



The Effect of Communication Quality, Perceived Reputation, and Relational Relationships on Loyalty through Trust as a Mediating Variable (A Study at PT Asuransi BRI Life)

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ABSTRACT

The life insurance industry in Indonesia plays a strategic role in economic resilience, yet faces persistent challenges in building customer loyalty, as evidenced by high lapse rates and low persistency ratios despite strong financial performance by major players. The objective of this investigation is to assess the impact of communication quality, perceived reputation, and relational relationships on customer loyalty at PT Asuransi BRI Life, with trust acting as a mediator. A quantitative explanatory approach utilizing a survey method was adopted. Responses were gathered via Likert-scale questionnaires from 260 active customers with a minimum of one year's tenure. Analysis via Structural Equation Modeling-Partial Least Squares (SEM-PLS) using SmartPLS 4.1.6 software revealed that communication quality, reputation perception, and relational relationships each exert a positive and significant influence on customer loyalty. Beyond their direct effects, communication, reputation, and customer relationships are proven to build trust. This trust is pivotal: it directly fosters loyalty and, as a mediator, channels and reinforces the influence of the other three factors. Collectively, this model explains 62.4% of the fluctuations in customer loyalty. This finding confirms that non-financial factors, especially effective communication, company reputation, and relational relationship quality, have a strategic role in building trust and increasing life insurance customer loyalty. This research provides practical implications for insurance companies in designing communication strategies and customer relationship management oriented toward strengthening long-term trust.

Keywords: Communication Quality, Customer Loyalty, Life Insurance, Relational Relationships, Reputation Perception

1. INTRODUCTION

The life insurance industry in Indonesia has a strategic role in maintaining the economic resilience of society. In addition to providing financial protection against the risks of death and accidents, insurance products also function as a means of investment and long-term savings. Nationally, the life insurance industry shows a positive trend. The Financial Services Authority (OJK, 2024) recorded that the industry's gross premiums reached IDR 188.15 trillion, with a Risk Based Capital (RBC) level of 420.67%, far above the minimum threshold of 120%. However, strong financial performance does not always reflect success in building trust and retaining customers. The high lapse rate (policy cancellation) in several companies is an indicator that customer loyalty remains a major challenge in this industry.

The Indonesian Life Insurance Association (AAJI, 2024) report shows that the average lapse rate is in the range of 12-15%. This condition is caused by several factors, including inconsistent communication, limited digital services, and suboptimal company reputation perception. In the context of financial services marketing communication, loyalty cannot be separated from the quality of message delivery that is clear, credible, and convincing. Sulistiani et al. (2015) confirm that trust and commitment are the main factors affecting bank customer satisfaction and loyalty. While Nurdiansyah et al. (2022) show that trust and satisfaction have a significant influence on insurance customer loyalty.

From a strategic perspective, customer loyalty is essential to sustaining an insurance business, primarily due to the high comparative cost of customer acquisition versus retention. Modaso et al. (2023) note that a 5% increase in customer loyalty rates can increase insurance company profitability by 25-85%, through recommendation effects and marketing cost efficiency. A similar phenomenon occurs at PT Asuransi BRI Life, a subsidiary of PT Bank Rakyat Indonesia (Persero) Tbk which is the object of this research. From a financial perspective, BRI Life recorded very good performance. Based on the 2024 financial report, net profit reached IDR 760.38 billion (growing 42.1% YoY), gross premiums of IDR 8.9 trillion (up 14.1%), and RBC of 434.6% (BRI Life, 2024). The company also improved service effectiveness by accelerating claim settlement time from six days to four working days with a 99.2% SLA. Financially, BRI Life is one of the best performing life insurance companies in Indonesia.

However, these financial achievements are not aligned with customer loyalty levels. Over the past three years, the company's ability to retain customers has decreased by 2.5%, seen from the persistency ratio (percentage of policies that remain active for 13 months) which is below 50%, far from the ideal industry standard of above 80%. This means that only about one-third of customers maintain their policies after the first year. This condition indicates that BRI Life's main problem is not in the financial aspect, but in the effectiveness of communication, reputation perception, and relational relationship quality that affect customer trust. In addition to the above, BRI Life also often enters the top 10 leading insurance companies in Indonesia with a number of customers and products offered that are quite competitive with other companies. However, the existing Top Brand Index data shows that BRI Life has never occupied the first position as the best insurance company in terms of number of customers or other aspects.

YouGov (2024) data shows that the position of PT Asuransi BRI Life in the national life insurance industry is still relatively lagging in terms of brand awareness and brand consideration. Throughout the January-December 2024 period, BRI Life was ranked 10th with an awareness level of 29.0%, far below large companies such as Prudential, Allianz, and AXA Mandiri. A similar condition is also seen in the brand consideration stage, where BRI Life only obtained a value of 6.2%, significantly behind the main competitors. This finding indicates that financial strength and parent company support have not been fully able to be converted into customer recall, interest, and loyalty.

The low awareness and consideration demonstrate that BRI Life's main problem does not solely lie in product quality or financial performance, but in the effectiveness of company communication, reputation perception, and relational relationship quality with customers. From a communication science perspective, this condition reflects the suboptimal delivery of consistent, transparent, and relationally oriented messages. This communication weakness is aligned with the high lapse rate and low persistency ratio, making customer loyalty a crucial strategic issue.

Various external surveys strengthen these indications. Surveys by ICSI (2023) and Katadata (2023) show that some customers feel dissatisfied due to unclear information about product benefits, complicated claims processes, and limited digital services. The Edelman Trust Barometer (2024) also notes suboptimal public trust levels in the financial sector, accompanied by a tendency for customers to be reluctant to renew policies because they consider the company to be less transparent. Media coverage also highlights weak post-sales communication, where agents are considered active during sales but minimal in follow-up support, so that the relationship built is transactional.

