

The Effect of Product Quality and Service Quality on Customer Loyalty at PT Asuransi Candi Utama Mediated by Customer Satisfaction

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ABSTRACT :

This study aims to: 1) examine the effect of product quality on customer satisfaction, 2) examine the effect of service quality on customer satisfaction, 3) examine the effect of product quality on customer loyalty, 4) examine the effect of service quality on customer loyalty, 5) examine the effect of customer satisfaction on customer loyalty, 6) examine the effect of product quality on customer loyalty through customer satisfaction, and 7) examine the effect of service quality on customer loyalty through customer satisfaction. The research was conducted at PT Asuransi Candi Utama with a sample of 92 respondents selected using incidental sampling technique. Data analysis methods include descriptive analysis and path analysis. The results show that: 1) product quality has an effect on customer satisfaction, 2) service quality has an effect on customer satisfaction, 3) product quality has an effect on customer loyalty, 4) service quality has an effect on customer loyalty, 5) customer satisfaction has an effect on customer loyalty, 6) product quality has no effect on customer loyalty through customer satisfaction, and 7) service quality has no effect on customer loyalty through customer satisfaction. Customer satisfaction does not mediate the relationship between product quality and service quality on customer loyalty. These findings imply that in the context of the insurance industry, strengthening product and service quality remains a key factor in building customer loyalty, even though satisfaction has not been proven to be a significant mediator.

Keywords: product quality, service quality, customer satisfaction, customer loyalty.

INTRODUCTION

The rapid growth of business today poses both a challenge and a threat to business actors in winning the competition and ensuring the survival of their companies (Surti & Anggraeni, 2020). In such dynamic conditions, companies must have the right strategy to attract and maintain customer relationships. One of the most important strategies to implement is building sustainable customer loyalty.

Customer loyalty is a long-term goal that every company wants to achieve. Loyalty not only indicates customer satisfaction with products or services, but also reflects the company's success in maintaining strong and sustainable relationships with its consumers. According to Kotler & Keller (2016: 138), loyalty is a strong commitment from customers to continue buying or supporting their favorite products or services in the future, even if competitors try to influence their decisions. In line with this, Firmansyah (2019: 46) explains that consumers can be classified as loyal if they show a pattern of repeat purchases, or are in a situation that requires them to make at least two purchases within a certain period of time. He also adds that customer satisfaction aims to create a positive attitude, while loyalty focuses more on concrete actions or consistent behavior.

Customer loyalty is reflected in their enthusiasm for a company's product or service offerings. Loyal customers will not only make repeat purchases, but also indirectly act as promotional agents by recommending products to others. According to Dewantari et al. (2024), loyal customers contribute significantly to financial performance and strengthen the company's position amid market competition. Therefore, companies must be able to cultivate competitive advantages through innovation, efficiency, and creative approaches that are oriented towards customer needs.

There are many factors that influence the formation of loyalty, but the two most dominant factors are product quality and service quality. These two factors play a crucial role in shaping consumers' positive perceptions of a company. In the view of Aji & Nurlinda (2024), to win the competition, business actors are required to develop marketing strategies that are able to maximally meet customer desires and needs, especially in terms of quality.

In the context of the service industry, particularly the insurance industry, competition is fierce and demands that companies excel. Insurance is an important means for individuals and businesses to anticipate unwanted risks in the future. In line with Maslow's theory of the need for security, the insurance industry must be able to provide order and certainty through the products and services it offers. Therefore, insurance companies are required to demonstrate excellent performance, reputation, and service in order to build customer trust. As explained by Yurianto & Dewi (2021), insurance companies must be oriented towards customer satisfaction because satisfaction is the main foundation for creating long-term loyalty. Without satisfaction, loyalty is difficult to form. In addition, it is also important for companies to create superior products that are different from their competitors as part of their strategy to face increasingly fierce competition (Soesanto & Arsyad, 2024).

Having loyal customers is key to the success of insurance companies in facing industry competition while driving sustainable business growth. Customer loyalty reflects the success of maintaining long-term relationships, satisfaction, and trust in products and services. As the financial services industry in Indonesia continues to grow, the insurance sector has also shown positive growth, including PT Asuransi Candi Utama, which has been offering various protection products for assets and buildings since 2020. As a general insurance company, PT Asuransi Candi Utama is committed to improving the quality of its products and services in order to build customer loyalty, which is reflected in policy renewals or extensions. In facing the risks of modern life, insurance provides a protection solution, in accordance with Law No. 40 of 2014 concerning Insurance. In the service industry, customer satisfaction is an indicator of company performance, which is influenced by the quality of products and services. Therefore, PT Asuransi Candi Utama needs to ensure that the services and products provided meet customer expectations in order to remain competitive and trusted in the industry.

