

THE EFFECT OF PRODUCT QUALITY AND CUSTOMER TRUST ON CUSTOMER SATISFACTION AND ITS IMPLICATIONS ON CUSTOMER LOYALTY PT. BANK ACEH SYARIAH, JANTHO BRANCH, ACEH BESAR DISTRICT

Ian Fahmi, Sorayanti Utami and T. Meldi Kesuma

Department of Management, Universitas Syiah Kuala, Indonesia

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ABSTRACT

This research aimed to analyze the effect of product quality (P-Quality) and customer trust (C-Trust) on customer satisfaction (C-Satisfaction) and its impact on customer loyalty (C-Loyalty). The sampling technique used was cluster sampling with the size of respondents as many as 150 customers. The data analysis technique used was SEM (Structural Equation Model). The results proved that P-Quality significantly affected C-Satisfaction; C-Trust significantly affected C-Satisfaction; P-Quality significantly affected C-Loyalty; C-Trust significantly affected C-Loyalty; C-Satisfaction significantly affected customers loyalty; P-Quality significantly affected C-Loyalty through C-Satisfaction, and; C-Trust significantly affected C-Loyalty through C-Satisfaction. In the model, the C-Satisfaction acted as a partial mediator for both independent variables in affecting the C-Loyalty. These findings make a positive contribution to the development of science, especially in the field of marketing science. The novelty of the research lies in the combination of causality theory so that it becomes a model in this study. Further research should be able to further develop this tested research model, by adding moderate variables such as religiosity or type of work (businessman or not), which are an interesting issue in the use of Bank Aceh Syariah. The findings of this model are also useful as a reference for regulators at Bank Aceh Syariah. To increase consumer loyalty, Bank Aceh Syariah should improve P-Quality and consumer confidence, to increase the level of consumer satisfaction so that it has an impact on their loyalty to Bank Aceh Syariah.

Keyword: Product Quality, Customer Trust, Customer Satisfaction, Customer Loyalty.

1. INTRODUCTION

The banking industry is currently very competitive, with various efforts made by companies engaged in the banking sector to survive in this competition. The presence of private banks makes competition in the banking sector even more attractive, where private banks also offer a wide selection of banking products or services that are the same and not less competitive than those offered by state banks. To be able to survive in this competitive business market, it is very important that every company must pay attention to it, including PT. Bank Aceh Syariah, the Sharia bank owned by Province Government of Aceh, Indonesia, especially its Jantcho located in Aceh Besar District, namely by always paying attention to and maintaining C-Loyalty.

Customer loyalty (C-Loyalty) is not something that is easily created and maintained,

therefore if PT. Bank Aceh Syariah wants to create and maintain C-Loyalty, what needs to be done is by increasing customer satisfaction (C-Satisfaction), because satisfaction is the most dominant and key factor in creating loyalty (Munari, Ielasi, & Bajetta, 2013). C-Loyalty can also be obtained by creating customer trust (C-Trust) and also improving product quality (P-Quality). C-Trust in a bank is important in creating loyalty because when a customer has full trust in a bank, the customer will tend to be loyal to the bank (Lubis, 2015). C-Loyalty to a bank is largely determined by the quality of the products offered by the bank because basically P-Quality can be said to be a strong foundation for building C-Loyalty (Oghojafor, Ladipo, Ighomereho, & Odunewu, 2014).

Based on the description previously explained, it is known that C-Loyalty can be affected by P-Quality, C-Trust, and C-Satisfaction. Nevertheless, there are differences in the results of research conducted by previous researchers (research gap). The results of previous research found that P-Quality (Elidawati, Yasri, & Idris, 2018), C-Trust (Majid, 2013), and C-Satisfaction (Afeshat & Alola, 2018) significantly affects C-Loyalty. Meanwhile, there are also research results which found that P-Quality (Sirait, Lubis, & Gultom, 2020), C-Trust (Aprilia, Maming, & Pakki, 2020), and C-Satisfaction (Wei Meng, 2019) not significantly affect C-Loyalty. Thus, the purpose of this research is to determine whether P-Quality, C-Trust, and C-Satisfaction have contributed to increasing C-Loyalty and whether C-Satisfaction acts as a mediation between the effect of P-Quality and C-Trust on C-Loyalty.