Internal BRI Life research (BRI Research Institute, 2025) identifies a number of weaknesses in service and communication aspects, such as low customer service responsiveness, difficulty contacting officers, claims processes considered complicated, and websites and digital services that are not yet informative. This communication weakness has a direct impact on decreased trust and relational relationship quality between the company and customers, which ultimately weakens long-term loyalty. This phenomenon shows a corporate paradox, namely a condition where strong financial performance does not automatically guarantee customer loyalty. In the context of communication theory, trust becomes the main psychological element that connects communication quality, reputation perception, and relational relationships with loyalty. The Two Way Symmetrical Model approach, Elaboration Likelihood Model (ELM), Commitment Trust Theory, and Stimulus-Organism-Response (S-O-R) are relevant to explain how communication messages and company reputation are processed cognitively and affectively to affect customer loyal attitudes and behavior.

Despite established theoretical frameworks linking communication, reputation, and relationships to customer outcomes, significant research gaps remain. First, existing studies have largely examined communication quality, perceived reputation, and relational relationships in isolation rather than integrating all three antecedents within a single comprehensive model of customer loyalty. For instance, Ariyaratna & Medis (2024) investigated trust and commitment in the Sri Lankan life insurance sector but focused exclusively on CRM mechanisms without incorporating communication quality or reputation perception. Similarly, Sayil et al. (2019) examined relationship marketing components including communication and trust in retail banking, yet did not simultaneously consider perceived reputation as a distinct predictor. This fragmented approach fails to capture the synergistic effects these factors may have when considered together, particularly in long-term insurance relationships. Second, while trust is widely acknowledged as critical in financial services, its mediating role between these three antecedents and loyalty remains understudied in emerging insurance markets such as Indonesia. Lwin et al. (2016) demonstrated that reputation and communication quality influence consumer behaviors through trust in online contexts, yet their study focused on privacy rather than customer loyalty. Lim & Jiang (2024) similarly affirmed trust as a mediator between dialogic communication and brand loyalty, but their investigation was situated within CSR communication and online brand communities.

The novelty of this study lies in three key aspects. First, it offers an integrated empirical examination of communication quality, perceived reputation, and relational relationships as simultaneous antecedents of customer loyalty, addressing the fragmentation in existing literature where these factors have been examined separately. Second, it positions trust as a mediating variable, providing a more nuanced understanding of the psychological mechanism through which these factors translate into sustained customer loyalty which is an approach supported by prior mediation studies yet rarely applied to the full set of these antecedents in insurance contexts. Third, this study is situated within the unique context of PT Asuransi BRI Life as a state-owned insurance provider, operating within a distinct customer relationship ecosystem characterized by extensive branch networks and a customer base with deep roots in state-owned enterprises dynamics that remain unexamined in previous loyalty research. This research empirically investigates the influence of communication quality, reputation perception, and relational relationships on both trust and loyalty at BRI Life. A core aim is to determine how trust directly affects loyalty and mediates the impact of the other three factors. Testing these relationships together is expected to provide a comprehensive framework for understanding non-financial loyalty drivers in the life insurance sector.

2. LITERATURE REVIEW

2.1. The Influence of Communication Quality on Customer Loyalty and Trust

Within the insurance context, delivering information that is clear, responsive, friendly, and reliable fosters a sense of comfort and satisfaction. When customers experience transparent information access throughout their journey from registration and payment to complaint handling their trust in the company deepens, making them more likely to maintain a long-term relationship. This aligns with the findings of Agustina (2020), whose research on Bank BRI Syariah Ponorogo concluded that the Quality of Communication was perceived positively, with 60.7% of respondents expressing agreement. The study further indicated that communication has a positive influence on loyalty, with a regression coefficient of 0.11 (or 11%). This implies that a one-unit improvement in Communication Quality corresponds with an 11% increase in Customer Loyalty. Therefore, higher Communication Quality is directly associated with greater Customer Loyalty and strengthened Trust.

H1: Communication Quality Has a Positive Effect on Customer Loyalty

H2: Communication Quality Has a Positive Effect on Trust

2.2. The Influence of Reputation Perception on Customer Loyalty and Trust

A strong reputation, built on consistent and positive performance across various indicators, directly influences a customer's decision to remain with a company. This relationship is supported by the research of Utari (2015), whose t-test analysis concluded that Company Reputation measured through its four indicators has a positive and significant influence on customer loyalty. The findings indicate that by enhancing the company's reputation, Customer Loyalty will correspondingly increase. Furthermore, a robust reputation also

serves as a critical foundation for building customer trust, as it reduces perceived risk and uncertainty for the consumer. Therefore, a more favorable Reputation Perception is directly associated with higher levels of both Customer Loyalty and Trust.

H3: Reputation Perception Has a Positive Effect on Customer Loyalty

H4: Reputation Perception Has a Positive Effect on Trust

2.3. The Influence of Relational Relationships on Customer Loyalty and Trust

This hypothesis explains that a company's relational bonds with customers significantly determine both customer loyalty and trust in the insurance context. Strong, ongoing relationships built through personalized interaction, mutual commitment, and consistent engagement increase customers' emotional attachment and confidence in the provider. This is supported by research findings which showed that the calculated t-value (10.427) exceeded the critical t-table value (1.984), with a significance level (0.000) below the 0.05 threshold. This confirms that the Relational Relationship variable positively and significantly affects Customer Loyalty at PT. Asuransi Umum Bumiputera Muda 1967 Pekanbaru Branch. In other words, the stronger the Relational Relationship a company fosters with its customers, the greater the resulting Customer Loyalty and Trust.

