

The economic system, which serves as the core of transaction management at Bank Syariah Indonesia, incorporates theological principles. These principles shape the attitudes and behaviours displayed in social interactions concerning economic issues, aiming to fulfil life's necessities based on ethical and economic values. Moreover, the economic system embodies a social dimension, reflected in the individual responsibility to continuously promote good conduct. Similarly, the presence of Bank Syariah Indonesia, formed through the merger of Bank Rakyat Indonesia Syariah (BRIS), Bank Syariah Mandiri (BSM), and Bank Negara Indonesia Syariah (BNIS), in North Sulawesi is fundamentally no different from that of other banking institutions. The establishment of Bank Syariah Indonesia represents a strategic initiative by the government to position Indonesia as a leading global centre for Islamic finance. The recent developments of Bank Syariah Indonesia in North Sulawesi are quite promising, as evidenced by the increasing number of individuals engaging in transactions and investing with the bank.

The merger of state-owned Islamic banks into what is now known as Bank Syariah Indonesia (BSI) has generated significant hope and opportunities for the growth and development of the Islamic economy in Indonesia. This is particularly relevant in North Sulawesi, a region known for its Muslim minority population. Despite this demographic context, the establishment of BSI, driven by a strong vision to compete in the national banking industry, marks an important

initial step towards becoming a leading reference bank not only for Muslim customers but also for non-Muslims throughout North Sulawesi.

Given this context, there emerges a pressing need to explore ideas that serve the broader public interest and support the advancement of the Islamic economy. This includes fostering greater engagement among both Muslim and non-Muslim communities with Islamic financial institutions, particularly in the banking sector. Therefore, it is essential to conduct research on the preferences of the people of North Sulawesi in choosing Bank Syariah Indonesia as their trusted financial institution. Such research will focus on the extent to which BSI is perceived as a credible institution for conducting transactions, particularly in the collection and distribution of funds, in accordance with the principles of Islamic Sharia.

In this research, the term *preference* refers to a customer's inclination, whether in favour or against, towards a particular type of banking institution. This concept of customer preference reflects the choices made by current and potential customers between Islamic banks and conventional banks in North Sulawesi. Given the broad scope of preference, this study narrows its focus by employing specific indicators.

These indicators include Reputation Perception, Service Quality, Physical Attractiveness, Customer Rationality, External Bank Factors (other Parties), Internal Bank Factors (Employees), Bank Location, and the Availability of Network and Technology (Savitri, 2019). These factors will serve as the framework and measurement tools for understanding the preferences of the people of North Sulawesi in deciding whether to become customers of Bank Syariah Indonesia.

RESEARCH METHOD

This study employed a descriptive quantitative approach, a method designed to systematically, factually, and accurately describe social phenomena based on collected data. According to Muhajir (1996), descriptive research is a type of research that is limited to efforts to reveal problems and conditions as they truly are, focusing solely on the disclosure of facts through data analysis. This approach was chosen as it is well-suited for objectively evaluating customer perceptions and experiences with the services of Bank Syariah Indonesia (BSI), formerly known as Bank Syariah Mandiri, using numerical data.

The data used in this study comprises both primary and secondary sources. Primary data were obtained through the distribution of questionnaires to respondents, while secondary data consisted of relevant reports, official documents, and previous research findings.

Data collection was conducted using three methods: (1) direct observation of Bank Syariah Indonesia offices, previously Bank Syariah Mandiri, located in three cities: Manado, Kotamobagu, and Bitung; (2) distribution of questionnaires to 52 respondents who are loyal customers of BSI (formerly BSM); and (3) documentation obtained from official institutional sources.

The sampling technique employed was purposive sampling, in which respondents were selected based on specific criteria, namely, customers who had been active clients of Bank Syariah Mandiri before the merger and continued to use BSI services afterward. This sample was chosen to represent loyal customers' perceptions regarding the transition and performance of the bank's services. Respondent characteristics, including age, gender, educational background, and length of customer tenure, were analyzed to provide a comprehensive understanding of the participants' profiles.

Data analysis was conducted using a quantitative statistical approach. The stages of analysis included the following:

1. Validity Test: The Pearson Product-Moment correlation was employed to assess the extent to which each questionnaire item accurately measured the intended construct. An item was considered valid if the significance value (p-value) was less than 0.05 and the correlation coefficient exceeded 0.3.

