

Research Article

The Effect of Product Quality, Customer Service, Operational Processes, and Work Environment on Customer Loyalty in Insurance Companies

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Abstract: This study was inspired by the vital importance of customer loyalty in maintaining the long-term sustainability of insurance companies, particularly amid the increasingly competitive dynamics of the industry. It identifies four major factors that are believed to have both direct and indirect impacts on customer retention and corporate reputation: product quality, customer service, operational efficiency, and the work environment. The research adopts a quantitative approach, utilizing surveys distributed to active customers of PT Jasaraharja Putera, Jayapura Branch. The collected responses were statistically analyzed to assess both the individual and combined effects of each variable on customer loyalty. The results indicate that these four dimensions are interconnected and collectively shape the level of customer loyalty. High-quality and transparent products foster initial trust, while fast and responsive service turns expectations into positive experiences. Streamlined operational procedures ensure consistent fulfillment of service commitments, and a supportive workplace environment enhances employee motivation and performance, leading to superior service delivery. Empirical evidence from the study suggests that strengthening customer loyalty requires a comprehensive and integrated approach. Insurance firms should design products that align with customer needs, deliver empathetic and efficient service, optimize operational processes for greater effectiveness, and cultivate a positive work culture that motivates employees. Beyond its managerial implications, this research enriches the academic discourse on customer loyalty by highlighting the role of internal organizational factors within financial service institutions. Practically, the study provides strategic insights for management in formulating more focused and data-driven policies. The findings are expected to help insurance companies not only retain their current clients but also attract new ones by enhancing their reputation, service quality, and overall customer experience.

Keywords: Customer Loyalty; Customer Service; Operational Processes; Product Quality; Work Environment

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1. Introduction

Customer loyalty is an essential indicator in assessing a company's long-term success, particularly in the insurance industry, which is built upon trust, long-term relationships, and the continuity of interactions between customers and service providers. In a business context such as insurance, loyalty is not only reflected in customers' continued use of products and services but also in their willingness to recommend the company to others, provide constructive feedback, and remain resistant to competitors' persuasion. According to Kusumaningsih and Baskara (2024), loyal customers hold a high strategic value for companies as they not only maintain revenue stability but also serve as effective promotional agents through positive word-of-mouth communication. Therefore, maintaining customer loyalty has become a key

strategy for companies to face increasing competition and the ever-evolving needs of the market.

However, maintaining customer loyalty amid the dynamics of the modern insurance industry is not a simple task. Various internal factors within the company interact and influence the level of customer loyalty, such as product quality, customer service, operational processes, and the work environment. These four factors are interconnected and inseparable in shaping customer loyalty. Loyalty will not develop fully through superior products alone if not accompanied by friendly service and efficient processes. Even excellent service may not reach its optimal potential if the internal work environment does not support employees in delivering their best performance. The *Service-Profit Chain* concept emphasizes that employee satisfaction and engagement directly contribute to customer satisfaction and overall profitability (Rachmat and Muwidha, 2022).

PT Jasaraharja Putera (JRP Insurance), as a general insurance company that has operated since 1993, also faces challenges in maintaining customer loyalty within an increasingly competitive environment. Trust has become a strong foundation for JRP Insurance to uphold its commitment to enhancing service quality for its customers. Nevertheless, like other companies, PT Jasaraharja Putera, particularly its Jayapura Branch, has experienced complex industry dynamics. At certain points in its business journey, the company has faced challenges such as potential revenue decline due to intense competition, changing customer expectations, and internal limitations that may affect its ability to meet performance targets.

In this context, product quality, customer service, operational processes, and the work environment are critical factors that significantly contribute to corporate performance and customer loyalty. Haris (2023) emphasized that customer satisfaction is determined not only by product quality but also by the quality of service and the overall experience of interacting with the company. Pradana and Wibowo (2021) found that the effectiveness of operational processes greatly influences the consistency of customer experience, especially in the insurance sector where accuracy and timeliness in data and claims management are crucial. Meanwhile, Nugraheni and Rahmadani (2020) highlighted the role of a healthy work environment in fostering employee motivation, which in turn affects the quality of interactions between employees and customers. Based on these findings, it can be concluded that the four factors complement each other in shaping sustainable customer loyalty.

