
THE INFLUENCE OF BANKING SERVICE QUALITY ON BANK CUSTOMER SATISFACTION IN SURAKARTA CITY

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ABSTRACT

Customer satisfaction is an important aspect that needs to be considered in managing the banking services industry. The bank industry that is able to provide customer satisfaction will be able to compete with other similar industries. This study aims to analyze the effect of effectiveness and assurance, access, price, tangible, service portfolios, and reliability on Bank Rakyat Indonesia (BRI) Customer Satisfaction in Surakarta. This study involved 100 BRI customers as respondents. The selection of respondents uses incidental sampling techniques. This study reveal that effectiveness and assurance, process, price, tangible, and reliability have a positive effect on bank customer satisfaction. Meanwhile, the service portfolio shows that there is no influence on customer satisfaction. Also, simultaneously the variables of effectiveness and assurance, access, price, tangible, service portfolio, and reliability affect customer satisfaction in the BRI of Surakarta City. This study has implications for banking practitioners in improving the quality of bank services.

Keywords: customer satisfaction, effectiveness and assurance, access, price, tangible, service, portfolios, and reliability.

Introduction

Banking is a financial institution that holds a vital role in the nation's development. On a global scale, banks, through customer empowerment, must contribute to nation-building. The number of banking companies that stand up to make the competition tight, so that customers have a choice of bank products offered. For customers of quality service is very important; therefore, the competition will be significantly influenced by the ability of banks to provide the best quality services compared to their competitors. Competition in the banking world today is getting tighter so that business players can

maximize their company performance. Companies must strive to learn and understand the needs and desires of their customers, by understanding the needs, desires and demands of customers, it will provide important input for companies to design marketing strategies in order to create satisfaction for their customers (Kotler, 2009: 44).

Customer satisfaction must be a banking priority. This is because, in advertisements and public relations releases, many banks are including their commitment to customer satisfaction. Providing value and satisfaction to customers is the company's primary key to win the competition through the delivery of quality products and services at competitive prices. Bahia and Nantel (2000: 90) developed a new measurement method to measure service quality for the banking industry called Banking Service Quality (BSQ), which consists of 6 dimensions: Effectiveness and Assurance, Access, Price, Tangible, Service Portfolio, and Reliability.

BRI of Surakarta, as a banking institution, has a strategic position as an intermediary institution that supports the community's economy. BRI of Surakarta City, which is one of the banking service companies serving the collection and lending of funds in the form of cash deposits, deposits, savings, and credit. BRI in the city of Surakarta in providing services to its customers always strives to improve the quality of banking services by taking into account aspects of effectiveness and assurance, access, price, tangibility, portfolio service, reliability to provide customer satisfaction.

The service improvement process requires advice and criticism from customers. This is done so that bank management can provide the facilities and services needed by customers. Each customer has his assessment of the services received, so bank management needs to make priorities in the service quality improvement program because it is difficult for employees to have to meet all the needs of the community due to various limitations. Customer perceptions can be influenced by the performance and quality of the services it receives. Therefore employees must try to improve their performance so that people feel satisfied.

Although there have been many studies that discuss customer satisfaction, there are still limited studies that examine the effect of Banking Service Quality (BSQ) on BRI customer satisfaction in the city of Surakarta. Thus, this study aims to investigate the impact of Banking Service Quality (BSQ) on bank customer satisfaction. Specifically, this study aims to address the following issues:

1. Does effectiveness and assurance significantly influence customer satisfaction in BRI of Surakarta?
2. Does access significantly influence customer satisfaction in BRI of Surakarta?
3. Does the price significantly influence customer satisfaction BRI of Surakarta?
4. Does materialization have a significant effect on customer satisfaction in BRI of Surakarta?
5. Does the Service Portfolio have a significant effect on customer satisfaction in BRI of Surakarta?
6. Does Reliability have a significant effect on customer satisfaction in BRI of Surakarta?

Literature review

Bank

In-Law No. 7 of 1992 which was amended by Law No. 10 of 1998 concerning banking provides the definition "Bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and or in other forms to improve the lives of many people."

The concept of general customer services

General service/customer is a service to customer activities. According to the Decree of the Ministry of Administrative and Bureaucratic Reform No. 81 of 1993, public services are all forms of public service activities carried out by central government agencies in the regions, and within the State / Regional Government Enterprises in the form of goods and services, both in the context of fulfilling efforts customer needs and in the context of implementing statutory provisions.

