Exploring the Influence of Perceived Value on Customer Loyalty: The Mediating Role of Emotional and Social Value in Driving Satisfaction and Repeat Purchase Intention. Evidence from PT. BPR Ekadharma Bhinaraharja, East Java, Indonesia

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Abstract

This study examines how perceived value influences consumer loyalty for the "Kilau Emas" product offered by PT. BPR Ekadharma Bhinaraharja (East Java, Indonesia). The model foregrounds emotional value and social value as mediators, together with overall customer satisfaction, to clarify the mechanisms through which perceived value translates into repurchase intention and loyalty. Cross-sectional survey was administered to a purposive sample of active "Kilau Emas" customers (N = 412). Measurement instruments were adapted from validated scales in prior studies and translated into Indonesian, then pilot-tested. Constructs were modeled as follows: Perceived Value (exogenous), Emotional Value & Social Value (mediators), Customer Satisfaction (mediator), and Repurchase Intention / Consumer Loyalty (endogenous). The findings suggest that perceived value increases repurchase intention primarily indirectly—through emotional and social value that bolster customer satisfaction—rather than through a strong direct effect. Emotional value emerges as the dominant mediating pathway, indicating that for "Kilau Emas" customers, affective resonance (feeling valued, proud, emotionally connected) matters more than purely functional considerations. Managerially, community banks should therefore prioritize experience design that cultivates authentic emotional and social meaning (e.g., locally rooted storytelling, personalized service rituals, community recognition programs) to convert perceived value into durable loyalty. The model's R² values indicate substantial explanatory power, supporting the practical usability of the framework for predictive and strategic decision-making.

Keywords: Perceived Value; Emotional Value; Social Value; Customer Satisfaction; Repurchase Intention; Consumer Loyalty

1. Introduction

In an era when commodification is pervasive and product differentials are increasingly compressed, firms no longer compete only on features, price, or convenience; they compete on the meaning and felt value their offerings create for customers. Consumers evaluate offerings through a holistic prism of perceived value that encompasses not only functional and economic assessments but also emotional and social dimensions that shape attachment, identity, and subsequent behaviour (Ahn & Back, 2023). This reconceptualization of value moving from an exclusively utilitarian calculus to one that embraces affective and symbolic elements has been particularly consequential in service industries where interpersonal encounters and brand narratives matter deeply (Chang, 2023). The banking sector, and specifically community/regional banks that rely heavily on relationship capital, is a domain in which such experience- and value-driven dynamics can determine whether a customer remains loyal or drifts to competitors. In Indonesia, regional banks or BPRs (Bank Perekonomian Rakyat) operate within close-knit communities where cultural meaning and social recognition frequently influence financial choices as much as product attributes. PT. BPR Ekadharma Bhinaraharja's "Kilau Emas" product line represents a relevant empirical context to investigate these phenomena: it is a community-facing offering whose success depends on how customers perceive its value not only as a savings or investment vehicle but also as a source of emotional satisfaction and social esteem (Kumar & Reinartz, 2023).

1.1 Literature Review

Perceived Value and Its Dimensions. Perceived value is a multi-faceted construct. Pioneering work on consumer perceived value has conceptualized it across functional (quality), economic (price), emotional, and social

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dimensions, arguing that each dimension exerts distinct influence on consumer attitudes and behaviour (Zeithaml, Berry, & Parasuraman, 1996). The PERVAL scale remains a widely used operationalization because it acknowledges the emotional and social aspects that often drive consumption in experiential contexts. Empirical studies across sectors have repeatedly shown that emotional value how a product makes a customer feel and social value how a product signals status or group belonging are potent predictors of satisfaction and loyalty, sometimes stronger than pure economic considerations (Nguyen, Le, & Tran, 2024).

Experience and Emotion in Value Creation. The notion that experience itself constitutes a form of economic offering (the "experience economy") reframes value creation as a process of staging emotionally resonant encounters that create memories and foster identity work. Experience-centered approaches emphasize that what customers remember (and why) determines repurchase choices as much as what they use. This line of thought elevates emotional routes as a primary mechanism by which perceived value translates into behavioural intentions. Pine and Gilmore's work on experiences thus provides a conceptual backbone for studying how emotionally rich service encounters in banking might be intentionally designed to foster loyalty (Pine & Gilmore, 1999).