Most previous studies have focused on partial analyses of one or two factors, such as product quality or customer service, without fully considering the interrelationships among internal company variables. Such approaches have not adequately captured the complex nature of customer loyalty formation in the insurance industry. Therefore, this study proposes an integrative analytical model combining four key variables. There are product quality, customer service, operational processes, and work environment to provide a more comprehensive understanding of the internal factors that influence customer loyalty.

This research aims to analyze the extent to which product quality, customer service, operational processes, and work environment influence customer loyalty, both partially and simultaneously, at PT Jasaraharja Putera Jayapura Branch. The study also seeks to contribute theoretically to the development of customer loyalty literature, particularly within the insurance industry that relies heavily on trust and long-term relationships. Practically, the findings are expected to serve as a strategic reference for PT Jasaraharja Putera's management in formulating more targeted policies to enhance customer loyalty through product innovation, service quality improvement, process efficiency, and the establishment of a supportive work environment.

This study offers three key contributions. First, it integrates four internal corporate factors into a comprehensive model of customer loyalty. Second, it extends theoretical discussions of the *service-profit chain* within the context of the Indonesian insurance industry. Third,

it provides data-driven strategic recommendations for insurance companies to strengthen competitiveness and customer retention.

2. Preliminaries or Related Work or Literature Review

Overview of the Insurance Industry

The insurance industry plays a critical role in promoting financial stability and risk management by providing protection against potential losses and uncertainties. In this sector, customer trust serves as the foundation for sustainable relationships between policyholders and insurance providers. Insurance services rely heavily on credibility, service reliability, and customer confidence, making customer loyalty a key determinant of long-term competitiveness. One of the prominent products in the Indonesian insurance market is the Surety Bond, which functions as a financial guarantee ensuring that contractual obligations are fulfilled. PT Jasaraharja Putera (JRP Insurance) is among the companies offering this product to support business clients in project and contract management. As customer expectations evolve and competition intensifies, understanding the determinants of loyalty within such specialized insurance services becomes increasingly important.

Theoretical Foundation

Product Quality

Product quality represents the ability of an insurance product to meet or exceed customer expectations in terms of reliability, transparency, and perceived value. High-quality insurance products provide customers with clear coverage terms, timely claim processing, and consistent benefits (Kotler & Keller, 2016). In the insurance industry, the abstract and intangible nature of products makes perceived quality a decisive factor in shaping customer confidence. Previous studies (e.g., Haris, 2023; Pradana & Wibowo, 2021) found that product quality has a significant and positive influence on customer satisfaction and loyalty, particularly when the product is transparent and aligns with policyholder needs.

Customer Service

Customer service reflects the company's capability to deliver timely, responsive, and empathetic assistance to its clients. In the insurance context, service encounters such as claim handling and customer inquiries directly influence customer perceptions of reliability and care (Parasuraman, Zeithaml, and Berry, 1988). Empirical research consistently identifies service quality as one of the strongest drivers of loyalty (Kusumaningsih and Baskara, 2024), as positive experiences foster trust and emotional attachment. Effective communication and problem resolution transform customer expectations into meaningful experiences that strengthen long-term relationships.

Operational Processes

Operational processes include the internal mechanisms that ensure efficiency, consistency, and reliability in the delivery of insurance services. Streamlined operations enable companies to process claims, policies, and transactions quickly and accurately, which enhances customer satisfaction. According to Pradana and Wibowo (2021), operational effectiveness contributes to consistent customer experiences and reduces frustration caused by administrative errors or delays. In the insurance industry, where precision and timeliness are essential, efficient operational systems are crucial for maintaining customer confidence and loyalty.

Work Environment

The work environment represents the physical and psychological conditions that shape employee motivation, engagement, and performance. A supportive workplace culture encourages employees to deliver excellent service and build positive relationships with customers.

Nugraheni and Rahmadani (2020) explain that a healthy and motivating work environment indirectly enhances customer loyalty by improving employee commitment and consistency in service delivery. The Service Profit Chain model (Heskett et al., 1994) also highlights that employee satisfaction drives superior service quality, which ultimately fosters customer satisfaction and loyalty.