2. Reliability Test: Cronbach's Alpha was used to evaluate the internal consistency of the instrument. An instrument was deemed reliable if the Cronbach's Alpha value was greater than 0.7.

3. Factor Analysis Assumption Test: This was performed to determine the suitability of the data for further factor analysis. Two key tests were applied:

   o Kaiser-Meyer-Olkin (KMO): This test assessed sampling adequacy, with a KMO value ≥ 0.5 indicating that the data were appropriate for factor analysis.

   o Bartlett's Test of Sphericity: This test evaluated whether correlations between variables were significant; a p-value less than 0.05 signified that the data were sufficiently correlated for factor analysis.

4. Mean Analysis: This was used to interpret the overall tendency of respondents' answers in relation to each service indicator examined in the study.

RESULT AND DISCUSSION

RESULT

Respondent Profile

Table 1. Data Respondents

Research Location	Responden		
	Amount	Ages	Jobs
Manado	20	20-35	Civil servants, TNI/Polri, Self-Employed and Students
Kotamobagu	15	20-35	Civil servants, TNI/Polri, Self-Employed and Students
Bitung	17	20-35	Civil servants and Self-Employed

Source: Processed Data, 2023

The study involved 52 respondents who are loyal customers of Bank Syariah Indonesia ex-Bank Syariah Mandiri located in Manado, Kotamobagu, and Bitung.

Respondents were selected through purposive sampling, focusing on active users of savings, financing, and gold pawn products. All participants were between the ages of 20 and 35, representing various professional backgrounds, including civil servants, military and police personnel (TNI/Polri), entrepreneurs, and students. Notably, approximately 11% (six individuals) of the respondents were non-Muslims, highlighting the inclusive nature of BSI's services.

Validity and Reliability Testing

Table 2. Validity Test

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
X01	112.8269	366.617	.718	.967
X02	113.2308	370.573	.763	.967
X03	113.3269	363.715	.691	.968
X04	113.1154	364.575	.806	.967
X05	113.5769	375.817	.536	.969
X06	112.8269	372.734	.835	.967
X07	113.4615	365.548	.823	.967
X08	113.4231	362.602	.855	.967
X09	112.9423	368.173	.791	.967

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
X10	113.0385	367.449	.669	.968
X11	113.0000	375.686	.537	.969
X12	113.3462	360.780	.845	.967
X13	113.2885	369.268	.650	.968
X14	113.6731	364.852	.769	.967
X15	113.1538	366.878	.802	.967
X16	113.1731	362.773	.775	.967
X17	113.2692	368.005	.755	.967
X18	113.5192	360.019	.734	.967
X19	113.0577	362.408	.710	.968
X20	113.1538	376.054	.436	.969
X21	112.6731	371.205	.778	.967
X22	112.8462	367.074	.846	.967
X23	112.9615	362.391	.769	.967
X24	112.6731	370.264	.814	.967
X25	113.7692	370.142	.477	.970
X26	113.8654	363.334	.694	.968
X27	113.1154	372.810	.649	.968
X28	114.3269	357.479	.631	.969
X29	112.8077	372.394	.610	.968
X30	112.9038	366.559	.780	.967

Source: SPSS Processed Data, 2023

Validity testing was carried out using the Corrected Item-Total Correlation method. All items demonstrated correlation values exceeding the acceptable threshold of 0.5 (see Table 2), confirming that each statement effectively measured its intended construct

Reliability was tested using Cronbach's Alpha, which yielded a coefficient of 0.969 for 30 items, indicating excellent internal consistency (see Table 3). This confirms that the instrument is both valid and reliable for use in further analysis.

Table 3. Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
.969	30

Source: SPSS Processed Data, 2023

Assumption Test for Factor Analysis

The factor analysis assumption applied in this study is based on the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy. The KMO is an index that compares the magnitude of observed correlation coefficients with the magnitude of partial correlation coefficients. If the sum of squared partial correlations between all pairs of variables is relatively small in comparison to the sum of squared correlations, the resulting KMO value will be close to 1. A KMO value above 0.5 is considered acceptable, indicating that the sample is adequate for factor analysis. The results of this test are presented in the table 4.

The Kaiser-Meyer-Olkin (KMO) test was conducted to assess sample adequacy. The KMO score was 0.725, exceeding the minimum threshold of 0.5. Bartlett's Test of Sphericity was also significant (Chi-Square = 1758.107, $p < 0.001$), confirming that the correlation matrix was suitable for factor analysis.