Table 1. Premium Production Data Based on Marketing Channel Segments of PT Asuransi Candi Utama for 2020-2023

2020		
SEGMENT	GROSS WRITTEN PREMIUM	% PROPORSI
AGENT	6,877,281,012.45	6.22%
BROKER	59,732,906,065.02	54.05%
DIRECT	43,901,865,049.39	39.73%
Grand Total	110,512,052,126.86	100.00%
2021		
SEGMENT	GROSS WRITTEN PREMIUM	% PROPORSI
AGENT	10,354,978,062.01	5.70%
BANK	77,702,933.17	0.04%
BROKER	129,595,822,429.32	71.36%
DIRECT	41,550,900,710.42	22.88%
LEASING	35,191,232.88	0.02%
Grand Total	181,614,595,367.82	100.00%
2022		
SEGMENT	GROSS WRITTEN PREMIUM	% PROPORSI
AGENT	10,032,394,850.07	3.88%
BANK	17,257,395.00	0.01%
BROKER	160,982,484,832.45	62.27%
DIRECT	87,481,407,075.59	33.84%
Grand Total	258,513,544,153.11	100.00%
2023		
SEGMENT	GROSS WRITTEN PREMIUM	% PROPORSI
AGENT	15,175,470,116.01	4.96%
BANK	90,019,170.00	0.03%
BROKER	237,644,544,581.54	77.63%
DIRECT	53,111,749,573.66	17.35%
LEASING	102,007,735.16	0.03%
Grand Total	306,123,791,176.36	100.00%

Based on the data, PT Asuransi Candi Utama's premiums have increased significantly every year. This has prompted the need to evaluate 32 products to determine whether they meet the needs of the community, provide optimal services, and maintain customer loyalty. Although all products have been approved by the OJK, there are still obstacles such as some products that have not been successfully marketed, have not contributed to premiums, and the incompleteness of product types such as aviation and health insurance.

PT Asuransi Candi Utama showed a significant growth trend in premiums from 2020

to 2023, reflecting its success in retaining and attracting customers. This increase reflects trust and satisfaction with relevant products and quality services. The professionalism of the sales force, wide distribution, and efficient claims system also contribute to customer comfort. This condition emphasizes the importance of further researching the relationship between product and service quality and customer loyalty, with satisfaction as a mediating variable. If customers are satisfied, they are more likely to make repeat purchases and become loyal. Malinda et al. (2022) in their research at PT Bumi Organic Internasional stated that product quality and service quality have a positive and significant effect on customer satisfaction, which in turn impacts customer loyalty. These results emphasize the importance of satisfaction as a bridge to creating long-term loyalty.

In line with this, (Dewantari et al., 2024) through their research at Bank BRI concluded that service quality has a significant effect on customer loyalty through satisfaction as a mediating variable. These findings indicate that in the financial sector, customer loyalty can be strengthened by increasing satisfaction triggered by superior service. Fahmi The role of customer satisfaction as a mediating variable proved to be significant, indicating that service quality indirectly has a positive and significant effect on customer loyalty through satisfaction.

Literature Review

According to Kotler & Keller (2016: 143), product quality is the totality of features and characteristics possessed by a product or service, which can determine the extent to which the product can meet customer needs, both explicitly stated and implied. Furthermore, according to Firmansyah (2019: 8), product quality can be defined as the perception that the goods offered by the seller have advantages or added value that are not found in competitors' products. The indicators of product quality consist of several indicators, namely performance, durability, conformance to specifications, features, reliability, aesthetics, and perceived quality.

According to Kotler and Keller (2016:156), service quality is the totality of characteristics and attributes of a product or service that determine the extent to which the product or service is able to meet customer needs, both explicitly and implicitly. A company's success in providing quality services can be measured using the service quality approach introduced by (Parasuraman et al., 1988). This approach highlights that service quality can be seen from the level of conformity between the services received by customers and their expectations, or even exceeding those expectations. Service quality consists of several indicators, namely reliability, responsiveness, assurance, empathy, and tangibles.

