THE EFFECT OF SERVICE AND PRODUCT QUALITY ON CUSTOMER SATISFACTION AND LOYALTY IN MALUKU REGIONAL DEVELOPMENT BANK (BPDM)

(Pengaruh Pelayanan dan Kualitas Produk terhadap Kepuasan dan Loyalitas Nasabah pada Bank Pembangunan Daerah Maluku (BPDM))

Muspiha, Firman Gazali Djunaidi, & R.S. Masna Hatuwe
University of Iqra Buru
Jln. Prof. Dr. H. Abd, Rahman Bassalamah, S.E.,M.Si
Email: muspiha.uniqbu1974@gmail.com

Abstract

   The study aims to determine the effect of service quality and product quality on customer satisfaction and loyalty at Bank BPDM Namlea Branch. This research is a type of explanatory research (explanatory), which has the aim of explaining the influence. The influence of service quality and product quality on customer satisfaction and loyalty of BPDM bank customers. The research object in this study is the branch office of the Maluku Regional Development Bank (BPDM). The population in this study were all customers who use the services of the Bank BPDM Namlea Branch. While the sample in the study were customers who used BPDM branch Namlea bank service products who happened to meet a researcher who was considered suitable as a data source and was willing to fill out a questionnaire or questionnaire. Analysis of the data used in this study using path analysis with the help of calculations through the SPSS release 23.0 program. The results of this study are the quality of service and products has a significant effect on customer satisfaction. This proves that the better the quality of service and product quality, the more customer satisfaction will be
Keywords: service quality, product quality, customer satisfaction, customer loyalty

Abstrak

   Penelitian ini bertujuan untuk mengetahui pengaruh kualitas pelayanan dan kualitas produk terhadap kepuasan dan loyalitas nasabah pada Bank BPDM Cabang Namlea. Penelitian ini termasuk jenis penelitian penjelasan (eksplanatori), yang memiliki tujuan untuk menjelaskan pengaruh. Pengaruh kualitas layanan dan kualitas produk terhadap kepuasan dan loyalitas nasabah bank BPDM. Obyek penelitian dalam penelitian ini adalah kantor cabang Bank Pembangunan Daerah Maluku (BPDM). Populasi dalam penelitian ini adalah seluruh nasabah yang menggunakan jasa bank BPDM Cabang Namlea. Sedangkan sampel pada penelitian adalah nasabah yang menggunakan produk jasa bank BPDM Caban Namlea yang secara kebetulan bertemu dengan peneliti yang dianggap cocok sebagai sumbe data dan bersedia mengisi angket atau kuisioner. Analisis data yang digunakan dalam penelitian ini menggunakan analisis jalur (Path analysis) dengan bantuan perhitungan melalui program SPSS release 23.0. hasil penelitian ini adalah Kualitas pelayanan dan produk berpengaruh signifikan terhadap kepuasan nasabah. Hal ini membuktikan bahwa semakin baik kualitas pelayanan dan kualitas produk, maka akan semakin meningkat kepuasan nasabah
Kata-kata kunci: Kata kunci : Kualitas pelayanan, Kualitas produk, Kepuasan nasabah, Loyalitas Nasabah

INTRODUCTION

The banking world in Indonesia is currently experiencing very sharp competition between banks, which is indicated by the emergence of new banks so that the competition will be tighter. This situation demands that banks are required to immediately take steps to adjust policies and strategies by means of breakthroughs and anticipation to master change. Competition in the banking world does not only come from domestic competitors but also from foreign competitors so that the banking ranks need to be more agile and responsive in dealing with it. Coupled with the prolonged economic crisis in Indonesia which has paralyzed most of the business world. And one of the sectors that is having a heavy impact facing current conditions is the banking sector. In increasing customer satisfaction with service quality, there are two main things that are closely related, namely customer expectations of expected quality and customer perceptions of service quality (perceived quality).). Customers always judge a service received compared to what is expected or desired (Parasurahman et al. 1993). Zeithamel and Bitner (2003,87) argue that customer satisfaction is more influenced by service quality, product quality, price, situation factors and human factors.

In the midst of the financial crisis and the challenges of increasingly fierce banking business competition, Bank BPDM Namlea Branch strives to provide the best quality service to all customers so as to increase public confidence in Bank BPDM Namlea Branch.

From year to year, the business of Bank BPDM Namlea Branch continues to show very significant developments. In addition, Bank BPDM Namlea Branch has also made changes in its operational management, including systematically training employees and female employees at all levels of the bank organization, implementing real-time online information

system technology in all bank operational activities, improving operational systems and procedures. , and application of bank operational methods based on the prudential banking principle.