Mean Analysis

A descriptive analysis was conducted using mean scores to determine the perceived importance of various aspects in bank selection criteria. Table 5 summarizes the mean values for each statement across 8 aspects.

Table 4. KMO Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.725
Bartlett's Test of Sphericity	Approx. Chi-Square	1758.107
	df	325
	Sig.	.000

Source: SPSS Processed Data, 2023

Table 5. Mean Scores

Aspects	Statement Indicator	Mean Value
Reputation Perception	Religious reputation	4.29
	Financial reputation	3.88
	Bank reputation	3.79
	Reputation of bank management	4.00
Service Quality	Wide range of services	3.54
	Fast service	4.29
	Efficient service	3.65
	Sufficient Banking Operating Hours	3.69
	Many Services Offered	4.17

Aspects	Statement Indicator	Mean Value
	Availability of supporting facilities	4.08
Physical Appeal	Exterior view of the bank	4.12
	Interior comfort	3.77
	Counters in Attractive Banks	3.83
	Availability of Spacious Parking Spaces	3.44
Customer Rationality	Attractive Loan/Financing Terms	3.96
	Low Loan/Financing Margin	3.94
	Margin/ profit sharing/ fees Savings funds that High/competitive	3.83
	Low Bank Transaction Service Fee (Charge)	3.60
External Bank	Recommendations from Other People/Parties	4.06
	Organization/ Company/ Business Relationship Using the Same Bank Service (Account)	3.96
Internal Bank	Hospitality of bank personnel (frontliner)	4.44
	Good Bank Employee Skills	4.27
	Availability of financial advisory services	4.15
	Remarks Given by Bank Personnel	4.44
Bank Location	Location close to residence	3.35
	Location close to activities/work/schools	3.25
	Strategic and easy-to-find location	4.00
Network and Technology Availability	Sufficient availability of ATM network	2.79
	Availability of sms/ internet/ online banking	4.31
	Security availability and technological sophistication	4.21

Source: SPSS Processed Data, 2023

The lowest-scoring aspect was the availability of ATMs, highlighting a technological service gap across the three cities.

DISCUSSION

To enhance the understanding of the research problem, the eight examined aspects were ranked based on their influence by calculating their composite values. Each composite value was derived by dividing the total average score of the items within an aspect by the number of items

it contained. These rankings reflect the preferences of active customers who utilise both Islamic and conventional banking services (dual banking customers) in selecting a bank.

Table 6. Aspect Ranking by Composite Value

Aspects	Composite Value	Rank
Internal Bank (Employee)	4.33	1
External Bank (Other Party)	4.01	2
Service Quality	3.90	3
Customer Rationality	3.84	4
Physical Appeal	3.79	5
Network and Technology Availability	3.77	6
Bank Location	3.53	7

Source: SPSS Processed Data, 2023

According to the composite mean analysis (see Table 6), the most influential aspect affecting customer preferences was Internal Bank (Employees) with a score of 4.33, followed by External Recommendations (4.01) and Service Quality (3.90). In contrast, the aspects with the lowest scores were Technology and Network Availability and Bank Location, suggesting areas that warrant strategic improvements to better meet customer expectations.

These findings support the SERVQUAL model, where human interaction and service delivery (tangibles, reliability, responsiveness, empathy) significantly influence customer satisfaction. The emphasis on employee hospitality aligns with findings by Hakika & Irwan (2025), confirming that frontliner service is a key determinant of loyalty.

However, contrary to Savitri (2019), who found reputation and technology as top criteria, this study places them lower. This divergence may result from regional differences, digital literacy levels, and infrastructure disparities across Manado, Kotamobagu, and Bitung.

Based on the composite values, the most influential aspects in this study regarding the preferences of active customers of Bank Syariah Indonesia are, in order of significance: internal aspects of the bank (employees), external influences (other parties), service quality, customer rationality, physical attractiveness, availability of network and technology, and, lastly, bank location. Islamic banks that are preferred by consumers in Surakarta City are those that offer relative advantages. These include a comparable customer-to-bank ratio, a high number of ATMs, fast transaction processes, profit-sharing schemes, and accessibility via public transportation (Dini, 2007).

