

CUSTOMER SATISFACTION AND LOYALTY OF PT. BRI, TBK MEDAN BRANCH OFFICE WITH TRUST AS INTERVENING VARIABLE

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Abstract: *This research aims to determine the effect of satisfaction on customer loyalty PT. BRI, Tbk Medan Branch Office with trust as an intervening variable. The sample used in this study is 130 respondents who are customers of PT. BRI, Medan Branch Office. The sampling technique used is non probability sampling technique with purposive sampling method. The analytical method used is Structural Equation Modeling (SEM) by using the AMOS-20 (Analysis of Moment Structure) tool to determine the effect of the variables involved. The results of this study indicate that satisfaction has a significant effect on customer trust PT. BRI, Medan Branch Office. Satisfaction and trust have a significant effect on customer loyalty PT. BRI, Medan Branch Office. Trust mediates partially mediation the effect of satisfaction on customer loyalty PT. BRI, Medan Branch Office.*

Key Words: *Trust, Satisfaction, Customer Loyalty.*

1. INTRODUCTION:

Bank is a form of organization that is oriented to customer trust. This belief of course concerns the credibility of the bank in the eyes of customers. Trust is so important because it will benefit both parties. From the bank's side, this creates customer loyalty which is very useful for the survival of the bank concerned. As for customers, the benefits obtained are getting the right product, namely achieving satisfaction with banking products that are in line with needs.

As a government-owned company, PT. BRI, Medan Branch Office continues to be committed to strengthening itself to be a leading bank in Indonesia. The increasing number of customers from year to year shows an indication of the high public interest in conducting banking transactions at PT. BRI, Medan Branch Office. Therefore, this study aims to measure customer loyalty PT. BRI, Medan Branch Office and to find out satisfaction and influence on PT. BRI, Medan Branch Office

Based on the theories and phenomena that the researcher has described, the researcher feels interested in examining the extent to which "Customer Satisfaction and Loyalty PT. BRI, Tbk Medan Branch Office with Trust as an Intervening Variable".

2. LITERATURE REVIEW:

2.1 Theoretical basis

In a business context, the term loyalty has been used to describe the willingness of customers to continue to subscribe to a company in the long run, by buying and using goods and services repeatedly and better exclusively, and voluntarily recommending the company's products to friends friends and colleagues (Lovelock & Wright, 2007). Loyalty is so important to ensure the survival of the company. Zikmund (2003) states that satisfaction and trust are two of five factors that can influence loyalty.

Basically the definition of loyalty itself according to Lovelock (2005: 133) is the customer's decision to voluntarily continue to subscribe to certain companies in the long term. Furthermore, Zikmund (2003:72) states that the factors that influence loyalty include: *satisfaction, emotional bonding, trust, choice reduction and habit, history with company.*

Trust is one aspect that is very important in creating customer loyalty. The existence of trust turns out to be more satisfying for consumers to engage in long-term relationships (Gronroos, 2000). Doney and Cannon in Aydin and Ozer (2005) state that trust is a calculative process between the costs incurred and the results obtained. Morgan and Hunt (1994; in Setyani, 2014) say that trust and commitment are key intermediaries in building loyalty.

Customer satisfaction is also an aspect that must be considered, if the customer is satisfied with the service provided, of course, it will have a positive psychological impact, which may have an impact on loyalty to the company that provides such satisfaction. If the customer has a feeling of satisfaction with the service provided, it can be ascertained that the customer will become a loyal customer and will not turn to other services (Ahmad & Buttle, 2002). The definition of satisfaction itself according to Lupiyoadi (2006) is a function of perception or impression of performance and expectations.

2.2 Conceptual Framework

Based on the theory described earlier, the conceptual framework in this study can be described as follows:

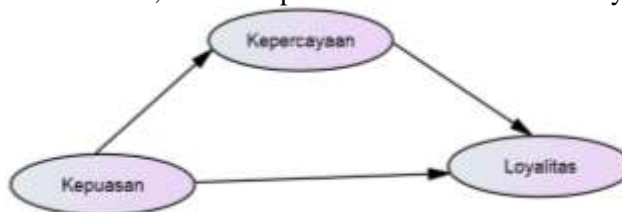


Figure 1. Conceptual Framework

2.3 Hypothesis

The hypothesis in this study can be described as follows:

1. Effect of satisfaction on trust

Research from Norhermaya (2016) found that customer satisfaction has a positive effect on customer trust and loyalty. Then hypothesis 1 (H1) in this study can be stated as follows:

H₁: Satisfaction has a significant effect on customer trust PT. BRI, Tbk Medan Branch Office.

