The Influence of Quality of Service and Customer Satisfaction With Customer Loyalty at PT. Bank Shinhan Indonesia Bandung Cihampelas Branch

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Article Info

ABSTRACT

This research was conducted at PT. Bank Shinhan Indonesia Bandung Branch Cihampelas a company engaged in the services of the Bank. The purpose of this research is to see the influence of quality of service and customer satisfaction on customer loyalty in PT. Bank Shinhan Indonesia Bandung Branch Cihampelas. Researchers used purposive sampling techniques and used questionnaires as data retrieval methods. For associative analysis using, path analysis, and coefficient of determination analysis. In addition, validity tests and reliability tests are carried out to determine accuracy in data measurement. Based on the results of the study showed the average score of service quality variables is 310.1 categorized as "Excellent", and the customer satisfaction variable is 300 categorized as "good", and the customer loyalty variable is 320 categorized as "Excellent".

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1. INTRODUCTION

The importance of the bank's role in the economy makes the banking industry in Indonesia grow very rapidly. Commercial banks as one of the financial institutions that provide services in payment traffic experienced a fairly high profit increase. Banks as financial institutions that accept deposits and provide loans. Banks are financial intermediaries, banks generate interactions between people who need loans to finance their needs, people who have excess funds and try to maintain their finances in the form of savings and other deposits in the bank[8].Banks when viewed in terms of their functions are distinguished into commercial banks and people's credit banks [7] Chart 1.1 shows the trend of commercial bank profit growth which increased from 2004 to 2014.
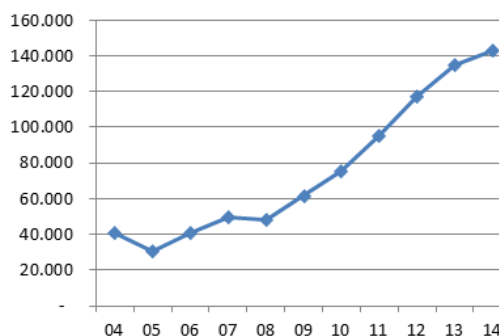

Figure 1. Commercial Bank Profit in Indonesia Year 2004-2014 (Rp Billion) Source: Indonesian Banking Statistics (processed data)

Banking business is a service business based on the principle of quality of service where in each banking has a special service to customers to meet all the needs as desired so as to create customer satisfaction. In conditions of increasingly tight competition, banks must try to survive in running their businesses, not only survive in running their businesses, but banks must be able to compete and grow. One of the important things that banks must do in order to be able to maintain and develop in running their business is to retain existing customers.

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Shinhan Financial Group, as the first company to control people's finances in Korea, was founded on the basis of Shinhan Bank, Shinhan Capital, and Shinhan Investment Management. Since its establishment, Shinhan Bank has led the Korean financial industry by constantly trying to change and innovate and has also taken the leap to become one of the representative financial groups in Korea in a short time. Bank Shinhan in Indonesia has been operating for 4 years was established on January 16, 2015 after the acquisition with 2 previous banks namely Bank Metro Expres and Centratama Nasional Bank.

Bank Shinhan will commit to expand its local market share by strengthening different competitiveness in the retail banking market until 2020 and establishing itself to be the best foreign bank in Indonesia

Based on the background of the problem above, the problem can be formulated as follows:
1. What is the quality of customers at PT. Shinhan Bank Cihampelas Branch
2. How is customer satisfaction with PT. Shinhan Bank Cihampelas Branch
3. How is customer loyalty to PT. Shinhan Bank Cihampelas Branch
4. How much the effect of quality on customer loyalty on PT. Shinhan Bank Cihampelas Branch.
5. How much influence customer satisfaction has on customer loyalty to PT. Shinhan Bank Cihampelas Branch.
6. How much influence the quality of service and customer satisfaction on customer loyalty to PT. Shinhan Bank Cihampelas Branch.

