

The influence of product quality, service quality and ease of use on bni mobile banking customer loyalty, purbalingga regency

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ABSTRACT

The growing number of financial institutions that focus on the consumer segment has increased the intensity of competition among banks. This situation occurs because banking companies that focus on consumer banking services have a higher level of resilience compared to banks that focus on corporate banking. This research was conducted with the aim of analyzing and determining the influence of product quality and service quality of BNI Purbalingga Regency Branch on customer loyalty as well as determining the influence of the ease of use of BNI Mobile Banking used by customers. Data was obtained by distributing surveys to several respondents. The sample was determined at 60 respondents. This research analysis test uses SPSS with multiple linear regression methods. The results of this research analysis test found that product quality and service quality influence customer loyalty at BNI Purbalingga Regency Branch. Meanwhile, ease of use of BNI Mobile Banking has no effect on customer loyalty at BNI Purbalingga Regency Branch.

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1. Introduction

There has been an interesting change in the Indonesian banking landscape, where the banking business has shifted from providing services to companies (corporate banking) to focusing more on individual services (consumer banking) (Ardhitasari, 2012). This shift occurred after the economic crisis in 1997, where many business people experienced serious problems in the financial condition of the businesses they ran. The poor financial performance of these corporate companies causes the banking target market that focuses on corporate banking to become increasingly limited. This intense level of competition encourages a number of banking companies to create competitive advantages (Suhardi, 2006). One of the banking companies that created it is PT. Bank Negara Indonesia (Persero), Tbk.

PT. Bank Negara Indonesia (Persero), Tbk. is one of the oldest banks in Indonesia. For around 60 years PT. Bank Negara Indonesia (Persero), Tbk. serving communities in almost all regions in Indonesia. PT. Bank Negara Indonesia (Persero), Tbk. serving society at all levels. This can be seen from the success of PT. Bank Negara Indonesia (Persero), Tbk. in 1999 obtained ISO 09002 certificate relating to the implementation of a quality management system. The aim is to provide excellent quality service, so that it is able to satisfy customers.

As an industry that focuses on the service sector, efforts to improve service are one of the most important programs for PT. Bank Negara Indonesia (Persero) Tbk. This banking company has 914 branches spread throughout Indonesia. With the vision and mission of becoming a nationally proud bank that excels in service and performance, PT. Bank Negara Indonesia (Persero), Tbk. establish customer satisfaction as a top priority. However, there are several interesting phenomena that occur in this bank, as the oldest bank in Indonesia (Umbara et al., 2021). The behavior of customers who, after opening savings at BNI Bank, will

return to opening savings at other banks. This resulted in part of Bank BNI's market share being taken by other banks.

The development of financial institutions in Indonesia is very rapid, starting from the emergence of conventional micro financial institutions to the emergence of conventional macro financial institutions. Financial institutions exist to meet the needs of the Indonesian people. Many Indonesian people depend on financial institutions. Financial institutions always work side by side with society. So many financial institutions are supported by the government to accompany the needs of the Indonesian people.

Financial institutions in Indonesia consist of conventional banking, Sharia banking and microfinance institutions. Banking is one of the institutions that is of great interest to the Indonesian people. People depend on the services provided by banking. According to Parasuraman et.al (1988) service quality is 'the level of discrepancy between customers' normative expectations of services and their perceptions of service performance'. Many people use banking services because the quality of services provided by banks is quite satisfactory. If people are increasingly satisfied with the services they get from banking, it will also influence people's loyalty to continue and always use banking services. To meet daily needs and urgent needs. Lovelock & Wright (2015) argue that service quality is as follows: Service quality is the expected level of excellence and control over this level of excellence is to fulfill customer desires. So when banking can fulfill consumers' desires to meet their needs, people's continued use of banking services will be increasingly satisfied.

Zeithaml and Bitner (2013) define service quality as good or excellent service delivery when compared to customer expectations. Apart from that, consumer loyalty is no less relevant to analyze because consumer loyalty will emerge after consumers are satisfied. Reasons for feeling satisfied or dissatisfied with the service they receive. This is the background to why this theme is interesting to research. This research was conducted at PT. Bank Negara Indonesia (Persero), Tbk. Purbalingga. BNI Bank was chosen as the research object, because PT. Bank Negara Indonesia (Persero), Tbk. or Bank BNI is one of the largest government banks in Indonesia.