Marketing

According to Kotler (2009: 45-46), marketing is about identifying and meeting human and social needs. One of the shortest definitions of marketing is "satisfying needs." The main objective of marketing is increasingly increasing is to develop deep, lasting relationships with people and organizations that can directly or indirectly influence the success of a company's marketing activities. Relational marketing aims to build long-term mutually satisfying relationships with constituents to obtain and maintain their business (Kotler, 2009; 60).

Customer satisfaction

Engel (Tjiptono, 2008: 146) revealed that customer satisfaction is an after-purchase evaluation where the alternative chosen at least gives the same outcome or exceeds customer expectations, while dissatisfaction arises when the results obtained do not meet customer expectations. Also, Wilkie (Tjiptono, 2008: 24) defines it as an emotional response to the evaluation of the consumption experience of a product and service. Kotler (2009: 36) gives the meaning of consumer satisfaction that is the level of one's feelings after comparing the performance (or results) he feels compared to his expectations.

Banking Service Quality (BSQ)

Banking service Quality or BSQ is a new measurement method developed by Bahia and Nantel (2000) to measure service quality for the banking industry. This method is used because the technique commonly used to measure service quality that is SERVQUAL (Service Quality) is still felt to have weaknesses, and many criticized. Banking Service Quality (BSQ) is proven to be valid and better when compared to SERVQUAL.

Conceptual Framework

To provide a clear understanding of this study, the framework presented in Figure 1 is shown.

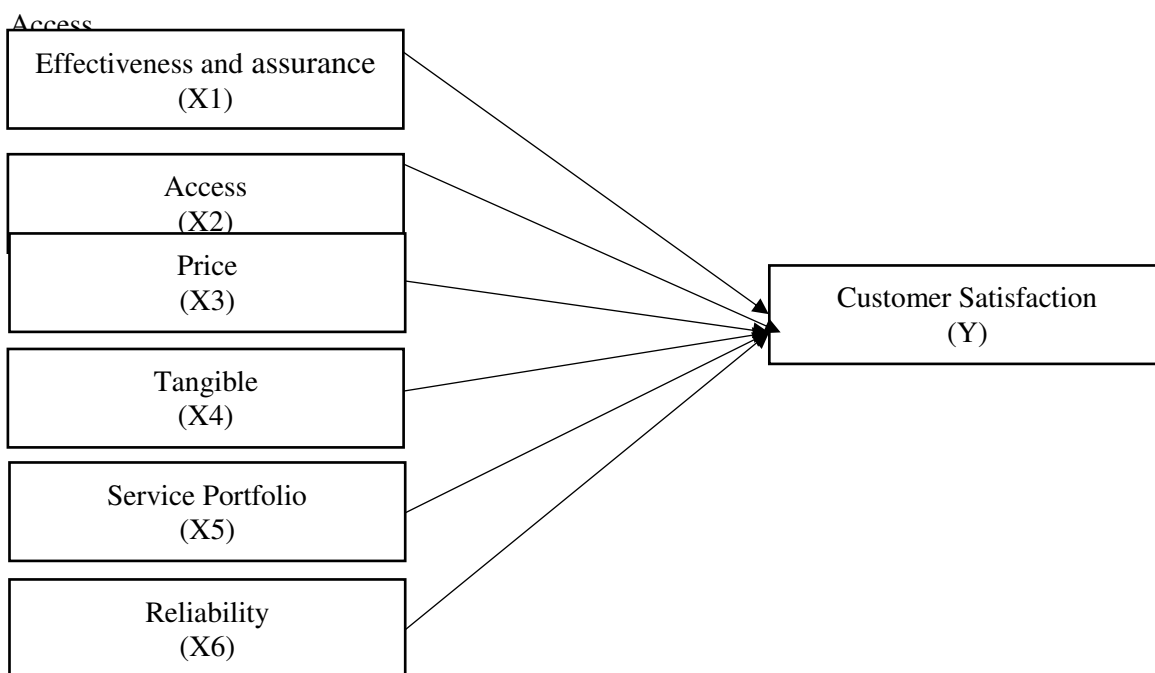


Figure 1. Conceptual Framework

Hypothesis

1. Effectiveness and assurance affect customer satisfaction in BRI bank of Surakarta.
2. Access affects customer satisfaction in BRI bank of Surakarta.
3. Price affects customer satisfaction in BRI bank of Surakarta.
4. Manifestation affects satisfaction in BRI bank of Surakarta.
5. Service Portfolios affect customer satisfaction in BRI bank of Surakarta.
6. Reliability affects customer satisfaction in BRI bank of Surakarta.