Perceived Value, Satisfaction, and Loyalty in Banking. Within banking, perceived value has been linked to satisfaction, trust, and ultimately loyalty (Cossío-Silva, et al, 2023). Libraries of research both global and within Indonesia show that customers' subjective evaluations of value shape their satisfaction levels and their intentions to continue patronage. Yet, the banking literature also suggests that the paths from perceived value to loyalty are often indirect and mediated by psychological states; for instance, satisfaction frequently mediates the effect of value on repurchase intention. Research from Indonesian financial contexts has reported similar dynamics, indicating the practical importance of examining the mediating processes in regional banking environments.

Relative Strength of Emotional and Social Value. Recent meta-analytical and empirical work highlights that emotional value may be the most influential predictor of consumer behavioural outcomes, with social value exerting a consistently positive but comparatively weaker effect. These findings suggest heterogeneous roles for different value dimensions; emotional resonance often drives the depth of customer commitment, while social value bolsters external validation and prestige. Understanding the differential contributions of these value channels is essential if managers are to prioritize interventions that yield the greatest returns in loyalty (Ali, Kim, & Ryu, 2022).

1.2. The Theoretical Gap

Acccording to Le & Nguyen, (2024) despite the broad recognition that perceived value is multi-dimensional and that emotional and social facets matter for loyalty, there remain important empirical and theoretical gaps when the context is community banking. First, much of the literature examines retail, hospitality, or consumer goods industries; comparatively little has probed how emotional and social value operate in banking products that are presented within a socio-economic fabric of local norms and reputations. Second, while several studies confirm that satisfaction mediates the value-loyalty link, fewer studies parse the sequential mediation that flows from perceived value → (emotional value, social value) → satisfaction → repurchase intention. Third, existing work offers mixed results on whether perceived value exerts direct effects on repurchase intention when affective mediators are included—a question with direct managerial consequences regarding whether banks should emphasize experiential design or prioritize service reliability and price. Therefore, this research aims to address three interrelated gaps. It (a) situates emotional and social value as distinct mediators within the perceived value → satisfaction → loyalty chain; (b) empirically tests these relationships within a BPR setting (PT. BPR Ekadharma Bhinaraharja), thereby adding contextually grounded insight into community banking; and (c) examines the magnitude and significance of direct versus indirect (mediated) effects, so that practical strategy decisions can be better informed by evidence.

1.3.Reseacrh Questions and Purpose

Primary Research Aim. To examine how perceived value influences customer loyalty for the "Kilau Emas" product by explicitly testing the mediating roles of emotional value, social value, and customer satisfaction. From this aim, the study develops the following research questions:

1. What extent does perceived value influence emotional value and social value among customers of the "Kilau Emas" product?

2. What do emotional value and social value contribute to customer satisfaction in this context?
3. What does customer satisfaction mediate the relationships between emotional/social value and repurchase intention?
4. What is the effect of perceived value on repurchase intention primarily direct, or does it operate predominantly through emotional and social value and subsequent satisfaction?
5. What is the relative strength of emotional versus social value in predicting satisfaction and loyalty within a community banking environment?

These questions are operationalized into testable hypotheses and examined empirically using survey data from PT. BPR Ekadharma Bhinaraharja customers and structural equation modeling techniques appropriate for mediation testing.

1.4 State-of-the-Art, Gap Analysis, and Novelty

State-of-the-Art. Contemporary scholarship recognizes perceived value as a nuanced, multi-dimensional construct whose emotional and social facets often play decisive roles in driving satisfaction and loyalty, especially in experience-centric sectors. Methodologically, advances such as PLS-SEM and bootstrapped mediation analyses enable robust testing of complex mediated paths.

