The Influence of Service Quality (SerQual) and Satisfaction On Customer Loyalty in Bandung Main Branch Office of Bank Pembangunan Daerah Jawa Barat and Banten

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Abstract

This study was conducted with the purpose of analyzing the effect of service quality and satisfaction on customer loyalty at Regional Development Bank West Java And Banten, Bandung Main Branch Office. The method used in this research is descriptive correlation method. Based on the results of the conducted research, it is known that service quality has a significant impact on customer loyalty. Based on the results of the partial hypothesis test, the t-value of X1 service quality is 3.621. Based on the results of the t-hypothesis test, which yielded a t-value of X2 customer satisfaction of 3.665, customer satisfaction has a significant influence on customer loyalty. Service quality and customer satisfaction together have a significant effect on customer loyalty based on the results of the hypothesis test, which was declared accepted simultaneously with the results of the F-test of 27.850 or with a sig value of $0.000 \leq 0.05$, indicating that service quality and customer satisfaction together have an effect on customer loyalty.

Keywords: Service Quality, Customer Satisfaction, Customer Loyalty

Introduction

The banking industry as a financial institution will always compete in order to gain the trust of the general public and entrepreneurs who have capital to channel their resources to parties in need (Nurfaizah & Parmitasari, 2015). Regional Development Bank West Java and Banten Bandung Main Branch Office, which is engaged in banking, one of which is a savings and loan business, is expected to become a trusted and leading savings and loan business guarantee organizing institution and is also expected to prioritize excellent service and provide optimal benefits for all customers. The motive of a company, including the Regional Development Bank West Java and Banten Bandung Main Branch Office, is to seek the widest possible profit in accordance with the predetermined target. To achieve

the company's goals is not easy. Various programs are offered by the bank to its customers to keep their funds in the bank in large quantities and for a long time. Besides that, through the programs offered, it is hoped that customers will not be influenced by offers from other banks; in other words, customers have high loyalty.

Based on the data obtained, customer loyalty at the Regional Development Bank West Java and Banten Bandung Main Branch Office. is assessed or indicated to be low. Symptoms or indications that indicate low customer loyalty can be seen from the index of not achieving customer targets in the last three years (Regional Development Bank West Java and Banten Bandung Main Branch Office, 2017).

Table 1 Target and Realization of Customer Achievement of Regional Development Bank West Java and Banten Bandung Main Branch Office in 2020-2022

Years	Target Customer (person)	Realization (person)	%
2020	750	325	43
2021	1.200	615	51
2022	2.100	1060	50

Source: Data, processed, 2023

The decline in customer loyalty of the Regional Development Bank West Java and Banten Bandung Main Branch Office, is due to the low quality of service and customer satisfaction with the bank, because basically, when a customer decides to store his excess funds in a particular bank, the customer certainly hopes to get a large profit, so the bank is expected to be able to provide value-added benefits compared to its competitors' banks.

Literature Review

a. Service Quality

Service quality is a measurement of how well an organization meets consumer expectations in providing its services (Hania & Maria, 2023). To increase customer satisfaction and loyalty, banks place a high priority on service quality. One element that can affect customer satisfaction is the quality of service offered to customers (Cahyono, 2016). The service provided must be in accordance with what is expected so that the customer feels satisfied; if the service provided is not in accordance with the wishes of the customer, the service quality is considered poor (Binowo et al., 2023). (Parasuraman et al., 1990), summarizes five main dimensions of service quality, among others:

1. Tangible assets, including physical facilities, equipment, people and communications.
2. Reliability, which is the ability to deliver the promised service promptly, accurately and satisfactorily.
3. Responsiveness, which is the willingness of employees to help customers and provide responsive service.
4. Assurance, which is the knowledge, skill, courtesy and trustworthiness of staff, free from danger, risk or doubt.
5. Empathy, which includes ease of relationship, good communication, personal attention and understanding of customer needs.

