

The Influence Of Islamic Financial Literacy, System Quality And Service Quality On Loyalty With Customer Satisfaction As A Mediator At PT Bank Syariah Indonesia Tbk In Jember

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Abstract : *In this digital transformation 5.0 era, the government through the Ministry of SOEs is innovating by merging several banking companies. The Ministry of BUMN has a vision and mission to advance Islamic banking in Indonesia so that the wheels of the economy and literacy related to Islamic banking become more evenly distributed. Customer loyalty is the most important component for the sustainability of the company so that the corporate banking strategy must be implemented properly through the components of Islamic financial literacy, system quality and service quality which are mediated by customer satisfaction at PT Bank Syariah Indonesia Tbk in Jember. However, several things do not show the success and strength of customer loyalty. PT Bank Syariah Indonesia Tbk in Jember tries to measure customer satisfaction as an intervention. Determining this strategy can increase customer loyalty to PT Bank Syariah Indonesia Tbk in Jember, which will be higher than other Islamic banking products on the market. It is hoped that the current strength of customer loyalty can be used by the company PT Bank Syariah Indonesia Tbk in Jember as a tool to win the banking business competition in Indonesia.*

Keywords: *Islamic Financial Literacy, System Quality, Service Quality, Satisfaction, Loyalty*

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I. Introduction

In this digital transformation 5.0 era, the government through the Ministry of SOEs is innovating by merging the mega-banks of Himbara Bank's subsidiaries, namely BRI Syariah, Mandiri Syariah and BNI Syariah to become BSI (Bank Syariah Indonesia). The Ministry of BUMN has a vision and mission to advance Islamic banking in Indonesia, so that the wheels of the economy and literacy related to Islamic banking become more evenly distributed. This is because the market share of Islamic banking in Indonesia is still 6.40% compared to Islamic banking (Financial Services Authority, 2020). The implementation of this system unification is called the BSI single system which will be implemented on November 1st, 2021.

BSI (Bank Syariah Indonesia) was founded and inaugurated by President Jokowi on February 1st 2021, this banking has a vision, namely the top 10 global Islamic banks and become the top 10 in terms of market capitalization in the next 5 years globally. So that BSI carried out several transformations, that is improving the quality of the e-channel system, such as ATM machines, BSI Mobile and BSI Net Banking in order to improve service quality in line with digital transformation. The e-channel system at Bank Syariah Indonesia is improved continuously and perfected by adding several facilities that can meet the needs of the community.

The empirical phenomenon in this study is that after the merger, Bank Syariah Indonesia have provided maximum service to customers with existing risks. The company's goals for business are obtained by making customers or members feel satisfied. Companies must cooperate with various parties, they are internal and external to meet needs so as to create satisfaction. Excellent service provided during the migration process was carried out by all ex legacy Mandiri Syariah, BNI Syariah and BRI Syariah branch offices. Jember is one of the areas under the coordination of Regional Office 8 Surabaya. The Jember area has 7 branch offices and sub-branch offices operating to serve customers spread across several districts. The branch offices located in the Jember area all carry out ultimate service to maintain customer satisfaction and loyalty from each ex-legacy.

II. Literature Review

The National Strategy for Inclusive Finance (SNKI) is implemented with a number of financial actions. One of the actions that also serves as Pillar I of SNKI is financial education. This financial education is intended to increase public financial literacy, so that they are ready to access various available formal financial services. Financial literacy is the level of public knowledge and awareness regarding formal financial institutions, financial products and services. Included here are the features, benefits and risks, costs, as well as the rights and obligations of these financial products and services. With adequate financial literacy, people's skills in financial planning and management can also increase.

System quality means the quality of the combination of hardware and software in an information system. The focus is performance and the system, which refers to how well the capabilities of hardware, software, policies, procedures, from information systems can provide information needed by users (DeLone and McLean, 1992), Seddon (1997) suggested that system quality is related to the presence of bugs. in the system, user interface consistency, ease of use, quality of documentation, quality and program code to be maintained

Services according to Kotler & Keller (2019: 213) is a Service any Act or performance that party can offer to another that is essentially intangible and does not result in the ownership of anything, its production may or may not be to a physical products. From this definition, service is any action or activity that can be offered by one party to another, which is basically intangible and does not result in the ownership of anything. Production can be linked or not linked to one physical product.

Service quality can be defined as: The extent of discrepancy between customers expectations or desires and their perceptions. From this statement, the quality of service that is received by consumers is expressed in the magnitude of the difference between the expectations or desires of consumers and their level of perception. Good service quality needs to foster close relationships between companies/producers and consumers who use their services so they can adjust the results of services to consumer perceptions. (Laksana, 2008:55)

Consumer satisfaction according to Kotler & Keller in his book explains that satisfaction is a person's feeling of satisfaction or disappointment resulting from a comparison of product performance or results with expectations, if in reality it is less than expectations then the customer or consumer will be disappointed whereas if in reality it matches expectations then the consumer feels satisfied (2016: 153).

