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DRIVING CUSTOMER TRUST TROUGHT VALUE CREATION: THE STRATEGIC ROLES OF CRM, REPUTATION, AND CUSTOMER CHARACTERISTICS

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Abstract

This study examines the effects of customer characteristics, bank reputation, and Customer Relationship Management (CRM) on customer value creation and its implications for customer trust at PT Bank Sulselbar. A quantitative approach with a descriptive-verificative design was employed using survey data from 300 productive debtors selected through proportionate stratified random sampling. Data were analyzed using Structural Equation Modeling (SEM). The results show that customer characteristics, bank reputation, and CRM significantly influence customer value creation, jointly explaining 76.98%, with customer characteristics emerging as the strongest predictor. Customer value creation also has a strong and significant positive effect on customer trust. These findings emphasize the importance of enhancing customer value through a better understanding of customer characteristics, effective CRM, and a strong bank reputation to strengthen customer trust in regional banking.

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INTRODUCTION

The banking industry plays a strategic role in supporting Indonesia's economic growth, particularly within a bank-based economy, where the banking sector serves as the primary source of financial intermediation and business financing, in contrast to market-based systems that rely more heavily on capital markets (Levine, 2002; Demirgüç-Kunt & Levine, 2001). In Indonesia, banks function as financial intermediary institutions that mobilize public funds and channel them into productive investments through lending activities, thereby fostering economic development and improving societal welfare, as stipulated in Law Number 10 of 1998 concerning Banking. In performing this intermediary role, banks are expected not only to pursue profitability through productive assets, particularly credit, but also to maintain financial stability, liquidity, and prudent risk management to preserve public confidence and ensure the sustainability of the financial system (Rose & Hudgins, 2013; Mishkin, 2022). Productive credit disbursement represents one of the most important channels through which banks stimulate business expansion, employment creation, regional economic development, and overall economic growth (Beck et al., 2000; Levine, 2005).

Current banking regulations issued by Bank Indonesia and the Financial Services Authority (OJK) emphasize the strategic role of banks in supporting productive economic sectors and strengthening access to financing for Micro, Small, and Medium Enterprises (MSMEs). In addition, regulatory provisions concerning productive lending portfolios continue to encourage banks to allocate a significant proportion of their financing to productive sectors in accordance with their business classification and risk profile. These policies are intended to generate a multiplier effect that supports sustainable economic growth and regional economic development.

However, the implementation of these policies continues to face significant challenges, particularly in optimizing productive credit distribution in line with regional economic potential. South Sulawesi, one of the major economic hubs in Eastern Indonesia, has consistently recorded relatively strong economic growth, supported by the agriculture, manufacturing, trade, and infrastructure sectors. Despite this favorable economic environment, the expansion of productive credit has not always kept pace with regional development needs, indicating that strong macroeconomic performance alone is insufficient to ensure effective financial intermediation. This condition highlights the need to examine organizational and customer-related factors that influence the effectiveness of productive credit distribution, particularly in regional development banks. As the Regional Development Bank (BPD) of South Sulawesi and West Sulawesi, PT Bank Sulselbar plays a strategic role in supporting local economic development by financing productive sectors and micro, small, and medium enterprises (MSMEs). Nevertheless, the bank still faces challenges in strengthening its intermediation function, particularly in expanding productive lending while maintaining prudent risk management and public confidence. Previous relationship marketing studies consistently identify customer trust as a fundamental determinant of customers' willingness to establish and maintain long-term relationships with financial institutions (Robert M. Morgan & Shelby D. Hunt, 1994; Leonard L. Berry, 1995). Similarly, studies by Ellen Garbarino and Mark S. Johnson (1999), Nelson Oly Ndubisi (2007), and Deepak Sirdeshmukh et al. (2002) demonstrate that customer value creation, relationship marketing, corporate reputation, and customer characteristics significantly influence customer trust and subsequent behavioral decisions. However, in the context of regional development banks, evidence from practice indicates that perceptions of service quality, the complexity of credit procedures, and differences in customer characteristics continue to constrain productive credit utilization. These conditions suggest that the relationships among customer value creation, customer relationship marketing, bank reputation, customer characteristics, customer trust, and productive credit utilization remain insufficiently understood, particularly within regional banking institutions. Accordingly, this study aims to examine the effects of customer value creation, customer relationship marketing, bank reputation, and customer characteristics on customer trust and their implications for productive credit utilization at PT Bank Sulselbar. The findings are expected to enrich the literature on relationship marketing and trust in the banking sector while providing practical recommendations for strengthening customer trust and improving the effectiveness of productive credit distribution in regional development banks.

