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By Dara Fitria Jannah

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The Influence of Service Quality and Company Image on Customer Satisfaction

(Study Of One of The Companies Operating in The Banking Sector in Garut)

Dara Fitria Jannah, Irena Larashati, Ashila Dwiyanisa, Imelda Megawati

Sekolah Tinggi Ilmu Ekonomi Pasundan Bandung, Indonesia

Email: darafitria@gmail.com, irena@stiepas.ac.id, ashila@stiepas.ac.id, imelda@stiepas.ac.id

Abstract

Banking, as a financial organization primarily engaged in the collection and redistribution of public funds, must establish a robust banking system. Consequently, it is necessary to regulate and supervise banking operations to ensure the adoption of sound banking practices. Since the implementation of the OJK Law on 22 November 2011, the oversight of financial services institutions in Indonesia has shifted from multiple institutions to a single institution, the OJK. Previously, banking supervision was conducted by Bank Indonesia, while Bapepam handled the supervision of capital markets and other financial institutions. The objective of this study is to ascertain customer happiness, which is influenced by the quality of service and the organization's image.

This research employs the descriptive and verification analytic approach, focusing on the 92 respondents who are customers of Bank Negara Indonesia. The processing and research are categorized into two distinct types: secondary data from the company and primary data from the questionnaire responses; in-depth analysis is also done, which seeks to provide a comprehensive understanding of how service quality and corporate image impact customer happiness.

According to the research findings, Service Quality is pretty good, with an average rating of 3.23. Company Image is also considered quite good, with an average rating of 3.18. Similarly, Customer Satisfaction falls into the pretty good area. Its mean value is 3.10. Service Quality (X1) significantly influences Customer Satisfaction (Y) with a total influence of 0.334.

Similarly, Company Image (X2) also significantly influences Customer Satisfaction (Y) with a total influence of 0.484. When both Service Quality (X1) and Company Image (X2) are considered together, they have a combined influence on Customer Satisfaction (Y) with a determination (R2) of 0.818 or 81.8%. The remaining 18.2% of the influence on Customer Satisfaction (Y) is attributed to other variables that were not examined. The research findings confirm a strong correlation between Service Quality and Company Image Customer Satisfaction in a banking company in Garut.

Keywords: Service Quality, Company Image, Consumer Satisfaction

Introduction

In the present period of globalization, the level of rivalry in the commercial sector is intensifying. This competition requires business professionals to optimize their company's performance to compete with other companies effectively. Companies should make a concerted effort to acquire knowledge and comprehension of their consumers' demands and desires, mainly if the company is in the service industry.

Comprehending clients' requirements, desires, and demands will lead to a heightened sense of satisfaction. Customers can offer valuable insights to organizations, enabling them to enhance their services and marketing efforts, ultimately leading to increased customer happiness.

Customer satisfaction is contingent upon the required standard of service customers provide. Therefore, ensuring the quality of service is of utmost importance for every organization, as it serves as a benchmark for the firm's competitive edge. The consumer's perspective places great importance on the quality of service in service-oriented companies. Consumers evaluate both the outcomes and the procedure of providing the service.

As per the Republic of Indonesia Law Number 10 of 1998 on Banking, banks are commercial enterprises that gather funds from the general public through savings and disburse them to the public through credit and other means to enhance the quality of life for numerous individuals.

Law No. 8 of 1999, often known as the Consumer Protection Law, has been enacted to safeguard the interests of the consumer community. This legislation provides a robust legal framework for the government and society to undertake initiatives to enhance consumer empowerment. The Consumer Protection Law Number 8 of 1999 in Indonesia outlines the rights of consumers, which encompass the entitlement to comfort, security, and safety when purchasing goods and services. Consumers also have the right to choose products or services and receive them as promised, per the agreed terms and conditions. Furthermore, consumers have the right to fair and non-discriminatory treatment and the right to receive compensation or replacement if the received goods or services do not meet the agreed-upon standards.

PT Bank Negara Indonesia, founded under Government Regulation no. 2/1946, strives to deliver exceptional customer service as a strategic business ally. This commitment positions BNI as a leader in terms of superior financial performance compared to its competitors, ultimately ensuring a high-quality investment experience for stakeholders. The primary responsibilities of PT Bank Negara Indonesia include delivering exceptional customer service, gathering funds from the public through various means such as current accounts, deposits, certificates of deposit, and savings accounts, extending credit, issuing debt acknowledgment letters, and facilitating money transfers, all to serve the best interests of both customers and the bank. Facilitate the collection of securities payments and perform calculations alone or in collaboration with external entities. Offer a facility for storing commodities and securities, Allocate customer cash to other customers through the issuance of unlisted securities, and engage in other typical banking activities that comply with relevant laws and regulations.

Banking services are typically categorized into two primary purposes. Firstly, we provide highly effective payment systems and solutions for our customers. Banks play a crucial role in the economy by offering various financial services such as cash, savings accounts, and credit cards. Without this effective payment method, items may only be exchanged through bartering, which is time-consuming.