H5: Relational Relationships Have a Positive Effect on Customer Loyalty

H6: Relational Relationships Have a Positive Effect on Trust

2.4. The Mediating Role of Trust

Trust serves as the central mechanism through which communication quality, reputation perception, and relational relationships translate into sustained customer loyalty. According to Commitment-Trust Theory (Morgan & Hunt, 1994), trust is the cornerstone of relationship marketing because it encourages parties to (1) maintain relationships by resisting attractive short-term alternatives, (2) cooperate with exchange partners, and (3) view potentially high-risk actions as prudent due to confidence in partner reliability. When communication quality is high, customers develop trust because transparent and responsive interactions signal that the company has nothing to hide and genuinely cares about customer welfare. When reputation perception is favorable, trust emerges from the heuristic that a company with a positive track record is likely to continue performing reliably. When relational relationships are strong, trust develops through accumulated positive interactions that demonstrate mutual commitment over time. Jasin et al. (2021) provided empirical support for this mediating mechanism, demonstrating with a calculated t-value of 1.987 and path weight of 0.101 that trust mediates the influence of bank reputation on purchase intention.

H7: Communication Quality has a positive effect on Customer Loyalty Through Trust

H8: Reputation Perception has a positive effect on Customer Loyalty Through Trust

H9: Relational Relationships have a positive effect on Customer Loyalty Through Trust

2.5. The Influence of Trust on Customer Loyalty

Trust directly influences customer loyalty by reducing perceived risk and uncertainty associated with long-term insurance commitments. When customers trust their insurance provider, they are more confident that claims will be honored, communication will remain transparent, and the company will act in their best interests over time. This confidence translates into behavioral loyalty manifested as policy renewal, resistance to switching, and positive word-of-mouth recommendations. This hypothesis explains that Relational Relationships in companies mediated by trust can determine Customer Loyalty in the world of insurance service companies.

H10: Trust Has a Positive Effect on Customer Loyalty

2.6. The Influence of Communication Quality, Reputation Perception, and Relational Relationships on Customer Loyalty through Trust

The integrated theoretical framework, synthesizing ELM, Two-Way Symmetrical Model, and Commitment-Trust Theory, proposes that communication quality, reputation perception, and relational relationships collectively influence customer loyalty through dual pathways: a direct route and an indirect route mediated by trust. Nguyen et al. (2013) provided supporting evidence through structural equation

modeling analysis ($\beta = 0.81, p = 0.000$), demonstrating that corporate identity, image, and reputation significantly influence customer loyalty through the mediating role of trust in financial institutions, indicating that relationship management, communication value, and trust jointly and significantly influence customer loyalty.

H11: Communication Quality, Reputation Perception, and Relational Relationships have a positive effect on Customer Loyalty through Trust

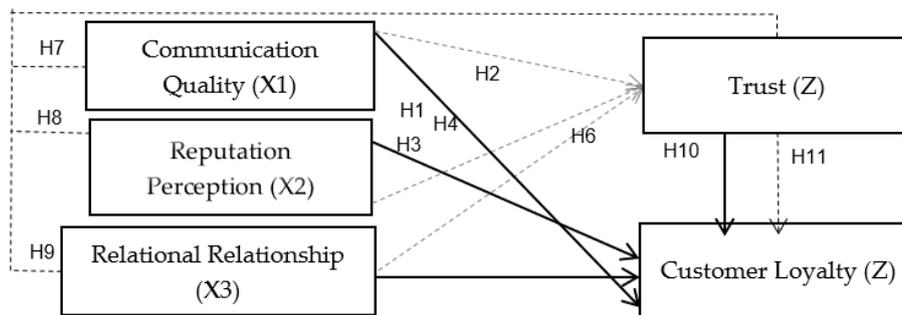


Figure 1. Conceptual Framework

Synthesizing the prior theoretical discussion, A conceptual framework (Figure 1) is formulated. It proposes that communication, reputation, and relational relationships affect customer loyalty through dual pathways: a direct route and an indirect route mediated by trust.

3. RESEARCH METHODS

3.1. Research Types

This study adopts a quantitative, explanatory survey method based on a deductive approach. The objective is to explain the causal influence of communication quality (X_1), reputation perception (X_2), and relational relationships (X_3) on customer loyalty (Y), testing trust (Z) as a mediator in these relationships. Primary data was obtained through distributing questionnaires to BRI Life customers who have been active customers for at least one year, with the assumption that they have sufficient experience to assess the company's communication quality, reputation, and relational relationships. Structural Equation Modeling based on the Partial Least Squares (SEM-PLS) approach was utilized for data analysis, facilitated by the SmartPLS 4.1.5 software tool.

3.2. Research Object

The object in this research is individual customers of PT Asuransi BRI Life throughout Indonesia, both old and new customers, who have interacted with various company communication channels, such as insurance agents, official websites, digital applications, or call center services. The selection of this object is relevant because BRI Life is an insurance company that has a wide customer network and multi-channel communication system, both face-to-face and digital. This condition allows researchers to measure customer perceptions comprehensively regarding the quality of communication, reputation, and company relational relationships.

3.3. Unit of Analysis

The unit of analysis in this research is individual active customers of PT Asuransi BRI Life who have life insurance policies and have interacted with the company for at least one year. The selection of individuals as a unit of analysis is because all research variables (communication quality, reputation perception, relational relationships, trust, and loyalty) are psychological and social constructs that can only be measured through personal responses and respondents' personal experiences.

Referring to Djamba & Neuman (2002) opinion, the unit of analysis is the entity that becomes the basis for data collection and drawing research conclusions. Thus, all variable indicators are measured at the individual level through responses to research questionnaires. This approach is in line with the explanatory

quantitative research design that aims to explain causal relationships between variables through empirical measurement of respondent perceptions.

3.4. Population and Sample

The population in this research includes all customers of PT Asuransi BRI Life in Indonesia. A non-probability sampling approach was adopted, specifically purposive sampling technique, to ensure that only respondents meeting specific criteria relevant to the research objectives were included in the study. This technique was selected because not all BRI Life customers possess the necessary characteristics related to communication experience and sustained interaction with the company, which are central to investigating the relationships among communication quality, reputation perception, relational relationships, trust, and loyalty.