The conceptual framework of this study is grounded in several established theories that explain customer behavior and relationship development in the banking industry. The study primarily draws upon Relationship Marketing Theory (Morgan & Hunt, 1994), Signaling Theory (Spence, 1973), Customer Value Theory (Woodruff, 1997), and Consumer Behavior Theory (Kotler & Keller, 2016) as the theoretical foundations for explaining the relationships among the research variables. Consumer Behavior Theory provides the foundation for understanding customer characteristics, which encompass demographic, social, personal, and psychological factors that influence customer perceptions and decision-making processes. Signaling Theory explains how company reputation serves as a signal of credibility, reliability, and future performance, thereby reducing uncertainty in customers' evaluations of banking services. Customer Value Theory underpins customer value creation by emphasizing customers' assessment of the benefits received relative to the costs incurred. Furthermore, Relationship Marketing Theory explains how Customer Relationship Management (CRM) fosters long-term relationships and strengthens customer trust through continuous interaction and mutual commitment.

In the proposed research model, customer characteristics, company reputation, Customer Relationship Management (CRM), and customer value creation are positioned as independent variables, while customer trust serves as the dependent variable. Customer trust is considered the key outcome variable because it reflects customers' confidence in the bank's ability to provide reliable and beneficial financial services. Customer characteristics, including demographic, social, personal, and psychological aspects, have been shown to influence customer perceptions of service quality (Kotler & Armstrong, 2018; Christia & Ard, 2016). These perceptions subsequently contribute to the formation of company reputation, which is defined as the aggregation of stakeholders' assessments of an organization's credibility and long-term potential (Huang et al., 2014; S&D, 2011). Similarly, effective CRM practices and customer value creation are expected to strengthen customer trust by enhancing relationship quality, customer satisfaction, and perceived service benefits. Therefore, customer characteristics, company reputation, CRM, and customer value creation are conceptualized as important antecedents of customer trust in the banking sector.

The company's reputation further plays an important role in supporting the effectiveness of CRM implementation. A good reputation reflects a company's level of trustworthiness and credibility in the eyes of customers, which impacts the ease of building long-term relationships (Hall & Lee, 2014; Jin & Yeo, 2011). CRM itself is understood as the integration of people, processes, technology, and communication in strategically managing customer relationships (Tawinunt et al., 2015). A number of studies show that a strong company reputation enhances CRM effectiveness, while customer characteristics also influence how CRM strategies are implemented and accepted (Sivanandamoorthy, 2013). Recent studies further suggest that digital customer relationship management capabilities and personalized customer engagement significantly strengthen customer relationship quality and customer trust in the banking industry (Alzoubi et al., 2022; Khan et al., 2023). This indicates a simultaneous interrelationship among customer characteristics, company reputation, and CRM in creating effective customer relationships.

Furthermore, customer characteristics, company reputation, and CRM have significant contributions to customer value creation. Value creation is understood as a collaborative process that generates both functional and emotional benefits for customers (Porter, 2016; Best, 2013). Research shows that demographic characteristics and customer behavior influence participation in value co-creation (Bharti et al., 2014; Mahalakshmi et al., 2013), while company reputation and CRM have been shown to enhance customer value perceptions (Abd-El-Salam et al., 2013; Arham et al., 2020). Recent evidence also demonstrates that customer-centric strategies, relationship quality, and digital service experiences positively influence customer value creation and perceived value in financial service organizations (Islam et al., 2021; Nguyen et al., 2024). In addition, the value chain concept asserts that customer value is generated through a series of effective organizational activities (Kotler & Keller, 2016). Thus, the company's ability to understand customers, build a strong reputation, and manage customer relationships effectively is critical in creating superior customer value.

Customer value creation plays an important role in building customer trust because trust is largely shaped by customers' perceptions of the value they receive (Shrivastava, 2016). Previous studies consistently report a positive relationship between customer value creation and trust. Rahmani et al. (2017) found that customer value creation significantly enhances customer trust and loyalty, while Shulga et al. (2020), Asnawi and Setyaningsih (2021), Ahn and Back (2022), and Rather et al. (2023) also confirmed that value creation strengthens customer trust through ongoing interactions and relationship-building. However, other studies suggest that value creation alone may not be sufficient to build trust when customers perceive inconsistencies between promised and delivered value or experience poor service quality. These mixed findings indicate that the relationship between customer value creation and customer trust remains context-dependent, highlighting the need for further investigation in the banking sector.

Based on theoretical and empirical considerations, this study positions Customer Value Creation as a mediating variable explaining how Debtor Characteristics, Bank Reputation, and Customer Relationship Management (CRM) influence Customer Trust. This proposition is grounded in Customer Value Theory and Service-Dominant Logic (SDL**)**. Customer Value Theory argues that customer trust develops when customers perceive superior value from the products or services they receive, including economic benefits, service quality, convenience, and transparency. Meanwhile, Service-Dominant Logic emphasizes that value is not created solely by the firm but is co-created through continuous interactions and collaborative relationships between the bank and its customers. Accordingly, Debtor Characteristics, Bank Reputation, and CRM are expected to enhance customers' value perceptions through more relevant, credible, and relationship-oriented banking services, which subsequently strengthen customer trust. Based on this theoretical foundation, the study proposes three mediation pathways: (1) Debtor Characteristics → Customer Value Creation → Customer Trust; (2) Bank Reputation → Customer Value Creation → Customer Trust; and (3) CRM → Customer Value Creation → Customer Trust. This integrated framework provides a more comprehensive explanation of customer trust formation in the regional banking sector.

