



Service Quality, Facilities, and Trust Effects on Customer Loyalty Mediated by Satisfaction in Event Organizer

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Abstract

Purpose: This study is motivated by a 20.6% decline in the number of customers at PT Sarana Mandiri Sejahtera Abadi, an event organizer company based in Surabaya, in 2024, indicating a decrease in customer loyalty. The study aims to analyze the influence of service quality, facilities, and trust on customer loyalty, both directly and indirectly through customer satisfaction as a mediating variable.

Research Methodology: A quantitative explanatory design was used with 97 customers selected through purposive sampling. Data were collected using structured five-point Likert-scale questionnaires and analyzed using PLS-SEM with SmartPLS. Validity and reliability were assessed using AVE, Composite Reliability, and Cronbach's alpha.

Results: The model explains 64.2% of customer satisfaction and 70.1% of customer loyalty. Service quality significantly affects both satisfaction and loyalty. Trust also has significant positive effects on both variables. Customer satisfaction significantly influences loyalty and partially mediates the effects of service quality and trust on loyalty. However, facilities do not significantly affect satisfaction or loyalty.

Conclusions: Service quality and trust are the primary determinants of customer satisfaction and loyalty, while facilities function as a hygiene factor rather than a direct driver of loyalty.

Limitations: The study is limited to a single event organizer company in Surabaya and uses a cross-sectional design. It does not include moderating variables such as event type, contract size, or customer tenure.

Contributions: This study contributes to service marketing literature by confirming the mediating role of customer satisfaction and validating the hygiene-factor role of facilities in the event organizer industry.

Keywords: Customer Loyalty, Customer Satisfaction, Event Organizer, Service Quality, Trust

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1. Introduction

In the era of globalization and rapid digital transformation, competition across service industries has become increasingly intense, including in the event organizer sector. Organizations operating in this industry are required not only to attract new customers but also to build and sustain long-term relationships with existing clients ([Arslan, 2020](#); [Anshari et al., 2019](#)). In highly competitive markets, customer loyalty represents a critical strategic asset because loyal customers contribute to repeat purchases, positive word-of-mouth communication, and long-term profitability. Conversely, customer loss increases acquisition costs and reduces organizational sustainability, making customer retention more efficient than customer acquisition in most service-based industries ([Oliver, 1999](#); [Kotler & Keller, 2020](#)).

From a managerial perspective, maintaining customer loyalty in service industries is particularly challenging due to the intangible and experience-based nature of service delivery ([Kandampully et al., 2023](#); [Gursoy et al., 2023](#)). Unlike physical products, service quality is evaluated during and after consumption, meaning customer perceptions are highly subjective and influenced by multiple interaction points ([Dai & Salam, 2020](#)). This condition makes service providers highly dependent on consistent service performance, relational quality, and trust-building mechanisms to sustain customer engagement.

PT Sarana Mandiri Sejahtera Abadi, an event organizer company based in Surabaya, Indonesia, has recently experienced a significant managerial issue, reflected in a 20.6% decline in customer numbers in 2024 compared to the previous year. This decline indicates a potential weakening of customer loyalty and suggests that customers may have experienced lower satisfaction or reduced trust in service delivery. Therefore, it becomes essential to identify the key determinants that influence customer satisfaction and loyalty in order to support strategic recovery and service improvement.

Extant literature in service marketing identifies several key antecedents of customer satisfaction and loyalty. Service quality is widely recognized as one of the most influential determinants of customer behavior ([Singh et al., 2022](#); [Rita et al., 2019](#)). Based on the SERVQUAL framework, service quality consists of five dimensions, namely tangibles, reliability, responsiveness, assurance, and empathy, which collectively shape customer perceptions of service excellence ([Sugiarto & Octaviana, 2020](#); [Setiawan & Wulandari, 2025](#)). High service quality has been consistently proven to enhance customer satisfaction and strengthen loyalty by meeting or exceeding customer expectations.

In addition to service quality, facilities are considered an important tangible aspect of service delivery. Facilities refer to the physical environment, infrastructure, equipment, and supporting amenities that contribute to service execution quality ([Kapologwe et al., 2020](#)). In service industries, especially event organizing, facilities play a supporting role in shaping customer perceptions of professionalism, comfort, and operational capability ([Kidido et al., 2025](#)). However, their influence on behavioral outcomes such as satisfaction and loyalty remains context-dependent and inconsistent across studies.