In this research, determining the number of samples does not use mathematical formulas, but follows the recommendations of SEM PLS experts such as Hair et al. (2019) who suggest that the recommended number of samples is at least 10 times the number of statement items used in the research instrument. So the research is considered sufficiently effective if the sample is in the range of 100–300 respondents for research models involving several latent constructs. This consideration was chosen because not all BRI Life customers have characteristics that match the research focus, especially regarding communication experience and interaction with the company. The established respondent criteria are as follows:

- 1) Active BRI Life customers for at least 1 year.
- 2) Have an active policy until the research takes place.
- 3) Have interacted directly with BRI Life agents or officers, both offline and digitally.
- 4) Willing to fill out questionnaires voluntarily.

3.5. Data Collection Methods and Sources

This research uses three data collection methods, namely questionnaires as primary data sources and supporting interviews and documentation studies as secondary data sources. Questionnaires are compiled based on operational indicators of company communication quality variables, reputation perception, relational relationships, trust, and customer loyalty. Each statement item is measured using a Likert scale of 1–5, ranging from strongly disagree to strongly agree (Sugiyono, 2017). Questionnaires were distributed online through Google Forms to reach customers outside the region and offline at several BRI Life service offices. The questionnaire structure consists of respondent demographic data and participation experience, as well as statements that measure all research variables. To complement quantitative data, this research also uses semi-structured interviews with several BRI Life agents and managers. In addition, documentation studies are conducted through the collection and analysis of company documents such as brochures, promotional materials, official websites, annual reports, and mass media publications related to BRI Life's reputation and services. This method is used to obtain factual descriptions of corporate company communication, compare official information with customer perceptions, and strengthen the analysis of communication quality and company reputation.

The study draws on a dual data foundation. Primary data, obtained via direct respondent questionnaires, operationalizes the main research variables. To complement this, secondary data from interviews, internal company documents, annual reports, and media publications is incorporated to enrich the research context and substantiate the interpretation of the survey results.

3.6. Data Analysis Method

Data analysis is conducted in two main stages, namely descriptive analysis and inferential analysis, with the aim of explaining causal relationships between variables according to the conceptual model and hypotheses that have been formulated.

4. RESULTS AND DISCUSSION

4.1. Data Findings and Data Analysis

4.1.1. Respondent Characteristics

The sample composition comprised 196 male respondents (75.38%) and 64 female respondents (24.62%). This distribution indicates that male participants were the predominant demographic group in the study’s sample of 260. The number of respondents based on age is 260 respondents with ages <20 - 25 years totaling 64 respondents with a percentage of 24.61%. For ages 26 - 30 years totaling 32 respondents with a percentage of 12.30%. For ages 31 - 35 years totaling 86 respondents with a percentage of 33.07%. For ages 36 - 40 years and above totaling 78 companies with a percentage of 30.2%. Based on the above data results, it can be concluded that from the sample taken of 260 respondents, the most respondents used as samples were ages 31 - 35 years totaling 86 respondents with a percentage of 33.07%.

The sample of 260 customers was analyzed by tenure and policy type. Regarding tenure, the largest group (28.46% or 74 respondents) had been customers for 8–10 years, followed by those with 5–7 years (23.07%, n=60), and 1–4 years (21.15%, n=55). Concerning policy types, health insurance was most common (37.69%, n=98), followed by life insurance (23.86%, n=62), education fund insurance (21.53%, n=56), and critical illness insurance (16.92%, n=44). Among the 260 respondents, communication frequency with agents was distributed as follows: 1–3 times per month (35.76%, n=93), 4–6 times per month (33.69%, n=86), and 7 or more times per month (31.15%, n=81). This indicates that 1–3 interactions per month was the most common intensity, not 7 or more times.

4.1.2. Outer Model Instrument Test

1) Convergent Validity Test

Validity for the research variables is established by an Average Variance Extracted (AVE) value above the 0.5 threshold. The estimated AVE values are displayed in the accompanying table.

Table 1. AVE Results Convergent Validity Test

Variable	Average Variance Extracted	Outcome
Communication Quality (X1)	0.657	Valid
Reputation Perception (X2)	0.610	Valid
Relational Relationships (X3)	0.605	Valid
Customer Loyalty (Y)	0.556	Valid
Trust (Z)	0.551	Valid

Source: Smart PLS4.1.1.6 Data Processed (2026)

The AVE value of each variable is Communication Quality (X1) of 0.657, Reputation Perception (X2) of 0.610, Relational Relationships (X3) of 0.605, Customer Loyalty (Y) of 0.556 and Trust (Z) of 0.551. These five variables have values > 0.5, meaning that these five variables are categorized as valid.

2) Fornell Larcker Value

The Fornell-Larcker criterion assesses discriminant validity in a PLS model. A construct demonstrates good discriminant validity if its Average Variance Extracted (AVE) is greater than its squared correlation with any other construct. When this condition is met, the measurement model is considered valid, as it effectively distinguishes between different constructs.

Table 2. Discriminant Validity Test

Fornell-Larcker criterion	Z	X1	X2	X3	Y
Z	0.811				
X1	0.162	0.781			
X2	0.164	0.281	0.778		
X3	0.357	0.126	0.121	0.746	
Y	-0.112	0.331	0.340	-0.067	0.742

Source: Smart PLS4.1.1.6 Data Processed (2026)

Based on the data in Table 2, the validity of the constructs is confirmed as the Average Variance Extracted (AVE) for each variable exceeds its squared correlations with all other variables: for X1 (AVE = 0.781 >

correlations of 0.281, 0.126, 0.331, and 0.162), for X2 (AVE = 0.778 > correlations of 0.121, 0.340, and 0.164), for X3 (AVE = 0.746 > correlations of 0.067 and 0.357), and for Y (AVE = 0.742 > correlation of -0.112).

