Does Service Quality, Customer Satisfaction and Company Image Affect Customer Loyalty?

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Abstract

This study proposes an idea to analyze how the role of Service Quality, Customer Satisfaction and Corporate Image in building Customer Loyalty at PT. Bank Central Asia KCU Makassar. This research uses the method quantitative with multiple linear analysis using 100 samples. The results of this study indicate that Service Quality variable (X1), Customer Satisfaction (X2), Company Image (X3) have a significant effect either partially or simultaneously on Customer Loyalty because it has a probability value of 0.000 0.05. While the coefficient of determination (Adjusted R Square) obtained is 0.937. This means that 93.7% of customer loyalty can be explained by the three dependent variables, while the remaining 6.3% of customer loyalty is influenced by other variables. This research contributes directly theoretically to the progress or development of understanding of the phenomenon of loyalty for the banking world in Indonesia and empirically able to make an active contribution to the banking and marketing team in managing loyalty and retaining customers. Further tracing and further research is needed by using a wider variety of research approaches, additions and changes to sampling techniques and adding other new variables. which is thought to also affect the formation of customer loyalty.

INTRODUCTION

In the banking business, which can be seen from the map of the strength of government banks, which are increasingly being competed by private banks, as well as banking technology that is increasingly widespread, innovation is very necessary.(Jerene & Sharma, 2020). Banking innovation and development is a necessity that cannot be avoided, because the public's assessment of banks is not only focused on quantity issues such as interest provided by banks, but has developed on quality issues both regarding the bank services provided and the good image of the bank.(Normasari et al., 2013; Tabrani et al., 2019).

One of the bank's images can occur because of good service quality and satisfying customers which will have an impact on loyalty. Synergy over services, a good bank image has an impact on customer satisfaction. Furthermore, customer satisfaction in turn will be able to create a continuous relationship between the customer and the bank in the form of repeated transactions or loyalty(Andhika, 2021).

Customer satisfaction is defined as a response to a specific or inappropriate consumption experience that is felt between previous expectations and the actual performance of the product after use(Krisna & Sudiartha, 2018; Rofiqo et al., 2021). Satisfaction concerns what is expressed by customers about perceptions and expectations of banking services obtained from banks. Loyalty is related to what customers do after interacting in the banking service process(Jhamb & Kiran, 2012; Susanti & Parera, 2021). The concept implies that customer satisfaction is not measured by satisfaction or dissatisfaction. Customer satisfaction is no less relevant to be analyzed because the attitude of customer satisfaction arises after the customer feels satisfied or dissatisfied with the quality of banking services and image.(Ishak & Azzahroh, 2017).

Service quality is the most dominant factor in service delivery(Bahia & Nantel, 2000), customers who feel good service quality, then customers will feel satisfied and believe in the performance of the bank(Normasari et al., 2013; Sutisna, 2016;

Wardhana et al., 2018). If the bank has a good image, customers will feel comfortable and tend to be loyal customers to the bank. A good image in the eyes of customers will lead to high loyalty as well. Image cannot be created like creating a product(Hilz, 2008), the image will appear by itself according to the impression obtained by the public from knowledge and understanding of something.

Bank BCA (Bank Central Asia) is the largest private bank in Indonesia that has a variety of quality and targeted products and services for Bank BCA customers. In addition, Bank BCA is one of the banks that currently has many types of banking services, one of which is Tabungan Hari Depan, better known as Tahapan BCA. Various segments are offered by BCA in the Tahapan savings account to different customers, of course with attractive features tailored to each of these segments. For example, Tahapan BCA is intended for individual customers or foundations. Then Stages Gold is intended for the business segment.

Table 1
Top Brand Index of Indonesian Conventional Bank Savings Products 2021 – 2022

BRAND	TBI 2021	TBI 2022
BCA Stages	31.6%	29.9%
BritAma	21.7%	21.1%
Simpedes	10.3%	10.2%
Independent Savings	8.9%	11.5%
BNI Taplus	8.6%	6.9%

Source: Top Brand Index (TBI) 2017 – 2018(Top Brand Award, 2022)

Based on table 1.1, it shows that ranking 1 in the TOP category version of the Top Brand Index (TBI) is the stage of Bank Central Asia which has a value above 15% from 2019 to 2022, where Bank Central Asia experienced an increase in percentage from 2019 to 2022 by 9%. Top Brand Index (TBI) is an award given to the best brands chosen by consumers for the results of research on Indonesian consumers. The products offered by banks to customers for consumption or use to meet the needs and desires of customers, where the benchmarks of the Top Brand Index (TBI) are mind share, commitment share and market share. Bank Central Asia experienced a percentage increase from 2017 to 2018,