Although various studies have examined the relationships among customer characteristics, company reputation, customer relationship management (CRM), customer value creation, and customer trust, a significant research gap remains. Most previous studies have tended to examine these relationships separately, such as the influence of customer characteristics on service perceptions (Christia & Ard, 2016), the influence of company reputation on customer trust and loyalty (Yasin & Bozbay, 2017), or the relationship between CRM and customer value (Al Dalayeen, 2017; Arham et al., 2020). Furthermore, value co-creation research has predominantly been conducted in specific industries and developed countries (Bharti et al., 2014; Shrivastava, 2016), limiting its applicability to the regional banking sector in developing countries, particularly Regional Development Banks (BPDs). Moreover, limited studies have simultaneously integrated customer characteristics, company reputation, CRM, customer value creation, and customer trust within a single comprehensive framework in the context of regional banking institutions. This study addresses this gap by developing and empirically testing an integrated mediation model that explains how customer value creation serves as the underlying mechanism linking organizational and customer-related antecedents to customer trust in Regional Development Banks. Such an approach contributes to extending relationship marketing and value co-creation literature within the banking sector of emerging economies.

Based on these research gaps, this study offers theoretical, methodological, and contextual novelty. Theoretically, this study extends Relationship Marketing Theory and Customer Value Theory by positioning customer value creation as the key mechanism through which customer characteristics, company reputation, and customer relationship management (CRM) influence customer trust. Customer value creation is selected as the primary mediator because value perceptions are formed through interactions between customers and organizations, which subsequently shape customer trust. Methodologically, this study develops an integrative mediation model that simultaneously examines the direct and indirect effects of customer characteristics, company reputation, and CRM on customer trust through customer value creation. Specifically, the model tests three mediation pathways: Customer Characteristics → Customer Value Creation → Customer Trust; Company Reputation → Customer Value Creation → Customer Trust; and CRM → Customer Value Creation → Customer Trust. Contextually, this study contributes to the limited literature on Regional Development Banks (BPDs) by examining PT Bank Sulselbar, which has unique characteristics related to regional government ownership, local economic development, and MSME financing. Therefore, this study is expected to enrich the financial services marketing literature by providing a more comprehensive understanding of how customer trust is developed through a value-based approach in the regional banking sector.

METHOD

This study employed a quantitative approach with a descriptive and explanatory research design to examine the causal relationships among customer characteristics, bank reputation, Customer Relationship Management (CRM), customer value creation, and customer trust (Malhotra, 2019). A quantitative approach was adopted because it enables the objective measurement of latent constructs and the statistical testing of direct, indirect, and mediating relationships within a hypothesized causal model. Data were collected through structured questionnaires, supported by interviews and observations. The study population comprised 1,200 productive debtors of PT Bank Sulselbar, from which a sample of 300 respondents was determined using the Slovin formula and selected through proportionate stratified random sampling. The research model included three exogenous variables (customer characteristics, bank reputation, and CRM), one mediating variable (customer value creation), and one endogenous variable (customer trust), with all constructs measured using indicators adapted from established literature. Instrument quality was assessed through validity and reliability testing following the recommendations of DeVellis (2017). The proposed model was analyzed using covariance-based Structural Equation Modeling (CB-SEM), which is appropriate for theory testing and examining complex causal relationships among latent variables (Hair et al., 2022; Byrne, 2016; Kline, 2023). Model adequacy was evaluated using multiple goodness-of-fit indices, including Chi-square, RMSEA, CFI, TLI, and GFI, while hypothesis testing was conducted based on standardized path coefficients and statistical significance ($p < 0.05$) (Hair et al., 2022; Kline, 2023).

RESULTS

Validity Test of Debtor Characteristics based on the theoretical study of Debtor Characteristics, 4 (four) dimensions have been obtained which are used as 17 statements in the form of questionnaires given to 300 respondents to answer them. After checking the incoming questionnaire and calculating it by correlating the score of each statement item with the number of scores, the results can be seen in the following table.

Table 1. Results of the Validity Test of Debtor Characteristics

Variable	Question Items	r-count	R-Critical	Remarks
Characteristics of the Debtor	Item 1	0,571	0,300	Valid
	Item 2	0,639	0,300	Valid
	Item 3	0,644	0,300	Valid
	Item 4	0,652	0,300	Valid
	Item 5	0,630	0,300	Valid
	Item 6	0,306	0,300	Valid
	Item 7	0,414	0,300	Valid
	Item 8	0,522	0,300	Valid
	Item 9	0,521	0,300	Valid
	Item 10	0,474	0,300	Valid
	Item 11	0,711	0,300	Valid
	Item 12	0,709	0,300	Valid
	Item 13	0,657	0,300	Valid
	Item 14	0,645	0,300	Valid
	Item 15	0,619	0,300	Valid
	Item 16	0,686	0,300	Valid
	Item 17	0,685	0,300	Valid

Source: SPSS 26 (2023) data processing results

Based on Table 1the questionnaire on Debtor Characteristics consisting of 17 indicators with 4 dimensions was declared valid because the rcritical value was greater than the critical value of 0.300.

