

Customer Satisfaction as a Effective Strategy For Servqual Dimension To Increase Bank Customer Loyalty

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Abstract: This research purpose to know whether customer satisfaction becomes effective way for implementation of SERVQUAL dimension consist of tangibles, responsiveness, reliability, assurance and empathy done by PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende in order to increase customer loyalty. This type of research is explanatory research using quantitative approach and causality design. Population in this research is customer saving and loan. The sample was taken using purposive random sampling technique and calculated using Slovin formula amounted to 176 people. Data collection techniques using questionnaires. Data analysis techniques used descriptive analysis techniques and multiple linear analysis. The results show that SERVQUAL dimension has not been able to create customer loyalty directly because must be mediated by customer satisfaction, so customer satisfaction becomes an effective strategy for the implementation of SERVQUAL dimensions conducted by PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende in order to increase customer loyalty.

Keywords: SERVQUAL Dimension, Customer Satisfaction, Customer Loyalty

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I. Introduction

Bank Rakyat Indonesia is one of the largest state-owned banks with a vision to become a leading commercial bank that always prioritizes customer satisfaction. In general, in addition to fund raising and fund disbursement activities, banks also provide services to support customer business activities. Customer is the greatest asset to be maintained by the company. That is why, companies must make various efforts to keep customers loyal or loyal to the company and do not switch to another bank. Customer loyalty begins with the customer's assessment of the quality of the goods or services received based on the conceptualized expectations in the customer's mind (Griffin, 2002). Therefore, PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende must quickly respond to the situation by providing the best service quality to customers so that PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende is able to face competition in the banking world is very competitive. It is said to be competitive because there is a year-end target to be achieved by each bank.

Competition in the banking world can be observed in one district in the province of East Nusa Tenggara that is Ende district. The development of the number of banks in Ende district currently indicates that there has been a new phenomenon called 3S that is the sudden movement of customers (*sudden shift*) from one bank to another bank is surprising (*surprise*) because it is very fast (*speed*) (Kasali, 2015). In addition to the phenomenon, researchers found a journal related to this study but have different results that Jamal and Anastasiadou (2009) found that SERVQUAL dimension does not directly affect customer loyalty, while Fatona (2010) found that SERVQUAL dimension directly affects customer loyalty bank BPR-BKK Karangmalang Sragen. This research is important because this research is actual means that this research has quality problem that is being felt by many customers in PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende. This research is interesting because currently the behavior of customers of PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende is not easy to predict meaning that existing customers have tendency to open new account in some banks, besides it is caused by *perceived service alternatives* that is customer perception toward level of service of other similar company (Zeithaml, 1993). Therefore for PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende can understand customer behavior well, so needed a research. That is why researchers are interested to examine about how the SERVQUAL dimension analysis to loyalty through customer satisfaction at PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende?

This study aims to determine whether customer satisfaction becomes an effective way for the implementation of SERVQUAL dimensions consisting of *tangibles*, *reliability*, *responsiveness*, *assurance* and *empathy* which is conducted by PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende in order to increase customer loyalty.

II. Literature Review

According to Griffin (2002) loyalty is a manifestation of the behavior of the decision-making units to make a continuous repurchase of goods or services selected. Customer loyalty indicators include : re-purchase, immunity from competitors, purchases outside product lines and product recommendations.

According to Kotler and Keller (2007) customer satisfaction is the feeling of pleasure or disappointment of someone who emerged after comparing the performance or expected product results to perceived performance. Indicator of customer satisfaction: service as expected and service exceed expectations.

According to Parasuraman, et al (1988) tangibles are things that appear or can be seen directly by the customer as measured by using indicators: equipment used, waiting room, office facilities, employee appearance and parking space.

According to Parasuraman, et al (1988) reliability is the company's ability to provide accurate and reliable service, measured using indicators: service standards, teller's accuracy, interest rates, transaction convenience and service consistency.

According to Parasuraman, et al (1988) responsiveness is the willingness and ability of employees to help customers, then provide services accurately, measured using indicators: immediate service, speed of service, customer service capabilities, accuracy of responses and clarity of answers.

According to Parasuraman, et al (1988) assurance is the behavior of employees who are able to foster trust and sense of security for customers, which is measured using indicators: confidentiality guarantee, sense of security, frontoffice skills, frontoffice friendliness and clarity of loan information.

According to Parasuraman, et al (1988) empathy is the personal attention the company provides to its customers, which is measured using indicators: personal attention, praising customers, understanding customers, interpersonal skills and tolerance.