Method

The location of this research is in the city of Surakarta. The object of study is the people who own or use products/services from BRI banks. The population in this study is BRI customers in Surakarta City. The sampling technique with the incidental sampling technique obtained a sample of 100 respondents.

The type of data used in this study is primary data. The research tool used is direct observation and distributing questionnaires to employees of the finance department and those involved in preparing the budget. The survey contained statements with a Likert scale: strongly disagree (1), disagree (2), neutral (3), agree (4), and strongly agree (5).

The validity of the instrument is a measure that shows the extent to which the measuring questionnaire can measure what it wants to measure. Validity testing uses the Pearson product-moment correlation test. Reliability is a measure that shows the consistency of the measuring instrument in measuring the same symptoms on another occasion. Reliability testing uses Cronbach alpha. Hypothesis testing of this study uses a

linearity test, multiple linear regression equations, F test, t-test, and the coefficient of determination test (R²). In data analysis using multiple linear regression analysis.

Results and Discussion

Test results for validity and reliability

The results of tests have been carried out that all instruments are valid and reliable so that it is feasible to use in this study.

Prerequisite test results

The classic assumption test results show that this study is normally distributed; there is no multicollinearity, heteroscedasticity, and autocorrelation in the regression model.

Hypothesis test

The results of multiple linear regression are presented in table 1.

Table 1. Multiple Linear Regression Results

		Unstandardized Coefficients		Standardize Coeff	t	Sig.
		B	Std. B	B		
1	(Constant)	-	1.2		-	.0
	Effectiveness and Assurance	,1	,0	,1	2,5	,0
	Access	,4	,0	,3	5,5	,0
	Price	,2	,0	,2	4,5	,0
	Tangible	,1	,0	,1	3,4	,0
	Service Portfolio	,0	,0	,0	1,3	,1
	Reliability	,2	,0	,1	2,3	,0

a. Dependent Variable: Customer Satisfaction

From table 1 we can formulate a regression model in this study as follows:

$$Y = -6,524 + 0,162X_1 + 0,450X_2 + 0,210X_3 + 0,198X_4 + 0,053X_5 + 0,204X_6$$

Interpretation of the multiple linear regression equation with the acquisition of an alpha value (α) = -6,524 means that customer satisfaction in BRI of Surakarta City (Y) has a negative value if the effectiveness and assurance, access, price, tangible, service portfolio, and reliability have zero value. Also, $\beta_1 = 0.162$, indicating the effectiveness and assurance variable has a positive effect on customer satisfaction in BRI of Surakarta City, meaning that if the effectiveness and assurance increases, customer satisfaction will decrease, assuming that the variables of access, price, tangible, service portfolio, and reliability are considered constant.

In addition, $\beta_2 = 0.450$, indicating that the access variable has a positive effect on customer satisfaction at BRI Surakarta, meaning that if access increases, customer satisfaction will increase, assuming that the variable of effectiveness and assurance, price, tangible, service portfolio, and reliability are considered constant. $\beta_3 = 0.210$, shows that the price variable has a positive effect on customer satisfaction in BRI Surakarta, meaning that if the price increases, the customer satisfaction will increase, assuming that the variables of effectiveness and assurance, access, tangible, service portfolio, and reliability are considered constant.

$\beta_4 = 0.198$, shows that the variable of tangible has a positive effect on customer satisfaction in BRI Surakarta, meaning that if tangible increases, customer satisfaction

will increase, assuming that the variable of effectiveness and assurance, access, price, service portfolio, and reliability are considered constant. $\beta_5 = 0.053$, indicating that the service portfolio variable has a positive effect on customer satisfaction in BRI Surakarta, meaning that if the service portfolio increases, customer satisfaction will increase, assuming that the variable of effectiveness and assurance, access, price, tangible, and reliability are considered constant.

$\beta_6 = 0.204$, shows the reliability variable has a positive effect on customer satisfaction in BRI Surakarta, meaning that if reliability increases, customer satisfaction will increase, assuming that the variable of effectiveness and assurance, access, price, tangible, and service portfolio are considered permanent. The regression coefficient value for the access variable has the highest regression coefficient among other variables, which means that the access variable is the dominant variable in this study.

T test results show that the effectiveness and assurance (X1) have a significant level of $0.012 < 0.050$; it means that the effectiveness and assurance have a significant effect on customer satisfaction in BRI Surakarta City (Y). The conclusion from this test hypothesis 1 is proven. Also, Access (X2) has a significant level of $0,000 < 0.050$, it means that the access has a significant effect on customer satisfaction in BRI Surakarta City (Y). The conclusion from this test hypothesis 2 is proven.