2. LITERATURE REVIEW

C-Loyalty is a positive attitude and commitment that a customer has towards a bank to keep subscribing to the bank (Ridwan, Moeljadi, Sunaryo, & Sudjatno, 2017). Then, C-Satisfaction can be said to be a summary of the psychological state that comes from the comparison between experiences after using a product with expectations before using the product (Lubis, 2015). Next, C-Trust can be defined as customer awareness of the performance expectations of a product based on experience and trust which are manifested in the form of attitudes (Utami, 2015). Furthermore, (Kotler & Keller, 2018) defined P-Quality as the totality of the features and characteristics of a product that can satisfy consumer needs, both expressed and implied.

The results of research conducted by (Hidayat & Akhmad, 2016) and (Ling & Mansori, 2018) found that P-Quality has a positive and significant effect on C-Satisfaction. Then, the results of research conducted by (Sugiati, Thoyib, Hadiwidjono, & Setiawan, 2013) and (Iqbal, Murni, & Sulistyowati, 2018) found that customer value has a positive and significant effect on C-Satisfaction.

The results of research conducted by (Afeshat & Alola, 2018) found that C-Satisfaction had a significant effect on C-Loyalty. Then, other research results found that P-Quality (Wandi, Zainal, Arafah, Subagja, & Saad, 2020) and C-Trust (Hidayat, Akhmad, & Machmud, 2015) had a significant effect on C-Satisfaction. Furthermore, other research results found that P-Quality (Elidawati et al., 2018) and C-Trust (Majid, 2013) had a significant effect on C-Loyalty. The results of research conducted by (Sirait et al., 2020) found that P-Quality had a significant effect on C-Loyalty indirectly through C-Satisfaction and also the results of research conducted by (Aprilia et al., 2020) found that C-Trust had a significant effect on C-Loyalty indirectly through C-Satisfaction.

Based on the above review of literature, the research hypothesis is determined as follows:

- 1) P-Quality significantly affected C-Satisfaction
- 2) C-Trust significantly affected C-Satisfaction
- 3) P-Quality significantly affected C-Loyalty
- 4) C-Trust significantly affected C-Loyalty
- 5) C-Satisfaction significantly affected customers loyalty
- 6) P-Quality significantly affected C-Loyalty through C-Satisfaction
- 7) C-Trust significantly affected C-Loyalty through C-Satisfaction

3. METHOD

The population in this research was all customers of PT. Bank Aceh Syariah, Jantho Branch, Aceh Besar District, while the number of sample in this study was 150 customers selected by cluster sampling. The research data were obtained through the dissemination of questionnaires and analyzed by structural equation model (SEM) techniques. SEM is a multivariate data analysis technique that combines the measurement model which aims to provide the specification of the relationship between latent variables and the indicators and the structural model which aims to provide the effect specifications between latent variables (Hair, Babin, Anderson, & Black, 2018).

4. RESULTS AND DISCUSSION

The results of this research can be seen in the following figure:

