



SERVICES QUALITY, CUSTOMER SATISFACTION, COMPANY LOCATION AND CUSTOMER LOYALTY (A Case Study at BMT Tumang Grabag Branch, Magelang)

Listyowati Puji Rahayu
Management Study Program,
Faculty of Economics
Boyolali University,
Indonesia

ABSTRACT

Business competition in the context of globalization requires a corporation to be able to respond with fast and appropriate decisions. Therefore, every company is required to compete competitively in terms of creating and maintaining loyal customers. The purpose of this study was to determine the effect of service quality, customer satisfaction and location on customer loyalty both partially and simultaneously and to find out which variables had the most influence on customer loyalty of BMT Tumang Grabag Branch, Magelang. BMT is Baitul Maal wa Tamwil likely micro financial services with sharia principles.

The type of research in this study was explanatory research with a quantitative approach. The population in this study were all customers of BMT Tumang Grabag Branch, Magelang as of June 2018, with totaling 886 customers. The number of samples used in this study were 89 respondents taken by accidental sampling. The data analysis technique uses multiple linear regression analysis at a significance level of 5%. The results showed that there was a significant effect of service quality, customer satisfaction, and location on customer loyalty of BMT Tumang Grabag Branch, both simultaneously and partially to customer loyalty, with service quality variables having the most dominant influence on customer loyalty.

KEYWORDS: *Service Quality, Customer Satisfaction, Location and Loyalty.*

INTRODUCTION

The climate of competition in the corporate world is tight, making the company try to find the right strategy in marketing its products. Interest in buying is obtained from a learning process and thought processes that form a perception. Deighton said the interest in this purchase creates a motivation that continues to be recorded in the minds of consumers and becomes a very strong desire so that in the end when a consumer must meet his needs will actualize what is in his mind (Saputri, 2011).

Business competition in the era of globalization requires companies to be able to act and act quickly and precisely in the face of competition, especially in a business atmosphere that

moves very dynamically and is full of uncertainty. Every company is required to compete competitively in terms of creating and maintaining loyal customers (customers), one of which is through brand competition. Brand competition will provide a special image for consumers.

The increasingly fierce level of competition requires all business actors to mobilize all of their potential. Porter stated that there are five sources of competitive power that must be anticipated and understood by the company, so they can develop competitive strategies so they can win the competition. The five competitive forces are threats that come from suppliers, threats of new entrants, threats from customers, threats from companies that

produce substitute products, and threats from similar companies (Ratnasari 2005). This is an illustration that competition in the business world is getting tougher.

Increased social and economic status of the community results in changes in behavior and lifestyle. These changes ultimately affect the satisfaction of a product. In order to be able to compete and survive financial institutions are required to have good image and service that can meet the needs and desires of customers. The BMT Tumang Grabag branch as a financial services company is unlikely to evade the increasingly fierce banking industry competition. As an intermediary media, BMT institutions have business lines to channel loans.

As stipulated in the regulation, loans are managed with the precautionary principle so that the quality of loans is performing loans so that they can provide significant income for BMTs. In this regard, the problem that will be examined in this research is whether there is an influence of variables of reliability, responsiveness, empathy, assurance, and tangible on the satisfaction of credit customers both individuals and groups. This study supports the theory of Parasuraman et al (1985) where the benchmarks of service quality can be measured by 10 sub-variables (dimensions), namely: tangible, reliability, responsiveness, competence (knowledge and skills), courtesy (behavior), credibility (honesty), security (security), access (ease of relationship), communications (communication), and understanding the customer (understand the needs of the community / customer). The initial observation was carried out on April 10, 2018, obtained by the first few facts, there was an inadequate quality of service due to the presence of several customers who complained about the lack of optimal service from employees. As well as the existence of locations that are still far away so that they cannot be touched by the community. For this reason, a real effort is needed so that improvements will be made that are expected to increase customer loyalty.

Dinnul Alfian Akbar (2016) in his research entitled "Service Marketing Mix Against Customer Loyalty (Case Study at PT Bank BNI Syariah Palembang Branch)", obtained results that the marketing mix consisting of products, prices, locations, promotions, people, evidence physical and process have a significant effect on customer loyalty both partially and simultaneously. The research results of Anis Wahyuningsih (2002) in his research entitled "Analysis of Consumer Satisfaction Levels Based on Service Quality at Karanganyar District General Hospital", only using service quality and customer satisfaction variables while in this study using service quality variables, customer satisfaction and location to loyalty customer. While the results of the study used regression analysis. The results of the study by Evi Okatviani Satriyanti (2012) entitled "The Influence of Service Quality, Customer Satisfaction and Bank Image on Bank Muamalat Customer Loyalty in Surabaya", obtained results that service quality, customer satisfaction and bank image had a significant positive effect on customer loyalty at Bank Muamalat in Surabaya both partially and simultaneously.