Every company has ideal to have loyal customers, but few of them who knows that consumer loyalty is formed through several stages, starting from looking for some potential customers until forming customer advocates that will bring benefits to the company. According to Tjiptono (2016: 110) said that consumer loyalty is a customer commitment to a brand, store or supplier based on very positive traits in long-term purchases.

III. Conceptual Model

The conceptual framework of this study aims to determine the relationship between the independent variables of Islamic financial literacy, system quality, service quality, intervening variables, namely customer satisfaction, and the dependent variable customer loyalty. So, based on the background description above which explains the effect of Islamic financial literacy, system quality, service quality on customer loyalty through satisfaction, the conceptual framework of this research can be described as in the following figure:

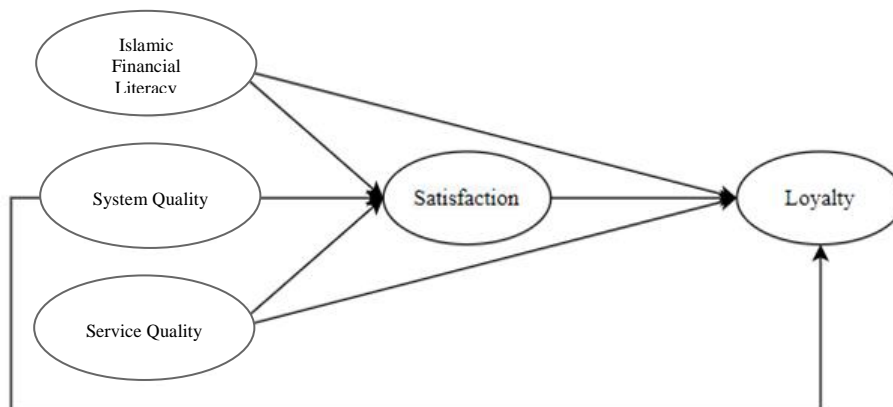


Figure 1. Conceptual Framework

HYPOTHESIS

The Influence of Islamic Financial Literacy on Customer Satisfaction

Research Ganesan, et al. (2020), factors that drive customer intentions to learn about Islamic banking by looking at several elements, they are attitudes, subjective norms and perceptions of literacy. The results showed that all of these elements have a significant and positive effect on customer intentions to learn about

Islamic banking. The findings of this study indicate that Islamic banking customers are satisfied to learn about Islamic banking information that is motivated by their own desires. Research Sobari, et al. (2019), there is an influence of literacy or religious commitment that strengthens customer satisfaction. Another study by Wijanarko, et al. (2020), Zaman, et al. (2017) and Amin and Isa (2018) stated that consumer literacy or knowledge of religion and sharia has an effect on satisfaction.

H1: There is an influence of Islamic financial literacy on customer satisfaction at PT Bank Syariah Indonesia Tbk Jember Area.

The influence of System Quality on Customer Satisfaction Research by Rinaldi and Santoso (2018) system quality is an influential factor in determining customer satisfaction at Traveloka companies. The quality of the system has a positive and significant effect on customer satisfaction, this shows that the better the quality of the system provided, the higher the customer satisfaction, and vice versa. Tulodo and Solichin's research (2019) system quality is one part of the measurement in determining the success of an information system that can provide information according to customer needs, but in this study system quality has no significant effect on user satisfaction in the Care application on the performance of employees of PT Malacca insurance. Research by Phuong and Trang (2018) in their research related to the effect of system quality on customer satisfaction in M-Commerce in Vietnam states that system quality has a positive and significant influence on customer satisfaction. H2: There is an influence of system quality on customer satisfaction at PT Bank Syariah Indonesia Tbk Jember Area.

The influence of Service Quality on Customer Satisfaction Yulisetiari's research, et al. (2022) showed that good service will exceed customer expectations so that the better it will further increase customer satisfaction. Research by Abror et al. (2019) explained that in managing a service business, customer satisfaction is an important factor for the company. Customer satisfaction is also related to the level of customer pleasure in fulfilling consumption if the level of fulfillment of consumption obtained is pleasant compared to expectations and perceived service quality. This study shows that there is a significant influence of service quality on customer satisfaction. Another study by Fida et al. (2020), Rinaldi and Santoso (2018) and Ozkan et al. (2019) stated that service quality affects satisfaction

H3: There is an influence of service quality on customer satisfaction at PT Bank Syariah Indonesia Tbk Jember Area