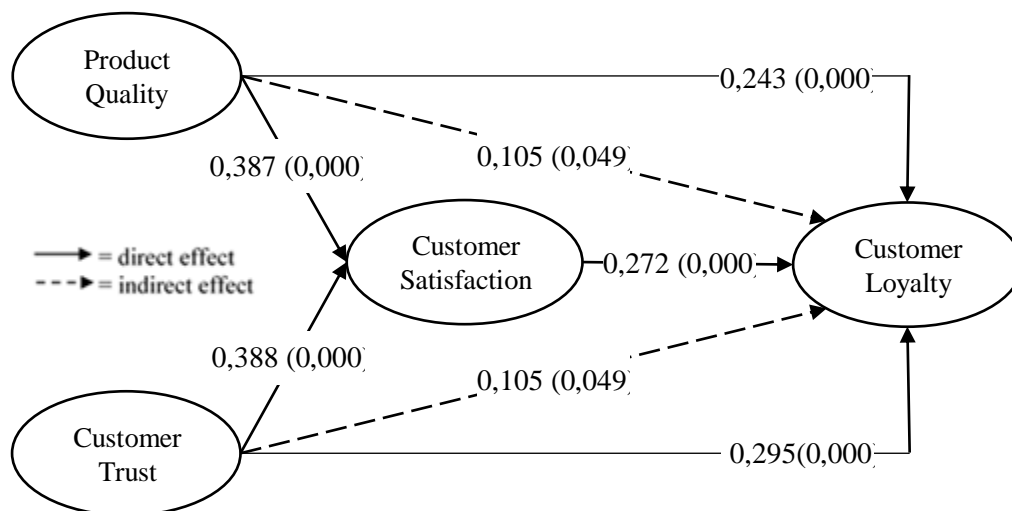


Figure 1. Results

Based on Figure 1, the discussion of the effects of P-Quality, C-Trust, C-Satisfaction, and C-Loyalty will be further discussed as follows:

Hypothesis 1 : P-Quality Affecting C-Satisfaction

Based on the results, P-Quality significantly affected C-Satisfaction with path coefficient 0.387

and significant value 0,000 so it can be said that P-Quality has a significant contribution in increasing C-Satisfaction by 38.7%. The results showed that the P-Quality is a factor that can determine C-Satisfaction where the results indicate that the better the quality of the products offered by PT. Bank Aceh Syariah Jantho Branch, C-Satisfaction with the bank will also increase. This result is also following the research by (Wandi et al., 2020) which also found that P-Quality had a significant effect on C-Satisfaction.

Hypothesis 2 : C-Trust Affecting C-Satisfaction

Based on the results, C-Trust significantly affected C-Satisfaction with path coefficient 0.388 and significant value 0,000 so it can be said that C-Trust had a significant contribution in increasing C-Satisfaction by 38.8%. The results showed that the C-Trust was a factor that can determine C-Satisfaction where the results indicate that the higher the level of C-Trust toward PT. Bank Aceh Syariah Jantho Branch, C-Satisfaction with the bank will also increase. This result is also following the research by (Hidayat et al., 2015) which also found that C-Trust had a significant effect on C-Satisfaction.

Hypothesis 3 : P-Quality Affecting C-Loyalty

Based on the results, P-Quality significantly affected C-Loyalty with path coefficient 0.243 and significant value 0.000 so it can be said that P-Quality had a significant contribution in increasing C-Loyalty by 24.3%. The results showed that the P-Quality was a factor that can determine C-Loyalty where the results indicate that the better the quality of the products offered by PT. Bank Aceh Syariah Jantho Branch, C-Loyalty with the bank will also increase. This result is also following the research by (Elidawati et al., 2018) which also found that P-Quality had a significant effect on C-Loyalty.

Hypothesis 4 : C-Trust Affecting C-Loyalty

Based on the results, C-Trust significantly affected C-Loyalty with path coefficient 0.295 and significant value 0.000 so it can be said that C-Trust had a significant contribution in increasing C-Loyalty by 29.5%. The results showed that the C-Trust was a factor that can determine C-Loyalty where the results indicate that the higher the level of C-Trust toward PT. Bank Aceh Syariah Jantho Branch, C-Loyalty with the bank will also increase. This result is also following the research by (Majid, 2013) which also found that C-Trust had a significant effect on C-Loyalty.