Service quality, satisfaction, and the image created by Bank Central Asia for customers are also very important in order to provide a response to create customer loyalty. The phenomenon faced by PT. Bank Central Asia KCU Makassar in providing quality service fulfillment to customers, instilling customer satisfaction and image, which until now has been fulfilled according to customer expectations. Customer satisfaction in banking competition has now become a major issue(Atmaja, 2018; Ibrahim Khartabiel Student & Saydam, 2014), the issue of customer/consumer satisfaction is the most important thing for service companies, considering the increasing number of alternative products that consumers can choose to meet their needs and desires. In previous research conducted by Krisna and Sudiartha (2018), the results of the study showed that service quality, customer satisfaction and bank image together had a significant effect on customer loyalty.(Krisna & Sudiartha, 2018).

Based on the background that has been stated, the authors propose a title in this paper, namely "The Effect of Service Quality, Customer Satisfaction and Company Image on Customer Loyalty in".

RESEARCH METHODS

The type of data used in this study is quantitative data in the form of answers given by respondents to the statements in the questionnaire. The source of data used in this study is primary data, namely data on respondents' answers to questions in the questionnaire.The population in this study is the customer of Tahapan Gold savings at PT. Bank Central Asia KCU Makassar, totaling about 5,970 customers. The sample selection technique in this study used the accidental sampling technique, the number of samples to be taken using the formula from Slovin(Arikunto, 2017)as follows :

$$n = \frac{N}{1 + N (e)^2}$$

$$n = \frac{5970}{1 + 5970(0,1)^2}$$

n = 98.35 or rounded up to 100 samples/respondents.

To determine the effect of service quality, customer satisfaction, and company image on customer loyalty, multiple regression analysis was used. Multiple regression analysis (multipleregression) is used to test hypotheses 1, 2, 3. The regression equation model is as follows:

Y1 = a + B1X1 + B2X2+ B3X3

RESULTS AND DISCUSSION
Results
CharacteristicsRespondent

Respondents in this study were customers of PT. Bank Central Asia KCU Makassar by using accidental sampling technique, which amounted to 100 respondents. The characteristics of respondents included in this study include gender, age/age of respondents, education and occupation. From the survey results obtained data on the characteristics of the respondents as follows:

Table 2
Characteristics of Respondents by Gender

No	Gender	Frequency (Person)	Percentage (%)
1	Man	65	65.0
2	Woman	35	35.0
	Total	100	100.0

Source: research results (processed data) 2022

Table 3
Characteristics of Respondents Based on Age

No	Age	Frequency (Person)	(%)
1	≤23 years	2	2.0
2	>24 – 35 years	18	18.0
3	> 36 - 45 years old	41	41.0
4	> 46 years old	39	39.0
	Total	100	100.0

Source: research results (processed data) 2022

Table 4
Characteristics of Respondents Based on Education

No	Education	Frequency (Person)	Percentage (%)
1	SENIOR HIGH SCHOOL	5	5.0
2	D3	5	5.0
3	S1	83	83.0
4	S2	7	7.0
	Total	100	100.0

Source: research results (processed data) 2022

Table 5
Characteristics of Respondents Based on Occupation

No	Work	Frequency (Person)	Percentage (%)
1	Student/Student	5	5.0
2	Private employees	11	11.0
3	Self-employed	70	70.0
4	civil servant	14	14.1
	Total	100	100.0

Source: research results (processed data) 2022

Validity test

Testing the validity in this study using Correted Item-Total Correlation processed with SPSS computer program. The results of the validity test can be seen in the following table.

Table 6
Validity Test Results

Variable	Indicator	r count	r table	Information
Service Quality (X1)	X1.1	0.479	0.195	Valid
	X1.2	0.591	0.195	Valid
	X1.3	0.578	0.195	Valid
	X1.4	0.437	0.195	Valid
	X1.5	0.494	0.195	Valid
Customer Satisfaction (X2)	X2.1	0.450	0.195	Valid
	X2.2	0.441	0.195	Valid
	X2.3	0.302	0.195	Valid
	X2.4	0.512	0.195	Valid
Company Image (X3)	X3.1	0.434	0.195	Valid
	X3.2	0.562	0.195	Valid
	X3.3	0.553	0.195	Valid
	X3.4	0.687	0.195	Valid
Customer Loyalty (Y)	Y1.1	0.490	0.195	Valid
	Y1.2	0.571	0.195	Valid
	Y1.3	0.534	0.195	Valid
	Y1.4	0.441	0.195	Valid