The study conducted by (Barna, 2010) shares similar research objectives and focus but was

carried out in different banking institutions and locations. It examined seven factors influencing customer preferences in using Islamic banking products and services: human resources, Sharia compliance, location, attitudes toward fatwas, social aspects, products and facilities, and brand reputation. Among these factors, human resources emerged as the most dominant in shaping customer preferences for Islamic banking services, an outcome that is consistent with the findings of the present study.

However, the findings of this study differ from those of (Savitri, 2019), which identified reputation perception, the availability of networks and technology, service quality, and internal bank (employees) as the primary criteria for bank selection. In contrast, the current research found that the most dominant factor is the internal aspect of the bank, while the aspect requiring the most attention and improvement by Bank Syariah Indonesia (BSI) is the availability of networks and technology, particularly the distribution of ATM networks, which remain limited across the cities of Manado, Bitung, and Kotamobagu. Additionally, the physical locations of bank branches are often distant from residential areas and key public facilities such as schools and offices, with most branches concentrated in shopping centers.

From the perspective of relationship quality, (Alawneh, 2007)emphasized that trust and commitment are the core foundations of loyalty in e-banking services. This remains relevant in the context of BSI's digitalization, despite the technological infrastructure, especially ATM availability, being a significant shortcoming, as evidenced by the lowest score in this study. In a more contemporary context, (Bhayuta Yudhi Putera, Melia Famiola, 2024) noted that attitudinal loyalty in the banking sector can be fostered through corporate social responsibility (CSR) and customer advocacy behavior. This underscores the importance of adopting community-based and value-driven service strategies.

In terms of bank location, which received the lowest composite value in this study—it was found to be the most dominant factor influencing customer preferences for financing products at Bank Aceh Syariah (K. Amri et al., 2018). Similarly, the facility aspect, which ranked sixth out of seven in the present study, contrasts with the findings of (R. A. Amri, 2022), which revealed that facilities had a significant and dominant influence on customer preferences at Bank NTB Syariah KCP Alas. Nevertheless, in an era of increasingly accessible technology, the availability and quality of facilities, particularly those related to banking technology are essential. This is due to the various positive and negative implications that must be anticipated and managed by both the bank and its customers.

Bank Syariah Indonesia continues to advance and innovate in the area of digital services and facilities, including mobile banking. However, this progress is not without risks and challenges. Although Islamic banks have implemented various customer data protection policies, issues such as data breaches and the misuse of personal information remain pressing concerns. Therefore, Islamic banks must enhance their data protection practices and strengthen regulatory frameworks to ensure customer safety (Nurhaliza, Amelia Sri Ningsih, Dina Ismaini, Nurbaiti, 2025). These risks must be addressed proactively, as any breach could negatively impact the bank's performance and public perception, ultimately diminishing customer satisfaction and loyalty. Furthermore, information technology, usability, and trust have been found to exert both partial and simultaneous effects on customer interest in using mobile banking services at Bank Syariah Indonesia (Hidayah & Hamdani, 2024)

Furthermore, two of the aspects with the highest composite values in this study—service quality and internal aspects (employees), are found to significantly influence customer preferences in Indonesian Sharia banks. This aligns with the findings of (Hakika & M. Irwan, 2025) as well as (Sanjani & Sari, 2021). However, in other quantitative testing methods, the most dominant preference among customers at Bank Syariah Indonesia in Mataram City, West Nusa Tenggara, was specifically identified as the quality of service provided by employees. In contrast, studies by (Dewi, 2020) and (R. A. Amri, 2022) found that service quality did not have a significant impact on customer preferences. These discrepancies may be attributed to differences in the time of study, geographical location, and the demographic backgrounds of the respondents.

The study by (Alwathan & Nugraheni, 2022) in Sumbawa also revealed that Islamic banking customer loyalty was strongly influenced by the friendliness and proactive behaviour of bank employees, findings that are consistent with the highest scores observed in this study for employee friendliness and communication among BSI officers. Even among student populations, such as in the study conducted by (Rofiqo et al., 2023) at UNIDA Gontor, loyalty was shown to stem from a combination of service quality, trust, and alignment with Sharia values, reflecting similar preferences among the younger customers surveyed in this study.

Service quality and product quality are both essential factors in ensuring customer satisfaction. High-quality service can effectively capture customers' attention and foster positive perceptions of the company. When well-managed, service delivery is more likely to meet or even exceed customer expectations. On the other hand, product quality refers to the "ability of a product to perform its function", meaning its capacity to deliver performance in line with its

intended use. Superior product quality not only fulfills functional needs but also fosters customer trust and loyalty (Harahap et al., 2025).