Quoted from CNBN Indonesia, Bank BNI Director Mucharom said that as of September 2023, BBNi's TPF grew 9.1% on an annual basis and was still above the industry average DPK growth of 6.4% in the same period. Previously, Bank Indonesia revealed that banking credit growth slowed by 3.43% in October (yoy), from 6.4% in the previous month. "This shows that in general the liquidity situation is tightening," explained Mucharom in Bank BNI's public presentation Monday (27/11/2023). Mucharom also revealed that the credit to loan ratio (loan to deposit/LDR) was maintained at a healthy level of 90.1%. We achieved this because BNI's strategy is to build a healthy liquidity buffer, especially in anticipating macroeconomic conditions which have been less favorable recently. PT Bank Negara Indonesia (Persero) Tbk. (BBNI) recorded IDR 11.4 trillion from sales of the seven series of retail Government Securities (SBN) throughout 2023, quoted from market.bisnis.com.

According to Day (1969) Loyalty is an attitude; it refers to positive feelings toward a brand in addition to repurchases over time. This includes attitudinal and behavioral practices, such as repeat purchases of a product and service, repurchasing a brand for a long period of time, insensitivity to price increases (Wangenheim et al 2004) Judith & Kincaid, (2013) state that consumer loyalty is based on building and managing close relationships with consumers and providing positive experiences to consumers. Loyal consumers will buy a company's products or services continuously. However, if a company stops providing positive experiences, both tangible and intangible, to consumers, then their loyalty will disappear and they will not return. Consumer loyalty is characterized by consumer behavior (measured by repeat purchases, frequency of purchases, money spent, or other indicators) and is driven by a positive attitude toward the company and the company's products or services. Judith W Kincaid, (2013) states that customer loyalty is a behavior, which is built on positive experiences and values. This behavior is buying our product, even though it may not be the most rational decision.

The banking industry is experiencing the impact of e-business developments, advances in information technology, as well as developments in the communications and internet sectors (Sudirman & Mood, 2018). Banking uses various strategies to optimize advances in information and communication technology. It seems that banks compete to win the competition in attracting as many customers as possible. Banks are now increasingly active in innovating by utilizing advances in information and communication technology (Febrianta & Indrawati, 2016). Electronic Banking, or Electronic Banking Services, refers to services that enable bank customers to obtain information, communicate and carry out banking transactions via electronic

media (Financial Services Authority, 2018). This is in line with the policy of government banks or state-owned banks or state-owned enterprises, namely Bank BNI, Bank Mandiri, Bank BRI, and Bank BTN which are implementing new rates for ATM link transactions as of June 1 2021 (Rezki & Zulfikry, 2022). This policy encourages public transactions to be carried out without using cash, either through internet banking (i-banking) or mobile banking (m banking).

Mobile banking is one of the banking services provided by banks, including sharia banks, to enable customers to carry out transactions at any time without having to come to the bank office (Nurdin et al., 2021). Mobile Banking has the aim of improving service to customers, meeting market desires, and making it easier for customers to carry out transactions. Customers can use several services in Mobile Banking, including transferring money between bank accounts, paying bills such as landline telephone, electricity, home loan installments, cars, motorbikes, or monthly loans, as well as paying life insurance, car insurance, and various non-financial transactions others (Ismail, 2011). Mobile banking can make it easier for students to pay tuition fees so they don't have to queue for long.

Through mobile banking transactions, customers can enjoy various conveniences through various operational services. Mobile banking transaction facilities via smartphone not only provide convenience, but can also build customer loyalty towards the bank (Basri, 2019). Loyalty is a form of strong commitment to buy a product you like again in the future. In this way, customers will remain loyal to make repeat purchases consistently (Sigit & Soliha, 2017). Commitment to a product as a form of consumer loyalty is the result of a combination of long-term satisfaction from the purchasing process (Monalisa & Suryani, 2013). Banks need to carefully examine how to provide maximum satisfaction to customers to create loyalty. This can be achieved through optimizing the quality of mobile banking services (Febrianta & Indrawati, 2016). The Bank strives to maintain high service quality standards to attract customer interest.

For companies, loyal consumers have a huge meaning, apart from illustrating the amount of profitability obtained by loyal consumers, they can also show the company's image in the eyes of the public. Loyal customers can become partners in developing new products, because they maintain and defend and even use existing company services. Companies must be able to satisfy old customers and create new customers, if they want to win the competition. PT. Bank Negara Indonesia (Persero), Tbk. The Purbalingga Branch must be able to answer existing competitive challenges. Improving service quality to maintain consumer loyalty.