3) Reliability Test

Table 3. Construct Reliability Test Results

Construct reliability and validity	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
X1	0.952	0.957	0.958	0.657
X2	0.942	0.949	0.949	0.610
X3	0.941	0.948	0.948	0.605
Y	0.928	0.934	0.938	0.556
Z	0.926	0.936	0.936	0.551

Source: Smart PLS4.1.1.6 Data Processed (2026)

Based on table 3 above, it shows that each item from each dependent variable, namely Customer Loyalty and independent variables, namely communication quality, Reputation perception, Relational relationships and mediating variable trust have Cronbach's alpha values X1 (0.952), X2 (0.942), X3 (0.941), Y (0.928) and Z (0.926) with Composite Reliability values X1 (0.957), X2 (0.949), X3 (0.948), Y (0.934), Z (0.936) so it can be concluded that the dependent variable indicators namely Customer Loyalty and mediating variables namely Trust with indicators of Communication Quality (X1), Reputation Perception (X2) and Relational Relationships (X3) are declared reliable because the Media Exposure variable is greater than 0.7, so it can be concluded that the Media Exposure variable is reliable.

4) Model FIT (Model Goodness of Fit)

Table 4. Model Fit Test Results

Fit Summary	Rule of Thumb	Parameter Value	Outcome
SRMR	Less than 0.10	0.075	FIT
d-ULS	> 0.05	10.378	FIT
d-G	> 0.05	n/a	FIT
Chi Square	χ^2 statistic > χ^2 table (77.931)	infinite	FIT
NFI	Approaching 1	n/a	FIT
	0.1 (small GOF)		FIT
GoF	0.25 (GOF moderate)		
	0.36 (strong GOF)		

Source: Smart PLS4.1.1.6 Data Processed (2026)

Table 4 presents the model fit results. The model demonstrates good fit with the observed data, as evidenced by an SRMR value of 0.067, which is below the recommended threshold of 0.10. This indicates a close alignment between the observed and model-implied covariance matrices, supporting its validity for analyzing relationships between latent variables. The Chi-Square statistic (6501.308) exceeds its critical value, confirming the model's significant fit to the sample data. While the NFI of 0.566 shows an acceptable but non-optimal fit, the GoF value of 0.51 classifies the model's global fit as strong, exceeding the 0.36 benchmark. Furthermore, the discrepancy indices support model acceptability. Both the d-ULS (8.293) and d-G (7.972) values are greater than their respective 0.05 limits, indicating that the model structure does not show significant deviation from the ideal relationships expected in the data, reinforcing its good global fit.

4.1.3. Classical Assumption Test

1) Normality Test

International journal literature notes that PLS-SEM's statistical properties enable robust model estimations, even with data exhibiting normal or highly non-normal distributions (e.g., significant skewness or kurtosis) (Hair et al., 2019). From this literature it explains that SEM PLS has the ability to estimate parameter estimates producing robust estimates even though the data is normally distributed or not normally distributed.

2) Multicollinearity Test

The value used for model collinearity testing is to look at the Variance Inflation Factor (VIF) value (Hair et.al., 2021). If the VIF value is more than 5.00, then there is a problem in interpreting path coefficients. If the VIF value is less than 5.00, then there is no problem with collinearity (Hair et al., 2019). The purpose of collinearity is to test for strong relationships between two or more variables in the regression model. If there is collinearity, it will be difficult to distinguish individual effects from each variable on the endogenous (dependent) variable. The results of the collinearity test are presented in the table below.

Table 5. Multicollinearity Test Results

	VIF
X1	1.259
X2	1.252
X3	1.026

Source: Smart PLS4.1.1.6 Data Processed (2026)

Based on Table 5, the Variance Inflation Factor (VIF) for each independent variable falls within the acceptable range ($VIF < 10$ and > 0.1). Therefore, it can be concluded that the data do not exhibit multicollinearity, satisfying the relevant test assumption.

3) Heteroscedasticity Test

Heteroscedasticity testing assesses if the spread of prediction errors (residuals) differs across observations in a regression model. The absence of this condition, known as homoscedasticity, is a key characteristic of a robust regression model.

Table 6. Heteroscedasticity Test Results

Breusch-Pagan Test			
Matrix	Test-Statistic	df	P value
Breusch-Pagan Test	8.910	3	0.921

Source: Smart PLS4.1.1.6 Data Processed (2026)

Based on the Glejser test results presented in Table 6, the significance values for each independent variable exceed 0.05 (for instance, 0.921). This confirms that heteroscedasticity is not present in the regression model.

4.1.4. Inner Model Test

The inner model within PLS-SEM represents the structural relationships between latent constructs. Its evaluation, which determines the strength and significance of these paths, incorporates measures such as the coefficient of determination (R^2), hypothesis tests, and effect size (f^2).

1) Coefficient of Determination

Table 7. Coefficient of Determination Results (R^2)

Overview	R-square	R-square adjusted
Y	0.624	0.784
Z	0.243	0.343

Source: Smart PLS4.1.1.6 Data Processed (2026)

The R^2 results in Table 7 reveal differing explanatory power. The trust variable is weakly predicted by the model ($R^2 = 0.243$), with only 24.3% of its variance explained. In contrast, the model strongly predicts customer loyalty, explaining 62.4% of its variance ($R^2 = 0.624$). This indicates that while the model effectively captures key drivers of loyalty, other unmeasured factors significantly influence trust. The relevant PLS-SEM output is provided below.