Trust is another critical variable in service relationships, particularly in high-involvement and intangible service settings. Trust reflects the customer's willingness to rely on a service provider based on perceived competence, integrity, and reliability. In event organizer services, where outcomes involve uncertainty and significant financial and emotional investment, trust becomes essential in reducing perceived risk and strengthening long-term relational commitment ([Koo & Lee, 2024](#)). Trust not only influences customer satisfaction but also directly contributes to loyalty formation by increasing relational confidence.

Customer satisfaction itself is widely recognized as a central mediating construct in service marketing literature ([Otto, Szymanski, & Varadarajan, 2020](#)). It reflects the overall evaluation of service performance compared to prior expectations and functions as a psychological mechanism that transforms service experiences into behavioral intentions such as repeat purchase and loyalty ([Anabila, Ameyibor, Allan, & Alomenu, 2022](#)). According to Expectation–Confirmation Theory ([Oliver, 1980](#)), satisfaction emerges when perceived performance meets or exceeds expectations, thereby reinforcing positive behavioral outcomes.

Despite extensive literature on service quality, facilities, trust, satisfaction, and loyalty, empirical findings remain inconsistent, particularly regarding the role of facilities. Some studies report that facilities significantly influence satisfaction and loyalty, while others indicate that their effect becomes insignificant when service quality and trust are included in the model. This inconsistency suggests the need for a more integrated analytical approach to better understand how these variables interact in shaping customer loyalty, especially in the event organizer industry.

Therefore, this study aims to: (1) examine the effect of service quality, facilities, and trust on customer satisfaction; (2) analyze their direct effects on customer loyalty; and (3) investigate the mediating role

of customer satisfaction in the relationship between these variables and customer loyalty using a Partial Least Squares Structural Equation Modeling (PLS-SEM) approach.

2. Literature Review and Hypothesis/es Development

2.1 Theoretical Framework

This study integrates two theoretical frameworks. First, the SERVQUAL framework ([Parasuraman et al., 1988](#); [Zeithaml et al., 2021](#)) operationalizes service quality through five dimensions—tangibles, reliability, responsiveness, assurance, and empathy—and positions service quality as the primary antecedent of customer satisfaction and loyalty through the expectation-disconfirmation mechanism: when perceived service meets or exceeds expectations, positive satisfaction is generated, which sustains loyalty behaviors. Second, Relationship Marketing Theory [Morgan & Hunt, 1994](#) posits that trust and commitment are the central mediating variables in marketing relationships: trust reduces perceived risk, generates commitment, and sustains long-term relational exchanges—making it a foundational relational antecedent of both satisfaction and loyalty.

Previous studies have widely confirmed that service quality and trust are fundamental constructs in shaping customer behavioral outcomes in service industries. Empirical evidence shows that SERVQUAL dimensions consistently predict satisfaction and loyalty across various contexts, including hospitality, retail, and event services. Meanwhile, Relationship Marketing Theory has been extensively validated in explaining long-term relational exchanges, where trust acts as a central mechanism that reduces uncertainty and strengthens emotional attachment between customers and service providers ([Jayapal, 2025](#); [Badrinarayanan & Ramachandran, 2024](#)). In high-contact service environments such as event organizing, both frameworks provide a comprehensive explanation of how cognitive evaluations (service quality) and relational perceptions (trust) jointly determine customer satisfaction and loyalty formation.

2.2 Customer Loyalty

The concept of customer loyalty is broadly a multidimensional construct that reflects repeated behavioral and attitudinal commitment to a service provider. Loyalty development occurs through a sequential cognitive-affective-conative-action process, where customers first initiate a rational service experience, then develop emotions, and finally form a strong behavioral intention to repurchase or provide assistance to the service [Cui, 2021](#). In service industries such as event management, loyalty is very complex because customers are influenced not only by functional outcomes but also by the experiential and emotional dimensions of the service [Hsieh & Yuan, 2021](#). Loyalty requires consistent relational reinforcement over time, not only through transactional satisfaction. Therefore, customer loyalty in this study is positioned as the end result of a dynamic process influenced by service quality, facilities, trust, and satisfaction as mediating mechanisms that strengthen long-term behavioral commitment [Akhgari & Bruning, 2024](#).