Customer Loyalty

Customer loyalty is defined as the consistent preference of customers to repurchase or continue using a company's products or services, accompanied by a positive attitude and advocacy behavior (Oliver, 1999). In the insurance industry, loyalty encompasses not only repeat purchasing behavior but also customer commitment, trust, and willingness to recommend the company to others. Studies by Haris (2023) and Kusumaningsih and Baskara (2024) demonstrate that loyalty results from a combination of satisfaction, trust, and perceived value. Loyalty can be viewed from two dimensions: behavioral loyalty, which refers to actual repeat purchases, and attitudinal loyalty, which reflects emotional attachment and preference toward a company (Dick and Basu, 1994). In this study, customer loyalty functions as the dependent variable, influenced by four main internal factors, namely product quality, customer service, operational processes, and work environment.

3. Proposed Method

This study employs a quantitative approach designed to examine the relationships and effects among variables in an objective and measurable manner by utilizing numerical data (Prayogi et al., 2024). This approach is considered the most appropriate because it allows for the assessment of how the independent variables, namely product quality, customer service, operational processes, and work environment, influence the dependent variable, which is customer loyalty at PT Jasaraharja Putera, Jayapura Branch. The use of a quantitative method enables the researcher to perform structured and in-depth statistical analyses to test hypotheses empirically and systematically.

The population of this study includes all active customers of PT Jasaraharja Putera, Jayapura Branch, in 2024, totaling 114 individuals. Since the population size is relatively small, all members were used as research samples through a census approach. Data were collected using a questionnaire designed with a five-point Likert scale ranging from "strongly disagree" to "strongly agree." Each item in the questionnaire represented specific dimensions of the studied variables, with indicators adapted from previous studies such as Kotler (2017) for product quality and Meilani and Sugiarti (2022) for customer service.

Prior to the main analysis, the data were tested using Confirmatory Factor Analysis (CFA) to assess construct validity and Cronbach's Alpha to measure instrument reliability. Once the data were confirmed to be valid and reliable, classical assumption tests were conducted, including the partial effect test (t-test) and the simultaneous effect test (F-test), to ensure the adequacy of the regression model. The final stage of the analysis employed the coefficient of determination (R^2) test to determine the extent to which the independent variables explain variations in customer loyalty.

Through this methodological approach, the study aims to provide empirical evidence on the dominant factors influencing customer loyalty within the insurance sector. Furthermore, the systematic and data-driven process strengthens the validity of the research findings and offers strategic recommendations for company management to enhance service quality, product innovation, operational efficiency, and overall competitiveness in the insurance market.

4. Results and Discussion

Descriptive Statistics of Product Quality

Based on the results of the descriptive statistical analysis, the majority of respondents expressed a positive assessment of the Surety Bond insurance product. The detailed results related to product quality are presented in Figure 1.

Pernyataan	Skala	Frekuensi	Persentase
Saya merasa produk Asuransi Jaminan Surety Bond memberikan manfaat sesuai dengan yang dijanjikan.	1	0	0.00%
	2	1	0.88%
	3	7	6.14%
	4	64	56.14%
	5	42	36.84%
Format Polis Asuransi Jaminan Surety Bond dapat fleksibel mengikuti ketentuan kontrak.	1	1	0.88%
	2	2	1.75%
	3	24	21.05%
	4	63	55.26%
	5	24	21.05%
Saya tetap memilih perusahaan ini meskipun terdapat penawaran dari asuransi lain.	1	1	0.88%
	2	1	0.88%
	3	6	5.26%
	4	50	43.86%
	5	56	49.12%
Saya dapat mengandalkan produk Asuransi ini dalam memberikan jaminan ketika dibutuhkan.	1	0	0.00%
	2	1	0.88%
	3	14	12.28%
	4	64	56.14%
	5	35	30.70%
Tampilan dokumen Polis Asuransi dapat dipahami dan memiliki kesan rapi	1	0	0.00%
	2	4	3.51%
	3	43	37.72%
	4	51	44.74%
	5	16	14.04%
Berdasarkan pengalaman saya, produk ini layak direkomendasikan kepada orang lain.	1	0	0.00%
	2	1	0.88%
	3	11	9.65%
	4	68	59.65%
	5	34	29.82%
Saya tidak mengalami kesulitan dalam melengkapi prosedur penerbitan Polis dan terkesan sangat mudah.	1	0	0.00%
	2	4	3.51%
	3	29	25.44%
	4	67	58.77%
	5	14	12.28%

Figure 1. Product Quality

The findings indicate that 56.14% of respondents agreed that the product provides benefits as promised, while 36.84% strongly agreed with this statement. Furthermore, 55.26% of respondents considered that the insurance policy format is sufficiently flexible in accordance with contractual provisions, although approximately 21.05% remained neutral. Customer loyalty toward the company also appeared to be relatively strong, as 49.12% of respondents strongly agreed that they would continue to choose this insurance provider even when offered alternatives.