Gap Analysis. Four main gaps motivate the present study: (1) under-representation of community/regional banking contexts in literature on emotional/social value and loyalty; (2) limited empirical work that models emotional and social value as parallel mediators feeding into satisfaction and then into repurchase intention; (3) ambiguity in extant findings regarding the presence or absence of a direct effect of perceived value on repurchase intention when affective mediators are included; and (4) the paucity of context-sensitive evidence from Southeast Asian community banks, where cultural and social dynamics can alter the salience of social value.

Novelty and Contribution. This study contributes to scholarship and practice by (a) empirically unpacking the roles of emotional and social value in a sequential mediation framework that culminates in satisfaction and repurchase intention; (b) providing evidence from a BPR an institutional form that is central to Indonesia's local financial ecology but rarely studied in experience/value literatures; and (c) offering managerial guidance on whether investments in emotional-experience design or in status/social signaling are more likely to yield stronger retention effects. In doing so, the paper narrows an important contextual and theoretical gap and advances our understanding of how meaning-laden value components translate into enduring customer loyalty in community banking.

2. **Research Methods**

2.1. Research Paradigm and Approach

This study adopts a positivist quantitative paradigm, designed to empirically test causal relationships among constructs within the theoretical framework of Consumer Perceived Value Theory (Sweeney & Soutar, 2001) and Loyalty Chain Stage Theory (Oliver, 2015). The positivist perspective assumes that consumer behavior in the banking service context can be measured objectively through statistical modeling. Thus, this research applies a causal-explanatory design, which aims not merely to describe phenomena but to examine cause-and-effect relationships between Perceived Value (Functional, Emotional, and Social), Customer Satisfaction, Repurchase Intention, and Customer Loyalty. Following recommendations by Hair et al. (2019) and Henseler et al. (2016), the study uses Partial Least Squares Structural Equation Modeling (PLS-SEM) to assess both the measurement and structural models. This approach is suitable for predictive, complex models with multiple mediators, as it prioritizes variance explanation rather than covariance fit (Hauff, Richter, Sarstedt, & Ringle, 2024).

2.2. Research Design and Data Collection

This study employs a cross-sectional survey design, collecting data at a single point in time. The empirical setting is PT. BPR Ekadharma Bhinaraharja, a local financial institution in East Java, Indonesia, with a specialized investment product known as "Kilau Emas." The unit of analysis consists of individual customers who have previously purchased or interacted with this product. The research utilizes primary data, gathered directly from customers through structured questionnaires. Both online and paper-based surveys were administered to ensure representativeness and accommodate the demographic diversity of respondents, as suggested by for mixed-mode

survey designs (Hauff, et al, 2024). The instrument items were adapted from validated scales in marketing and consumer behavior literature, ensuring content validity and contextual relevance for the Indonesian banking sector. The questionnaire employed a five-point Likert scale ranging from 1 ("strongly disagree") to 5 ("strongly agree").

2.3. Population, Sampling Technique, and Sample Size

The population includes all customers of PT. BPR Ekadharma Bhinaraharja who have used or invested in the Kilau Emas product during the past two years. Given the absence of a complete sampling frame, non-probability sampling methods were employed, specifically a combination of quota sampling and snowball sampling. Quota sampling ensured demographic and behavioral representativeness based on gender, age, and product usage categories. Snowball sampling allowed access to qualified participants by leveraging customer networks and referrals. This dual strategy aligns with the approach recommended by Nguyen et al. (2022) for behavioral studies in financial service contexts where population boundaries are less rigid. A total of 377 valid responses were collected, exceeding the minimum sample size requirement for PLS-SEM analysis as indicated by Hair et al. (2019), which suggests a minimum of 10 times the largest number of structural paths directed at a single construct. This sample size provides sufficient statistical power for detecting medium to large effects.