Based on the theoretical study of Bank Reputation, 3 (three) dimensions have been obtained which are used as 15 statements in the form of questionnaires given to 300 respondents to answer them. After checking the incoming questionnaire and calculating it by correlating the score of each statement item with the number of scores, the results can be seen in the following table.

Table 2. Results of the Bank Reputation Validity Test

Variable	Question Items	r-count	R-Critical	Remarks
Reputasi Bank	Item 1	0,630	0,300	Valid
	Item 2	0,544	0,300	Valid
	Item 3	0,641	0,300	Valid
	Item 4	0,598	0,300	Valid
	Item 5	0,631	0,300	Valid
	Item 6	0,495	0,300	Valid
	Item 7	0,497	0,300	Valid
	Item 8	0,503	0,300	Valid
	Item 9	0,522	0,300	Valid
	Item 10	0,570	0,300	Valid
	Item 11	0,718	0,300	Valid
	Item 12	0,672	0,300	Valid
	Item 13	0,728	0,300	Valid
	Item 14	0,698	0,300	Valid
	Item 15	0,658	0,300	Valid

Source: SPSS 26 (2023) Data Processing Results

Based on Table 2, the questionnaire on Bank Reputation consisting of 15 indicators with 3 dimensions is declared valid because the r critical value is greater than the rcritical value of 0.300.

Based on the theoretical study of Customer Relationship Management, 3 (three) dimensions have been obtained which are used as 15 statements in the form of questionnaires given to 300 respondents to answer them. After checking the incoming questionnaire and calculating it by correlating the score of each statement item with the number of scores, the results can be seen in the following table.

Table 3. Customer Relationship Management Validity Test Results

Variable	Question Items	r-count	R-Critical	Remarks
Customer Relationship Management	Item 1	0,609	0,300	Valid
	Item 2	0,533	0,300	Valid
	Item 3	0,658	0,300	Valid
	Item 4	0,670	0,300	Valid
	Item 5	0,729	0,300	Valid
	Item 6	0,591	0,300	Valid
	Item 7	0,497	0,300	Valid
	Item 8	0,566	0,300	Valid
	Item 9	0,532	0,300	Valid
	Item 10	0,574	0,300	Valid
	Item 11	0,669	0,300	Valid
	Item 12	0,653	0,300	Valid
	Item 13	0,594	0,300	Valid
	Item 14	0,651	0,300	Valid
	Item 15	0,613	0,300	Valid

Source: SPSS 26 (2023) Data Processing Results

Based on Table 3 the questionnaire on Customer Relationship Management consisting of 15 indicators with 3 dimensions is declared valid because the rcritical value is greater than the critical value of 0.300.

Based on the theoretical study of Customer Value Creation, 3 (three) dimensions have been obtained which are made into 15 statements in the form of questionnaires given to 300 respondents to answer them. After checking the incoming questionnaire and calculating it by correlating the score of each statement item with the number of scores, the results can be seen in the following table.

Table 4. Results of the Validity Test of Customer Value Creation

Variable	Question Items	r-count	R-Critical	Remarks
Customer Value Creation	Item 1	0,723	0,300	Valid
	Item 2	0,737	0,300	Valid
	Item 3	0,762	0,300	Valid
	Item 4	0,751	0,300	Valid
	Item 5	0,737	0,300	Valid
	Item 6	0,642	0,300	Valid
	Item 7	0,674	0,300	Valid
	Item 8	0,724	0,300	Valid
	Item 9	0,669	0,300	Valid
	Item 10	0,673	0,300	Valid
	Item 11	0,566	0,300	Valid
	Item 12	0,612	0,300	Valid
	Item 13	0,692	0,300	Valid
	Item 14	0,665	0,300	Valid
	Item 15	0,686	0,300	Valid

Source: SPSS 26 (2023) Data Processing Results

Based on Table 4. the questionnaire on Customer Value Creation consists of 15 indicators with 3 dimensions that are declared valid because the rcritical value is greater than the critical value of 0.300.

Based on the theoretical study of Customer Trust, 3 (three) dimensions have been obtained which are used as 15 statements in the form of questionnaires given to 300 respondents to answer them. After checking the incoming questionnaire and calculating it by correlating the score of each statement item with the number of scores, the results can be seen in the following table.

Table 5. Results of the Customer Trust Validity Test

Variable	Question Items	r-count	R-Critical	Remarks
Customer Trust	Item 1	0,678	0,300	Valid
	Item 2	0,669	0,300	Valid
	Item 3	0,666	0,300	Valid
	Item 4	0,726	0,300	Valid
	Item 5	0,679	0,300	Valid
	Item 6	0,693	0,300	Valid
	Item 7	0,696	0,300	Valid
	Item 8	0,692	0,300	Valid
	Item 9	0,731	0,300	Valid
	Item 10	0,679	0,300	Valid
	Item 11	0,626	0,300	Valid
	Item 12	0,620	0,300	Valid
	Item 13	0,634	0,300	Valid
	Item 14	0,548	0,300	Valid
	Item 15	0,543	0,300	Valid

Source: SPSS 26 (2023) Data Processing Results

After the validity test of the questions in the questionnaire used in this study was carried out, then a reliability test was carried out. Reliability is an index that shows the extent to which a measuring instrument is reliable or reliable. Reliability shows the consistency of the measuring tool in measuring the same symptoms. The reliability test was carried out with the help of SPSS 26 software.