b. Customer Satisfaction

Customer satisfaction can be defined as a person's feeling of pleasure or disappointment from the comparison between the product purchased and their expectations (Sari et al., 2023). In general, customer satisfaction is considered the most important long-term goal for retail banks around the world (Lervik Olsen et al., 2014). Customer satisfaction is very important to maintain customer loyalty, so that customers remain loyal to buy products or services. Public satisfaction can be seen from how well the service is obtained and felt; the better the quality of service obtained, the better public satisfaction will be(Barusman & Virgawenda, 2019). (Kotler & Keller, 2009), define customer satisfaction as a top priority for every company or organization. According to (Juwandi, 2004), in measuring customer satisfaction, there are five indicators, namely:

1. Product quality: customers will feel satisfied if the products used are of good quality.
2. Price or cost: for sensitive customers, usually low prices are an important source of satisfaction because customers will get high value for money. Fulfillment of customer needs at any time. Customers will feel satisfied if they get services that are on time and applicable when needed.
3. Services or products in accordance with what is promoted; customers will feel satisfied (proud) if the products offered to them are in accordance with reality, or actual reality, not just false promises.

4. Convenience: customers will be more satisfied if it is relatively easy, convenient and efficient to get products or to use product services.

c. Customer loyalty

The definition of customer loyalty is the extent to which a consumer shows repeat purchasing behavior from a service provider, has a good attitude towards the service provider, and considers only using the service provider when there is a need for this service (Barusman & Virgawenda, 2019). Several previous researchers defined consumer loyalty as customer loyalty to a product or service, which is indicated by repeated purchase patterns (Barusman et al., 2020). If the product is unable to satisfy the customer, the customer will react in such a way that the customer stops buying the brand or product and expresses dissatisfaction directly to the company (Andreassen, 2008). According to (Swastha, 2009), the indicators for measuring customer loyalty are as follows:

1. Telling positive things about the product
2. Make continuous transactions
3. Using the product as the first choice
4. Recommend to others
5. Attitude to choose the product even if the cost increases
6. Attitude to choose products even though competing products appear
7. Never think about moving to another product
8. Happy to use the product.