According to Kotler and Keller (2016:138), loyalty is a form of commitment and consistency shown by customers to purchase or reuse preferred products or services in the future, even though there are influences from situations or marketing efforts from competitors that can trigger changes in purchasing choices. Indicators of loyalty include repeat purchases (loyalty to purchasing products),

retention (resistance to negative influences regarding the company), and referrals (referring to the total existence of the company).

METHOD

This study is explanatory research that aims to test the hypothesis of a causal relationship between product quality, service quality, and customer loyalty with satisfaction as a mediating variable. Primary data were collected through questionnaires administered to customers of PT Asuransi Candi Utama. The analysis used descriptive analysis to describe the respondents' responses, as well as path analysis to test the direct and indirect relationships between variables.

In this study, the population consists of all customers of PT Asuransi Candi Utama, which numbered 250,000 people as of December 31, 2024. Due to the large number, the population was reduced to a sample to facilitate the research process. The sample was selected to represent the population as a whole, both in terms of number and characteristics. According to (Sugiyono, 2019), a sample is a part of a population that has similar characteristics and can be used to draw conclusions. The use of samples also takes into account time and resource constraints. Therefore, the sample size in this study was determined using the following Slovin formula:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = Number of samples

N = Population size

e = Specified precision

Based on this formula, in this study, the population size (N) is 250,000 customers of PT Asuransi Candi Utama as of December 31, 2024, so the required sample size is as follows:

$$\frac{1.200}{1.200 (0,1)^2 + 1} = \frac{1.200}{1.200 (0,01) + 1} = \frac{1.200}{13} = 92,3$$

Based on the calculation from the above formula, the number of samples as objects of observation is 92 customers of PT Asuransi Candi Utama.

The sampling technique used is incidental sampling with the following criteria:

- 1) Customers who come to the PT Asuransi Candi Utama office
- 2) Have a PT Asuransi Candi Utama customer insurance policy
- 3) Have been a PT Asuransi Candi Utama customer for at least 1 (one) year

RESULTS AND DISCUSSION

Based on the results of the questionnaire distributed to 92 respondents, the majority of respondents in this study were male, numbering 74 people (80.4%), while only 18 people (19.6%) were female, indicating male dominance in participation in the study. In terms of age, most respondents were in the 36–45 age group, numbering 38 people (41.3%), followed by those aged 46–55, numbering 29 people (31.6%), those aged 26–35, numbering 24 people (26%), and those aged 56–65, numbering 1 person (1.1%). This shows that the majority of PT Asuransi Candi Utama customers who were respondents were of productive age.

The product quality variable consists of 14 statements numbered from 1 to 14. These statements were presented to 92 customers of PT Asuransi Candi Utama. Before proceeding to the next analysis, the questionnaire must first be tested for validity. The results of the validity test are presented in the following table:

Table 7. Product Quality Variable Validity Test Results

Indikator	Statement	R Count	Cut Off Value	Result Descripstion
Performance	Protecting customers' vehicles 24 hours a day in the event of a claim.	0,789	0,300	Valid
	Fast issuance of vehicle insurance policies	0,807	0,300	Valid
Durability	PT Asuransi Candi Utama is committed to its customers (same insurance policy coverage period).	0,811	0,300	Valid
	Vehicle insurance products that offer extensive coverage (in accordance with the insurance purchased)	0,529	0,300	Valid
Suitability	Vehicle insurance products at PT Asuransi Candi Utama meet customer needs.	0,676	0,300	Valid
	The vehicle insurance rates/premiums at PT Asuransi Candi Utama are relatively competitive.	0,645	0,300	Valid
Fitur	Vehicle insurance coverage at PT Asuransi Candi Utama is comprehensive in accordance with the policy.	0,647	0,300	Valid
	Additional features at PT Asuransi Candi Utama are very useful (such as vehicle pick-up and drop-off claims, free vehicle registration renewal).	0,789	0,300	Valid
Reliability	Vehicle insurance products at PT Asuransi Candi Utama have the advantage of receiving few complaints.	0,807	0,300	Valid
	Vehicle insurance products at PT Asuransi Candi Utama are reliable products.	0,811	0,300	Valid
Esthetic	Customer service is neat, clean, attractive, with explanations that are sufficiently	0,529	0,300	Valid

Indikator	Statement	R Count	Cut Off Value	Result Description
	understandable and clear.			
	PT Asuransi Candi Utama's vehicle insurance brochure is attractive and eye-catching.	0,676	0,300	Valid
Quality Perception	Vehicle insurance products at PT Asuransi Candi Utama provide customer satisfaction	0,645	0,300	Valid
	Vehicle Insurance at PT Asuransi Candi Utama has advantages	0,647	0,300	Valid

Table 1 Source: Processed primary data, 2025

Based on Table 7, all items in each indicator of the product quality variable are valid. This is shown by comparing the calculated R value with the minimum cut-off value at a significance level of α 0.05 of 0.300, where all calculated R values are greater than the cut-off value. Thus, it can be concluded that all statement items in the product quality variable meet the validity criteria.