Table 6. Variable Reliability Testing

Variable	r-count	r-table	Remarks
Characteristics of the Debtor	0,883	0,700	Reliabel
Reputasi Bank	0,752	0,700	Reliabel
Customer Relationship Management	0,752	0,700	Reliabel
Customer Value Creation	0,763	0,700	Reliabel
Customer Trust	0,759	0,700	Reliabel

Source: SPSS 26 (2023) Data Processing Results

Based on the results of the above reliability test, the reliability value for the reliability coefficient value of the research instrument is greater than 0.700 which means that all research variables are declared reliable or meet the requirements. Because the validity test and reliability test state that all variables are valid and reliable, it means that the instrument (questionnaire) used is valid and reliable.

After analysis of the research instruments and scaling analysis, the data that has been collected is then used to analyze and test the hypothesis test formulation based on *Structural Equation Modelling.* The results of the LISREL estimation, each dimension of the research, need to be explained further. This explanation is necessary because each variable is measured indirectly, but is formed by a number of indicators that need to be examined for their role to form these variables. For more details, it will be discussed in each hypothesis.

Structural model 1 describes the relationship between Debtor Characteristics, Bank Reputation and *Customer Relationship Management* on Customer Value Creation, which is stated in the following hypothesis: That Debtor Characteristics, Bank Reputation and Customer Relationship Management Affect Customer Value Creation both partially and simultaneously. Based on the results of data processing of the Lisrel program for structural model 1, in accordance with the hypothesis proposed, the following results were obtained:

$$\mathbf{Y = 0.4887*X1 + 0.2902*X2 + 0.3710*X3, Error\ var. = 0.2302, R^2 = 0.7698}$$
$$(0.1322) \quad (0.1238) \quad (0.1236) \qquad (0.06119)$$
$$3.6955 \quad 2.3443 \quad 3.0025 \qquad 2.9728$$

The standardized path coefficients indicate that, holding the other variables constant, a one-standard-deviation increase in Debtor Characteristics is associated with a 0.489 standard-deviation increase in Customer Value Creation. Similarly, a one-standard-deviation increase in Bank Reputation is associated with a 0.290 standard-deviation increase in Customer Value Creation, while a one-standard-deviation increase in Customer Relationship Management is associated with a 0.371 standard-deviation increase in Customer Value Creation.

Furthermore, the coefficient of determination ($R^2 = 0.7698$) indicates that Debtor Characteristics, Bank Reputation, and Customer Relationship Management jointly explain approximately 76.98% of the variance in Customer Value Creation, while the remaining 23.02% is attributable to other factors not included in the model. These findings provide empirical support for the proposed hypothesis that Debtor Characteristics, Bank Reputation, and Customer Relationship Management significantly contribute to Customer Value Creation.

To test the hypothesis, calculations are carried out using the following formula:

$$F = \frac{(300-1)0{,}7698}{3(1-0{,}7698)} = 329{,}8960$$

Based on the calculation, the Fcal value is 217.6899, where the rejection criterion H0 if Fcal is greater than Ftabel or F0> Ftable, with free degrees v1 = 2 and v2 = 300–3–1 and a confidence level of 95%, then from the distribution table F the Ftable value is obtained for F0.05,3,300 = 3.0263. Because 329.8960 is greater than 3.0263, H0 is rejected, meaning that it can be concluded that there is a linear relationship between Debtor Characteristics, Bank Reputation and Customer Relationship Management on Customer Value Creation, or it can be interpreted that there is a joint influence between Debtor Characteristics, Bank Reputation and Customer Relationship Management on Customer Value Creation.

The partial influence of the variable Debtor Characteristics (X1) on Customer Value Creation (Y) needs to be tested statistically, so the statistical hypothesis is as follows:

Table 7. Results of Partial Test of Debtor Characteristics on Customer Value Creation

Struktural	Path coefficient	t-count	T-Table	Conclusion
γ_1	0,4887	3,6955	1,9680	**H0 is rejected**, there is a significant influence of the Debtor's Characteristics on Customer Value Creation

Source: Data processing results

For the coefficient of line X1 to Y = 0.4887, a tcal value of 3.6955 is obtained by taking a significance level of α of 5%, then the value of ttable or t0.05.300 = 1.9680, so that because the calculation = 3.6955 is greater than the table = 1.9680, H0 is rejected or in other words the Debtor Characteristics affect the Customer Value Creation by 0.4887 so that every increase in the Debtor Characteristics will increase the Customer Value Creation by 0.4887 units.