2.   RESEARCH METHOD
2.1 Quality of Service
Service quality is the totality of characteristic features of a product or service that depends on its ability to satisfy the stated implied needs[2]. Service Quality have a lot of interests of researchers and practitioners and most believe that the quality of service can improve the performance of a company[3]. the quality of service is an overall evaluation of the service functions received by the customer (technical quality) and how the service is delivered (functional quality) [9]

2.2 Customer Satisfaction
Consumer satisfaction is a feeling of pleasure or disappointment that arises after comparing the performance (results) of the product thought against the expected performance (results)[2]. Customer satisfaction is a central concept in business and management discourse. The consequences of customer satisfaction are crucial for businesses, governments, and consumers. For businesses, satisfaction is seen as one dimension of market performance. Increased customer satisfaction has the potential to lead to long-term and short-term sales growth, as well as market share as a result of repurchases[4].
According to Sudaryono, customer satisfaction is the result of consumer assessment that the product or service has provided a level of enjoyment where this level of fulfillment can be more or less[5].

2.3 Customer Loyalty
Loyalty is something that arises without coercion but arises by itself. According to Giffin quoted by Sangadji and Shopiah (2013:104) states that Loyalty refers more to the behavior of decision-making units to make continuous purchases of goods or services of a selected company. loyal customers have a very important role for the company, because the loyalty of a customer can increase profits and maintain the existence of a company" [10]
Customer loyalty is a deeply held commitment to buy or support future preferred products or services despite the impact of the situation and marketing efforts potentially causing customers to switch[2].

3.   RESULTS AND ANALYSIS
3.1 Validity Test
A validity test is a degree of accuracy between the data that actually occurs with the data collected by researchers. Validity as one degree of accuracy or reliability of instrument measurement regarding the contents of the question[6]. The test technique used is a correlation technique through the Product Moment correlation coefficient. The ordinal score of each question item tested for validity is correlated with the ordinal score of the entire item. If the correlation coefficient is positive, then the item is declared valid, whereas if it is negative then the item is invalid and will be removed from the questionnaire or replaced with a statement of improvement. How to find correlation values is as follows:

$$r = \frac{n(\sum XY) - (\sum X)(\sum Y)}{\sqrt{[n(\sum X^2) - (\sum X)^2][n(\sum Y)^2 - (\sum Y)^2]}}$$

Derives:
r   = correlation coefficient
n   = sample number
$\sum X$ = Number of item scores
$\sum Y$ = Total number of answer scores
$\sum X2$ = Sum of squares of item scores
$\sum Y2$ = Sum of squares of total answer score
$\sum XY$ = Number of times the answer score of an item by the total score

The minimum requirement to be considered a valid instrument item is its validity index value of ≥ 0.3 [6] and if the correlation coefficient product moment> r table. Therefore, all statements that have a correlation level below 0.3 must be corrected because they are considered invalid.

3.2 Reliability Test
Reliability test is the extent to which measurement results using the same object, will produce the same data[6]. Reliability tests are conducted jointly against all statements. For reliability test used split half method, the result can be seen from correlation between forms value. If rhitung >rtabel, then the instrument is said to be reliabel or compare it with a cut off point value of 0.3 then reliabel if r > 0.3. Conversely, < rhitung is > then the instrument is said to be not reliable. Reliability testing with Alpha Cronbach can be seen from alpha value, if Alpha value > from rtabel value of 0.7 then it can be said to be reliable.

K(1-R2xu(x1,x2, ...,xk))
Description :
i   = 1, 2, ..., k
k   = The number of exogenous variables in the substructure being tested.
t   = following the F Snedecor distribution table, with degrees of freedom k and - k - l.

3.2 RESULTS
3.2.1 Validity Test
For service quality variable, Customer Satisfaction, have R calculate > 0.3 thus the variable is "Valid".

3.2.2 Reliability Test Results
The reliability test result of Service Quality variable was obtained by 0.744 based on the assessment criteria of Alpha Cronbach's coefficient that is, if > 0.70 is categorized as reliable, the results of reliability test for Service Quality variable fall into the category "Reliable". While the reliability test results customer satisfaction (X2) of 0.837. Based on the assessment criteria of alpha cronbach's coefficient that is if > 0.70 is categorized as reliable, the results of reliability tests for customer satisfaction variables (X2) fall into the category of "Reliable". And for customer loyalty reliability test results of 0.908. Based on the assessment criteria for alpha cronbach's coefficient, i.e. if > 0.70 is categorized as reliable, the results of reliability tests for Customer Loyalty variables fall into the category of "Reliable".