The Influence of Islamic Financial Literacy on Customer Loyalty Research Vlastic et al. (2022) Generation Z is a growing group of consumers in the banking industry today, to achieve banking success one must understand their behavior. The results of the study show that the level of financial literacy can affect loyalty to banking products. The more consumer groups understand financial literacy, the higher customer feedback and customers feel satisfied and can recommend to others. This shows that a high level of financial literacy can create customer loyalty. In this study it was also conveyed that it was necessary to group consumers according to their level of literacy, ranging from low to high so that companies could provide appropriate treatment and provide more financial education so that company goals could be achieved. Wibowo's research (2020) showed that the higher the level of financial literacy a person is unable or able to influence loyalty. This is because there is an inter-community mindset in various regions towards the proper distribution of their finances. The number of financial products is increasing along with the increasing needs of the general public so that the public must also know about these products. But not all regional groups have the same knowledge services. The level of public literacy can be influenced by other factors such as low product knowledge, low level of public trust and low awareness of financial risks.

H4: There is an influence of Islamic financial literacy on customer loyalty of PT Bank Syariah Indonesia Tbk Jember Area.

H8: There is an influence of Islamic financial literacy on loyalty through customer satisfaction of PT Bank Syariah Indonesia Tbk Jember Area customers.

The influence of System Quality on Customer Loyalty Putri and Pujani's research (2019) system quality can be defined as a website whose performance can be felt by consumers through the absorption and delivery of information. System quality is the level of perceived satisfaction with the technical and functional performance of a website. With a good and up-to-date quality system, the Shopee company can create customer satisfaction and make customers loyal so that they repeat their transactions using the Shopee application. This research shows that system quality has a positive and significant influence on loyalty. Research by Ginting and Setiawan (2018) Public enthusiasm for an application is currently increasing. This research shows that the existence of a Snapchat application system that provides various tools for users can provide satisfaction so that Snapchat users become dependent and loyal to the application. This study shows that the quality of the system has a positive and significant influence on loyalty through customer satisfaction.

H5: There is an influence of system quality on customer loyalty in PT Bank Syariah Indonesia Tbk Jember Area.

H9: There is an influence of system quality on loyalty through customer satisfaction at PT Bank Syariah Indonesia Tbk Jember Area.

The Influence of Service Quality on Customer Loyalty. Gong and Yi's research (2018) looked at the overall value of service quality measurements in five Asian countries, namely China, Hong Kong, Japan, South Korea and Singapore. The purpose of this research is to see whether service quality can be conceptualized in the same way in the five countries. The findings from this study indicate that overall service quality has a positive influence on customer satisfaction and in turn leads to customer loyalty. The findings show that customer welfare or happiness results from good service quality, this is what makes customers loyal. Research Ozkan et al. (2019) showed that service quality and customer satisfaction have a direct influence on perceived value. Another study by Abed et al. (2019), Ningrum et al. (2022) and Rinaldi et al. (2018).

H6: There is an influence of service quality on customer loyalty in PT Bank Syariah Indonesia Tbk Jember Area.

H10: There is an influence of service quality on loyalty through customer satisfaction at PT Bank Syariah Indonesia Tbk Jember Area.

The Influence of Customer Satisfaction on Customer Loyalty Research Octavia (2019) customer satisfaction has a positive and significant influence on customer loyalty of PT Bank Index Lampung. This is obtained from the existence of excellent and maximum service to customers so that customers are satisfied and get services that match expectations. This is in accordance with research from Aziz and Putra (2019), Ningrum et al. (2022) and Yuliasetiarini et al. (2022).

H7: There is an influence of customer satisfaction on customer loyalty in PT Bank Syariah Indonesia Tbk Jember Area.

IV. Conclusion

The intense competition of the banking industry in Indonesia means that companies must be more competitive in presenting products that meet customer expectations. One of the changes that occurred in the fierce competition era was the decline in customer loyalty. The advantages of Islamic financial literacy, system quality, service quality have had such a big impact on change. The development of service quality also influences customer loyalty in PT Bank Syariah Indonesia Tbk Area Jember, this shows that the concept of customer loyalty has become a necessity to show the performance of the corporate entity or organization. Strategic planning and complex utilization are needed within the company as a solution to face uncertain changes that occur in the fierce competition era.

In the fierce competition era, PT Bank Syariah Indonesia Tbk Jember Area requires an effective and efficient product sales strategy concept. With increasingly fierce competition, the concept of product sales strategy is the main subject in overcoming threats and opportunities. For this reason, it is necessary to conduct further research to determine the effect of Islamic financial literacy, system quality, service quality on customer loyalty through customer satisfaction at PT Bank Syariah Indonesia Tbk Jember Area.

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