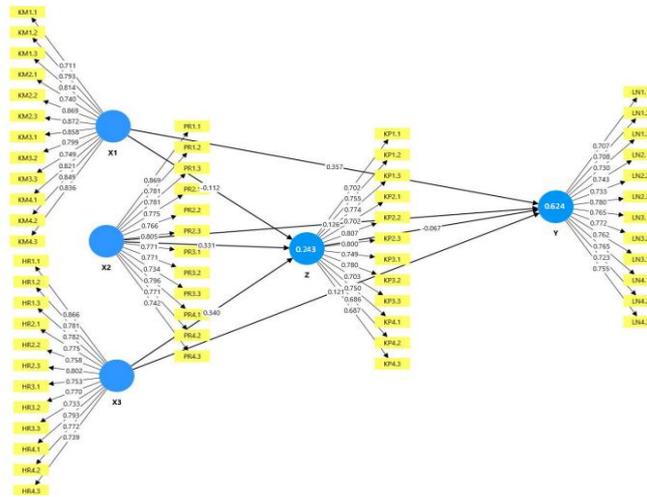


Figure 2. PLS SEM Algorithm Model Output Results

Source: Smart PLS4.1.1.6 Data Processed (2026)

4.1.5. Hypothesis Testing

1) Path Significance Test (Path Coefficient)

The bootstrapping direct effect results can be seen in the following table:

Table 8. Path Coefficient Bootstrapping Direct Effect Test Results

Matrix	Original Sample (O)	Sample Mean (M)	Standard Deviion (STDEV)	T Staticts (O/STDEV)	P Value	Outcome
X1 -> Y	0.418	0.428	0.118	2.656	0.000	Proven
X1 -> Z	0.501	0.504	0.105	2.778	0.002	Proven
X2 -> Y	0.409	0.413	0.112	2.671	0.001	Proven
X2 -> Z	0.517	0.521	0.104	2.629	0.001	Proven
X3 -> Y	0.431	0.437	0.119	2.081	0.004	Proven
X3 -> Z	0.502	0.509	0.101	2.747	0.000	Proven
Z -> Y	0.374	0.379	0.118	2.840	0.003	Proven

Source: Smart PLS4.1.1.6 Data Processed (2026)

Based on the calculation results in table 8 above, it is known that:

H1: The Influence of Communication Quality on Customer Loyalty

The analysis reveals that Communication Quality significantly and positively influences Customer Loyalty ($\beta = 0.418$, $T = 2.656$, $p < 0.05$). This indicates that enhanced communication quality at PT Asuransi BRI Life directly strengthens customer loyalty. Communication quality which includes Message Clarity, Message Consistency, Responsiveness, Empathy, is able to form positive perceptions of customer loyalty and increase individual desire to become loyal customers part of PT Asuransi BRI Life. Thus, it can be concluded that Communication Quality plays an important internal factor that strengthens PT Asuransi BRI Life Customer Loyalty in choosing insurance.

H2: The Influence of Communication Quality on Trust Attitude

The results indicate that Communication Quality has a significant positive effect on Trust ($\beta = 0.501$, $T = 2.778$, $p = 0.002$). This means that higher communication quality from PT Asuransi BRI Life leads to greater customer trust. Communication quality which includes Message Clarity, Message Consistency, Responsiveness, Empathy, is able to form perceptions and better assessments of Trust. So positive Trust is reflected in company actions in eliminating Uncertainty Reduction, Trust Formation, Increasing Customer Satisfaction, Strengthening Relational Relationships, Supporting Differentiation and Reputation. Thus, it can be concluded that Communication Quality plays a role as an important cognitive factor in forming PT Asuransi BRI Life Customer Trust, which then functions as a mediating variable in strengthening their Customer Loyalty to become insurance service users.

H3: The Influence of Reputation Perception on Customer Loyalty

The results show that Reputation Perception has a significant positive effect on Customer Loyalty ($\beta = 0.409$, $T = 2.671$, $p = 0.001$). This indicates that a stronger perceived reputation for PT Asuransi BRI Life leads to greater customer loyalty. Reputation Perception which includes Corporate Credibility, Brand Image, Corporate Social Responsibility, Service Consistency is able to form positive perceptions of customer loyalty and increase individual desire to become loyal customers as part of PT Asuransi BRI Life. Thus, it can be concluded that Reputation Perception plays an important internal factor that strengthens PT Asuransi BRI Life Customer Loyalty in choosing insurance.

H4: The Influence of Reputation Perception on Trust

The calculation results show that Reputation Perception has a significant positive effect on Military Profession Attitude with a coefficient value of 0.517, T statistic 2.629 (> 1.96) and P values 0.001 (< 0.05). This finding indicates that the higher the level of Reputation Perception owned by PT Asuransi BRI Life customers, the greater the customer Trust to choose to become PT Asuransi BRI Life customers. Reputation Perception which includes Corporate Credibility, Brand Image, Corporate Social Responsibility, Service Consistency is able to form positive perceptions of Trust and increase individual desire to become customers of PT Asuransi BRI Life. Positive trust is reflected in company actions to Reduce Uncertainty (Uncertainty Reduction), Build Trust (Trust Formation), Increase Customer Satisfaction, Strengthen Relational Relationships, Support Differentiation and Reputation. Thus, it can be concluded that Reputation Perception plays an important internal factor that strengthens PT Asuransi BRI Life Customer Loyalty in choosing insurance.

H5: The Influence of Relational Relationships on Customer Loyalty

The calculation results show that Relational Relationships have a significant positive effect on Loyalty with a coefficient value of 0.431, T statistic 2.081 (> 1.96) and P values 0.004 (< 0.05). This finding indicates that the higher the level of Relational Relationships owned by PT Asuransi BRI Life, the greater the Customer Loyalty to become loyal customers at PT Asuransi BRI Life. Relational Relationships which include Two Way Communication, Long Term Commitment, Mutual Trust, Problem Handling, are able to form positive perceptions of customer loyalty and increase individual desire to become loyal customers and part of PT Asuransi BRI Life. Thus, it can be concluded that Relational Relationships play an important internal factor that strengthens PT Asuransi BRI Life Customer Loyalty in choosing insurance.

H6: The Influence of Relational Relationships on Trust

The calculation results show that Relational Relationships have a significant positive effect on Trust with a coefficient value of 0.502, T statistic 2.747 (> 1.96) and P values 0.000 (< 0.05). This finding indicates that the higher the intensity and the more positive the Relational Relationships owned by PT Asuransi BRI Life, the better their customers towards Trust. Relational Relationships which include Two Way Communication, Long Term Commitment, Mutual Trust, Problem Handling contribute to forming positive perceptions, assessments, and appreciation of Trust. Thus, it can be concluded that Relational Relationships are a strong external factor in forming Trust in PT Asuransi BRI Life customers, which then functions as an important mediating variable in increasing their Trust to choose insurance products.