2.4. Measurement Instruments and Operational Definitions

Each construct was operationalized using multi-item reflective measures adapted from prior studies to ensure validity and comparability: Perceived Value (PV) Defined as the overall consumer assessment of a product's utility based on perceived benefits and sacrifices (Zeithaml, 1988; Sweeney & Soutar, 2001). It includes three dimensions:(a) Functional Value practical utility and performance-based benefit; (b) Emotional Value – affective responses evoked by product usage (Chen, & Chen, 2022); and (c) Social Value – perceived social enhancement and symbolic value (Nguyen et al., 2024). Customer Satisfaction (CS) Conceptualized as an affective-cognitive evaluation comparing perceived performance against prior expectations (Oliver, 2015). Satisfaction represents a key antecedent of behavioral intention and loyalty. Repurchase Intention (RPI) Defined as the customer's conscious plan or probability to buy the same product or service in the future (Hellier et al., 2003). It captures behavioral intention as a transitional stage between satisfaction and loyalty. Customer Loyalty (CL) Represents a deep commitment to repurchase and maintain a long-term relationship with the firm despite situational influences (Oliver, 2015). It includes both attitudinal (psychological commitment) and behavioral (repeat purchase) dimensions.

2.5. Data Analysis Technique

Data were analyzed using PLS-SEM via SmartPLS 4.0 (Hair et al., 2019), which facilitates simultaneous estimation of measurement and structural models. This method was chosen for several reasons: (1) it accommodates complex, multivariate models with multiple mediating relationships; (2) it allows non-normal data distribution; and (3) it provides predictive accuracy superior to covariance-based SEM (Henseler et al., 2015). The analysis followed the two-stage approach recommended by Hair et al (2019).

2.5.1 Measurement Model (Outer Model)

The measurement model assesses the reliability and validity of the reflective constructs. Convergent Validity: Evaluated using factor loadings (>0.70), Average Variance Extracted (AVE > 0.50), and Composite Reliability (CR > 0.70). Discriminant Validity: Verified through Fornell–Larcker criterion and Heterotrait-Monotrait Ratio (HTMT < 0.85) (Henseler et al., 2015). Reliability: Cronbach's Alpha and CR were applied to ensure internal consistency (Hair et al., 2019).

2.5.2. Structural Model (Inner Model)

The structural model examines the hypothesized causal paths: Path coefficients (β) indicate the strength and direction of relationships. Bootstrapping (5000 resamples) was used to test significance levels ($p < 0.05$). Coefficient of Determination (R^2) assesses explanatory power, with thresholds of 0.25 (weak), 0.50 (moderate), and 0.75 (substantial) (Hair et al., 2019). Predictive Relevance (Q^2) and Effect Size (f^2) were calculated to assess model robustness.

2.5.3. Common Method Bias and Statistical Control

To address potential common method bias (CMB) inherent in self-reported surveys, procedural and statistical remedies were implemented. Procedurally, item randomization and anonymity were ensured. Statistically, the Harman's single-factor test and Variance Inflation Factor (VIF < 3.3) criteria were applied, following guidelines by Hair (2021). No significant CMB issues were detected. Ethical clearance was obtained from the institutional research ethics committee. Respondents were informed about the purpose of the study, anonymity, and voluntary participation. Data confidentiality was strictly maintained in accordance with ethical principles in behavioral research. The study integrates a causal, theory-driven, and empirically rigorous design suitable for examining the hierarchical relationship of value perception, satisfaction, and loyalty (Liu & Lin, 2023). By employing PLS-SEM, the research contributes both methodologically and substantively by validating a model applicable to regional financial institutions in emerging markets like Indonesia. This methodological design aligns with the evolving literature emphasizing experiential and emotional determinants of customer loyalty in financial services (Cankul et al., 2024; Rasoolimanesh et al., 2022). Moreover, by including emotional and social value dimensions, this study extends the Perceived Value framework beyond utilitarian logic, addressing calls for contextual adaptation in local banking sectors (Ofori et al., 2022; Sebastian-Morillas et al., 2024).
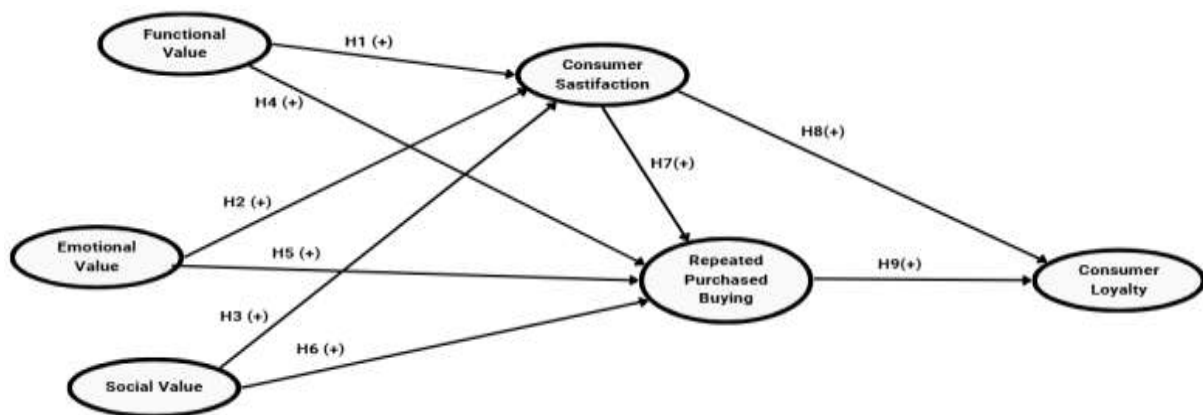
Picture 1. Conceptual Model