2. Effect of satisfaction on loyalty

Research from Wicaksono (2015) found that service quality and trust influence customer satisfaction and customer satisfaction affects customer loyalty. Then hypothesis 2 (H2) in this study can be stated as follows:

H₂: Satisfaction has a significant effect on customer loyalty PT. BRI, Tbk Medan Branch Office.

3. The influence of trust on loyalty

Research from Saada (2014) found that service quality, trust, commitment and promotion partially and simultaneously have a significant effect on loyalty. Then hypothesis 3 (H3) in this study can be stated as follows:

H₃: Trust has a significant effect on customer loyalty PT. BRI, Tbk Medan Branch Office.

4. Trust mediates the effect of satisfaction on loyalty

Research from Elrado, Kumadji and Yulianto (2014) found that satisfaction variables significantly influence the variables of trust and loyalty. Trust variables have a significant effect on loyalty variables. Then the 4th hypothesis (H4) in this study can be stated as follows:

H₄: Trust mediates the effect of satisfaction on customer loyalty PT. BRI, Tbk Medan Branch Office.

3. RESEARCH METHODOLOGY:

3.2 Sample and Population

The population in this research are all customers of PT. BRI, Tbk Medan Branch Office. Sample selection is done by non probability sampling method with purposive sampling technique where researchers provide certain criteria in sampling. The criteria in this study are PT. BRI, Tbk Medan Branch Office for at least 3 years. The number of research samples was set as many as 130 respondents. The sample selection is based on Birn's (2002) opinion which states that in quantitative studies it is permissible to use a sample of between 100 and 200 respondents.

3.2 Operational Variable

Operational variables in this study can be shown in Table 4.2 below:

Table 4.2 Variable Operational Definitions

No	Variable	Definision	Indicator	Scale
1	(KU) Satisfaction	Customer satisfaction is a feeling of satisfaction that customers feel towards PT. BRI, Tbk Medan Branch Office.	1) Fulfillment of consumer expectations 2) satisfied using services 3) Satisfaction with facilities 4) Overall satisfaction with the products offered. Source : Kottler (2012)	Likert
2	(KE) Trust	Trust is a sense of customer trust in PT. BRI, Tbk Medan Branch Office	1) Honesty in transactions 2) Responsibility to customers 3) Trust that banks have a good reputation 4) companies have high integrity Source : Utama (2013; Khakim, Fathoni, & Minarsih, 2014)	Likert
3	(LO) Loyalty	Loyalty is a customer attitude that supports more to PT. BRI, Tbk Medan Branch Office after being compared to other banks and re-subscribing.	1) Re-transaction 2) Recommend to other parties 3) No intention to move 4) No other choice Source: Lupiyoadi (2013)	Likert

Source: Developed for this study.

4. RESULTS AND DISCUSSION:

4.1 Research Result

Test the suitability of the model is done through a flow chart in the full model equation, which is a test carried out on all variables both exogenous (satisfaction) and endogenous (trust and loyalty) that have been combined into one complete path through a variant or covariance matrix and full model it is referred to as the research model. The following is a picture of the suitability of the model:

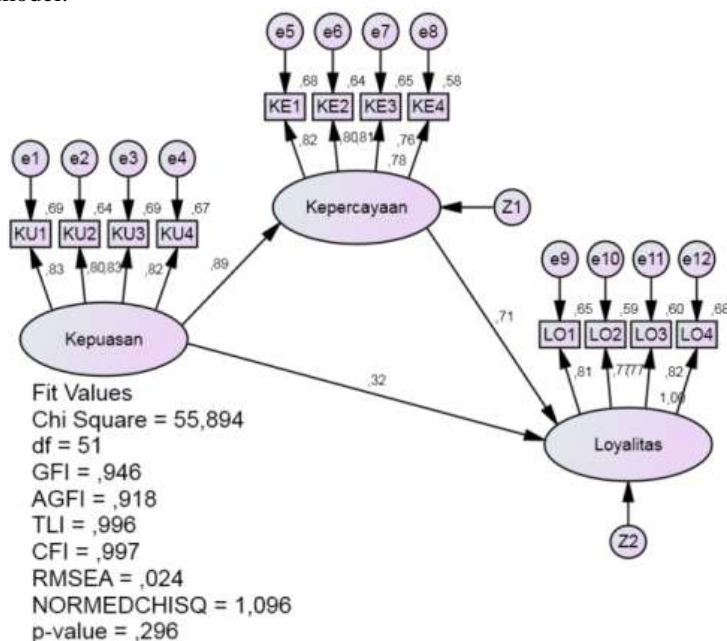


Figure 2. Model Suitability Test

Based on Figure 2 it is clear that all constructs used to form this research model have met GOF criteria. Like the value of GFI, AGFI, chi-square, TLI, CFI, RMSEA, CMIN / DF which have fulfilled the required criteria and are further emphasized with a p-value of 0.296 which is greater than 0.05 indicating that the model formed is very significant.