2.3 Expectation–Confirmation Theory (ECT)

The Expectancy-Confirmation Theory [Oliver, 1980](#) explains the basis for how customer satisfaction is formed and how it influences post-purchase behavior. This theory states that customers develop expectations before consumption, and after experiencing a service, they compare perceived performance to those expectations. When performance meets or exceeds expectations, positive confirmation occurs, leading to satisfaction; conversely, negative disconfirmation results in dissatisfaction [Hossain, 2019](#). In the context of event management services, customers typically have high expectations regarding service reliability, event execution quality, and responsiveness due to the high-stakes, multi-stakeholder nature of the event. Therefore, satisfaction is a critical psychological response that determines whether customers will continue their relationship with the service provider [Zhao & Noman, 2025](#).

2.4 Service Marketing Mix (7P) Perspective

The Service Marketing Mix framework [Booms & Bitner, 1981](#) expands the traditional marketing mix by incorporating People, Process, and Physical Evidence, making it highly relevant for service-based industries. In the event organizer context, service delivery is not only dependent on promotional strategy or pricing but also on how services are executed through human interaction, operational processes, and tangible support systems. Service quality in this study reflects the People and Process dimensions, where responsiveness, empathy, and reliability determine how effectively services are delivered to clients ([Pakurár et al., 2019](#); [Akdere et al., 2018](#)). Facilities represent the Physical Evidence dimension, including venue quality, equipment availability, and supporting infrastructure that shape customer perceptions of professionalism and credibility. Trust emerges as a cumulative perception formed through consistent interaction across all service elements [Kotler et al., 2021](#). This framework supports the argument that customer loyalty is not generated by a single factor but by an integrated service ecosystem that collectively influences satisfaction and long-term relational outcomes.

2.5 Service Quality and Its Effects

Service quality is the company's ability to deliver services that consistently meet or exceed customer expectations ([Kotler & Keller, 2020](#)). [Zeithaml et al. \(2021\)](#) emphasize five SERVQUAL dimensions—tangibles, reliability, responsiveness, assurance, and empathy—that collectively shape customer perceptions of service excellence. High service quality generates customer satisfaction by fulfilling customers' functional and emotional service needs, and sustains loyalty by creating favorable comparison standards that discourage switching ([Parasuraman, Zeithaml, & Berry, 1988](#)). In the event organizer context, service quality dimensions such as responsiveness to client requests, assurance of reliable event execution, and empathy in addressing client concerns are particularly salient loyalty determinants ([Qurani & Mulyono, 2025](#)).

Empirical research consistently demonstrates that service quality is one of the strongest predictors of customer satisfaction and loyalty in service industries. Studies in event management and hospitality sectors highlight that reliability, responsiveness, and assurance are the most influential SERVQUAL dimensions in shaping positive customer evaluations. High service quality enhances perceived value and reduces customer switching intentions by creating consistent service experiences that meet or exceed expectations ([Jahmani, Bourini, & Jawabreh, 2020](#)). In competitive service markets, organizations that maintain superior service quality are more likely to achieve sustainable customer loyalty through repeated satisfaction experiences.

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

H₂: Service quality has a significant positive effect on customer loyalty.

2.6 Facilities and Their Effects

Facilities encompass the tangible physical resources—including infrastructure, equipment, venue quality, and supporting amenities—that companies provide to support service delivery ([Tjiptono, 2020](#)). Facility quality influences how customers perceive service effectiveness, convenience, and professionalism. However, prior findings on facilities' effects on satisfaction and loyalty are mixed: some studies document significant positive effects, while others report minimal or no direct influence once service quality and trust are considered ([Tjiptono, 2020](#)). The hygiene factor interpretation—consistent with [Herzberg, Mausner, and Snyderman \(1959\)](#) two-factor theory—suggests that facilities prevent dissatisfaction when adequate but do not actively generate satisfaction or loyalty once minimum acceptable standards are met.

Facilities as tangible service attributes play an important supporting role in shaping customer perceptions of service environments ([Amerta & Madhavi, 2023](#)). Prior research indicates that physical

evidence such as venue quality, equipment adequacy, and infrastructure design contributes to initial customer impressions of professionalism and service capability. However, several studies suggest that the influence of facilities tends to be context-dependent and may become insignificant when service quality and relational factors such as trust are strong. This supports the notion that facilities often function as baseline requirements that prevent dissatisfaction rather than as primary drivers of loyalty in mature service environments.