Customer loyalty depends on customer perceptions of employee performance and service quality provided by the bank. If customers are satisfied with employee performance and service quality, in the future they will return. Even further, satisfied customers will convey their satisfaction to others, either in the form of stories (word of mouth) or by providing recommendations (Supriyanto et al., 2021).
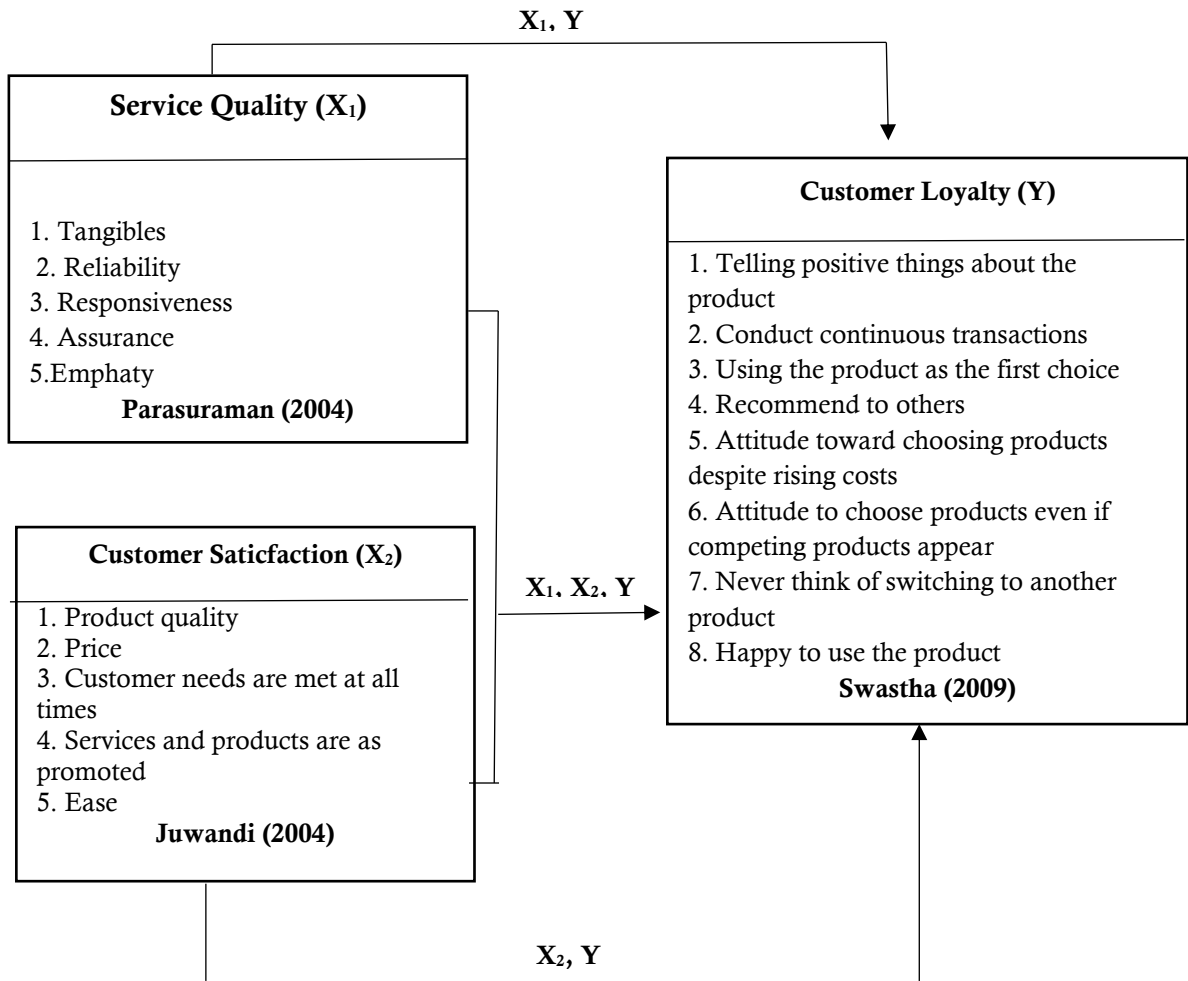
Framework

Figure 1 Framework

Hypothesis

Based on the framework in Figure 1, the hypotheses proposed in this study are:

1. Service quality has a positive effect on customer loyalty.

2. Satisfaction has a positive effect on loyalty.

3. Service quality and satisfaction together have a positive effect on customer loyalty.

Methode

The research method that will be used in this study is the descriptive-correlational method. The descriptive correlational research method is a method that explains two relationships between the independent variable (X) and the dependent variable (Y) as evidenced by the truth of the hypothesis (Hadi, 2010). This research aims to determine the effect and describe the phenomena that occur using numbers.

This study uses quantitative methods to analyze the effect of service quality and satisfaction on customer loyalty at the Regional Development Bank West Java and Banten Bandung Main Branch Office.

The population of this study was all customers of Regional Development Bank West Java and Banten Bandung Main Branch, which is a total of 1,060 people. The sampling technique used in this study was proportional random sampling with a sample size of 91 customers. The data collection technique used in this study was questionnaire. Analysis to test the correctness of the hypothesis partially used a t-test with the help of SPSS software program version 19.0, where if the sig value < 0.05, then the proposed hypothesis is accepted, Ho is rejected and Ha is accepted.

Table 2. Research Variable Measurement Matrix

Variable	Indicator	Statement count
Service Quality	1.Tangibles	1,2,3
	2. Reliability	4,5,6
	3. Responsiveness	7,8,9
	4. Assurance	10,11,12
	5. Empathy	13,14,15
Satisfaction	1. Product quality	1,2,3
	2. Price/cost	4,5,6
	3. Fulfillment of customer needs at all times at any time	7,8,9
	4. Services/products in accordance with what ispromoted	10,11,12
	5. Ease of	13,14,15
Loyalty Customer	1. Telling positive things about products	1,2
	2. Make continuous transactions	3,4
	3. Using the product as the first choice first choice	5,6
	4. Recommend to others	7,8
	5. Attitude to choose the product even if the cost increases	9,10
	6. The attitude of choosing a product even though a competing products	11,12
	7. Never think about switching to other products	13,14
	8. Happy to use the product	15,16