3.2.3 Descriptive Analysis
For Dimension Service Quality Variables that have the highest average weight actual score of "Empathy" of 325 "Quick Response" of 291.5 and "Reliability" of 305.5, "Guarantee" of 310 and "Tangible" of 318.5. For the Service Quality variable the researchers found an average actual weight value of 310.1. The respoden answer is in the range of 305-362 which means it shows an "Excellent" result.

customer satisfaction variables are carried out by analyzing respondents' responses through weighting. Based on the frequency distribution and weighting of each indicator on the customer satisfaction variable, the dimensions that have the highest actual weight score are "Price" of 300, "Service Performance"

of 303 and "Product Quality" of 297. For customer satisfaction variables researchers found an average actual weight value of 300. The respoden answer is in the range of 247-304 which means it belongs to the category "Good".

Regarding Customer Loyalty the dimensions that have the highest actual score are 'Refereng to the company's total existence" of 348, "resilience of negative influence on the company" of 323 and "loyalty to product purchase" of 312. For the Customer Loyalty variable, the researchers found the average actual weight value of 329.6 respoden answers was in the range of 305-362 which means it showed the results of the "Excellent" category.

3.3 DISCUSSION
3.3.1 The Effect of Quality of Service on Customer Loyalty

As stated in the previous chapter, to answer the purpose of the research, researchers conducted an analysis using a path analysis where the variables analyzed were about the effect of the Variable Quality of Service (X1) and Customer Satisfaction (X2) on Customer Loyalty (Y) on PT. Bank Shinhan Indonesia. The output obtained in this study was based on IBM SPSS Statistic Software Output Version 22. Here are the results of the path analysis in table 1:

Table 1. Variable Path Analysis of Customer Loyalty Quality At PT. Bank Shinhan Indonesia Bandung Branch

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13,186	3,646		3,617	,001
	Quality of Service	,191	,080	,198	2,402	,019
	Customer Satisfaction	,545	,068	,669	8,114	,000

a. Dependent Variable: Loyalitas Nasabah
Source :SPSS Output Version 22 2020

Based on the significance value, a significance value of 0.000 is obtained, meaning that there is an influence of Quality of Service on Customer Loyalty in PT. Shinhan Bank of Indonesia. Output Unstandardized Coefficients Beta or can be called the influence of exogenous variable X1 on endogenous variable Y, this value is also called path coefficient. From the output of SPSS, the influence between X1 and Y of 0.198 means that the service quality variable is 19.8% if calculated direct influence, it can be obtained the following value:

$= (Pyx1)2$
$= 0.1982$
$= 0,039 \times 100\%$
$= 3,9\%$

Then to analyze the indirect influence obtained by looking first the correlation value between the variable Service Quality (X1) and Customer Satisfaction (X2) obtained 0.317. This correlation value is based on the calculation of correlation coefficient in table 2 below:

Table 2. Variable Correlation Value of Service Quality and Customer Loyalty

Correlations

		Quality of Service	Customer Satisfaction	Loyalitas Nasabah
Quality of Service	Pearson Correlation	1	,317[**]	,884[**]
	Sig. (2-tailed)		,006	,000
	N	73	73	73
Customer Satisfaction	Pearson Correlation	,317[**]	1	,933[**]
				,000
	Sig. (2-tailed)	,006		
	N	73	73	73
Loyalitas Nasabah	Pearson Correlation	,884[**]	,933[**]	1

Sig. (2-tailed)	,000	,000		
N	73	73	73	

**. Correlation is significant at the 0.01 level (2-tailed).
Source :SPSS Output Version 22, 2020

From table 2 above can be calculated indirect influence as follows:

= PYX1 x rX1X2xPYX2
= 0,198 x 0,317 x 0,669
= 0,042
= 4,2%

Based on the direct and indirect influences that have been calculated above, researchers can calculate the total influence as follows:
Total influence = direct influence + indirect influence= 3,9 + 4,2
= 8,1%
Based on the calculation above, the total influence obtained by 81%, there is a variable effect of Service Quality on Customer Loyalty of 81%.