H₃: Facilities have a significant positive effect on customer satisfaction.

H₄: Facilities have a significant positive effect on customer loyalty.

2.7 Trust and Its Effects

Trust refers to a customer's willingness to rely on a service provider, reflecting confidence in the company's competence, reliability, and integrity ([Herliana, Putri, & Pratama, 2021](#)). Trust is particularly important in intangible, high-involvement services like event organizing, where customers cannot evaluate service quality before purchase and where service failures carry significant financial and reputational consequences for clients ([Elshaer, Azazz, Fayyad, Aljoghaiman, Fathy, & Fouad, 2025](#)). High trust levels reduce perceived risk, foster stronger relational commitment, and encourage long-term loyalty—making trust a critical driver of both satisfaction (through psychological security in the service relationship) and loyalty (through reduced switching motivation) ([Morgan & Hunt, 1994](#)).

Trust has been widely recognized as a critical determinant of relationship continuity in service marketing literature. Research indicates that trust reduces perceived risk and uncertainty, particularly in services characterized by intangibility and high involvement such as event organizing. Customers who trust a service provider are more likely to develop long-term relational commitment, even in the presence of minor service failures ([Isaeva, Gruenewald, & Saunders, 2020](#)). Furthermore, trust enhances satisfaction by creating psychological security, which strengthens positive evaluations of service experiences and reinforces loyalty intentions over time.

H₅: Trust has a significant positive effect on customer satisfaction.

H₆: Trust has a significant positive effect on customer loyalty.

2.8 Customer Satisfaction and Its Mediating Role

Customer satisfaction represents the overall affective response of customers after consuming a product or service—occurring when perceived performance meets or exceeds pre-purchase expectations ([Kotler & Keller, 2020](#); [Oliver, 1999](#)). Satisfied customers are more likely to repurchase, recommend services through positive word-of-mouth, and remain loyal even when competitors offer alternatives. Satisfaction is theorized as the central mediating mechanism through which service quality, facilities, and trust translate their perceived performance effects into durable loyalty commitments—with the satisfaction emotional state generating the psychological attachment and behavioral disposition that constitute loyalty.

Customer satisfaction is widely conceptualized as a key mediating construct that translates service-related perceptions into behavioral loyalty outcomes ([Roberts-Lombard & Jaiyeoba, 2025](#)). Prior studies confirm that satisfaction emerges from the comparison between expected and perceived performance, leading to emotional responses that influence future behavioral intentions. In service industries, satisfaction has been consistently shown to mediate the effects of service quality, trust, and other antecedents on loyalty ([Haron & Ibrahim, 2020](#)). This highlights its central role as a psychological mechanism that converts functional and relational evaluations into repeat purchase behavior and positive word-of-mouth.

H₇: Customer satisfaction has a significant positive effect on customer loyalty.

H₈: Customer satisfaction mediates the effect of service quality on customer loyalty.

H₉: Customer satisfaction mediates the effect of facilities on customer loyalty.

H₁₀: Customer satisfaction mediates the effect of trust on customer loyalty.

3. Research Methodology

3.1 Research Design

This study employs a quantitative explanatory research design, appropriate for testing hypothesized causal relationships among service quality, facilities, trust, customer satisfaction, and customer loyalty. PLS-SEM with SmartPLS was selected as the primary analytical tool because: (1) the model contains multiple latent constructs requiring simultaneous direct and indirect path estimation; (2) the sample size is moderate ($n = 97$); and (3) the research is exploratory in the specific event organizer context, consistent with PLS-SEM's strengths in theory-extending research ([Hair, Hult, Ringle, & Sarstedt, 2019](#)).

3.2 Population and Sample

The study population consisted of all active customers of PT Sarana Mandiri Sejahtera Abadi in 2024. Purposive sampling was applied with the criterion of having used the company's event organizing services at least once in the past year. A total of 97 respondents were selected and provided valid, complete questionnaire responses. The 97-observation sample exceeds the recommended minimum of 10 cases per latent variable ($5 \text{ constructs} \times 10 = 50 \text{ minimum}$) for PLS-SEM analysis.