2. Research Method

The type of data used in this research is quantitative data using a survey method where questionnaires will be given to respondents selected as samples designed to obtain valid information data. The population of this research is individual customers aged 20 years and over who have a BNI Bank savings account and have experienced services/carried out transactions through the BNI Mobile Banking application at the Purbalingga branch since 2015. The sampling technique in this research uses accidental sampling technique, namely a sampling technique based on by chance, that is, anyone who coincidentally/incidentally meets the researcher can be used as a sample, if it is deemed that the person they meet by chance is suitable as a data source (Sugiyono, 2013: 156). The research uses a quantitative approach where this approach is used to build a hypothesis and test it empirically. This quantitative approach was chosen by the research because it makes it possible to process data related to numbers, tabulate to arrive at results in the form of data, then the results are expressed in the form of sentences or images. The research instrument was used to collect data from respondents through questionnaires distributed randomly to respondents. This research uses a causality research design, where the design uses causal or causal relationships between variables. There are three types of variables used in this research, namely independent variables (influencing variables), dependent variables (influenced variables), and mediating variables (intermediary variables between the independent variable and the dependent variable). The independent variables in this research are service quality, product quality, and trust which influence the mediating and dependent variables. The mediating variable used is customer satisfaction which influences the dependent variable and is an indirect influence between the independent variable on the dependent variable, as well as the dependent variable in this research. is customer loyalty which is influenced by independent and mediating variables.

3. Results And Discussions

Results

There were 60 respondents in this study, consisting of 38 women or 63.3% and 22 men or 36.7%. Respondents in this study were 46 people aged 17-24 years or 76.7%, 6 or 10% aged 24-32 years, 8 people aged over 32 years or 13.3. This is because some of the customers are predominantly students who are still given pocket money so they are able to deposit money in the bank.

The income or pocket money of respondents is between 0 - IDR 2,500,000 for 49 people or 81.7%, IDR 2,500,000 - IDR 5,000,000 for 8 people or 13.3%, then above IDR 5,000,000 for 8 people or 13.3%. 3 people or 5. This is because some of the respondents are students and on average they are still given pocket money. The higher a person's income, the easier it is to store money in the bank and purchase necessities.

The occupations of the respondents sampled consisted of 2 civil servants or 3.3%, 2 self-employed people or 3.3%, 43 students or 71.7%, 7 or 11.7% private employees, and others. -others as many as 6 people or 10%. Most of the respondents were students so they had no income. The length of time the respondent has been a customer of PT. Bank Negara Indonesia (Persero), Tbk. Purbalingga Branch, namely, 1 – 3 years as many as 22 people or 36.7%, 3 – 5 years as many as 18 people or 30%, and over 5 years as many as 20 people or 33.3%. Most respondents become customers, namely 1 - 3 years because they know that the customer will reuse the desired service.

Table 3.1 Hypothesis Test Results for All Variables

Model	Unstandardized Coefficient		Sign.
	B		
Constant	1,043		0.083
Product Quality (X1)	0.050		0.734
Service Quality (X2)	0.435		0.001
Ease of Use (X3)	0.494		0.079

The explanation of the multiple linear regression equation above is as follows, Constant (a) = 1.043. If the values of X1, Coefficient X1 = 0.050. If the product quality value (X1) is greater, the customer loyalty value (Y) will be greater. The product quality coefficient (X1) is 0.050, meaning that if the values of the other independent variables remain constant and if the product quality variable (X1) increases by 1 unit then customer loyalty (Y) increases by 0.050, the X2 coefficient = 0.435, if the service quality value (X2) increases is large, the value of customer loyalty (Y) will be large. The service quality coefficient (X2) is 0.435, meaning that if the values of the other independent variables remain constant and if the service quality variable (X2) increases by 1 unit then customer loyalty (Y) increases by 0.435, the X3 coefficient = 0.494, if the value of ease of use (X2) increases. is large, the value of customer loyalty (Y) will be large. The ease of use coefficient (X2) is 0.494, meaning that if the values of the other independent variables remain constant and if the ease of use variable (X2) increases by 1 unit then customer loyalty (Y) increases by 0.435.