H7: The Influence of Trust on Customer Loyalty

The calculation results show that Trust has a significant positive effect on Customer Loyalty with a coefficient value of 0.374, T statistic 2.840 (> 1.96) and P values 0.003 (< 0.05). This finding indicates that the more positive PT Asuransi BRI Life customer Trust towards the military profession, the higher the PT Asuransi BRI Life customer loyalty to use insurance products. Positive trust is reflected in company actions in reducing uncertainty (Uncertainty Reduction), building trust (trust formation), increasing customer satisfaction, strengthening relational relationships, supporting differentiation and reputation. That sense of trust encourages the formation of strong internal drive to make trust a determining factor. In this research framework, Trust plays a role as an important mediating variable, because it is able to bridge the influence of communication quality, reputation perception, and relational relationships on customer loyalty. Thus, it can be concluded that strengthening trust is a strategic key in increasing PT Asuransi BRI Life customer loyalty to choose insurance products.

4.1.6. Mediation Effect Test (Indirect Effect)

Table 9. Indirect Effect Mediation Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T statistic	P values	Outcome
X1 -> Z -> Y	0.016	0.014	0.019	2.754	0.028	Proven
X2 -> Z -> Y	0.149	0.147	0.084	2.822	0.032	Proven
X3 -> Z -> Y	0.163	0.174	0.087	2.123	0.021	Proven

Source: Smart PLS4.1.1.6 Data Processed (2026)

Based on the calculation results in table 9 above, it is known that:

H8: The Influence of Communication Quality on Customer Loyalty through Trust

The analysis results show that Communication Quality has a significant indirect effect on Customer Loyalty through Trust, with a coefficient value of 0.016, T statistic 2.754 (> 1.96) and P values 0.028 (< 0.05). This means that good Communication quality can increase the positive value of PT Asuransi BRI Life towards trust, which in turn contributes to increasing Customer Loyalty to choose insurance products. Thus it can be concluded that improving communication quality will be more effective in increasing PT Asuransi BRI Life customer loyalty if accompanied by strengthening trust as a mediating variable that bridges customer loyalty aspects.

H9: The Influence of Reputation Perception on Customer Loyalty through Trust

The analysis results show that Reputation Perception has a significant indirect effect on Customer Loyalty through Trust, with a coefficient value of 0.149, T statistic 2.822 (> 1.96) and P values 0.032 (< 0.05). This means that good Reputation Perception can increase the positive value of PT Asuransi BRI Life towards trust, which in turn contributes to increasing Customer Loyalty to choose insurance products. Thus it can be concluded that improving Reputation Perception will be more effective in increasing PT Asuransi BRI Life customer loyalty if accompanied by strengthening trust as a mediating variable that bridges customer loyalty aspects.

H10: The Influence of Relational Relationships on Customer Loyalty through Trust

The analysis results show that Relational Relationships have a significant indirect effect on Customer Loyalty through Trust, with a coefficient value of 0.163, T statistic 2.123 (> 1.96) and P values 0.021 (< 0.05). This means that good Relational Relationships can increase the positive value of PT Asuransi BRI Life towards trust, which in turn contributes to increasing Customer Loyalty to choose insurance products. Thus it can be concluded that improving Relational Relationships will be more effective in increasing PT Asuransi BRI Life customer loyalty if accompanied by strengthening trust as a mediating variable that bridges customer loyalty aspects.

H11: The Influence of Communication Quality, Reputation Perception, and Relational Relationships on Customer Loyalty through Trust

The coefficient of determination in Table 9 yields an R^2 of 0.243 for the mediating variable, Trust. This indicates that 24.3% of the variance in trust is accounted for by the predictor variables (communication quality, reputation perception, and relational relationships), with the remaining 75.7% attributable to factors outside the model. Consequently, the relationship between these predictors and trust is considered weak. In contrast, the R^2 for the dependent variable, Customer Loyalty, is 0.624, signifying that 62.4% of its variance is explained by the model, while external factors account for 37.6%. This represents a strong explanatory relationship, suggesting that the model captures the principal determinants of loyalty, albeit not all.

4.1.7. Effect Size Test (f Square)

Effect Size (f^2) quantifies the influence of an independent variable on a dependent variable by seeing how much the model's R^2 decreases when that variable is taken out. It is interpreted using standard thresholds: values below 0.02 indicate a small effect, 0.02 to 0.15 a medium effect, and above 0.15 a large effect. This calculation helps researchers understand which factors are most important in the model and offers more detailed insight into how the latent variables relate to each other.

Table 10. Effect Size Test Results (F Square²)

	X1	X2	X3	Y	Z
X1				0.119	0.107
X2				0.109	0.136
X3				0.181	0.114
Y					
Z				0.174	

Source: Smart PLS4.1.1.6 Data Processed (2026)

Based on the effect size (f^2) calculations, the influence of each predictor on the key outcomes varies from moderate to strong. Communication Quality shows a moderate influence on both Customer Loyalty ($f^2 = 0.119$) and Trust ($f^2 = 0.107$), indicating it has a fairly significant role in building Trust and, subsequently, Loyalty. Similarly, Reputation Perception exerts a moderate influence on Loyalty ($f^2 = 0.109$) and Trust ($f^2 = 0.136$), confirming its notable impact. Relational Relationships demonstrate the strongest direct influence on Loyalty ($f^2 = 0.181$), classified as a large effect, while its impact on Trust is moderate ($f^2 = 0.114$). Finally, Trust itself has a large and strong direct influence on Customer Loyalty ($f^2 = 0.174$), underscoring its critical role as a central driver in the model for PT Asuransi BRI Life.