3.3 Measurement Instruments

All five constructs were measured using five-point Likert scale questionnaires (1 = Strongly Disagree to 5 = Strongly Agree). Service Quality was operationalized through the five SERVQUAL dimensions—tangibles, reliability, responsiveness, assurance, and empathy—adapted from [Parasuraman et al. \(1988\)](#) and [Zeithaml et al. \(2021\)](#). Facilities were measured through indicators covering physical infrastructure quality, venue adequacy, equipment completeness, and supporting amenity provision, adapted from [Tjiptono \(2020\)](#). Trust was measured using indicators reflecting perceived competence, reliability, honesty, and integrity of the service provider, adapted from [Herliana et al. \(2021\)](#) and [Morgan and Hunt \(1994\)](#). Customer Satisfaction was measured using indicators covering overall service fulfillment, expectation confirmation, service process satisfaction, and recommendation intention, adapted from [Kotler and Keller \(2020\)](#). Customer Loyalty was measured through behavioral and attitudinal indicators—repeat purchase intention, word-of-mouth willingness, price tolerance, and resistance to competitor switching—adapted from [Oliver \(1999\)](#).

3.4 PLS-SEM Analysis Procedure

The two-step assessment procedure of [Hair et al. \(2019\)](#) was applied. Step 1 (Measurement Model): convergent validity was assessed through AVE (threshold > 0.50) and outer loadings; internal consistency reliability was assessed through Composite Reliability (CR > 0.70) and Cronbach's alpha ($\alpha > 0.70$). Discriminant validity was assessed through the Fornell–Larcker criterion and HTMT ratios. Step 2 (Structural Model): path coefficients, t-statistics (threshold > 1.96), and p-values from bootstrapping (5,000 resamples) were used for hypothesis testing. R-squared values assessed endogenous construct explanatory power. Indirect effects were assessed through the significance of bootstrapped indirect paths.

4. Results and Discussions

4.1 Respondent Profile

The survey was conducted among 97 active customers of PT Sarana Mandiri Sejahtera Abadi in 2024.

Table 1. Respondent Characteristics (N = 97)

Characteristic	Frequency	Percentage
Male	55	56.7%
Female	42	43.3%
Total	97	100%

Source: Source: Primary Data, 2024

Based on Table 1, the data show that the majority of respondents are male, accounting for 55 respondents (56.7%), while female respondents represent 42 individuals (43.3%). Overall, the total number of respondents in this study is 97 (100%), indicating a relatively balanced gender representation with a slight dominance of male participants.

4.2 Measurement Model Assessment

Table 2 presents the measurement model reliability and convergent validity results for all five constructs.

Table 2. Measurement Model — Reliability and Convergent Validity

Construct	AVE (> 0.50)	CR (> 0.70)	Cronbach α (> 0.70)	Validity/Reliability
Service Quality	0.653	0.891	0.844	✓ Confirmed
Facilities	0.611	0.872	0.823	✓ Confirmed
Trust	0.667	0.894	0.857	✓ Confirmed
Customer Satisfaction	0.689	0.901	0.866	✓ Confirmed
Customer Loyalty	0.702	0.913	0.881	✓ Confirmed

Source: Source: SmartPLS Output, 2024

All AVE > 0.50; All CR > 0.70; All α > 0.70

Table 2 presents the results of the measurement model assessment, including convergent validity and reliability testing for all constructs. The findings indicate that all constructs meet the required threshold values, with AVE ranging from 0.611 to 0.702, Composite Reliability ranging from 0.872 to 0.913, and Cronbach alpha ranging from 0.823 to 0.881, confirming satisfactory convergent validity and internal consistency reliability. All constructs substantially exceed the minimum thresholds for reliability and validity. Customer loyalty achieved the highest reliability, while facilities recorded the lowest AVE (0.611), although still above the acceptable threshold.

4.3 Structural Model Assessment

Table 3 presents the R-squared values for the two endogenous constructs.

Table 3. R-Squared Values — Endogenous Constructs

Endogenous Construct	R ²	Interpretation
Customer Satisfaction	0.642	Substantial
Customer Loyalty	0.701	Substantial

Source: SmartPLS Output, 2024

Table 3 presents the R-squared (R^2) values of the endogenous constructs in the structural model. The results indicate that service quality, facilities, and trust jointly explain 64.2% of the variance in customer satisfaction, while the full model including customer satisfaction explains 70.1% of the variance in customer loyalty. Both R^2 values exceed the minimum threshold of 0.26, indicating substantial explanatory power of the structural model in predicting customer satisfaction and customer loyalty.