III. Methodology

This research was conducted at PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende for 2 weeks from January 4, 2018 to January 17, 2018. This research type is explanatory research using quantitative approach and causality design. The type of data in this study is quantitative data. Sources of data in this study is the primary data that is questionnaire. Data collection techniques used are questionnaires.

Population in this research are customer saving and customer loan PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende. Target population in this study was determined based on criteria: 1). customers who have account code 0024, 2). have savings type of BritAma, 3). have savings of Rp 100,000,000, -, 4). has been using services for approximately 5 years.

Based on the criteria set, the target population in this study amounted to 314 people. The sampling technique used is purposive random sampling. The sample in this study was taken using Slovin formula amounted to 176 people.

Data analysis techniques used are descriptive analysis and multiple linear regression analysis.

IV. Results and Discussion

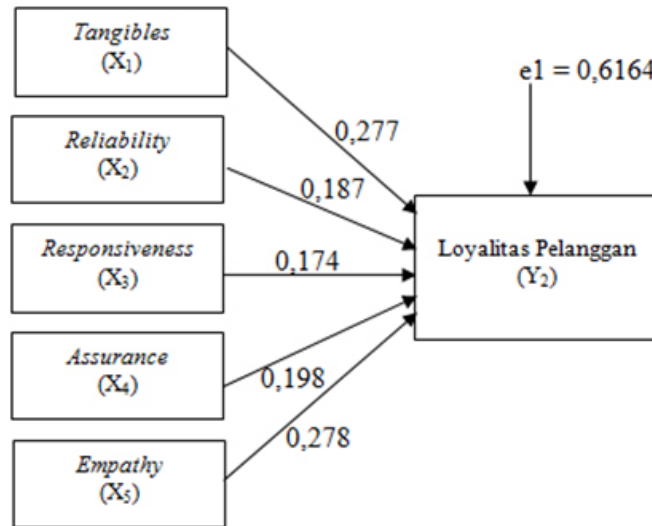
At this stage is done the calculation of direct influence and indirect influence of regression model, as for explanation as follows :

1)Referring to the SPSS output in the Coefficients table, it can be said that the significance value of tangibles, reliability, responsiveness, assurance and empathy variables and customer satisfaction = 0,000 < 0.05. These results give the conclusion that SERVQUAL dimension consist of tangibles, reliability, responsiveness, assurance and empathy, and customer satisfaction variable significantly influence customer loyalty.

2)Direct influence of SERVQUAL dimension to customer loyalty of PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende is as follows : tangibles = 0.277, reliability = 0.187, responsiveness = 0.174, assurance = 0.198 and empathy = 0.278.

3)The amount of Adjusted R Square contained in the Model Summary of the second regression model is 0.620. This shows that the contribution of tangibles, reliability, responsiveness, assurance and empathy to customer loyalty is 62% while the remaining 38% is the contribution of other variables not included in this research.

Meanwhile, for the value of e1 can be searched with the formula $e1 = \sqrt{(1-0,620)} = 0,6164$. Thus obtained the path diagram regression model I as follows :

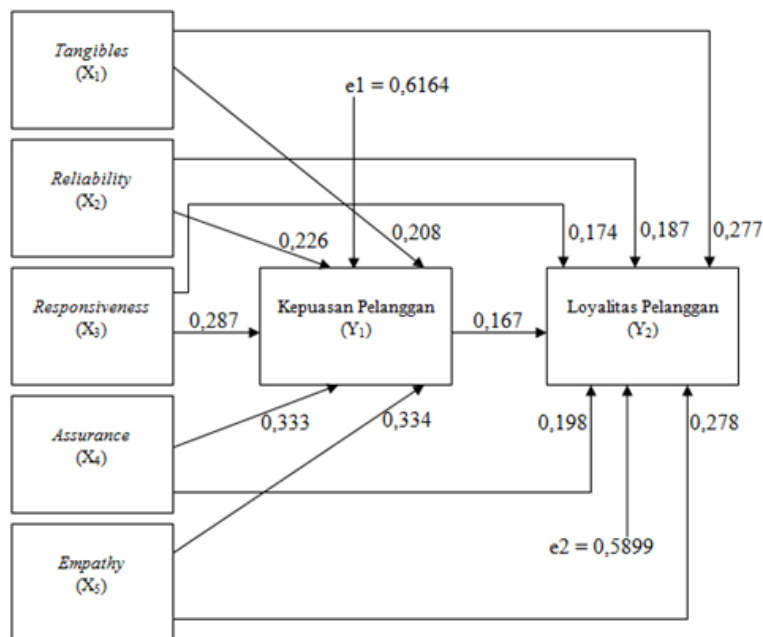


Source: Primary Data Processed, 2018

4)The indirect influence of SERVQUAL dimension to customer loyalty of PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende is as follows : tangibles = $0.208 \times 0.167 = 0.034$, reliability = $0.226 \times 0.167 = 0.037$, responsiveness = $0.287 \times 0.167 = 0.047$, assurance = $0.333 \times 0.167 = 0.055$ and empathy = $0.334 \times 0.167 = 0.056$.