From the above calculation results show that all independent variables make meaningful contributions to dependent variables, both directly and through mediating variables. Communication Quality, Reputation Perception and Relational Relationships show influence in the moderate category on Customer Loyalty and Trust. While Relational Relationships show the greatest influence on Customer Loyalty and moderate influence on Trust, so this variable becomes the most dominant external factor and needs to continue to be strengthened through Two Way Communication, Long Term Commitment, Mutual Trust, Problem Handling. In addition, Trust has a large effect size (f^2) on Customer Loyalty, which confirms its role as a mediating variable. Thus, efforts to increase PT Asuransi BRI Life Customer Loyalty should be prioritized on strengthening Relational Relationships through optimization of improving communication quality, reputation perception and relational relationships as well as increasing trust.

4.2. Discussion

4.2.1. The Direct Antecedents of Trust and Loyalty

Communication quality emerged as a significant predictor of both trust ($\beta = 0.501$) and loyalty ($\beta = 0.418$). This supports Agustina (2020), who found that communication quality positively influences bank customer loyalty, and extends Lwin et al. (2016), who demonstrated that communication influences consumer behaviors through trust in online contexts. The stronger effects observed in the present study suggest that communication plays an amplified role in insurance services, where products are intangible and long-term relationships depend on sustained information exchange. From an ELM perspective, high-quality communication facilitates central route processing, enabling customers to develop enduring trust based on substantive message content rather than superficial cues.

Reputation perception significantly influenced trust ($\beta = 0.517$) and loyalty ($\beta = 0.409$), corroborating Utari (2015) and Nguyen et al. (2013). The finding that reputation exerts a slightly stronger effect on trust than on loyalty aligns with ELM's peripheral route processing, where reputation serves as a heuristic cue that reduces perceived risk and signals organizational trustworthiness. This is particularly relevant in insurance, where customers may lack the motivation or ability to process complex policy information, leading them to rely on reputation as a cognitive shortcut for trust judgments.

Relational relationships demonstrated the strongest direct influence on loyalty ($\beta = 0.431$; $f^2 = 0.181$) and a substantial effect on trust ($\beta = 0.502$). This finding strongly supports Sari (2017) and validates the Two-Way Symmetrical Model (Grunig & Hunt, 1984), confirming that ongoing dialogic engagement—characterized by two-way communication, long-term commitment, mutual trust, and problem handling—is the most powerful direct driver of customer loyalty. The large effect size underscores that relational bonds, built through consistent interaction throughout the customer lifecycle, are essential for retaining insurance customers beyond the initial sale.

Trust itself proved to be a critical direct determinant of loyalty ($\beta = 0.374$; $f^2 = 0.174$), providing strong support for Commitment-Trust Theory (Morgan & Hunt, 1994) in the Indonesian life insurance context. This

finding aligns with Sulistiani et al. (2015) and Nurdiansyah et al. (2022), confirming trust as a central mechanism in financial services loyalty. Importantly, this result addresses the BRI Life paradox identified in the introduction where strong financial performance coexists with suboptimal persistency ratios by demonstrating that trust, rather than financial metrics alone, drives customer retention.

4.2.2. The Mediating Role of Trust

The mediation analysis revealed that trust significantly mediates the relationships between all three antecedents and customer loyalty. Communication quality ($\beta = 0.016$, $p = 0.028$), reputation perception ($\beta = 0.149$, $p = 0.032$), and relational relationships ($\beta = 0.163$, $p = 0.021$) each demonstrated significant indirect effects through trust. These findings address the research gaps identified in the literature review. First, they confirm that trust serves as the psychological mechanism through which communication, reputation, and relationships translate into sustained loyalty supporting Jasin et al. (2021) and extending Lim and Jiang (2024) to the insurance context. Second, the significant mediation effects validate the integrated framework proposed in H11, demonstrating that these three antecedents operate synergistically through trust rather than in isolation. The mediation coefficient for relational relationships ($\beta = 0.163$) was the largest, suggesting that relational bonds are particularly dependent on trust to translate into loyalty outcomes consistent with the Two-Way Symmetrical Model's emphasis on dialogue as a foundation for trust.

4.2.3. Model Explanatory Power and Theoretical Implications

The model explained 62.4% of the variance in customer loyalty ($R^2 = 0.624$), representing strong explanatory power that exceeds many previous studies in financial services. This finding directly addresses the fragmentation gap identified in the literature review, confirming that examining communication quality, reputation perception, and relational relationships simultaneously captures their synergistic effects on loyalty outcomes. The result aligns with Nguyen et al. (2013), who demonstrated that corporate identity, image, and reputation collectively influence loyalty through trust in financial institutions. The effect size analysis revealed that relational relationships ($f^2 = 0.181$) and trust ($f^2 = 0.174$) exert the largest effects on loyalty, underscoring their strategic importance. These findings suggest that efforts to enhance customer loyalty should prioritize strengthening relational engagement and building trust, while maintaining attention to communication quality and reputation as foundational elements.

5. CONCLUSIONS

Based on the results of analysis and discussion of research on the influence of communication quality, reputation perception, and relational relationships mediated by trust on PT Asuransi BRI Life customer loyalty, it can be concluded that all independent variables have a positive and significant effect on customer loyalty. Communication quality, reputation perception, and relational relationships are proven to be able to increase customer loyalty directly, while trust also has a positive and significant effect on loyalty. This finding indicates that the better the communication quality, company reputation, relational relationships, and customer trust level, the higher the customer loyalty to PT Asuransi BRI Life. Based on these research results, PT Asuransi BRI Life is advised to maintain and continue to improve communication quality, reputation perception, and relational relationships with customers, because these three variables have a large contribution in forming customer trust and loyalty. In addition, it is recommended that subsequent studies explore additional variables beyond the scope of this research that may influence customer loyalty. Such inquiry would provide a more holistic foundation for developing effective future business strategies.

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