4.4 Hypothesis Testing Results

Table 4 presents the complete hypothesis testing results from the PLS-SEM bootstrapping analysis.

Table 4. Hypothesis Testing Results — Path Coefficients and Significance

Hyp.	Path	β (Coef.)	t-value	Sig.?	Decision
H_1	Service Quality → Customer Satisfaction	0.565	1.969	Yes	Supported
H_3	Facilities → Customer Satisfaction	0.142	1.210	No	Not Supported
H_5	Trust → Customer Satisfaction	0.482	2.314	Yes	Supported
H_2	Service Quality → Customer Loyalty	0.327	2.115	Yes	Supported
H_4	Facilities → Customer Loyalty	0.085	0.982	No	Not Supported
H_6	Trust → Customer Loyalty	0.291	2.045	Yes	Supported
H_7	Customer Satisfaction → Customer Loyalty	0.411	2.532	Yes	Supported
H_8	Service Quality → Satisfaction → Loyalty (indirect)	0.232	—	Yes*	Mediation ✓
H_9	Facilities → Satisfaction → Loyalty (indirect)	0.058	—	No*	No Mediation
H_{10}	Trust → Satisfaction → Loyalty (indirect)	0.198	—	Yes*	Mediation ✓

Source: SmartPLS Output, 2024

*Significance criterion: $t > 1.96$ (two-tailed, $\alpha = 5\%$). *Indirect effects assessed through bootstrapping of indirect paths.*

Table 4 presents the results of hypothesis testing using path coefficients, t-values, and significance levels obtained from the PLS-SEM bootstrapping analysis. The findings indicate that service quality and trust have significant positive effects on both customer satisfaction and customer loyalty, while facilities do not show significant effects on either construct. Furthermore, customer satisfaction significantly influences customer loyalty and acts as a mediating variable in the relationships between service quality and loyalty as well as trust and loyalty, whereas no mediation effect is found for facilities. The significance of all hypotheses is evaluated based on the t-value criterion (> 1.96) at a 5% significance level.

4.5 Discussion

4.5.1 Service Quality: Significant Direct and Mediated Effects (H_1 , H_2 , H_8 Supported)

Service quality significantly and positively influences both customer satisfaction (H_1 : $\beta = 0.565$, $t = 1.969$) and customer loyalty (H_2 : $\beta = 0.327$, $t = 2.115$), and customer satisfaction partially mediates the service quality→loyalty relationship (H_8 supported). The substantial H_1 coefficient ($\beta = 0.565$) confirms that service quality is the strongest direct predictor of satisfaction among the three antecedent variables, consistent with Zeithaml, Bitner, and Gremler (2021) SERVQUAL framework. When customers perceive reliability, responsiveness, assurance, and empathy in service delivery, they feel more satisfied and are more likely to remain loyal. For PT Sarana Mandiri Sejahtera Abadi, the satisfaction-mediated pathway (H_8) indicates that service quality improvements generate loyalty both

directly (through favorable cognitive evaluation) and indirectly through the positive emotional state of satisfaction that sustains behavioral loyalty commitments. The 20.6% customer decline in 2024 may reflect deterioration in perceived service quality dimensions—particularly responsiveness and reliability—that should be the primary focus of operational improvement.

4.5.2 Facilities: Non-Significant Effects (H_3 , H_4 Not Supported; H_9 Not Mediated)

Facilities do not significantly influence customer satisfaction (H_3 : $\beta = 0.142$, $t = 1.210$) or loyalty (H_4 : $\beta = 0.085$, $t = 0.982$), and satisfaction does not mediate the facilities→loyalty relationship (H_9 not supported). This null finding supports the hygiene factor interpretation: facilities—once meeting a minimum acceptable standard—do not differentiate service providers in customers' satisfaction evaluations or loyalty decisions. In the event organizer context, where the quality of human interaction, event execution reliability, and organizational credibility are the primary evaluation criteria, physical infrastructure plays a foundational enabling role but does not generate competitive loyalty advantage. This finding aligns with [Tjiptono \(2020\)](#) and is consistent with prior mixed findings in the facilities-satisfaction literature. For PT Sarana Mandiri Sejahtera Abadi, this implies that facility investment should ensure adequacy rather than exceeding it—with surplus resources redirected toward service quality training and trust-building initiatives that generate measurable loyalty returns.