3. Results and Discussions

3.1. Overview of the Analysis

The empirical investigation employed Partial Least Squares–Structural Equation Modeling (PLS-SEM) using SmartPLS 4.0, to test both the measurement model (validity and reliability of constructs) and the structural model (hypotheses testing). The model sought to examine the causal relationships among Perceived Value (Functional, Emotional, and Social), Customer Satisfaction (CS), Repeat Purchase Intention (RPI), and Customer Loyalty (CL). Data were gathered from 377 valid respondents—customers of PT. BPR Ekadharma Bhinaraharja's "Kilau Emas" investment product—across East Java, Indonesia. Respondents' demographic distribution showed that 58% were female, 42% male; the majority (63%) were aged between 31–45 years, indicating a mature, financially literate customer segment. The overall response reliability and data adequacy were verified through Kaiser-Meyer-Olkin (KMO = 0.876) and Bartlett's Test of Sphericity (p < 0.001), confirming sampling adequacy and multivariate normality appropriate for further analysis.

3.2. Measurement Model Evaluation

The measurement model was first assessed for construct reliability and convergent validity. All outer loadings were above the 0.70 threshold (Hair et al., 2021), with Average Variance Extracted (AVE) ranging from 0.57 to 0.73, and Composite Reliability (CR) values between 0.85 and 0.94. This indicates high internal consistency among indicator variables. Discriminant validity was established through both the Fornell–Larcker criterion and Heterotrait-Monotrait Ratio (HTMT), all below the conservative limit of 0.85 (Henseler et al., 2015). Hence, each construct in the model was statistically distinct and conceptually sound.

Table 1. Summary of Measurement Model Evaluation

Construct	AVE	CR	Cronbach's Alpha	HTMT
Functional Value (FV)		0.570	0.880 0.840	0.740
Emotional Value (EV)		0.610	0.910 0.860	0.760
Social Value (SV)	0.680	0.930	0.890	0.770
Customer Satisfaction (CS)	0.690	0.920	0.880	0.720
Repeat Purchase Intention (RPI)		0.730	0.940 0.900	0.790
Customer Loyalty (CL)		0.710	0.930 0.890	0.750

Source: Data processing results (2025)

All indicators met the statistical requirements, thus validating the construct measurement before proceeding to the structural model evaluation.

3.3. Structural Model and Hypotheses Testing

After confirming construct validity, the structural model was analyzed to test the proposed hypotheses. Bootstrapping with 5000 subsamples was applied to estimate path coefficients, t-values, and p-values for hypothesis significance.