Source: research results (data processed by SPSS) 2022

Reliability Test

The results of the reliability test in this study used the Cronbach alpha coefficient. If Cronbach's alpha is greater than or equal to 0.60 then the instrument is reliable. Here are the results of the reliability test:

Table 7
Reliability Test Results

Variable	Cronbach's Alpha	Information
Service Quality (X1)	0.747	Reliable
Customer Satisfaction (X2)	0.645	Reliable
Company Image (X3)	0.754	Reliable
Customer Loyalty (Y1)	0.716	Reliable

Source: research results (data processed by SPSS) 2022

Based on table 4.10, it has been shown that the Cronbach's alpha value of all variables is greater than the standard reliability value of 0.60, so it can be concluded that the instrument of the questionnaire statement

indicator used in this variable is declared reliable or trustworthy as a measuring tool.

Multiple Linear Regression Test

Table 8
Multiple Linear Regression Analysis

Model	UC		SC	t	Sig.
	B	**Std. Error**	**Beta**		
(Constant)	-,436	,505		-,864	,390
Service Quality (X1)	,639	.041	,798	15,706	,000
1 Customer Satisfaction (X2)	,124	0.048	,131	2,587	0.011
Company Image (X3)	,106	,033	,097	3,214	,002

Source: research results (data processed by SPSS) 2022

Based on table 4.11 from the results of data processing, the following regression equation is obtained:

Y = - 0.436 + 0.639 X1 + 0.124 X2 + 0.106 X3

The regression equation has the following meaning:

1. The constant of -0.436 states that if the independent variables, namely service quality (X1), customer satisfaction (X2), and company image (X3) are equal to 0 or not applied, then the negative constant value indicates a decrease in customer loyalty.
2. The X1 regression coefficient of 0.639 states that if Service Quality increases, it will increase Customer Loyalty and vice versa if Service Quality decreases it will decrease Customer Loyalty.
3. The X2 regression coefficient of 0.124 states that if Customer Satisfaction is conducive it will increase Customer Loyalty and vice versa if Customer Satisfaction is not conducive it will decrease Customer Loyalty.
4. The X3 regression coefficient of 0.106 states that if the Company's Image is conducive it will increase Customer Loyalty and vice versa if the Company's Image is not conducive it will decrease Customer Loyalty.

Hypothesis testing
F Uji test
The F (simultaneous) test is a joint test to test the significance of the influence of the variables of Service Quality (X1), Customer Satisfaction (X2), and Company Image (X3) together on the Customer Loyalty variable (Y). If the value of sig 0.05, then there is an effect of service quality variables (X1), Customer Satisfaction (X2), and Company Image (X3) together on the Customer Loyalty variable (Y). If the sig value > 0.05 then there is no effect of the variables of Service Quality (X1), Customer Satisfaction (X2), and Company Image (X3) together on the Customer Loyalty variable (Y).

Table 9
F Uji test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	313.540	3	104.513	490,396	,000b
1 Residual	20,460	96	,213		
Total	334,000	99			

Source: research results (data processed by SPSS) 2022

From the formulation, it can be said that the variables of Service Quality (X1), Customer Satisfaction (X2), Company Image (X3) have a significant simultaneous effect on Customer Loyalty because it has a probability value of 0.000 0.05.

T Uji test
Article T-test was conducted to determine the effect of each or partially the independent variables (service quality, customer satisfaction, and company image) on the dependent variable (customer loyalty). Meanwhile, partially the influence of the three independent variables on consumer purchasing decisions is shown in the following table:

Table 10
t test results

Model	UC		SC	T	Sig.
	B	**Std. Error**	**Beta**		
(Constant)	-,436	,505		-,864	,390
Service Quality (X1)	,639	.041	,798	15,706	,000
1 Customer Satisfaction (X2)	,124	0.048	,131	2,587	0.011
Company Image (X3)	,106	,033	,097	3,214	,002

Source: research results (data processed by SPSS) 2022

The influence of each variable of service quality, customer satisfaction and company image on customer loyalty can be seen from the direction of the sign and the level of significance (probability). The variables of service quality, customer satisfaction and company image have a positive direction. The variables of service quality, customer satisfaction and company image have a significant effect on customer loyalty because the significant value is 0.05.

Coefficient of Determination Test

Table 11
Model Summary

Model	R	R Square	Adjusted R Square	SEE
1	,969a	,939	,937	,46165

Source: research results (data processed by SPSS) 2018

From the results of calculations using the SPSS program, it can be seen that the coefficient of determination (Adjusted R Square) obtained is 0.937. This means that 93.7% of customer loyalty can be explained by the variables of service quality, customer satisfaction and company image, while the remaining 6.3% customer loyalty is influenced by other variables not examined in this study.