In terms of reliability and convenience, the insurance product was perceived as dependable by 56.14% of respondents, and 58.77% agreed that the policy issuance process was straightforward. However, regarding the visual and structural presentation of the policy documents, the responses were more varied. Although 44.74% agreed that the documents were neat and easy to understand, 37.72% maintained a neutral stance. Nevertheless, the overall perception remained positive, as 59.65% of respondents agreed that the product was worth recommending to others.

Descriptive Statistics of Customer Service

The results of the descriptive statistical analysis show that the quality of customer service and the physical environment of the insurance company were generally perceived positively by respondents. Detailed findings related to the customer service variable are presented in Figure 2.

Pernyataan	Skala	Frekuensi	Persentase
Fasilitas kantor (ruang tunggu, loket kasir, dsb) tampak modern, bersih, nyaman dan tertata rapi.	1	1	0.88%
	2	4	3.51%
	3	26	22.81%
	4	47	41.23%
	5	36	31.58%
Petugas selalu sesuai janji dalam menyelesaikan penerbitan Asuransi Jaminan Surety Bond.	1	0	0.00%
	2	5	4.39%
	3	15	13.16%
	4	41	35.96%
	5	53	46.49%
Petugas selalu merespon cepat dalam menanggapi pertanyaan atau keluhan saya.	1	1	0.88%
	2	5	4.39%
	3	36	31.58%
	4	49	42.98%
	5	23	20.18%
Perusahaan memiliki reputasi baik dan dikenal luas oleh masyarakat.	1	2	1.75%
	2	5	4.39%
	3	49	42.98%
	4	41	35.96%
	5	17	14.91%
Perusahaan memiliki standar operasional yang baik dan mampu memberikan penjelasan yang meyakinkan.	1	2	1.75%
	2	9	7.89%
	3	44	38.60%
	4	35	30.70%
	5	24	21.05%

Figure 2. Customer Service

A total of 41.23% of respondents agreed that the office facilities are modern, clean, and comfortable, while 31.58% strongly agreed with this statement. Regarding timeliness, the majority of respondents (46.49%) stated that staff members consistently fulfill their promises in completing policy issuance. The promptness of staff responses to customer inquiries or complaints also received favorable feedback, with 42.98% agreeing, although 31.58% of respondents remained neutral.

In terms of corporate reputation, 42.98% of respondents expressed a neutral view regarding public recognition of the company, while 35.96% agreed and 14.91% strongly agreed. The company's adherence to operational standards was also rated positively, with 30.70% agreeing and 21.05% strongly agreeing that the company provides clear and convincing explanations to customers.

Descriptive Statistics of Operational Processes

The descriptive statistical results show that most respondents perceived the operational processes and service accuracy of the Surety Bond insurance product as satisfactory. Detailed results for the operational process variable are presented in Figure 3.

Pernyataan	Skala	Frekuensi	Persentase
Saya merasa proses penerbitan Polis Asuransi Jaminan Surety Bond sangat cepat dan sesuai dengan ekspektasi saya	1	1	0.88%
	2	4	3.51%
	3	37	32.46%
	4	58	50.88%
	5	14	12.28%
Informasi data Polis Asuransi Jaminan Surety Bond selalu akurat dan jarang mengalami kesalahan.	1	1	0.88%
	2	1	0.88%
	3	8	7.02%
	4	61	53.51%
	5	43	37.72%
Petugas mampu menangani pelanggan dengan baik tanpa menyebabkan keterlambatan layanan meskipun saat permintaan tinggi.	1	0	0.00%
	2	1	0.88%
	3	20	17.54%
	4	57	50.00%
	5	36	31.58%
Perusahaan memberikan estimasi waktu yang jelas dan memberitahukan secara berkala proses yang dilalui dalam penerbitan Polis Asuransi.	1	1	0.88%
	2	1	0.88%
	3	11	9.65%
	4	66	57.89%
	5	35	30.70%

Figure 3. Operational Processes

A total of 50.88% of respondents agreed that the policy issuance process was fast and met their expectations, although 32.46% remained neutral. In terms of information accuracy, the majority of respondents gave high ratings, with 53.51% agreeing and 37.72% strongly agreeing that the policy data were accurate and contained minimal errors. Customer handling during peak service demand was also viewed positively, with 50% agreeing and 31.58%

strongly agreeing that no significant delays occurred. In addition, communication regarding service time estimation was well appreciated, with 57.89% agreeing and 30.70% strongly agreeing that the company regularly provided updates on process timelines.