The service quality variable includes 10 statements numbered from 1 to 10 and given to 92 respondents who are customers of PT Asuransi Candi Utama. The questionnaire validity test was conducted before proceeding to the next analysis. The results of the validity test are shown in the following table.

Table 8. Service Quality Variable Validity Test Results

Indikator	Statement	R Count	Cut Off Value	Results
Strength	PT Asuransi Candi Utama has a head office and several branches with excellent customer service.	0,642	0,300	Valid
	Fast claim process (in the process of issuing a work order to the repair shop)	0,711	0,300	Valid
responsiveness	The employees of PT Asuransi Candi Utama are always responsive.	0,652	0,300	Valid
	If there are any complaints, customers can be served immediately.	0,700	0,300	Valid
Guarantee	The vehicle insurance claim process at PT Asuransi Candi Utama comes with a warranty after the repair process at the repair shop.	0,397	0,300	Valid
	Claims for compensation are always processed in accordance with the warranty for original spare parts.	0,607	0,300	Valid
Emphaty	PT Asuransi Candi Utama employees are friendly to customers	0,663	0,300	Valid
	Premium payments can be adjusted according to the customer's financial condition (installments).	0,611	0,300	Valid
Physical	The PT Asuransi Candi Utama office is neat, clean,	0,625	0,300	Valid

Indikator	Statement	R Count	Cut Off Value	Results
Evidence	and comfortable.			
	PT Asuransi Candi Utama always ensures that vehicle claims are settled neatly and satisfactorily.	0,470	0,300	Valid

Table 2Source: Processed primary data, 2025

Based on Table 8, the comparison results between the R-count and cut-off values for each statement item from each indicator in the service quality variable show that all items are valid. This is evidenced by all R-count values exceeding the cut-off value at a significance level of α 0.05, which is 0.300, so that all statements in the service quality indicator meet the validity requirements.

The customer satisfaction variable consists of six questions arranged sequentially from number one to six. All questions were given to 92 respondents who were customers of PT Asuransi Candi Utama. Before further analysis, a validity test was conducted on the questionnaire results. Details of the validity test results are presented in the following table.

Table 9. Customer Satisfaction Variable Validity Test Results

Indikator	Statement	R Count	Cut Off Value	Results
Expectation alignment	PT Asuransi Candi Utama always strives to meet customer expectations.	0,775	0,300	Valid
	Customer expectations regarding vehicle insurance products at PT Asuransi Candi Utama are met.	0,692	0,300	Valid
Interest in Returning	Customers return because of satisfactory service and attractive staff appearance.	0,674	0,300	Valid
	Customers are happy to come back because the office location is quite strategic.	0,700	0,300	Valid
Willingness to recommend	The customer wishes to convey that the insurance services provided by PT Asuransi Candi Utama are satisfactory to others.	0,730	0,300	Valid
	Willing to inform family and friends about PT Asuransi Candi Utama's vehicle insurance products	0,712	0,300	Valid

Table 3Source: Processed primary data, 2025

Based on Table 9, the comparison results between the R-count and cut-off values for each statement item in each indicator of the customer satisfaction variable show that all items are valid. This can be seen from all R-count values exceeding the cut-off value at a significance level of α 0.05, which is 0.300. Thus, all statements in the customer satisfaction variable indicator can be said to be

valid and suitable for use in research.

The customer loyalty variable consists of six questions numbered 1 to 6. All questions were asked to 92 respondents who were customers of PT Asuransi Candi Utama. Before further analysis, a validity test was conducted on the questionnaire results. The validity test results are presented in the following table.