Table 3.2 Results of Partial Significance Test (t Test)

Variable	Sign Test Results
Product quality	0.008
Service Quality	0.001
Ease of Use	0.079

Based on the significance value produced by the partial test, it can be explained as follows: The product quality variable has a significant value of $0.008 < 0.05$. So it can be concluded that individually the product quality variable has a significant effect on the customer loyalty variable. The service quality variable has a significant value of $0.001 < 0.05$. So it can be concluded that individually the service quality variable has a significant effect on the customer loyalty variable. The ease of use variable has a significant value of $0.079 > 0.05$. So it can be concluded that individually the ease of use variable does not have a significant effect on the customer loyalty variable.

Discussion

The influence of product quality on customer loyalty. From the hypothesis test carried out, product quality does not have a positive effect on customer loyalty. In using the banking services of PT. Bank Negara Indonesia (Persero), Tbk. Purbalingga Branch. This shows that product quality does not determine the level of customer loyalty to PT banking services. Bank Negara Indonesia (Persero), Tbk. Purbalingga Branch. The influence of service quality on customer loyalty. From the hypothesis test carried out, service quality has a positive influence on customer loyalty in PT banking services. Bank Negara Indonesia (Persero), Tbk. Purbalingga Branch. This shows that service quality determines the level of customer loyalty to PT banking services. Bank Negara Indonesia (Persero), Tbk. Purbalingga Branch. This shows that the results received by customers after using services provided by PT.

Bank Negara Indonesia (Persero), Tbk. The Purbalingga branch has an effect on customer loyalty. The effect of ease of use on customer loyalty. From the analysis results it is known that ease of use does not have a positive effect on customer loyalty in using BNI mobile banking PT. Bank Negara Indonesia (Persero), Tbk. Purbalingga Branch. This shows that product quality does not determine the level of customer loyalty to PT banking services. Bank Negara Indonesia (Persero), Tbk. Purbalingga Branch This shows that the results received by customers after using services provided by PT. Bank Negara Indonesia (Persero), Tbk. Purbalingga Branch has no effect on customer loyalty.

Based on research observations and the results of the distribution of questionnaires, it can be shown that the public thinks that the products available at Sharia banks have their own unique appeal and are in line with the community's desires, so people choose to use the products available at Sharia banks. Judging from the results of the answers to the open-ended questions from the distributed questionnaire, the public assesses the attractive products at the Indionesia Sharia Bank at the Purbalingga Sudirman Piembantu branch office, namely products that have low administrative costs, namely wa'diah savings. Apart from that, there are also many people who rate the products at Bank Syariah Indionesia Kantior Piemhelp Purbalingga Sudirman Branch, including various types of siepierti, BSI miobilie, pawn items, attractive ATMs, piembiyaan, financial savings, and many more which are considered attractive.

The results of this research show that the service quality variable has a negative and significant effect on customer loyalty, while product quality, trust and customer satisfaction variables have a positive and significant effect on customer loyalty at Bank Syariah Indonesia, Purbalingga Sudirman Sub-Branch Office. Meanwhile, the variables of service quality, product quality and trust have a positive and significant influence on customer satisfaction at Bank Syariah Indonesia, Purbalingga Sudirman Sub-Branch Office. Then together with the customer satisfaction variable can mediate the influence of service quality, product quality and trust on customer loyalty at Bank Syariah Indonesia Purbalingga Sudirman Sub-Branch Office.

4. Conclusion

Interaction in the banking sector where customers want satisfaction in product quality, service quality and a good brand image so that it plays an important role in improving relationships with customers and the following conclusions can be drawn, Product Quality has a positive effect on PT customer loyalty. Bank Negara Indonesia (Persero), Tbk. Purbalingga Branch for BNI Mobile Banking users, Service Quality has a positive effect on PT customer loyalty. Bank Negara Indonesia (Persero), Tbk. Purbalingga Branch for BNI Mobile Banking users, user convenience has a positive effect on PT customer loyalty. Bank Negara Indonesia (Persero), Tbk. Purbalingga Branch for BNI Mobile Banking users. The conclusion from this research is that the higher the company image, the more customer satisfaction and customer loyalty will increase. In trust, the higher the trust, the satisfaction and loyalty will increase. This is supported by Kolter's theory which states that trust is the level of consumer certainty when their thinking is clarified by repeated reminders from market players and their friends. Trust can encourage the intention to buy or use a product by eliminating doubts.

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