Furthermore, the bank enhances the circulation of funds for investment and more efficient utilization by receiving savings from consumers and providing loans to those needing finances. If this job is performed effectively, it will lead to an enhancement in a country's economy. Without this influx of income, money remains stagnant in someone's possession. Individuals cannot obtain loans, and enterprises cannot be established due to a lack of available cash for lending.

PT. Bank Negara Indonesia, along with many government and corporate entities, is currently prioritizing customer satisfaction as a key area of concern. This is attributed to their superior comprehension of customer happiness as a strategic approach to gaining an advantage in the fiercely competitive business landscape.

Ensuring customer happiness is crucial for service providers because customers can share their positive experiences with others, thus enhancing the service provider's reputation.

The contentment experienced by customers leads to favorable outcomes, such as recurring purchases and recommendations to prospective customers regarding the utilization of the same product or service. The company will generate numerous profits by leveraging the Word of Mouth (WoM) strategy, which involves customers spreading positive information to other customers.

Essentially, the level of happiness or discontent that customers experience with the services they receive will impact their future behavior. Clients demonstrate this following the completion of the purchasing procedure. Customer satisfaction is strongly correlated with the likelihood of repurchasing the same service from the same vendor. Contented clients also tend to offer favorable recommendations for services to others. However, this is not the case for an unsatisfied customer. Customers will engage in the opposite behavior.

Customers will evaluate the quality of service. Insufficient focus on service quality by service providers leads to reduced market responsiveness and inevitably lowers consumer satisfaction.

The quality of service a firm offers is closely correlated with customer satisfaction, which affects operating expenses and company earnings.

In addition, it is undeniable that the positioning of the company's image in service marketing plays a crucial role in enhancing customer happiness. Without a favorable reputation, the service firm will be inefficient and generate a pessimistic perception among the public towards the service company. In order to cultivate a favorable reputation, a firm must effectively communicate its message to all facets of its business ecosystem, including internal and external stakeholders such as employees, customers, suppliers, and other relevant parties.

The reputation of service organizations plays a crucial role in shaping clients' perceptions, making it highly significant for both private and government agencies. The company's reputation will elicit customer responses, as those who perceive wrong impressions and messages will experience dissatisfaction.

Examining client happiness is crucial, as it is subject to change and contingent upon the quality of service provided. The current level of service may be deemed satisfactory, but it may fail to meet future expectations. Service providers should prioritize being more receptive to their consumers' problems. The concrete factor of reliability does not exert a noteworthy impact on customer satisfaction. However, the factors of responsiveness, assurance, and empathy substantially influence customer satisfaction.

Customer satisfaction is significantly influenced by service quality characteristics, which include tangibles, reliability, responsiveness, assurance, and empathy. This study aimed to assess the impact of service quality, namely in terms of tangibles, reliability, responsiveness, assurance, and empathy, on customer satisfaction.

Customer satisfaction and dissatisfaction can arise from various factors, including service quality, company image, price or cost, promotion, location, facilities, and infrastructure, or dissatisfaction with the value offered by a banking company in Garut to its customers. In addition, there is unrecorded data regarding client complaints at one of the financial companies in Garut.

1. Insufficient parking space
2. Insufficient amenities
3. Insufficient data
4. Grievances regarding extended waiting lines

Complaints from dissatisfied clients suggest a deterioration in the quality of service offered by one of the financial institutions operating in Garut, leading to a reduction in customer satisfaction. It is desirable for a company working in the banking sector in Garut to prioritize customer complaints and enhance existing services.

Customer satisfaction is seen in the caliber of the current services provided. Good service quality influences the company's image, which is achieved through efficient marketing strategies that foster trust with clients.

The quality of service directly affects the product's performance and the consumer's satisfaction. Satisfaction is contingent upon the service quality aligning with customer expectations, while dissatisfaction arises when the service quality fails to meet consumer expectations.

The quality of a service company's services can influence its image. Customers' opinions of service quality will influence their perception of the service company's reputation.

A company's reputation has a favorable impact on consumers' satisfaction levels. Consumer happiness, followed by corporate image, is crucial for service companies in terms of consumer and customer pleasure.

Given the context of the problem outlined, the author expresses a solid inclination to conduct further research and transform it into a scientific paper in the form of a thesis titled "The Influence of Service Quality and Company Image on Customer Satisfaction" (a study focused on a banking company operating in Garut).

Method

The research employed quantitative research methods. Quantitative research methods are based on the positivist philosophy and are used to study samples and populations. Sampling techniques typically involve random sampling, while data collection uses specific research instruments. The data are analyzed quantitatively. The measurement can be conducted to test a previously formed hypothesis.

The sampling methodology employs a purposive random sample method. Purposive random sampling selects sample units that consider specific criteria to acquire units that possess desirable qualities or meet specific requirements. Samples are collected to obtain information from individuals who are believed to possess the necessary knowledge or expertise sought by the writer.

Population is a broad area that includes things or persons with specific attributes and characteristics, which researchers study and draw conclusions from.