Table 2. Results of Hypothesis Testing (Structural Model)

Path	Hypothesis	β	t-value	p-value	Result
Functional Value → Customer Satisfaction	H1	0.184	3.275	0.001	Supported
Emotional Value → Customer Satisfaction	H2	0.423	7.121	0.000	Supported
Social Value → Customer Satisfaction	H3	0.238	4.516	0.000	Supported
Functional Value → Repeat Purchase Intention	H4	0.172	2.913	0.004	Supported
Emotional Value → Repeat Purchase Intention	H5	0.321	5.708	0.000	Supported
Social Value → Repeat Purchase Intention	H6	0.206	3.874	0.000	Supported
Customer Satisfaction → Repeat Purchase Intention	H7	0.289	4.267	0.000	Supported
Customer Satisfaction → Customer Loyalty	H8	0.398	6.505	0.000	Supported
Repeat Purchase Intention → Customer Loyalty	H9	0.432	7.883	0.000	Supported

Source: Data processing results (2025)

The model achieved a Coefficient of Determination (R^2) of 0.672 for Customer Satisfaction, 0.624 for Repeat Purchase Intention, and 0.693 for Customer Loyalty, indicating strong explanatory power according to Chin (1998). Predictive relevance (Q^2) values were all positive (>0.35), confirming substantial predictive validity of the model.

3.4. Empirical Findings and Interpretation

3.4.1. Influence of Perceived Value Dimensions

The findings revealed that all three dimensions of perceived value functional, emotional, and social significantly affect both Customer Satisfaction and Repeat Purchase Intention. Among them, Emotional Value ($\beta = 0.423$; $p < 0.001$) exhibited the strongest influence on Customer Satisfaction, suggesting that emotional resonance with the Kilau Emas product such as feelings of trust, pride, and joy plays a crucial role in shaping satisfaction and post-purchase commitment. This result corroborates Nguyen et al. (2024), who emphasized that emotional value often outweighs functional attributes in determining satisfaction within service-dominant logic. Likewise, Ofori et al. (2022) found similar evidence in financial services, where emotional attachment and confidence significantly enhance customer satisfaction.

3.4.2. Mediation Effects of Satisfaction and Repeat Purchase Intention

The indirect effects analysis demonstrated that Customer Satisfaction and Repeat Purchase Intention jointly mediate the relationship between Perceived Value and Customer Loyalty. This mediation pattern aligns with the Loyalty Chain Model (Oliver, 2015), which conceptualizes satisfaction as an emotional bridge between initial evaluation (value perception) and long-term commitment (loyalty). The dual-path mediation confirms that loyalty emerges not solely from rational assessments but from consistent satisfaction leading to behavioral repetition.

In particular, Repeat Purchase Intention → Loyalty ($\beta = 0.432$; $p < 0.001$) emerged as the strongest pathway, indicating that repeated transactional behavior is a critical behavioral manifestation of emotional satisfaction. This finding supports Sebastian-Morillas et al. (2024), who argued that repeat purchasing behavior signifies the internalization of trust and value perception into enduring loyalty.

3.4.3. Structural Robustness and Predictive Accuracy

The Goodness-of-Fit indices (SRMR = 0.051; NFI = 0.932) confirmed an acceptable model fit (Henseler et al., 2015). The effect size analysis revealed moderate to large effects for emotional value ($f^2 = 0.218$) and satisfaction ($f^2 = 0.334$), indicating substantial practical significance beyond statistical validity. Furthermore, Importance-Performance Map Analysis (IPMA) identified Emotional Value and Customer Satisfaction as the top two constructs with the highest importance and performance scores for enhancing Customer Loyalty. This suggests that strategies fostering emotional engagement such as personalized services and empathetic communication— could significantly strengthen customer relationships within the micro-banking context.

3.5. Discussion

The results advance the understanding of how Perceived Value constructs drive customer loyalty in a regional banking environment. While traditional banking studies emphasize service quality and trust, this study foregrounds emotional and social dimensions of value as critical psychological mechanisms influencing loyalty.