Discussion

Based on   The results of the research on service quality variables consist of five indicators, namely physical evidence, reliability,   responsiveness, assurance/assurance, and empathy. The results of the partial test (t test) between service quality variables on customer loyalty show a t-count value of 15.706 and a probability value of 0.000 0.05, this means that service quality has a positive and significant effect on customer loyalty and these results support the research of Sigit and Soliha (2017) which states that service quality has a positive and significant effect on customer loyalty. This statement supports the opinionTabrani et al. (2019) that satisfied customers with service quality will provide the main basis for repeat purchases and the creation of customer loyalty(Tabrani et al., 2019). Of course, on the basis of good service quality, so the meaning of this service quality is a service provided by a company to its consumers both physically and mentally. In the end it will form a paradigm that customers will be loyal or not to the company. It can be concluded that the quality of service obtained by customers greatly influences customer loyalty.

The results of the partial test (t test) between the variables of customer satisfaction on customer loyalty show a t-count value of 2.587 and a probability value of 0.011 0.05, this means that service quality has a positive and significant effect on customer loyalty and these results support fromRafica (2018) which states that customer satisfaction has a positive and significant effect on customer loyalty(Rafica, 2018). This statement supports the opinion of Wardhana (2018) that in the long term, customer satisfaction will have an impact on the formation of customer loyalty. When customers will feel satisfied with the services provided by a company, customers will tend to return to visit the service where this is one indicator of the emergence of customer loyalty.(Wardhana et al., 2018). According to Andhika (2021) that many benefits are received by the company by achieving a high level of customer satisfaction. So it can be concluded that every satisfaction obtained by customers has a very positive and significant effect on customer loyalty(Andhika, 2021)

Based on   variable   research resultsThe corporate image consists of four, namely personality, reputation, values and corporate identity. The results of the partial test (t test) between corporate image variables on customer loyalty show the t-count value of 3.214 and the probability value of 0.002 0.05, this means that service quality has a positive and significant effect on customer loyalty and these results support the research of Triyadi et al. al. (2021) which states that company image has a positive and significant effect on customer loyalty(Triyadi et al., 2021)

This statement supports the opinion of Purba (2017) that an image cannot be formed just like that but requires a process to form it. The company always improves the image so that consumers are loyal to the services it sells, because the more loyal consumers, the more sales will increase(Ancient, 2017). How strongly the company's image is embedded in the minds or memories of consumers affects subsequent customer behavior or attitudes, if the image of a company is good then customers will have a sense of pride in being users of these services.

CONCLUSION

This study shows that Service Quality has a positive and significant effect on Customer Loyalty at PT. Bank Central Asia KCU Makassar. This significant value indicates that the better quality of services provided by Bank Central Asia can make

customers loyal to the Bank. Customer Satisfaction has a positive and significant effect on Customer Loyalty at PT. Bank Central Asia KCU Makassar. Customers achieve their hopes and desires so that they can feel a satisfaction from Bank Central Asia. Corporate Image has a positive and significant effect on Customer Loyalty at PT. Bank Central Asia KCU Makassar. Bank Central Asia's positive and strong corporate image is able to make customers feel satisfied and can lead to loyalty.

This research contributes directly theoretically to the progress or development of understanding of the phenomenon of loyalty for the banking world in Indonesia. Provide additional marketing and marketing management treasures for banks. In addition, empirically it is able to make an active contribution to the banking sector and its marketing team in managing loyalty and retaining its customers. This study only uses multiple linear regression analysis with a quantitative approach. Further tracing and further research is needed using a variety of deeper research approaches in the form of path analysis or phenomenological studies with a qualitative approach. In addition, it is necessary to carry out further studies with sampling techniques that better describe the population such as cluster sampling.

This research indicates for the company to further improve the quality of its services by having a target of how long it takes to serve a customer and trying to provide timely service to customers, so that customers are satisfied with the services provided, being serious in serving every customer and employee need. able to communicate with customers, so that customers feel happy and comfortable in conducting transactions. The most dominant variable influencing customer loyalty is guarantee/assurance. For this reason, Bank Central Asia needs to improve indicators on this variable, as well as improve other indicators such as physical evidence, reliability, responsiveness and empathy.

Bank Central Asia needs to make efforts to improve the company's image so as to create customer satisfaction which will result in customer loyalty. In addition, the corporate image variable, the most dominant indicator influencing customer loyalty, is the value in prioritizing customer interests. For this reason, Bank Central Asia needs to maintain indicators on this variable, as well as improve the personality, reputation, and corporate identity.

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