Descriptive Statistics of Work Environment

Detailed results for the work environment variable are presented in Figure 4.

Pernyataan	Skala	Frekuensi	Persentase
Layanan yang saya terima mencerminkan suasana kerja yang profesional dan menyenangkan di dalam perusahaan.	1	0	0.00%
	2	3	2.63%
	3	1	0.88%
	4	36	31.58%
	5	74	64.91%
Saya melihat koordinasi antar karyawan dalam melayani nasabah berlangsung dengan baik satu sama lain saat menanggapi kebutuhan nasabah.	1	1	0.88%
	2	2	1.75%
	3	14	12.28%
	4	85	74.56%
	5	12	10.53%
Fasilitas yang digunakan dalam pelayanan (komputer, ruang tunggu, meja layanan) mendukung kenyamanan nasabah dan terlihat memadai.	1	0	0.00%
	2	1	0.88%
	3	6	5.26%
	4	72	63.16%
	5	35	30.70%

Figure 4. Work Environment

The descriptive statistics for the work environment indicate that most respondents experienced a professional and pleasant atmosphere in the services they received, with 64.91% strongly agreeing and 31.58% agreeing. Coordination among employees was also rated highly by 74.56% of respondents, reflecting strong teamwork in responding to customer needs. Furthermore, service facilities such as computers, waiting areas, and service desks were considered adequate by most respondents, with 63.16% agreeing and 30.70% strongly agreeing. These findings suggest that a positive work environment contributes significantly to the overall quality of service provided by the company.

Descriptive Statistics of Customer Loyalty

The descriptive results for the customer loyalty variable indicate a highly positive tendency among respondents. A total of 53.51% of respondents strongly agreed and 43.86% agreed that they intend to continue using the company's insurance products in the future. The majority also demonstrated strong commitment, with 72.81% agreeing and 24.56% strongly agreeing that they do not wish to switch to another insurance provider even when presented with attractive offers.

In addition, 85.96% of respondents agreed and 10.53% strongly agreed that they often share positive experiences with others, reflecting a strong word-of-mouth effect. Furthermore, 82.46% of respondents showed a high level of interest in purchasing other insurance products from the same company, indicating a sustainable and continuous pattern of loyalty.

Pernyataan	Skala	Frekuensi	Persentase
Saya berencana untuk terus menggunakan produk Asuransi dari perusahaan ini pada kesempatan berikutnya.	1	1	0.88%
	2	0	0.00%
	3	2	1.75%
	4	50	43.86%
	5	61	53.51%
Saya merasa perusahaan ini sudah memberikan pelayanan terbaik sehingga saya tidak ingin untuk beralih ke perusahaan lain meskipun ada penawaran menarik.	1	0	0.00%
	2	2	1.75%
	3	1	0.88%
	4	83	72.81%
	5	28	24.56%
Saya sering menceritakan pengalaman positif saya tentang layanan perusahaan ini kepada orang lain.	1	0	0.00%
	2	1	0.88%
	3	3	2.63%
	4	98	85.96%
	5	12	10.53%
Saya cenderung akan membeli produk asuransi lainnya yang ditawarkan oleh perusahaan ini.	1	0	0.00%
	2	2	1.75%
	3	16	14.04%
	4	94	82.46%
	5	2	1.75%

Figure 5. Customer Loyalty

T-Test Results

The T-Test was conducted to evaluate the individual significance of each independent variable in influencing customer loyalty. The detailed results are presented in Figure 6.

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1,603	0,845		1,896	0,061
Kualitas Produk (X1)	0,121	0,023	0,269	5,274	0,000
Layanan Nasabah (X2)	0,166	0,022	0,389	7,624	0,000
Proses Operasional (X3)	0,154	0,025	0,315	6,043	0,000
Lingkungan Kerja (X4)	0,317	0,056	0,305	5,652	0,000
a. Dependent Variable: Loyalitas Pelanggan					

Figure 6. T-Test Results

Based on the results, all independent variables (X_1 to X_4) obtained significance values of 0.000, which are lower than the threshold of 0.05. This indicates that all independent variables have a statistically significant influence on customer loyalty toward the insurance company. Therefore, hypotheses H1 to H4 are accepted.