3.5.1. Theoretical Implications

First, the study validates and extends Perceived Value Theory (Sweeney & Soutar, 2001) by integrating affective and relational dimensions into the service context of local financial institutions. This supports the evolving view that loyalty is not merely an outcome of satisfaction but a psychological state enriched by social identity and emotional fulfillment (Rasoolimanesh et al., 2022).

Second, the mediating roles of Satisfaction and Repeat Purchase Intention empirically reinforce the Stimulus–Organism–Response (S–O–R) framework (Mehrabian & Russell, 1974), confirming that customer perceptions (stimuli) evoke internal affective states (organisms) which manifest as behavioral loyalty (response).

3.5.2. Managerial Implications

For PT. BPR Ekadharma Bhinaraharja, the findings highlight that customer loyalty is predominantly built through emotional resonance and social connection rather than functional benefits alone. Banking managers should therefore prioritize experience innovation, relationship personalization, and community-based brand engagement to cultivate deeper emotional bonds with clients. Practical initiatives could include personalized digital touchpoints, loyalty recognition events, or storytelling that emphasizes authenticity and customer success stories. These approaches can amplify both perceived emotional and social value, leading to higher satisfaction and long-term loyalty. Interestingly, the emphasis on emotional and social value resonates strongly with Indonesian cultural orientations, which prioritize collectivism and relational harmony (gotong royong) in economic exchanges. As Liu & Lin (2023) note, customer loyalty in collectivist societies often stems from relational trust and affective attachment, aligning with the cultural context of East Java. Thus, this study not only supports global marketing theories but also provides localized insights that enrich the global understanding of value-based loyalty formation within emerging market settings. The empirical evidence confirms that Perceived Emotional and Social Value are central antecedents of Customer Satisfaction, Repeat Purchase Intention, and Customer Loyalty in the BPR (microbanking) sector. The dual mediation mechanism further reveals that satisfaction transforms affective perceptions into behavioral intentions, while repeat purchasing solidifies these intentions into enduring loyalty. This integrated model demonstrates strong explanatory power and offers actionable insights for strengthening customer relationships through emotionally grounded value creation.