The partial influence of the variable Bank Reputation (X2) on Customer Value Creation (Y) needs to be statistically tested, so the statistical hypothesis is as follows:

Table 8. Results of Partial Test of Bank Reputation on Customer Value Creation

Struktural	Path coefficient	t-count	T-Table	Conclusion
γ_2	0,2902	2,3443	1,9680	**H0 is rejected**, there is a significant influence of Bank Reputation on Customer Value Creation

Source: Data Processing Results (2023)

For the coefficient of the path X2 to Y = 0.2902, a tcal value of 2.3443 is obtained by taking a significance level of α of 5%, then the ttable value or $t0.05._{300}$ = 1.9680, so that because the calculation = 2.3443 is greater than the ttable = 1.9680, then H0 is rejected or in other words Bank Reputation affects the Customer Value Creation by 0.2902 so that every increase in Bank Reputation will increase Customer Value Creation by 0.2902 units.

The partial influence of the Customer Relationship Management variable (X3) on Customer Value Creation (Y) needs to be statistically tested, so the statistical hypothesis is as follows:

Table 9. Results of Customer Relationship Management Partial Test on Customer Value Creation

Struktural	Path coefficient	t-count	T-Table	Conclusion
γ_3	0,3710	3,0025	1,9680	**H0 is rejected**, there is a significant influence from *Customer Relationship Management* to Customer Value Creation

Source: Data Processing Results

For the coefficient of line X3 to Y = 0.3710, a calculated value of 3.0025 is obtained by taking a significance level of α of 5%, then the value of ttable or $t0.05_{.300}$ = 1.9680, so that because t count = 3.0025 is greater than ttable = 1.9680, H0 is rejected or in other words Customer Relationship Management affects Customer Value Creation by 0.3710 so that every increase in Customer Relationship Management will increase Customer Value Creation by 0.3710 unit.

Structural model 2 describes the relationship between Customer Value Creation and Customer Trust, which is stated in the following hypothesis: That Customer Value Creation Affects Customer Trust either partially or simultaneously. Based on the results of data processing of the Lisrel program for structural model 2, in accordance with the hypothesis proposed, the following results were obtained:

$$\mathbf{Z = 0.8928{*}Y,\ Errorvar.= 0.2029\ ,\ R^2 = 0.7971}$$
$$\begin{array}{cc} (0.05123) & (0.04110) \\ 17.4271 & 2.1106 \end{array}$$

Based on the above equation, it can be explained that the Customer Trust variable is positively influenced by Customer Value Creation with a path coefficient of 0.8928. For the coefficient of the Y to Z path of 0.8928, it means that if Customer Value Creation increases, Customer Trust will increase by 0.8928 units or Customer Value Creation contributes to an increase in Customer Trust by 0.8928 units. Thus the conceptual hypothesis proposed has been tested and acceptable.

DISCUSSION

The results indicate that Debtor Characteristics have a positive and significant effect on Customer Value Creation at PT Bank Sulselbar. The structural model produced a standardized path coefficient of β = 0.4887 with a t-value = 3.6955 ($p < 0.05$), confirming that the proposed hypothesis is supported. In addition, the total effect of Debtor Characteristics on Customer Value Creation reached 35.14%, representing the largest contribution among all antecedent variables. Compared with Bank Reputation (β = 0.2902) and Customer Relationship Management (β = 0.3710), Debtor Characteristics emerged as the most influential determinant of Customer Value Creation.

This finding suggests that customers' demographic, social, personal, and psychological characteristics strongly shape how they perceive the benefits and value offered by banking services. Customers whose financial needs, preferences, and expectations are well aligned with the bank's products and services are more likely to perceive greater functional, emotional, and relational value. This may explain why Debtor Characteristics exert a stronger influence than organizational factors such as Bank Reputation and CRM. While reputation and relationship management are developed by the bank, value is ultimately evaluated by customers through the lens of their own characteristics, needs, and experiences.

The findings are consistent with Customer Value Theory, which posits that customer value is created when organizations successfully deliver benefits that match customers' expectations and perceived sacrifices (Woodruff, 1997; Zeithaml, 1988). They also support the consumer behavior perspective of Kotler and Keller (2019), which emphasizes that individual customer characteristics significantly influence customers' evaluations of products and services. Furthermore, the results are consistent with previous studies by Darmadiansyah et al. (2019), who found that customer characteristics significantly affect the utilization of banking services, and Bharti et al. (2014), who demonstrated that customer characteristics influence customers' participation in value co-creation. Therefore, this study provides empirical evidence that, within the regional banking context, customer value creation is shaped primarily by how well banking services correspond to the characteristics and expectations of productive debtors, making Debtor Characteristics the most dominant antecedent of Customer Value Creation.