3.3.2 Effect of Customer Satisfaction on Customer Loyalty At PT. Bank Shinhan Indonesia
Then on the analysis of Customer Satisfaction to Customer Loyalty In PT. Bank Shinhan Indonesia. Analyzed using path analysis, based on table 3 output obtained in this study comes from the help of SPSS Software Version 22. Here are the results:

Table 3 Analysis of Customer Satisfaction Variable Path to Customer Loyalty At PT. Bank Shinhan Indonesia

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	13,186	3,646		3,617	,001
	Quality of Service	,191	,080	,198	2,402	,019
	Customer Satisfaction	,545	,068	,669	8,114	,000

Dependent Variable: Loyalitas Nasabah
source : SPSS Output Version 22, 2020

Based on the significance value, a significance value of 0.000 is obtained, which means that there is an influence of Customer Satisfaction on Customer Loyalty in PT. Bank Shinhan Indonesia Bandung Branch Cihameplas. Output Unstandardized Coefficients Beta or can be called the influence of exogenous variable X2 on endogenous variable Y, this value can also be called path coefficient. From the spss output, the influence between X2 and Y of 0.669 means that the variable customer satisfaction is 66.9% if calculated direct influence, it can be obtained the following value:

= (PYX2)2
= 0.6692
= 0.447 x 100%
= 44.7%

Then to analyze the indirect influence obtained by looking first the correlation value between the variable Service Quality (X1) and Customer Satisfaction (X2) obtained 0.317. The value of this correlation is based on the calculation of correlation coefficients in the table below:

Table 4 Variable Correlation Value of Service Quality and Customer Satisfaction to Customer Loyalty

Correlations

		Quality of Service	Customer Satisfaction	Loyalitas Nasabah
Quality of Service	Pearson Correlation	1	,317**	,884**
	Sig. (2-tailed)		,006	,000
	N	73	73	73
Customer Satisfaction	Pearson Correlation	,317**	1	,933**
	Sig. (2-tailed)	,006		,000
	N	73	73	73

		,884[**]	,933[**]	1
Loyalitas Nasabah	Pearson Correlation			
	Sig. (2-tailed)	,000	,000	
	N	73	73	73

**. Correlation is significant at the 0.01 level (2-tailed).

Source :SPSS Output Version 22 2020

From table 4 above can be calculated indirect influence as follows:

= PYX1 x rX1X2xPYX2
= 0.669 x 0.317 x 0.198
= 0.041 x 100%
= 4,1%

Based on the direct and indirect influences that have been calculated above, researchers can calculate the total influence as follows:

Total influence = direct influence + indirect influence
= 44,7 + 4,1
= 48,8%

Based on the calculation above, the total influence obtained by 488%, there is a variable effect of Customer Satisfaction on Customer
Loyalty of 48.8%.

3.3.3 The Effect Between Service Quality And Customer Satisfaction on Customer Loyalty At PT. Bank Shinhan Indonesia

3.3.3.1 Coefficient Analysis of Determination

After it is known the influence of each independent variable on dependent variables, namely Service Quality and Customer Satisfaction to Customer Loyalty at PT. Bank Shinhan Indonesia. Furthermore, researchers analyzed the effect of Service Quality and Customer Satisfaction on Customer Loyalty presented based on spss software output version 22 as follows:

Table 5 Table of Coefficient Of Determination Between Service Quality and Customer Satisfaction With Customer Loyalty At PT. Bank Shinhan Indonesia

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,756[a]	0,572	,559	2,824

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

Source : SPSS Output Version 22 2020

Based on the Summary model above, researchers found that the R Square value, which is considered to represent the Coefficient of determination is 0.572, which means that 57.2% of Customer Loyalty performed by respondents is influenced by Service Quality and Customer Satisfaction and the remaining 42.8% is influenced by other variables not involved by researchers in this study. Then do the calculation of errors in the following ways:

Pyu $=\sqrt{1-R^2}$)
U $=\sqrt{1-0{,}572}$
U $=\sqrt{0.428}$
         $= 0.6$

Furthermore, find out how much influence the variables of Service Quality and Customer Satisfaction on Customer Loyalty obtained from the value of correlation coefficient and coefficient of determination based on IBM SPSS Statistic Software Output Version 22 with the following results:
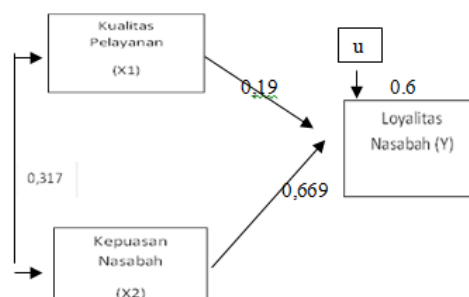