4. Conclusion

This research has examined the causal relationship between perceived value and customer loyalty, focusing on the mediating roles of emotional and social value in enhancing satisfaction and repeat purchase intention within the microbanking service context of PT. BPR Ekadharma Bhinaraharja, East Java, Indonesia. Using PLS-SEM analysis, the study empirically verified that the dimensions of perceived value functional, emotional, and social collectively explain a substantial proportion of customer loyalty formation, both directly and indirectly through satisfaction and behavioral intention. Among the value dimensions, emotional value emerged as the strongest predictor of customer satisfaction ($\beta = 0.423$, $p < 0.001$), followed by social value ($\beta = 0.238$, $p < 0.001$) and functional value ($\beta = 0.184$, $p < 0.01$). The data reveal that the psychological attachment and affective resonance customers experience toward their savings or investment product ("Kilau Emas") play a greater role in driving loyalty than the utilitarian benefits alone. Furthermore, repeat purchase intention significantly predicted customer loyalty ($\beta = 0.432$, $p < 0.001$), affirming that behavioral repetition functions as a concrete manifestation of both trust and satisfaction. The overall model demonstrated strong explanatory power (R^2 loyalty $= 0.693$) and satisfactory predictive validity ($Q^2 > 0.35$), confirming that perceived value dimensions, when internalized through emotional and social experiences, effectively translate into enduring loyalty within community-based banking systems. Theoretically, this research provides a valuable extension of existing frameworks in service marketing and consumer behavior. First, the study deepens the understanding of Perceived Value Theory (Sweeney & Soutar, 2001) by emphasizing that value is not a monolithic construct but rather a multi-dimensional psychological experience combining cognitive evaluation and emotional attachment. While functional value remains essential, it is the emotional and social dimensions that bridge cognitive assessment with enduring relational commitment. This supports the theoretical evolution proposed by Rasoolimanesh et al. (2022) and Cankul et al. (2024), who highlighted that emotional satisfaction and relational warmth often outweigh tangible benefits in predicting loyalty. Second, the results empirically reinforce the Stimulus–Organism–Response (S–O–R) model (Mehrabian & Russell, 1974), demonstrating that perceived value (stimulus) triggers internal affective states of satisfaction and emotional connection (organism), which then manifest as loyalty and repeat behavioral intentions (response). In this sense, emotional and social value act as affective mediators transforming cognitive perception into behavioral loyalty.Third, this study contributes to the contextual enrichment of marketing theory within emerging financial markets, showing how microbanking institutions such as PT. BPR Ekadharma Bhinaraharja cultivate loyalty through trust, empathy, and social embeddedness. The findings bridge global consumer theory with local cultural dynamics, particularly the collectivist and trust-based values that underpin Indonesian business relationships (Liu & Lin, 2023). From a managerial standpoint, the findings yield actionable insights for banking practitioners and policy designers. Managers at BPR institutions should recognize that emotional value expressed through warmth, sincerity, and personalized engagement represents the cornerstone of customer satisfaction. Initiatives such as personalized greetings, emotional storytelling about financial empowerment, and staff empathy training can foster an emotional bond that transcends transactional relationships. The study shows that social belonging and symbolic association with the bank's image are vital drivers of repeat behavior. PT. BPR Ekadharma Bhinaraharja can leverage local community events, social campaigns, and cooperative programs that align the institution with customers' collective identity. Such strategies not only enhance social value but also embed the bank within the socio-cultural fabric of East Java's communities. Loyalty should be conceptualized as relational capital rather than reward dependency. Instead of monetary incentives, programs emphasizing acknowledgment, relationship continuity, and moral appreciation such as "Nasabah Setia Award" or community-based savings circles can reinforce long-term emotional connections. Integrating emotional analytics tools to measure customer sentiment and satisfaction in real-time could enable man gement to adapt their strategies dynamically. By combining qualitative customer stories with quantitative survey insights, the bank can personalize service experiences based on evolving emotional cues. In the era of financial technology, PT. BPR Ekadharma Bhinaraharja should develop digitally augmented yet human-centered services where technology facilitates convenience, but human empathy sustains trust and authenticity. This aligns with Sebastian-Morillas et al. (2024), emphasizing the synergy between digital convenience and emotional assurance in cultivating loyalty. Beyond managerial practices, this research underscores the cultural embeddedness of loyalty formation in Indonesia's relational economy. The emotional and social values uncovered in this study mirror the Indonesian ethos of "tepo seliro" (mutual respect) and "gotong royong" (collective solidarity). Unlike purely transactional models observed in Western economies, Indonesian customers evaluate value not only through monetary gains but also through sincerity, harmony, and social recognition. Consequently, BPR institutions serve as trust communities, where loyalty evolves from shared identity and emotional authenticity. This observation aligns with Hwang & Kim (2023), who found that collectivist orientations in Asian markets amplify emotional loyalty and reduce price sensitivity, particularly in relationship-driven services like banking. Despite its empirical robustness, the study acknowledges several limitations. First, the sample is limited to a single financial institution, PT. BPR Ekadharma Bhinaraharja, within East Java, which

may constrain the generalizability of findings across different regional or institutional settings. Future research could employ comparative analysis among various BPRs or extend the model to urban commercial banks. Second, the cross-sectional design restricts temporal causality inference. Subsequent studies could adopt longitudinal or experimental designs to examine how emotional and social value evolve over time and influence loyalty trajectories. Third, this research primarily relied on self-reported measures, which, although statistically reliable, are subject to perception bias. Future researchers may integrate qualitative interviews or ethnographic approaches to capture the deeper emotional narratives underlying loyalty behavior. Fourth, future works should incorporate technological moderators, such as digital service quality or fintech adoption, to understand how digital trust interacts with emotional value in modern banking. This would complement the evolving framework of Digital Relationship Marketing proposed by Nguyen et al. (2024). Lastly, future research should explore the influence of Islamic ethical principles such as amanah (trustworthiness) and ihsan (excellence in service) on emotional and social loyalty, particularly within BPRs that operate under sharia-inspired community norms.

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