The results indicate that Debtor Characteristics have a positive and significant effect on Customer Value Creation at PT Bank Sulselbar. The structural model estimation shows a standardized path coefficient of β = 0.4887 with a t-value = 3.6955**,** which exceeds the critical value of 1.96 at the 5% significance level. Therefore, the hypothesis test indicates that H_0 is rejected and H_1 is accepted**,** confirming that Debtor Characteristics significantly influence Customer Value Creation. The total effect of Debtor Characteristics on Customer Value Creation is 0.3514 (35.14%)**,** representing the largest contribution among the independent variables included in the model. Compared with Bank Reputation (β = 0.2902) and Customer Relationship Management (β = 0.3710)**,** Debtor Characteristics demonstrate the strongest influence on Customer Value Creation, indicating that this variable is the most dominant predictor in the model. These findings suggest that customers' demographic, social, personal, and psychological characteristics play an important role in shaping their perceptions of the value generated by banking services. Customers with favorable characteristics are more likely to perceive greater functional and emotional benefits, thereby enhancing Customer Value Creation. The findings support the Customer Value Theory proposed by Porter (2016), which emphasizes that customer value is created when organizations effectively deliver benefits that are perceived as valuable by customers. The results are also consistent with the consumer behavior perspective of Kotler and Keller (2019), which highlights the importance of customer characteristics in influencing perceptions, evaluations, and decision-making processes. Furthermore, the findings are consistent with previous studies by Darmadiansyah et al. (2019), which found that customer characteristics significantly influence the utilization of banking services, and Bharti et al. (2014), who demonstrated that customer characteristics affect participation in value co-creation activities. Therefore, this study provides empirical evidence that Debtor Characteristics are a critical determinant of Customer Value Creation within the context of regional banking, particularly at PT Bank Sulselbar.

The results indicate that Bank Reputation has a positive and significant effect on Customer Value Creation at PT Bank Sulselbar. The structural model produced a standardized path coefficient of $\beta = 0.2902$ with a t-value = 2.3443 ($p < 0.05$), confirming that the proposed hypothesis is supported. The total effect of Bank Reputation on Customer Value Creation is 16.82%**.** Compared with Debtor Characteristics ($\beta = 0.4887$) and Customer Relationship Management ($\beta = 0.3710$), Bank Reputation demonstrates the smallest contribution to Customer Value Creation in the proposed model.

This finding suggests that although a favorable bank reputation contributes to customers' value perceptions, customers evaluate banking services primarily through their direct service experiences and interactions with the bank rather than through overall corporate reputation. In the banking sector, value is often formed through tangible service encounters, relationship quality, and the extent to which banking services meet customers' financial needs. Consequently, while reputation remains an important strategic asset, its influence on customer value appears to be less immediate than customers' personal characteristics and relationship experiences.

These findings are consistent with Jin and Yeo (2011), who argue that corporate reputation reflects customers' confidence in an organization's ability to deliver products and services that meet their expectations. Similarly, Huang et al. (2014) define reputation as customers' overall evaluation of an organization based on accumulated beliefs and experiences, while Fombrun (2010) emphasizes that reputation is built upon credibility, reliability, responsibility, and trustworthiness. The present findings also support previous empirical studies by Arham et al. (2020), who reported that corporate reputation positively influences customer value and loyalty, and Abd-El-Salam et al. (2014), who found that corporate reputation contributes significantly to customer satisfaction and loyalty in the banking industry. Therefore, this study provides additional empirical evidence that Bank Reputation remains an important antecedent of Customer Value Creation, although its influence is relatively weaker than Debtor Characteristics and Customer Relationship Management in the context of PT Bank Sulselbar.

The results indicate that Customer Relationship Management (CRM) has a positive and significant effect on Customer Value Creation at PT Bank Sulselbar. The structural model estimation shows a standardized path coefficient of $\beta = 0.3710$ with a t-value = 3.0025**,** exceeding the critical value of 1.96 at the 5% significance level. Therefore, the hypothesis testing results indicate that H_0 is rejected and H_1 is accepted**,** confirming that CRM significantly influences Customer Value Creation. The total effect of CRM on Customer Value Creation is 0.2502 (25.02%)**.** Compared with Debtor Characteristics (35.14%), CRM represents the second-largest contributor to Customer Value Creation, while its contribution is greater than that of Bank Reputation (16.82%). These findings suggest that effective CRM practices enhance customers' perceptions of value by improving communication quality, responsiveness, personalized services, and long-term relationship development. Customers who experience stronger relationship management are more likely to perceive both functional and emotional benefits from banking services, thereby increasing Customer Value Creation. The findings support the view of Uturyte-Vrubliauskiene and Linkevicius (2013), who define CRM as a business strategy focused on customer retention, loyalty enhancement, and customer information management. Similarly, Lovelock and Wirtz (2011) emphasize that CRM aims to develop meaningful and long-term relationships with customers. In the digital context, Choknumkij and Fongsuwan (2014) argue that Electronic Customer Relationship Management (E-CRM) improves customer service efficiency and strengthens organizational capabilities in managing customer interactions.

The findings are consistent with Arham et al. (2020), who reported that CRM has a positive and significant effect on customer value and customer loyalty. Likewise, Rababah, Mohd, and Ibrahim (2011) found that the successful implementation of CRM systems enhances organizational performance through improved customer relationship quality. Furthermore, Sivanandamoorthy (2013) found that demographic characteristics influence customer relationship marketing and customer value creation. These findings imply that CRM effectiveness may vary across customer segments, suggesting that customer characteristics play an important role in shaping how CRM initiatives contribute to value creation. This evidence reinforces the relationship between CRM practices and Customer Value Creation identified in the present study. The findings imply that PT Bank Sulselbar should strengthen its CRM initiatives by improving personalized communication, customer engagement, service responsiveness, and digital relationship management. Enhancing these aspects can increase perceived customer value and support the development of long-term customer relationships, ultimately contributing to greater customer trust and organizational performance.