Table 10. Customer Loyalty Variable Validity Test Results

Indikator	Statement	R count	Cut Off Value	Results
Repeat Purchase	Customers always purchase other insurance products offered by PT Asuransi Candi Utama.	0,750	0,300	Valid
	The customer is willing to extend their vehicle insurance policy with PT Asuransi Candi Utama.	0,797	0,300	Valid
Retention	Customers remain loyal to using vehicle insurance products at PT Asuransi Candi Utama.	0,628	0,300	Valid
	The customer insured several other assets with PT Asuransi Candi Utama.	0,605	0,300	Valid
Referrals	Customers feel satisfied with the vehicle insurance products offered by PT Asuransi Candi Utama.	0,609	0,300	Valid
	Loyal customers of PT Asuransi Candi Utama who do not want to purchase insurance elsewhere	0,650	0,300	Valid

Based on Table 10, it can be concluded that all items from each indicator in the customer loyalty variable are valid. This is evidenced by the R-count value exceeding the cut-off value at a significance level of α 0.05 of 0.300. Thus, each statement used in the customer loyalty variable indicator meets the validity criteria.

Based on the descriptive results of the product quality variables consisting of six dimensions, the respondents' assessments were generally in the very high category and tended to be homogeneous. The aspect of protection coverage was the indicator with the highest appreciation from customers, reflecting the importance of broad protection in vehicle insurance products. On the other hand, perceptions of customer satisfaction still showed room for improvement, although they remained in the positive category. Overall, all indicators show that respondents have a high level of satisfaction with product quality, with the majority of responses falling into the agree and strongly agree categories.

In terms of customer satisfaction, the "willingness to recommend" indicator is the main contributor, reflecting customers' willingness to share their positive experiences. This shows that good product quality not only shapes positive perceptions but also encourages voluntary promotional behavior from customers. The results of this study indicate that product quality has a significant effect on the customer satisfaction of PT Asuransi Candi Utama. The higher the customer's perception of the quality of insurance products, such as clarity of benefits, ease of procedures, and suitability of coverage to needs, the higher the level of satisfaction felt. This confirms that product quality is a key factor in shaping positive experiences and customer satisfaction.

Based on the results of the descriptive analysis, it shows that service quality is rated very highly by respondents, with responsiveness being the most dominant indicator. Respondents highly appreciate the ability of employees to provide assistance and handle complaints quickly. Other indicators such as reliability, empathy, assurance, and physical evidence also showed consistently positive perceptions from respondents. Customer satisfaction in this case was more influenced by the willingness to recommend the company's services to others, followed by the alignment between expectations and reality, as well as the interest in using the company's services again. The general perception of respondents pointed to a satisfying and convincing service experience.

Based on statistical testing, there is a direct influence between service quality and customer satisfaction. This means that the better the quality of service received by customers, the higher their level of satisfaction tends to be. However, when tested simultaneously with other variables such as product quality, the influence of service quality on satisfaction becomes less dominant, indicating overlapping contributions between variables. This shows that even though the simultaneous contribution of service quality to satisfaction is not more dominant than other variables, service quality still has a significant partial effect on customer satisfaction. Based on the results of statistical testing, the better the service provided by the company, the higher the level of customer satisfaction. This confirms the importance of service in creating a positive experience for customers.

Based on the descriptive results, the product quality variable, which consists of six dimensions—performance, durability, suitability, features, reliability, aesthetics, and overall quality impression—is rated very highly and tends to be homogeneous by respondents. One aspect that is most appreciated by customers is the broad coverage of vehicle insurance products, which is considered to be in line with their needs and expectations. Conversely, there is a perception that insurance products still need to be improved in terms of providing overall satisfaction, although this perception remains positive.

The aspect of protection coverage in vehicle insurance products is highly appreciated by customers, as it is considered to provide protection that is appropriate for the type of insurance purchased. On the other hand, perceptions of customer satisfaction with these products indicate room for improvement, although they are still considered positive. These findings are consistent with descriptive results showing that perceptions of features are the aspect that receives the most attention, while the aspect of satisfaction can still be further developed in the company's service strategy.

Based on the results of descriptive analysis, the quality of service at PT Asuransi Candi Utama was rated as very good by respondents, with the dominant indicators being responsiveness and reliability. Statements regarding the ability of employees to handle complaints and provide fast and accurate service received high appreciation. This shows that customers appreciate speed and accuracy in service, which is an important basis for building loyalty. Based on the results of statistical testing, a significant direct influence was found between service quality and customer loyalty. This means that services that are provided quickly, accurately, in a friendly and empathetic manner can encourage customers to remain loyal to PT Asuransi Candi Utama's products and recommend them to others. Service quality has been proven to be one of the main drivers in creating customer loyalty in the service sector, especially insurance.