The findings of this study are consistent with those of (Idris & Sukma, 2023), which indicate that customer loyalty to Islamic banking in South Sulawesi is significantly influenced by satisfaction, engagement, and trust, dimensions that, in this study, are reflected in the aspects of service quality and the professionalism of BSI employees. Furthermore, the research conducted by (Subagiyo et al., 2022) reinforces the role of trust and attitudinal mediation in shaping customer loyalty toward Islamic banks, aligning with this study's emphasis on the importance of human interaction and interpersonal trust.

The emphasis on the dominance of internal service aspects is further reinforced by the findings of (Nugraha et al., 2022), which underscore the importance of receiving Islamic banking services through customer value factors and ease of access. In the context of the Jakarta area, (Rusdianto, Mochammad Jasin, 2021) also observed that customer loyalty dynamics are highly dependent on the quality of personal service and the emotional connection established between banks and their customers. Similarly, (Fianto et al., 2020) confirmed that customer value and service quality have a significant influence on loyalty. This mirrors the findings of the present study, where the technology aspect ranked lower, while personal interaction remained dominant.

(Sari, Jajuli, Abdul Wahid Alfariz, 2025) demonstrated that strategies to build customer loyalty in Islamic banks include improving service quality and enhancing customer satisfaction. Service quality has a positive and significant impact on both customer satisfaction and loyalty, and satisfaction itself serves as a mediator between service quality and loyalty. The study by (Alnaser et al., 2018), which adopted the PAKSERV model, also affirmed that service quality is a crucial mediator of loyalty in Islamic banking. This is further supported by (Ullah Khan, Muhammad Ramzan, Muhammad Bilal Ahmad, Muhammad Mujahid, 2023), who found that customer trust mediates the relationship between service and loyalty. Collectively, these findings support the theoretical model constructed in this study, confirming its strong validity and alignment with previous literature.

Based on result and discussion, this study has several limitations, namely (1) limited sampling Limited 52 respondents in three cities, reducing generalizability, (2) Focused only on respondents aged 20–35, possibly excluding views from older segments, (3) Cross-sectional Design**:** Captures perceptions at one point in time; preferences may evolve and (4) Superficial

Quantitative Depth**:** Further inferential statistical analysis (e.g., regression or SEM) could have provided deeper insights.

In practical implications, Bank Syariah Indonesia should prioritise expanding its ATM network and strengthening digital infrastructure to address the low levels of customer satisfaction related to technology. Additionally, the decentralisation of branch locations beyond shopping centres is essential to improve accessibility. Continuous training for frontline employees is also critical to maintaining high service standards, which play a vital role in fostering customer loyalty.

CONCLUSION

Based on the findings of this study, which examined seven aspects influencing customer loyalty toward Bank Syariah Indonesia (BSI) in North Sulawesi, it was concluded that internal factors, particularly the quality of employee service, play the most significant role in shaping customer loyalty. This finding is closely followed by external influences in the form of recommendations from close acquaintances and the overall quality of service. These results directly address the main research objective by highlighting that human interaction, manifested through staff professionalism and social influence, has a more profound impact on customer loyalty than physical aspects such as technological infrastructure or branch location. The emphasis on interpersonal engagement over physical facilities suggests that emotional connection and trust are at the core of customer preferences in Islamic banking, particularly in the context of BSI.

In light of these findings, several practical implications arise. First, continuous investment in employee development and frontliner training should be prioritised to sustain the high levels of service quality that drive loyalty. Second, community-based marketing strategies and structured referral programs should be enhanced, considering the strong influence of peer recommendations on customer decision-making. Third, expanding the coverage of ATM networks and relocating or establishing new branches closer to residential and public community areas, rather than concentrating them in commercial shopping centres, will improve accessibility and convenience, thereby reinforcing long-term customer satisfaction and loyalty.

To build upon this research, future studies are recommended to explore the differences in customer loyalty perceptions between urban and rural populations within North Sulawesi. Additionally, further research could delve deeper into the role of digitalisation in shaping loyalty

within Islamic banking services, particularly in the post-integration phase of Bank Syariah Indonesia. A longitudinal approach may also offer valuable insights by capturing shifts in customer preferences over time following the merger of Indonesia's national Islamic banks.

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