The same finding is also shown in the effect of price (X3) on customer satisfaction. Price (X3) has a significant level of $0,000 < 0.050$, it means that the price has a significant effect on customer satisfaction in BRI Surakarta City (Y). The conclusion from this test hypothesis 3 is proven. Other findings, tangible (X4) has a significant level of $0.001 < 0.050$, it means that the tangible has a significant effect on customer satisfaction in BRI Surakarta City (Y). The conclusion from this test hypothesis 4 is proven.

Different results are shown in the effect of the service portfolio for customer satisfaction. Service portfolio (X5) has a significant level of $0.177 > 0.050$, it means that the service portfolio has no significant effect on customer satisfaction in BRI Surakarta City (Y). The conclusion of this test hypothesis 5 is not proven. Besides, reliability (X6) has a significant level of $0.020 < 0.050$; it means that reliability has a significant effect on customer satisfaction in BRI Surakarta (Y). The conclusion from this test hypothesis 6 is proven.

Table 2. F-test Results

Model	F	Sig.
1 Regression	142,307	0,000(a)
Residual		
Total		

Meanwhile, based on table 2 test results simultaneously known the F value = 142,307 and a significance of $0,000 < 0.050$, so it can be concluded that simultaneously the variables of effectiveness and assurance, access, price, tangible, service portfolios,

and reliability significantly affect the customer satisfaction variable in BRI City Surakarta.

Table 3. Determinant Test (R^2) Results

Model	R	R Square	Adjusted R Square
1	0,950(a)	0,902	0,895

Based on Table 3 it is known that the adjusted R^2 value of 0.895, this shows that the variables of effectiveness and assurance, access, price, tangible, service portfolio, and reliability can explain 89.5% of the customer satisfaction variable, while the remaining 10.5% explained by other variables such as promotion, price, and place.

Conclusion

Information on the antecedents factor of bank customer satisfaction is a critical study to improve service quality in banking services. The results of this study reveal that the effectiveness and assurance, process, price, tangible, and reliability have a positive effect on bank customer satisfaction. Meanwhile, the service portfolio shows that there is no influence on customer satisfaction. Also, simultaneously the variables of effectiveness and assurance, access, price, tangible, service portfolio, and reliability affect customer satisfaction in the BRI of Surakarta City. The effectiveness and assurance, access, price, tangible, service portfolio, and reliability factors contributed 89.5% to the bank's customer satisfaction. This study has implications for banking practitioners in improving the quality of bank services. In future studies, the data collection method, in addition to using a questionnaire, also needs to use other methods such as interviews to get more credible data.

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Attachment

QUESTIONNAIRE

VARIABLES	NO	ITEM
Customer Satisfaction	1	The customer has never complained/complained about the services of BRI bank employees in the city of Surakarta.
	2	Customers always give praise to bank services in BRI of Surakarta City.
	3	Customers feel that BRI banks in Surakarta City have a good reputation.
Effectiveness and Assurance	1	Employees of BRI bank in Surakarta City provide services quickly and accurately.
	2	There was no delay in service due to bureaucratic and procedures reasons at the BRI of Surakarta City.
	3	Employees of BRI bank in the city of Surakarta guarantee security when conducting transactions
Access	1	BRI banks in Surakarta City use modern equipment.
	2	BRI Bank in Surakarta City has adequate tellers and customer service employees to serve customers.
	3	The customer queue at BRI bank in Surakarta City was very fast.
Price	1	Administrative costs at the BRI of Surakarta City are relatively cheap.
	2	BRI bank in Surakarta City has low loan interest rates.
	3	BRI bank in Surakarta City has high deposit rates.
Tangible	1	BRI banks in the city of Surakarta City have clear service instructions.
	2	BRI banks in Surakarta City have excellent support services.
	3	BRI Bank in Surakarta City has visually attractive facilities and good looking employees.
Service Portfolio	1	BRI banks in Surakarta City have mobile banking services.
	2	Bank BRI in Surakarta City has an interbank transfer service through ATM banking.
	3	BRI Bank in the Surakarta City has a service to pay electricity bills and top up electricity balances through ATM banking.
Reliability	1	Employees of BRI bank in Surakarta City can provide

	clear information to customers.
2	Employees of BRI bank in Surakarta City made no mistake in providing services.
3	Employees of BRI bank in Surakarta City make corrections quickly if something goes wrong.