The structural model demonstrates strong explanatory power in predicting Customer Value Creation, with an R^2 value of 0.7698, indicating that Debtor Characteristics, Bank Reputation, and Customer Relationship Management jointly explain approximately 76.98% of the variance in Customer Value Creation. According to the criteria proposed by Hair et al. (2022), this level of explanatory power reflects a substantial model, suggesting that the selected antecedent variables provide a comprehensive explanation of how customer value is formed in the context of regional banking. At the same time, the remaining unexplained variance indicates that additional factors, such as service quality, marketing strategy, digital banking experience, or relationship quality, may also contribute to customer value perceptions and warrant further investigation. Among the three antecedent variables, Debtor Characteristics emerged as the strongest determinant of Customer Value Creation, followed by Customer Relationship Management, while Bank Reputation exerted the weakest, albeit still significant, influence. This pattern suggests that customers primarily evaluate banking value based on how well banking products and services align with their individual needs, financial conditions, and expectations. Relationship management further strengthens these value perceptions by fostering continuous interactions and personalized services, whereas corporate reputation functions as a complementary factor that supports, rather than dominates, customers' value evaluations. These findings imply that, within the regional banking context, customer value is shaped more by customers' direct experiences and individual characteristics than by the bank's overall corporate image.

The findings indicate that Customer Value Creation has a positive and significant effect on Customer Trust at PT Bank Sulselbar. The structural model shows that Customer Value Creation explains approximately 79.71% of the variance in Customer Trust ($R^2 = 0.7971$), indicating that the model possesses substantial explanatory power. This result suggests that customers' trust is largely shaped by the value they perceive from the banking services they receive, making Customer Value Creation the strongest predictor of Customer Trust in the proposed model. The magnitude of this relationship highlights the distinctive nature of the banking industry, where trust is highly dependent on customers' evaluations of the benefits obtained through continuous service interactions. For productive debtors, value is reflected not only in competitive financing schemes but also in service quality, transaction security, transparency, responsiveness, and the bank's ability to support business development. Because banking services involve considerable financial risk and information asymmetry, customers tend to place greater trust in institutions that consistently deliver superior value. This may explain why the effect of Customer Value Creation on Customer Trust is particularly strong in the present study compared with many previous studies, where trust is often influenced by a broader range of organizational and environmental factors.

These findings are consistent with Customer Value Theory, which posits that customer trust develops when customers perceive that the benefits received exceed the sacrifices incurred (Zeithaml, 1988; Woodruff, 1997). The results also support Service-Dominant Logic, which argues that value is co-created through ongoing interactions between organizations and customers, thereby strengthening trust and long-term relationships. Empirically, the findings align with those of Rahmani et al. (2017), Shulga et al. (2020), and Asnawi and Setyaningsih (2021), who reported that customer value creation significantly enhances customer trust. However, the stronger relationship observed in this study suggests that, within the context of a regional development bank serving productive debtors, perceived value assumes a particularly central role because customers evaluate the bank primarily based on its ability to support their business sustainability and financial objectives. From a managerial perspective, these findings indicate that PT Bank Sulselbar should prioritize strategies that strengthen customer value creation through improved service quality, simplified credit procedures, greater transparency, responsive relationship management, and financial solutions tailored to productive debtors.

Enhancing customer value is expected to reinforce customer trust and support the development of sustainable long-term banking relationships.

CONCLUSION

The findings demonstrate that Debtor Characteristics, Bank Reputation, and Customer Relationship Management (CRM) jointly exert a significant influence on Customer Value Creation, with the structural model explaining a substantial proportion of its variance **(**R^2 = 0.7698**).** Among these antecedents, Debtor Characteristics emerged as the strongest predictor, followed by Customer Relationship Management and Bank Reputation. These results indicate that customer value is shaped not only by organizational factors but also by the extent to which banking services align with customers' characteristics, needs, and expectations. The study also confirms that Customer Value Creation has a strong and significant positive effect on Customer Trust**,** indicating that customers are more likely to trust the bank when they perceive superior value from the banking services provided. This finding reinforces the importance of delivering meaningful functional, relational, and economic value as a foundation for developing long-term customer trust in regional banking institutions. From a managerial perspective, PT Bank Sulselbar should prioritize strategies that enhance customer value through a deeper understanding of debtor characteristics, stronger customer relationship management practices, and continuous efforts to maintain a positive bank reputation. Such initiatives are expected to strengthen customer trust and support more sustainable relationships with productive debtors. This study is limited to productive debtors of PT Bank Sulselbar, which may restrict the generalizability of the findings to other banking contexts. Future research is encouraged to examine other regional development banks and incorporate additional variables, such as digital service quality, customer experience, financial literacy, or perceived risk, to provide a more comprehensive understanding of customer trust formation in the banking sector.

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