F-Test Results

The F-Test was conducted to determine whether the independent variables collectively have a significant influence on the dependent variable. The results of the F-Test are presented in Figure 7.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	248,289	4	62,072	83,376	0,000 ^b
	Residual	81,149	109	0,744		
	Total	329,439	113			
a. Dependent Variable: Loyalitas_Pelanggan						
b. Predictors: (Constant), Kualitas_Produk, Layanan_Nasabah, Proses_Operasional, Lingkungan_Kerja						

Figure 7. F-Test Results

The results of the simultaneous regression test indicate that the independent variables collectively exert a significant effect on customer loyalty. This is evidenced by the significance value (Sig.) of 0.000, which is lower than the 0.05 significance threshold, and an F-statistic value of 83.376, which is higher than the F-Figure value of 2.45. Therefore, it can be concluded that the independent variables jointly influence customer loyalty, and the proposed hypothesis is accepted.

Coefficient of Determination (R^2)

Detailed results for the work environment variable are presented in Figure 4.

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.868 ^a	0.754	0.745	0.863
a. Dependent Variable: Loyalitas Pelanggan				
b. Predictors: (Constant), Kualitas Produk, Layanan Nasabah, Proses Operasional, Lingkungan Kerja				

Figure 8. Coefficient of Determination (R^2)

Based on the results of the multiple linear regression analysis, the coefficient of determination (R^2) was found to be 0.754 or 75.40%. This indicates that the four independent variables in this research model collectively explain 75.40% of the variation in customer loyalty, while the remaining 24.60% is influenced by other factors not included in this study.

The Effect of Product Quality on Customer Loyalty

The results of the analysis show that product quality has a positive and significant effect on customer loyalty. The regression coefficient value of 0.121 with a significance level of 0.000 indicates that the higher the quality of the insurance products offered, the stronger the resulting customer loyalty. This finding implies that improving product quality does not only ensure short-term satisfaction but also builds long-term commitment to continue using the same product.

This result is consistent with the studies by Kusuma et al. (2023) and Soetiyono and Alexander (2025), who state that product quality is one of the main determinants of customer loyalty in the insurance industry. Customers who perceive a product as meeting their expectations are more likely to repurchase, recommend it to others, and resist offers from competitors. In the context of surety bond products, the flexibility of requirements and administrative procedures plays a crucial role in building sustainable loyalty.

The Effect of Customer Service on Customer Loyalty

Based on the results of multiple linear regression analysis, customer service has a significant influence on customer loyalty, with a regression coefficient of 0.166 and a significance level of 0.000. This indicates that customer service is among the most dominant factors in shaping loyalty in insurance companies. The better the service quality, the higher the customers' tendency to remain loyal and consistently use the company's products.

This finding aligns with Hartono et al. (2025), who emphasize that responsiveness, information reliability, and personal interaction are key drivers of customer retention. In the insurance sector, services are critical due to the intangible nature of the products offered. Thus, direct interaction between customers and service officers becomes a tangible representation of the company's promises. The reliability of staff in providing accurate and timely information reinforces the firm's credibility (Masratu et al., 2025). This is reflected in the ability of employees to respond quickly to complaints or inquiries, resolving not only technical issues but also strengthening emotional bonds with customers.

The Effect of Operational Processes on Customer Loyalty

The regression analysis provides evidence that the operational process variable has a significant effect on customer loyalty, with a regression coefficient of 0.154 and a significance level of 0.000. This suggests that the more efficient and effective the company's operational mechanisms, the higher the customers' commitment to remain with the company. This finding is in line with operational management principles emphasizing efficiency and effectiveness as foundations for building trust and emotional attachment (Sigalingging et al., 2024).

In the insurance industry, the speed of policy issuance and the accuracy of claim settlement information are critical aspects shaping customer perception (Lilhaq & Salehudin, 2024). Customers who experience a smooth and error-free administrative process tend to be more satisfied and loyal. A low rate of data and claim processing errors represents the company's professionalism, enhancing customers' sense of security and long-term trust (Alkahfi & Aslami, 2021).