Based on the phenomenon, the theory from previous research, it is very interesting to study and research the problem in this study is how the effect of service quality and product quality on customer satisfaction and loyalty at Bank BPDM Namlea Branch

THEORETICAL BASIS
A. Quality

The problem of quality in the business world has become the price a company must pay so that it can survive in its business. According to the American Society for Quality Control, quality is the overall traits and characteristics of a product or service in its ability to meet predetermined or latent needs (Lupiyoadi, 2004: 144). Gietsh and Davis (in Tjipono, 2000: 51), suggest that quality is a dynamic condition related to products, services, people, processes and the environment that meet or exceed expectations. Meanwhile, Deming and Juran et al (in Sunardi, 2003; 71) define quality as an effort to satisfy consumers.

Although experts have defined quality from various different points of view, and there is no universally accepted definition, there are some things in common, namely:

1. Quality is an attempt to exceed or meet customer expectations.
2. Quality includes products, services, people, processes and the environment.
3. Quality includes conditions that are always changing (what is considered quality today may be considered less quality in the future).

In addition, quality which is an important part of the strategy process has various implications, namely:

1. Company reputation, a company can predict its reputation from the quality aspect, so that it will give a good or bad quality assessment will be seen from the

company's products, worker skills and relationships with suppliers.

2. Product Liability, the company's ability to design a product, procedure, to eliminate failures in distribution, is an important part of the quality aspect by establishing work standards.

3. Global implication, technologically, quality is global. In the development of the world, a product or service must also show world class, adequate price and design (Heizer and Rander, 2001: 24).

B. Service

Good service allows a company to strengthen customer loyalty and increase market share, therefore good service is important in company operations. According to Stanton (2002; 72), service is an activity that can be identified and does not materialize and is an important goal of a transaction plan, in order to provide satisfaction to consumers (Hasibuan).

Kotler (2004) argues that service is any activity or benefit offered by one party to another and is basically intangible and does not result in ownership of something and its production can or cannot be linked to a physical product. Meanwhile, according to Hasibuan (2005: 152) service is the activity of providing services from one party to another. Good service is service that is carried out in a friendly, fair, fast, precise and ethical manner so as to meet the needs and satisfaction of those who receive it. Service is essentially a series of activities because it is a process. As a process, service takes place regularly and continuously covering all organizational life in society (Moenir, 2002: 27).

C. Understanding the Quality of Services

Service quality can be defined as how far the difference is between the reality and expectations of customers for the services they receive / get (parasurahman et al, 1998) in books (Lupiyoadi, 2001: 148). Meanwhile, according to Wayckof in

Tjiptono (2005: 59) the quality of bank services is the level of excellence expected by the customer and control over this level of excellence to fulfill customer desires, in other words there are 2 (two) main factors that affect the quality of bank services, namely customer expectations (expectation) and the bank's performance that is felt by customers (performance). Goets and Davids (in Tjiptono, 2005) suggest that quality is a dynamic condition related to products, services, people, processes and the environment that meet or exceed customer expectations.

Meanwhile, according to Cronin and Taylor (1992) the quality of bank services is the actual performance of the bank provided to its customers. Based on the servqual concept put forward by Parasurahman et al (1988: 16), the quality of bank services is basically the result of perceptions in the minds of customers. Perceived service quality is formed in the minds of customers after comparing the performance of the bank services they receive with what they expect (servqual = service performance - service expectation).

D. Customer satisfaction

Several authors provide definitions of customer satisfaction. Spreng, et al (1996) stated that customer satisfaction arises when consumers compare their perceptions of product or service performance with their expectations.

Tse and Wislon (1988) state that satisfaction and dissatisfaction are customer responses to perceived disconfimations between previous expectations (or other performance norms) and the actual performance of the product that is felt after its use. Furthermore, Tse and Wilson (1988) describe two main variables that determine customer satisfaction, namely expectation and perceived performance. If the perceived performance exceeds expectation, the customer will be satisfied, but if the opposite is true, the customer is not satisfied.

According to the theory of equity, a person will feel satisfied if the ratio of the results (outcomes) they get compared to the inputs used is perceived as fair or fair. In other words, satisfaction occurs when consumers feel that the ratio of results to their inputs (outcomes compared to inputs) is proportional to the same ratios obtained by others (Oliver and de Sarbo, 1988).

RESEARCH METHOD

This research is a type of explanatory research (explanatory), which has the aim of explaining the influence. The effect of service quality and product quality on customer satisfaction and loyalty of BPDM bank customers.

Sugiyono (2004: 10) argues that expalanatory research is research that aims to explain the position of the variables under study and the relationship between one variable and another. This study uses a quantitative approach because it explains the relationship between variables through hypothesis testing and using numbers. Starting from data collection, interpretation.