Hypothesis 5 : The C-Satisfaction Affecting C-Loyalty

Based on the results, C-Satisfaction significantly affected C-Loyalty with path coefficient 0.272 and significant value 0.000 so it can be said that C-Satisfaction had a significant contribution in increasing C-Loyalty by 27.2%. The results showed that the C-Satisfaction was a factor that can determine C-Loyalty where the results indicate that the higher level of satisfaction felt by customers toward PT. Bank Aceh Syariah Jantho Branch, C-Loyalty with the bank will also increase. This result is also following the research by (Afeshat & Alola, 2018) which also found that C-Satisfaction had a significant effect on C-Loyalty.

Hypothesis 6 : P-Quality Affecting C-Loyalty through C-Satisfaction

Based on the results, P-Quality significantly affected C-Loyalty through C-Satisfaction with a path

coefficient of 0.105 and significant value 0.049 so that the better the quality of the products offered by PT. Bank Aceh Syariah Jantho Branch, C-Satisfaction with the bank will also increase where it is indirectly also has a significant contribution in increasing C-Loyalty by 10.5%.

Based on the results, it is known that C-Satisfaction in this research acted as a partial mediation between the effect of P-Quality on C-Loyalty, it is seen from the results found that P-Quality had a significant effect on C-Loyalty both directly and indirectly through C-Satisfaction. This result is also following the research by (Sirait et al., 2020) which also found that C-Satisfaction mediates the effect of P-Quality on C-Loyalty. However, the results of this research have differences with the research by (Sirait et al., 2020) where the difference lies in the role of mediating C-Satisfaction variables, in research (Sirait et al., 2020) the C-Satisfaction variable acted as a perfect mediation while in this research C-Satisfaction variables acted as partial mediation.

Hypothesis 7 : C-Trust Affecting C-Loyalty through C-Satisfaction

Based on the results, C-Trust significantly affected C-Loyalty through C-Satisfaction with a path coefficient of 0.105 and significant value 0.049 so that the higher the level of C-Trust toward PT. Bank Aceh Syariah Jantho Branch, C-Satisfaction with the bank will also increase where it is indirectly also had a significant contribution in increasing C-Loyalty by 10.5%.

Based on the results, it is known that C-Satisfaction in this research acted as a partial mediation between the effect of C-Trust on C-Loyalty, it is seen from the results found that C-Trust has a significant effect on C-Loyalty both directly and indirectly through C-Satisfaction. This result is also following the research by (Aprilia et al., 2020) which also found that C-Satisfaction mediated the effect of C-Trust on C-Loyalty. However, the results of this research have differences with the research by (Aprilia et al., 2020) where the difference lies in the role of mediating C-Satisfaction variables, in research (Aprilia et al., 2020) the C-Satisfaction variable acted as a perfect mediation while in this research C-Satisfaction variables acted as partial mediation.

5. CONCLUSION

The results proved that P-Quality significantly affected C-Satisfaction; C-Trust significantly affected C-Satisfaction; P-Quality significantly affected C-Loyalty; C-Trust significantly affected C-Loyalty; C-Satisfaction significantly affected customers loyalty; P-Quality significantly affected C-Loyalty through C-Satisfaction, and; C-Trust significantly affected C-Loyalty through C-Satisfaction. In the model, the C-Satisfaction acted as a partial mediator for both independent variables in affecting the C-Loyalty. These findings make a positive contribution to the development of science, especially in the field of marketing science. The novelty of the research lies in the combination of causality theory so that it becomes a model in this study. Further research should be able to further develop this tested research model, by adding moderate variables such as religiosity or type of work (businessman or not), which are an interesting issue in the use of Bank Aceh Syariah. The findings of this model are also useful as a reference for regulators at Bank Aceh Syariah. To increase consumer loyalty, Bank Aceh Syariah should improve P-Quality and consumer confidence, to increase the level of consumer satisfaction so that it has an impact on their loyalty to Bank Aceh Syariah.

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