RESEARCH METHODS

This study is explanatory research with a quantitative approach. This research was conducted on the existing customer of BMT Tumang Grabag Branch, Magelang. From the existing population, namely the existing customer BMT Tumang Branch of Grabag, a sample of 89 respondents was taken, with the sampling technique being incidental sampling. The research data was collected using a questionnaire with a Likert scale perception indicator. Questionnaires as data collection instruments have been tested for validity and reliability so that they can be used as research data collectors. The data analysis technique uses multiple linear regression analysis.

RESEARCH RESULT

Data Description

The results of the description of respondents characteristic data based on gender and age of customers are shown in the following table:

Table 1. Characteristics of Responden

Characteristic	Total	Percentage
Sex		
Male	60	67,4%
Female	29	32,6%
Age		
20-30 years	29	32,6%
31-40 years	24	27,0%
41 years up	36	40,4%

Source: Primary data processed, July 2018

Table 1 shows that according to sex most are dominated by male (67.4%). Whereas according to his age the most respondents were aged 41 years and

over (40.4%). While the responses of respondents related to the research variables from the variables of service quality, customer satisfaction, location and

customer loyalty, the majority expressed agreement with all items of statements submitted to customers.

RESULTS OF DATA ANALYSIS AND DISCUSSION

1. Analysis of Multiple Linear Regression

The results of the analysis are presented in Table 2 below.

Table 2. Results of Multiple Linear Regression Analysis

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	7,796	1,385		5,628	0,000
Service Quality	0,260	0,056	0,409	4,608	0,000
Customer Satisfaction	0,170	0,068	0,201	2,488	0,015
Location	0,196	0,053	0,317	3,675	0,000

a. Dependent Variable: Customer Loyalty

Source: Primary data processed, July 2018

From the results of the multiple regression analysis above, the equation can be obtained as follows:

$$Y = 7.796 + 0.260 X_1 + 0.170 X_2 + 0.196 X_3 + e$$

Based on the linear regression equation above can be concluded as follows:

Constants (a) = 7.796, meaning that if there is no variable of service quality (X₁), customer satisfaction (X₂) and location (X₃), the variable of customer loyalty is 7.796 units.

The service quality variable regression coefficient (b₁) = 0.260, meaning that every increase in the quality of work services of one unit will increase customer loyalty by 0.260 units assuming other variables are considered constant.

Customer satisfaction variable regression coefficient (b₂) = 0.170, meaning that each increase in customer satisfaction by one unit will increase customer loyalty by 0.170 units assuming other variables are considered constant.

The location variable regression coefficient (b₃) = 0.196, meaning that each increase in location by one unit will increase customer loyalty by 0.196 units assuming other variables are considered constant.

2. Hypothesis Testing

The results of the t-test analysis as presented in Table 2 above, it is known that the count for the service quality variable (X₁) is 4,608 > t-table (1,988) with a probability value of 0,000 means smaller than 0.05, H₀ is rejected and H₁ is accepted significant effect of service quality on customer loyalty of BMT Tumang Grabag Branch of Magelang. The regression coefficient value of the service quality variable is positive, this can be

interpreted as the better the quality of service provided by BMT Tumang Grabag Branch to its customers, the higher their loyalty to the BMT Tumang Grabag Branch. The customers tend to always do a repeat transaction to the BT Tumang Branch of Grabag Magelang and even recommend to other people to conduct financial transactions to the BMT Tumang Grabag Branch of Magelang compared to elsewhere.

Based on the results of the t-test analysis it can also be seen that the service quality variable has the highest t value (4.608) compared to the customer satisfaction variable (2.488) and the location variable (3,675). This means that the service quality variable has the most dominant influence on the loyalty of the BMT Tumang Grabag Branch of Magelang, then H₀ is rejected and H₅ is accepted. So it can be interpreted that the factor that most affected the customer loyalty of the BMT Tumang Branch of Grabag at that time was the quality of service provided by the BMT Tumang branch of Grabag, Magelang to customers compared to location factors and customer satisfaction. The results of this study support the results of research Wahyuningsih (2002), and Handayani (2017) suggest that there is an influence of service quality on customer loyalty

Table 2 also shows the value of t count for the customer satisfaction variable (X₂) of 2.488 > t table (1.988) with a probability value of 0.015 which means that it is smaller than 0.05 then H₀ is rejected and H₂ is accepted, meaning there is a significant effect of customer satisfaction on customer loyalty at

BMT Tumang Grabag Branch. The value of variable regression coefficient of customer satisfaction is positive, this can be interpreted as the higher customer satisfaction, the higher their loyalty to the BMT Tumang Grabag Branch. The customers tend to always do a repeat transaction to the BMT Tumang Branch of Grabag Magelang and even recommend to other people to conduct financial transactions to that financial service compared to elsewhere. The results of this study support the results of the study of Satriyanti (2012) and Ardiyanto (2013) suggesting that there is an influence of customer satisfaction on customer loyalty.