Figure 2 Track Analysis Results, Source: Processed data, 2020

Based on the equation above can be explained that:
1.   Coefficient between Service Quality (X1) and Customer Satisfaction (X2) of 0.317
2.   Service Quality Variable Coefficient (X1) of 0.081
3.   Customer Satisfaction variable coefficient (X2) of 0.488
4.   Variable residue of 0.572
        Path structure equation
Y = y1x1X1 + y1x2X2 + u1
Y= 0,081 + 0,488 + 0,572

3.3.3.2 Simultaneous Hypothesis Test (Test F)

Table 6 Test F

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	744,487	2	372,243	46,685	,000 [b]
1	Residual	558,143	70	7,973		
	Total	1302,630	72			

a. Dependent Variable: Loyalitas Nasabah
b. Predictors: (Constant), Customer Satisfaction, Quality of Service
 a. Dependent Variable: Loyalitas Nasabah
b. Predictors: (Constant), Customer Satisfaction, Quality of Service
Source: Output Spss V 22, 2020

Based on the F test table above obtained F calculates 46,685 with a significance of 0.000 where the position of the table is in df1 2 and df2 70 then F the table is 3.13 less than the calculated F. So H1 is accepted which means simultaneously there is a variable influence of Service Quality and Customer Satisfaction together on customer loyalty variables.

4.   CONCLUSION
        Based on the results of research and discussion on Service Quality and Customer Satisfaction to Customer Loyalty to PT. Bank Shinhan Indonesia Bandung Cihampelas Branch can be concluded as follows: Province.
a.   Quality of Service at PT. Bank Shinhan Indonesia Bandung Cihampelas Branch belongs to the category of "Excellent". This is based on the results of frequency distribution and weighting that have been described, the overall dimension obtained the average actual weight value of 310.1 . This can be compared with the weight criteria included at intervals of 305-362 which is the "Excellent" category. Which means that the respondents have provided information that the quality of service is good enough to affect customer loyalty.
b.   Customer Satisfaction at PT. Bank Shinhan Indonesia Bandung Cihampelas Branch is included in the category of "Good". This is based on the results of frequency distribution and weighting that has been described, the overall dimension obtained the average value of actual weight of 300. This can be compared with the weight criteria included at intervals of 247-304 i.e. the "Good" category. Which means that the respondents are satisfied with the company's steps in providing Customer Satisfaction to Customers.
c.   Customer Loyalty to PT. Bank Shinhan Bandung Cihampelas Branch belongs to the category of "Good". This is based on the results of frequency distribution and weighting that has been described, the overall dimension obtained the average actual weight value of 320. This can be compared with the weight criteria included at intervals of 305-362 which is the "Excellent" category. which means that the respondents have felt that they have fulfilled the customer loyalty requirements applied by the company.
d.   Direct influence between service quality variables on Customer Loyalty is 3.9% while indirect influence is 4.2% so that it can be concluded that the total effect of Service Quality variable on Customer Loyalty is 8.1%. An acceptable hypothesis is a hypothesis that states that there is an influence of Quality of Service on Customer Loyalty in PT. Bank Shinhan Indonesia Bandung Branch Cihampelas.
e.   The direct influence between customer satisfaction variables on Customer Loyalty is 44.7% while indirect influence is 4.2% so that it can be concluded that the total effect of Service Quality variables on Customer Loyalty is 48.8%. An acceptable hypothesis is a hypothesis that states that there is an influence of Customer Satisfaction on Customer Loyalty in PT. Bank Shinhan Indonesia Bandung Branch Cihampelas.

f. The quality of service and customer satisfaction together (simultaneously) affect customer loyalty in PT. Bank Shinhan Indonesia Bandung Branch Cihampelas. 57.2% based on the coefficient of determination (R2). While the remaining 42.8% was influenced by other variables not studied in this study.

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