The Effect of Work Environment on Customer Loyalty

The analysis shows that the quality of the work environment contributes significantly to customer loyalty, as indicated by a regression coefficient of 0.317 and a significance level of 0.000. This proves that the better the work environment, the stronger the customer attachment to the company. A conducive work environment is reflected through effective coordination among employees and the availability of adequate facilities, both of which support a positive service experience (Cahyati & Adelia, 2024; Habiburahman et al., 2025).

The relationship between the work environment and customer loyalty can be explained through several pathways. First, a professional atmosphere and strong team coordination

enhance service quality, as cohesive teams tend to be more responsive and attentive, increasing customer satisfaction. Second, adequate physical facilities signal professionalism and care for customer comfort, which strengthens the company's positive image. Third, structured communication allows accurate information delivery, naturally fostering customer trust (Darmawan, 2025).

The Combined Effect of Product Quality, Customer Service, Operational Processes, and Work Environment on Customer Loyalty

The F-test results ($F = 83.376$; $\text{Sig.} = 0.000$) indicate that the four independent variables: product quality, customer service, operational processes, and work environment, collectively have a significant influence on customer loyalty. This finding confirms that loyalty is not shaped by a single factor but results from a combination of customer experiences across multiple dimensions of company interaction.

From a theoretical perspective, product quality serves as the foundation for shaping customer expectations. Customer service functions as the interface that transforms product promises into real experiences. Operational processes act as the technical infrastructure ensuring that product and service promises are consistently fulfilled. Meanwhile, the work environment indirectly but significantly contributes to service quality. Together, these dimensions form an integrated framework that supports customer trust and long-term loyalty.

5. Comparison

Previous studies on customer loyalty in the insurance industry have generally examined individual factors rather than using a comprehensive model. Kusuma et al. (2023) and Soetiyono and Alexander (2025) highlighted the importance of product quality in influencing customer loyalty, while Hartono et al. (2025) found that reliable customer service strengthens satisfaction and retention. Sigalingging et al. (2024) focused on operational efficiency as a key element in maintaining service consistency, and Cahyati and Adelia (2024) together with Habiburahman et al. (2025) emphasized that a positive work environment improves employee motivation and service quality.

This study differs from previous research by combining product quality, customer service, operational processes, and work environment into one integrated analytical framework. The findings provide a broader understanding of how internal factors collectively influence customer loyalty. Moreover, this study offers contextual evidence from PT Jasaraharja Putera, Jayapura Branch, and extends the application of the Service Profit Chain theory in the Indonesian insurance context.

6. Conclusions

Based on the findings of this study, it can be concluded that product quality, customer service, operational processes, and work environment have a positive and significant influence on customer loyalty. These four factors are interrelated and collectively shape a comprehensive customer experience. Product quality that meets customer expectations serves as the main foundation for building trust, while responsive, courteous, and solution-oriented customer service strengthens the emotional bond between customers and the company. Well-organized and efficient operational processes support service consistency and enhance customer satisfaction, whereas a comfortable and supportive work environment encourages employees to deliver their best performance. Therefore, customer loyalty emerges as a result of the harmonious collaboration among all internal elements of the company.

As a follow-up, PT Asuransi Jasaraharja Putera Jayapura Branch is advised to continue developing products that align with the characteristics and purchasing power of the local market, improve service competencies based on empathy, and accelerate digital transformation within operational processes to achieve greater efficiency and transparency.

Furthermore, the company should foster a communicative and collaborative work environment to maintain employee motivation and enthusiasm in serving customers. Future research is encouraged to expand the study variables by including external factors such as marketing strategies, premium pricing policies, corporate reputation, regulatory aspects, and macroeconomic conditions to produce deeper insights and provide a broader understanding of the factors that influence customer loyalty in the insurance industry.

Author Contributions: A short paragraph specifying their individual contributions must be provided for research articles with several authors (**mandatory for more than 1 author**). The following statements should be used “Conceptualization: X.X. and Y.Y.; Methodology: X.X.; Software: X.X.; Validation: X.X., Y.Y. and Z.Z.; Formal analysis: X.X.; Investigation: X.X.; Resources: X.X.; Data curation: X.X.; Writing—original draft preparation: X.X.; Writing—review and editing: X.X.; Visualization: X.X.; Supervision: X.X.; Project administration: X.X.; Funding acquisition: Y.Y.”

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