4.5.3 Trust: Significant Direct and Mediated Effects (H_5 , H_6 , H_{10} Supported)

Trust significantly and positively influences both customer satisfaction (H_5 : $\beta = 0.482$, $t = 2.314$) and loyalty (H_6 : $\beta = 0.291$, $t = 2.045$), and satisfaction partially mediates the trust→loyalty relationship (H_{10} supported). The strong trust→satisfaction coefficient ($\beta = 0.482$) reflects Relationship Marketing Theory's prediction ([Morgan & Hunt, 1994](#)) that perceived provider competence, honesty, and reliability generate psychological security that translates into positive affective satisfaction responses. In the event organizer sector—where high-investment, high-stakes events create elevated client vulnerability—trust reduces perceived risk and generates the emotional confidence that enables satisfaction even under inevitable service imperfections. The mediation finding (H_{10}) confirms that trust's loyalty effects operate through both the direct commitment mechanism (customers who trust a provider resist switching) and the satisfaction mechanism (trusted providers generate more positive evaluations that produce the satisfaction driving loyalty). Proactive communication, transparent pricing, and consistent performance delivery are the primary trust-building mechanisms available to PT Sarana Mandiri Sejahtera Abadi.

4.5.4 Customer Satisfaction as Mediating Bridge (H_7 Supported)

Customer satisfaction significantly and positively influences loyalty (H_7 : $\beta = 0.411$, $t = 2.532$) and mediates the service quality→loyalty and trust→loyalty relationships, confirming its central position as the psychological bridge in the loyalty formation model. The R^2 of 0.701 for customer loyalty—explained by service quality, trust, facilities, and satisfaction—demonstrates the comprehensive explanatory coverage of the model for PT Sarana Mandiri Sejahtera Abadi's customer behavior dynamics. The partial mediation pattern (both direct and indirect effects confirmed for service quality and trust) indicates that these variables improve loyalty through two simultaneous channels: a direct cognitive-behavioral channel and an affective-satisfaction channel. This dual-pathway architecture suggests that customer experience improvement initiatives targeting both the direct quality/trust perceptions and the resulting satisfaction responses will generate the largest loyalty gains.

5. Conclusions

This study examined the effects of service quality, facilities, and trust on customer loyalty, mediated by customer satisfaction, at PT Sarana Mandiri Sejahtera Abadi, using PLS-SEM analysis of data from 97 customers. Seven principal conclusions are drawn. First, service quality significantly and

positively influences customer satisfaction (H_1 : $\beta = 0.565$, $t = 1.969$), confirming the SERVQUAL framework's prediction that service excellence drives customer evaluation. Second, service quality significantly and positively influences customer loyalty directly (H_2 : $\beta = 0.327$, $t = 2.115$). Third, facilities do not significantly influence customer satisfaction (H_3 not supported) or loyalty (H_4 not supported), supporting the hygiene factor interpretation. Fourth, trust significantly and positively influences customer satisfaction (H_5 : $\beta = 0.482$, $t = 2.314$). Fifth, trust significantly and positively influences customer loyalty (H_6 : $\beta = 0.291$, $t = 2.045$). Sixth, customer satisfaction significantly influences loyalty (H_7 : $\beta = 0.411$, $t = 2.532$). Seventh, customer satisfaction partially mediates the service quality→loyalty relationship (H_8 supported) and the trust→loyalty relationship (H_{10} supported), but does not mediate the facilities→loyalty relationship (H_9 not supported). The model collectively explains 64.2% of satisfaction variance and 70.1% of loyalty variance—demonstrating substantial explanatory power. These findings confirm that service quality and trust are the primary relational drivers of customer loyalty at PT Sarana Mandiri Sejahtera Abadi, and that addressing the 20.6% customer decline requires targeted investment in service delivery quality and trust-building communication rather than facility expansion.

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Author Contributions

NS contributed to the conceptualization of the study, research design, data collection, and initial manuscript drafting. SR was responsible for data analysis using PLS-SEM, interpretation of results, and critical revision of the manuscript. Both NS and SR jointly developed the theoretical framework, conducted literature synthesis, and approved the final version of the manuscript for submission and publication.

Conflict of Interest

The authors declare that there is no conflict of interest regarding the publication of this article. The study was conducted independently without any financial, commercial, or personal relationships that could have influenced the research process or outcomes.

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