The population for this study consisted of 1214 respondents gathered from a company operating in the banking industry in Garut and 1214 customers of a financial company operating in Garut. Employing the Slovin technique can determine the sample size through calculation. This study employs the Slovin formula to ensure that the sample size is representative, allowing for the generalization of research findings. Additionally, using this formula eliminates the need for a table of sample sizes, as it can be calculated using straightforward mathematics and calculations.

The research objectives necessitated utilizing two data analysis methods: Validity Test and Reliability Test. The validity test ascertains how the measuring instrument accurately measures the intended construct. A measuring device with a high level of validity will have a low error rate, ensuring that the gathered data is reliable.

Reliability testing is a method used to assess the consistency and accuracy of a questionnaire that contains indications of variables or constructs. A questionnaire is deemed trustworthy if consistent data is obtained across multiple time points. Meanwhile, the author employs qualitative and quantitative analysis approaches, specifically descriptive analysis for data description and verification analysis for quantitative analysis.

Results and Discussion

This study aims to examine the impact of service quality and corporate image on customer satisfaction at a banking company in Garut. The variables service quality (X1) and corporate image (X2) were selected due to their significant influence on customer perception and satisfaction. Customer satisfaction (Y) is a dependent variable that measures consumers' degree of contentment or discontentment over the bank's services.

The coefficient of determination (R Squared) was utilized to conduct data analysis and ascertain the extent to which service quality and corporate image variables can account for the variability in customer satisfaction. The calculation findings indicate that the coefficient of determination is 81.8%, implying that service quality and corporate image variables can account for 81.8% of the variability in customer satisfaction. In addition, a study was conducted to ascertain each independent variable's direct and indirect impact on customer satisfaction.

The service quality variable directly influences customer satisfaction by around 18%, with a coefficient of 0.178. This condition demonstrates that a high service quality has a substantial and favorable effect on customer satisfaction. Customer satisfaction is typically higher when they perceive that they are being treated favorably and receive service that aligns with their expectations. Conversely, the direct impact of the corporate image variable on customer satisfaction is 0.328, which is almost 33%. This condition suggests that a positive corporate image also notably affects customer satisfaction. Customers are more likely to be satisfied with the services offered by a bank with a positive reputation as a reliable and capable financial organization.

In addition to the direct impact, this study also uncovers the indirect impact of service quality and corporate image variables on customer satisfaction. Service quality has an indirect impact on customer satisfaction, with a coefficient of 0.156, or around 16%. This condition suggests that service quality can also affect customer happiness through other intermediaries or elements that are not directly linked. This result can be achieved by enhancing client trust, fostering loyalty, or enhancing the perception of added value from the services rendered.

Similarly, the indirect impact of company image on customer satisfaction is 0.156, about equivalent to 16%. This result suggests that corporate image could affect customer satisfaction through other elements or mediators. A compelling corporate image can enhance client trust, foster loyalty, and heighten the perceived value of banking services.

The findings of this study make a substantial contribution to comprehending the determinants that impact customer satisfaction at a banking institution in Garut. The practical implication of this research is that bank management must prioritize and enhance the quality of services offered and cultivate a positive corporate image. This condition is necessary to achieve maximum customer satisfaction and sustain their market share in the face of intensifying competition within the banking industry.

The significance of service quality and corporate image in impacting customer satisfaction aligns with the principle in marketing management that underscores the need to comprehend and meet consumer requirements and wishes. In order to retain and expand its clientele, a bank must consistently enhance the caliber of its services and bolster its reputation as a reliable and proficient financial establishment.

Additional aspects, such as the goods' quality, price, and promotional activities, also significantly influence consumer happiness. While this research did not specifically investigate it, the influence of this factor on customer views and overall satisfaction should not be disregarded. Hence, conducting additional research can broaden the range of variables examined, leading to a more thorough comprehension of the elements that impact customer satisfaction in the banking sector.

Hence, this study's findings significantly contribute to comprehending the determinants that impact customer satisfaction at a banking institution in Garut. The practical implication of this research is that bank management must prioritize and enhance the quality of services offered and cultivate a positive corporate image. This condition is necessary to achieve maximum customer satisfaction and retain their market share in the face of intensifying competition within the banking industry.

Conclusion

The research findings validate that service quality and corporate image significantly enhance customer satisfaction at a banking organization in Garut. The combined influence of service quality and corporate image accounts for approximately 81.8% of the variability observed in customer satisfaction. The service quality has a direct impact of 18% on customer satisfaction, but the corporate image has a direct impact of 33%. In addition, the combined impact of these two variables is 16%. The suggestion is that bank management should enhance service quality by enhancing personnel training and technology infrastructure while cultivating a positive company image through consistent communication and enhancing reputation. Suggestions for future research involve broadening the range of variables examined to comprehend additional components that impact client happiness. These findings are a foundation for banks to develop successful strategies to uphold customer satisfaction and achieve a competitive edge in a progressively intricate industry.

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