5)The total impact of tangibles to customer loyalty is $= 0.277 + 0.034 = 0.311$. Total influence given reliability to customer loyalty is $= 0,187 + 0,037 = 0,224$. The total impact of responsiveness to customer loyalty is $= 0.174 + 0.047 = 0.221$. Total influence given assurance to customer loyalty is $= 0,198 + 0,055 = 0,253$. The total influence of empathy to customer loyalty is $= 0,278 + 0,056 = 0,334$. These results indicate that the effect of total > direct influence of tangibles, reliability, responsiveness, assurance and empathy to customer loyalty. This shows that customer satisfaction becomes intervening variable in the influence of SERVQUAL dimension to customer loyalty of PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende.

6)The amount of Adjusted R Square contained in the Model Summary model of the fourth model regression is 0.652. This shows that the contribution of tangibles, reliability, responsiveness, assurance, empathy and customer satisfaction to customer loyalty is 65.2% while the remaining 34.8% is the contribution of other variables not included in this research. Meanwhile for the value of e2 can be searched with the formula $e2 = \sqrt{(1 - 0,652)} = 0,5899$. Thus obtained the path diagram of regression model II as follows :



Source: Primary Data Processed, 2018

Discussion of Research

In this study found that SERVQUAL dimension has no direct effect on customer loyalty because customer satisfaction is able to mediate the influence of SERVQUAL dimension to customer loyalty so customer satisfaction becomes effective way for implementation of SERVQUAL dimension done by PT. Bank Rakyat Indonesia (Persero) Tbk Ende Branch in order to increase customer loyalty. This shows that customer satisfaction is the initial stage of attitude for the formation of customer behavior or loyalty. Empathy has a dominant effect on customer loyalty because for customers in Ende District, the first relative importance level considered is personal attention, praise, customer understanding, well-connected relationships and tolerance. After that new customers consider things about the equipment used, waiting room, office facilities, employee appearance and parking spaces that are part of tangibles. Then the customer will consider matters concerning the guarantee of confidentiality, security, frontoffice skills, frontoffice friendliness and clarity of loan information that is part of assurance. The next consideration is about the standard of service, the accuracy of teller, interest rate, ease of transaction and service consistency as part of reliability. The last new customer considers responsiveness consisting of immediate serving, speed of service, customer service capability, promptness of response and clarity of answers. In this study, SERVQUAL dimensions that affect loyalty through customer satisfaction sequence becomes: 1). empathy, 2). tangibles, 3). assurance, 4). reliability and 5). responsiveness.

The results of this study support previous research conducted by Jamal and Anastasiadou (2009), Likumahua (2011) and Dewi, et al (2014) stating that SERVQUAL dimensions have no direct effect on customer loyalty. The results of this study are also in accordance with the opinion of Griffin (2002) which states that satisfied customers will re-buy regularly, buy outside the product or service line, refer to others and show immunity to the pull of competitors. The results of this study also in accordance with the opinion Tjiptono (2001) stating that customer loyalty is influenced by the ability of service quality provided by service companies, because according to Lupiyoadi (2006) if the quality of service is noticed then customer loyalty will be more easily obtained.

V. Conclusions and Suggestions

Conclusions

- 1)SERVQUAL dimension can increase customer satisfaction of PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende which means that the better the empathy, tangibles, assurance, reliability and responsiveness given by PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende, then the customer satisfaction will increase.
- 2)Customer satisfaction becomes an effective way for the implementation of SERVQUAL dimension done by PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende in order to increase customer loyalty.

Suggestion

- 1)PT. Bank Rakyat Indonesia (Persero) Tbk Cabang Ende must continue to increase the SERVQUAL dimension in order to be able to maintain and increase the number of loyal customers by extending the parking lot, considering the interest rate offered, paying attention to task specification and service standard teller, in the waiting room and call the customer's name, especially when the teller is serving the customer.
- 2)This research can be developed again by further researchers by using other variables that are not found in this study for example using customer relationship marketing variable, corporate image, customer experience, service delivery and complaint handling as exogenous variables or independent variables, using trust variables as intervening variables and customer retention variables as endogenous or dependent variable. In addition, for further research is expected to use the population, samples, sampling techniques and analysis techniques that are different from this research.

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