The research object in this study is the branch office of the Maluku Regional Development Bank (BPDM). The basis for the consideration that BPDM was chosen as the object of research was due to the increasingly rapid competition between banks in Buru Regency, causing banks to be required to take steps to adjust policies and strategies with efforts and anticipation to master change, so this research can be used as input. in providing better banking services, especially Bank BPDM cab. Namlea.

The population was all customers who use the services of the Bank BPDM Namlea Branch. While the sample in the study were customers who used BPDM Branch Namlea bank service products who happened to meet a researcher who was considered suitable as a data source and was willing to fill out a questionnaire or questionnaire.

The sampling technique used nonprobability sampling technique with convenience sampling technique, namely anyone who happened to meet a researcher who was deemed suitable as a data source and was willing to fill out a questionnaire or questionnaire (Ferdinand, 2008: 232).

Analysis of the data used in this study using path analysis with the help of calculations through the SPSS release 23.0 program. Path analysis is a form of application of multiple regression that uses a path diagram as a guide to complex hypothesis testing. Path analysis is used to test cause and effect relationships based on knowledge, the formulation of theories and assumptions can also be used to test research hypotheses and interpret these relationships. Path analysis was developed as a method for studying the direct and indirect effects of independent variables.

DISCUSSION

Effect of Service Quality on Customer Satisfaction

The results of the analysis prove that there is a significant influence between the quality of service and customer satisfaction. With a count of 3.256 (> 1.96) and the amount of influence is 0.260. These results indicate that the better the quality of service, the higher the level of customer satisfaction.
The results of this study indicate that most of the customers who became respondents gave satisfied responses to the overall services provided by the Namlea Branch BPDM Bank.
The results of this measurement also prove the truth of the theory of customer satisfaction where Kotler (2000) defines that customer satisfaction is the level of a person's feelings after comparing the performance (results) he feels with his expectations. Meanwhile, Engel et al in Tjiptono (2005) states that customer satisfaction as after-purchase evaluation where the alternative chosen is at least equal

to or beyond customer expectations. Meanwhile, dissatisfaction arises when the outcome does not meet expectations. Therefore, it is very important for the banking sector to provide services that at least equal or exceed expectations, expectations or problems.

The Effect of Product Quality on Customer Satisfaction

The results of the analysis prove that product quality has a positive and significant effect on customer satisfaction with a t-count of 4.112 (> 1.96) and the amount of influence is 0.328. These results indicate that the better the product quality, the higher the level of customer satisfaction at the bank.

The results of this study indicate that most of the customers who became respondents gave satisfied responses to the products offered by the Namlea Branch BPDM Bank, this means that the products offered by the Namlea Branch BPDM bank are in accordance with the customer's expectations.

These results support and strengthen the studies conducted by Zethamel and Bitner (1996: 123) which prove that there is a significant influence between product quality and customer satisfaction.

The results of this measurement also prove the correctness of the product quality theory put forward by Payne (1995: 34) which states that product quality is a complex form of satisfaction value.

Effect of Service Quality on Customer Loyalty

Service quality has a positive and significant influence on customer loyalty with a t-count of 3..481 (> 1.96) and the amount of influence is 0.217. These results indicate that the better the quality of service, the more customer loyalty will be to the Bank BPDM Namlea Branch.

The results of this study are in accordance with the logic that the better the quality of service received by consumers, the

consumers will repurchase the services they have received from the same service provider, or in other words, the quality of service received by consumers will be the driving factor for the creation of consumer loyalty.

The results of this study can complement the study conducted by Caruana (2002). Kandampully and Suhartanto (2000) stated that service quality not only has an indirect effect on consumer loyalty through customer satisfaction but also has a direct influence on consumer loyalty.

Effect of Product Quality on Customer Loyalty

Product quality has a positive and significant effect on customer loyalty with a t-count of 5.336 (> 1.96) and the magnitude of the influence is 0.338. These results indicate that the better the quality of the product, the more customer loyalty will be to the Bank BPDM Namlea Branch. The results of this study are consistent with the logic that the better the quality of the products offered to consumers, the consumers will re-purchase the products and services they have received from the same service provider.

The findings of this study can complement the study conducted by Bei and Chian (2000) which states that product quality has a direct effect on consumer loyalty. Based on this study, it is proven that product quality has a direct effect on customer loyalty.

CONCLUSION

Service and product quality have a significant effect on customer satisfaction. This proves that the better the service quality and product quality, the more customer satisfaction will be.

Service quality and product quality have a significant or positive effect on customer loyalty. This proves that the better the service quality and product quality, the more customer loyalty will be.

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