Based on the results of descriptive analysis, it shows that the indicator that contributes to the formation of customer satisfaction variables is willingness to recommend, which is the customer's

desire to convey that PT Asuransi Candi Utama's services are satisfactory and to inform their family about the insurance. The average value of the customer satisfaction variable shows a strong tendency to agree with the indicators of expectation suitability, interest in returning, and willingness to recommend, which form the overall perception of satisfaction. Based on the results of descriptive analysis, the indicator that contributes to the formation of customer loyalty variables is referrals, namely the desire of customers to recommend and invite their families to use PT Asuransi Candi Utama insurance. In general, the average loyalty value shows a strong tendency to agree that the indicators of repeat purchase, retention, and referrals represent loyal behavior from customers. In addition, based on the results of the hypothesis test, it is known that customer satisfaction has a significant direct influence on loyalty. Thus, it can be interpreted that the more satisfied customers are with the products and services they receive, the higher the possibility that they will remain loyal and continue to use the services of PT Asuransi Candi Utama. Satisfaction is an important foundation in creating a long-term mutually beneficial relationship between customers and the company.

Although statistical testing results show that customer satisfaction does not play a significant mediating role between product quality and loyalty, product quality has been proven to have a direct influence on customer loyalty. This indicates that a positive perception of product quality can directly shape loyalty, even though customer satisfaction levels are not the main intermediary in this relationship. Customer loyalty is more strongly formed through direct experience of the benefits and advantages of the insurance products offered by PT Asuransi Candi Utama. Products that are considered high quality, relevant to customer protection needs, and have reliable features are still able to create emotional bonds and long-term commitment from customers. This is in line with the findings of (Ambarita et al., 2023), which state that even though product quality does not affect satisfaction, superior products can still directly shape loyalty. Similar support is also obtained from (Safriani & Siregar, 2024), which shows that product quality contributes to loyalty, although its influence is weaker than other factors such as service and satisfaction.

However, these results differ from those found in studies by Malinda et al. (2022) and Aji & Nurlinda (2024), which found that satisfaction plays a significant role in mediating the influence of product quality on loyalty. This difference may be due to differences in industry context, customer characteristics, and product expectations between companies. Therefore, PT Asuransi Candi Utama's customer loyalty enhancement strategy should continue to focus on strengthening product quality. Innovation, clarity of benefits, ease of claims, and added value of insurance products should be the top priorities, as product quality has been proven to build loyalty even though satisfaction does not significantly mediate this relationship.

Based on statistical test results, it is known that customer satisfaction does not significantly mediate the effect of service quality on customer loyalty. However, service quality still has a direct implication on increasing loyalty, which means that good service, such as punctuality, staff friendliness, and responsiveness to complaints, is sufficient to create long-term customer loyalty, even though it is not entirely through satisfaction as an intermediary.

This finding is in line with research (Arianto & Nirwana, 2021) which shows that service quality does not significantly affect loyalty through customer satisfaction. (Ambarita et al., 2023) also notes that service quality directly affects customer loyalty, without the significant involvement of the satisfaction variable. (Sandi et al., 2019) also supports that service quality contributes positively to satisfaction, and customer satisfaction also impacts loyalty. Although their research emphasizes the

influence of satisfaction on loyalty, it still confirms that service quality is a key factor in shaping loyalty, both directly and indirectly.

However, there are different findings in the studies (Safriani & Siregar, 2024) and (Jeany & Siagian, 2020), which show that customer satisfaction can mediate the relationship between service quality and loyalty. This difference may be due to the industry context, customer characteristics, or different expectations of service in each company. Thus, although customer satisfaction was not proven to be a dominant mediator in this study, service quality remains an important foundation in building customer loyalty at PT Asuransi Candi Utama. Therefore, improving service quality through human resource training, implementing efficient service procedures, and a more empathetic approach will be effective strategies in retaining customers and enhancing the company's competitive advantage amid competition in the financial services industry.

CONCLUSION

The study reveals that product quality is highly valued by customers, particularly in terms of protection and customer needs. Service quality is positively perceived, with a high level of satisfaction and trust. Customer loyalty is measured by repeat purchases, retention, and referrals. Product quality influences customer loyalty, while service quality influences customer loyalty. However, loyalty is more influenced by product quality than by service quality, and loyalty is more affected by the quality of service provided.

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