The t count for local variables is $3,675 > t$ table (1,988) with a probability value of 0,000 means that it is smaller than 0.05, so H_0 is rejected and H_3 is accepted, meaning that there is a significant influence of location on customer loyalty of BMT Tumang Grabag Branch Magelang. The regression variable value of the location variable is positive, this can be interpreted the better the location of the Tumang BMT Grabag Branch, the higher their loyalty to the BMT Tumang Grabag Branch. The customers tend to always do a repeat transaction to the BMT Tumang Branch of Grabag Magelang and even recommend to other people to conduct financial transactions to the BMT Tumang compared to elsewhere. The results of this study support the results of Akbar's research (2016) suggesting that there is an influence of location on customer loyalty.

The results of ANOVA analysis show that the value of F is equal to $(38,140) > F$ table (2.71) with a significant level of $(0,000) < \alpha$ (0.05), then H_0 is rejected and H_4 is accepted meaning There is a significant effect on service quality, customer satisfaction and location Simultaneous work on customer loyalty at BMT Tumang Grabag Branch in Magelang. So that it can be interpreted that the better the quality of service, the higher customer satisfaction and the better the location of the BMT Tumang Grabag Branch, the more they will increase their loyalty to the BMT Tumang Grabag Branch. Customers tend to always do a repeat transaction to the BMT Tumang and even recommend to other people to conduct financial transactions to the BMT Tumang. The results of this analysis are supported by the results of the determination coefficient analysis of 55.9%, three variables, namely service quality, customer satisfaction and location can influence customer loyalty of BMT Tumang Grabag Branch, while the remaining 44.1% is influenced by other variables outside the research model.

CONCLUSION

There is a significant effect of service quality on customer loyalty of BMT Tumang Grabag Branch, proven by the value of t count $4.608 > t$ table 1.988 with a significance of $0.000 < 0.05$.

There is a significant effect of customer satisfaction on customer loyalty of BMT Tumang

Grabag Branch, proven by the value of t count $2.488 > t$ table 1.988 with a significance of $0.015 < 0.05$.

There is a significant influence of location on customer loyalty of BMT Tumang Grabag Branch, proven by the value of t count $3.675 > t$ table 1.988 with a significance of $0.000 < 0.05$.

There is a significant effect of service quality, customer satisfaction and work location simultaneously on customer loyalty of BMT Tumang Grabag Branch, proven by the value of F count $38,140 > F$ table 2,71 with a significance of $0,000 < 0,05$

Service quality variables have the most dominant influence on customer loyalty of BMT Tumang Grabag Branch, proven that the value of t count (4.608) is greater than the t value of customer satisfaction (2,488) and location (3,675).

SUGGESTION

Based on the results of the conclusions above, the researcher can provide the following suggestions:

1. For BMT Tumang

a. It is expected to be able to maintain customer satisfaction and even tend to be increased so that an emotional bond with customers can be achieved. This is done by meeting customers' needs optimally and minimally and minimizing errors when serving customers.

b. BMT should pay attention to service quality and improve things that are deemed lacking in order to increase customer satisfaction with the services provided by KSPPS, for example by improving services to see tangible, reliability, responsiveness, assurance, and empathy (empathy) by:

1) Improve services based on physical evidence indicators such as the appearance and ability of physical facilities and infrastructure such as (buildings, waiting rooms), equipment and equipment used and the appearance of employees.

2) Improve services based on reliability indicators that include two things, namely work consistency and ability to be trusted. This means the organization has provided its services right since the first.

3) Improve services based on responsiveness indicators such as helping and providing fast and appropriate services to customers, by conveying clear information.

4) Improve services based on indicators of assurance, for example, employees have the knowledge, ability, politeness and trustworthiness.

5) Improve services based on empathy indicators for example by giving attention to customers, responsibility for security and comfort, prioritizing customer needs.

c. BMTs must also pay attention to location factors. The locations that are in demand and make customers comfortable are locations that are close to the customer's environment, strategic, easy to

transport and have a large parking area so that customers will be more comfortable when they come to BMT.

2. For further research

It is hoped that to perfect this research, it can use a broader object of research, for example not only using one organization but combining it from several organizations. Then add research variables, for example, not only using service quality, customer satisfaction, and location, but also interest rates, promotions, brand image, etc., and can add data collection methods, namely direct interview methods to respondents.

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