Source: Data processed, 2023

Result And Discussion

Validity Test

a. Service Quality Variable Validity Test Results

Table 3 Validity Test of Service Quality Variables
Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Item 1	47.23	10.737	.670	.659
Item 2	47.07	10.616	.508	.635
Item 3	47.23	10.737	.590	.659
Item 4	47.37	9.482	.545	.613
Item 5	45.13	11.292	.418	.668
Item 6	44.97	10.723	.465	.637
Item 7	45.17	10.695	.457	.637
Item 8	45.10	10.921	.380	.647
Item9	47.37	9.482	.545	.613
Item10	45.13	11.292	.318	.668
Item11	47.30	12.079	.549	.685
Item12	47.20	11.614	.675	.672
Item13	47.17	11.799	.485	.685
Item14	45.50	12.397	.416	.684
Item15	45.47	12.671	.436	.695

Source: Data processed, 2023

Based on the validity test results in Table 3, which can be seen from the corrected item-total correlation column. Looking at the corrected item-total correlation column and comparing all respondents' answers with the r-table at the 5% significant level with n = 30, the value of the r-table = 0.295, thus all statement items regarding service quality are declared as "valid" and can be used as a valid measurement instrument and can show a description of the service quality variable.

b. Customer Satisfaction Variable Validity Test Results

Table 4 Customer Satisfaction Validity Test
Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Item 1	48.57	17.082	.743	.894
Item 2	48.47	16.257	.814	.886
Item 3	48.43	15.978	.765	.888
Item 4	46.77	18.254	.6548	.898
Item 5	46.73	18.340	.644	.900
Item 6	46.77	18.254	.548	.898
Item 7	46.77	18.254	.548	.898
Item 8	46.90	16.369	.497	.905
Item9	46.77	18.116	.603	.897
Item10	47.00	17.379	.634	.904
Item11	48.57	17.082	.643	.894
Item12	48.47	16.257	.814	.886
Item13	48.43	15.978	.765	.888
Item14	46.77	18.254	.548	.898
Item15	46.73	19.340	.844	.900

Source: Data processed, 2023

Based on the validity test results in Table 4, which can be seen in the corrected item-total correlation column. Looking at the corrected item-total correlation column and comparing all the respondents' answers with the r-table at a significant level of 5% with n = 30, the value of the r-table = 0.295, thus all the statement items regarding service quality are declared as "valid" and can be used as a valid measurement tool and can give a picture of the customer satisfaction variable.

c. Customer Loyalty Variable Validity Test Results

Table 5 Loyalty Validity Test
Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Item 1	49.07	7.857	.525	.650
Item 2	49.17	7.937	.440	.646
Item 3	47.13	7.637	.473	.632
Item 4	46.93	7.237	.411	.622
Item 5	49.13	7.775	.305	.640
Item 6	47.10	6.714	.361	.630

Item 7	47.00	7.034	.437	.616
Item 8	47.10	7.128	.584	.604
Item9	47.20	8.097	.314	.651
Item10	47.23	6.875	.381	.624
Item11	49.00	8.138	.378	.669
Item12	48.90	8.231	.329	.678
Item13	48.87	7.844	.424	.669
Item14	47.20	7.959	.496	.643
Item15	47.17	8.144	.451	.657

Source: Data processed, 2023

Based on the validity test results in Table 5, which can be seen in the corrected item-total correlation column. When looking at the corrected item-total correlation column and comparing all respondents' answers with the r-table at the 5% significant level with n = 30, the value of the r-table = 0.295, thus all statement items about service quality are declared 'valid' and can be used as a valid measurement tool and can provide an overview of the customer loyalty variable.

Reliability test

Reliability is the sharpness (consistency) of the data collection tool or instrument in measuring what is measured. A reliable instrument means an instrument that, if used several times to measure the same object, will produce the same data (Hadi, 2010). The measuring instrument is said to be reliable if the alpha value obtained is > 0.60.

Table 6 Realiability Test Results X1, X2, and Y
Reliability Statistics

Variables	Cronbach's Alpha	N of items
Service Quality	.874	15
Customer Satisfaction	.902	15
Customer Loyalty	.859	15

Source: Data processed, 2023

According to the reliability test results in Table 5, the Cronbach's alpha value of the service quality variable (X1) is 0.874 0.60. It can therefore be said that the measurement tool used in this study is accurate. The customer satisfaction variable (X2) has a Cronbach's alpha value of 0.902 0.60. Therefore, it can be said that the measurement method used in this study is accurate. In addition, the customer loyalty variable (Y) has a

Cronbach alpha value of 0.859 0.60. It can therefore be said that the measurement tool used in this research is trustworthy.

Multiple Linear Regression Analysis
t-Statistic Test

Partial hypothesis testing (t test) is carried out to determine the effect of each independent variable on the dependent variable, if the sig value ≤ 0.05 then the proposed hypothesis is accepted.

Table 6 t-Statistic Test
Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.380	4.208		.328	.745
Service Quality	.478	.132	.441	3.621	**.001**
Customer Satisfaction	.494	.135	.447	3.665	**.000**

Source: Data processed, 2023

The t-count for the service quality variable is 3.621 with a significant level of 0.001 according to the hypothesis test in Table 6. Customer loyalty is influenced by service quality, but only to a very little extent (the likelihood or significance threshold is substantially lower than 0.05), Ha is welcomed whereas Ho is turned away. It follows that the first hypothesis, which states that "Service quality has a positive and significant effect on customer loyalty in Regional Development Bank West Java and Banten Bandung Main Branch," is true. Additionally, the satisfaction variable's t-count is 3.665 and its significance level is 0.000. Given that the likelihood or significance level is substantially lower than 0.05, The second hypothesis, "Satisfaction has a positive and significant effect on customer loyalty at Regional Development Bank West Java and Banten Bandung Main Branch," is accepted because Ho is rejected and Ha is approved.

F-Statistic Test

This Anova test (F test) is used to test how the independent variables as a whole affect the independent variable; if the sig value ≤ 0.05 then the proposed hypothesis is accepted.

Table 7 F-Statistic Test
ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	896.355	2	448.178	27.850	.000[a]
	Residual	595.420	87	16.092		
	Total	1491.775	89			

a. Predictors: (Constant), Customer Satisfaction, Service Quality

b. Dependent Variable: Customer Loyalty

Source: Data processed, 2023

The F-value is 27.850, with a significance level of 0.000, according to the test in Table 7. Customer loyalty is influenced by service quality and satisfaction together, as the probability or significance threshold is significantly lower than 0.05. Ha is welcomed while Ho is rejected. Therefore, the third hypothesis which states that "Service quality and satisfaction together have a positive and significant effect on customer loyalty in Regional Development Bank West Java and Banten Bandung Main Branch" is accepted.

Coefficient of Determination

Table 8 Test Results of the Coefficient of Determination
Model Summary

Model	R	R Square	Std. Error of the Estimate
1	.775[a]	.601	4.012

a. Predictors: (Constant), Satisfaction, Service quality

Source: Data processed, 2022

The magnitude of the impact of service quality and customer satisfaction on customer loyalty is 60.1%, according to the results of the coefficient of determination test in Table 8, and the remaining 39.9% is influenced by other factors that the authors do not examine, such as the level of income in the neighbourhood, the economic crisis, interest rates, and others.

Conclusion

Based on the results of the above research, the following conclusions can be drawn:

1. Service quality has a positive and significant effect on customer loyalty at the Regional Development Bank of West Java and Banten, Bandung Main Branch Office.

2. Satisfaction has a positive and significant effect on customer loyalty at the Regional Development Bank of West Java and Banten, Bandung Main Branch Office.

3. Service quality and satisfaction together have a positive and significant effect on customer loyalty at the Regional Development Bank of West Java and Banten, Bandung Main Branch Office.

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