4.2 Discussion

Statistical test is done by observing the level of significance of the relationship between variables indicated by the value of C.R (Critical Ratio) which is identical to the t-test in the regression and the probability value (P). Significant relationships are characterized by a C.R value greater than 2.58 and a P value smaller than 0.05 (Ferdinand, 2014). To see how much influence the independent variables (satisfaction) and dependent (trust and loyalty) are shown in Table 2 below:

			Std. Estimate	Estimate	S.E.	C.R.	P
Trust	<---	Satisfaction	,885	,891	,081	10,948	***
Loyalty	<---	Trust	,709	,647	,118	5,496	***
Loyalty	<---	Satisfaction	,319	,293	,110	2,672	,008

Source: output AMOS-20, 2019.

Based on Table 2 will be described in detail to be able to more clearly answer this research hypothesis as follows:

4.3 Effect of Satisfaction on Trust

Based on the results of the analysis it can be seen that satisfaction significantly influences trust with the standardized regression weight estimate value of 0.885 (85.5%), the critical ratio value of 10.948 which is greater than 2.58 and the probability value of (***) or 0,0001 which means very significant. This proves that satisfaction significantly influences the trust of customers of PT. BRI, Tbk Medan Branch Office.

In a banking business venture, customer trust is the key to successful success of the banking business itself. Trust plays an important role in creating customer loyalty PT. BRI, Tbk Medan Branch Office. At present there are several banks that do not pay attention to their customer satisfaction. Many of them want a large number of customers without paying attention to the satisfaction felt by customers when making transactions in the banking system while customer satisfaction is an important asset for every bank because it can encourage the formation of customer trust PT. BRI, Tbk Medan Branch Office.

4.4 Effect of Satisfaction on Loyalty

Based on the results of the analysis it can be seen that satisfaction significantly influences loyalty with the standardized regression weight estimate value of 0.319 (31.9%), the critical ratio value of 2.672 which is greater than 2.58 and the probability value of 0.008 which means very significant. It can be concluded that satisfaction significantly influences customer loyalty PT. BRI, Tbk Medan Branch Office

Customer satisfaction is an aspect that must be considered, if the customer is satisfied with the service provided by employees of PT. BRI, Tbk Medan Branch Office of course will have a positive psychological impact that will have an impact on loyalty to PT. BRI, Tbk Medan Branch Office. If the customer has a feeling of satisfaction with the service provided, it can be ascertained that the customer will be a loyal customer and will not turn to other banks.

4.5 The Influence of Trust in Loyalty

Based on the results of the analysis it can be seen that trust significantly influences loyalty with a standardized regression weight estimate value of 0.709 (70.9%), a critical ratio value of 5.496 which is greater than 2.58 and a probability value of (***) or 0,0001 which means very significant. It can be concluded that trust significantly influences the loyalty of PT. BRI, Tbk Medan Branch Office

The principle of trust is a principle that underlies the relationship between PT. BRI, Tbk Medan Branch Office with its customers. Funds deposited by PT. BRI, Tbk Medan Branch Office based on trust from customers, so that PT. BRI, Tbk Medan Branch Office needs to maintain the health of its banks while maintaining and maintaining public trust. Customer trust in service providers will increase the value of the relationships that exist with service providers. Thus, it will also increase the likelihood of customers to re-consume and can affect the reduced likelihood of moving to other service providers so that customer loyalty of PT. BRI, Tbk Medan Branch Office will be formed.

4.6 Trust mediates the effect of satisfaction on loyalty

To find out whether or not to mediate trust in the influence of satisfaction with loyalty, can be seen in the picture of the following test results:

Input:	Test statistic:	Std. Error:	p-value:
a 0.387	Sobel test: 2.37374339	0.09521164	0.01760878
b 0.584	Aroian test: 2.33207838	0.09691269	0.01969657
s _a 0.138	Goodman test: 2.41772446	0.09347964	0.0156179
s _b 0.131	Reset all	Calculate	

Figure 3. Test Result Sobel

Based on the calculation results found the significance of -a path (0.0001), path -b (0.008), path -c (0.0001), and path -c '(0.018). So it can be concluded that trust mediates partially mediation the effect of satisfaction on customer loyalty PT. BRI, Tbk Medan Branch Office. This means that trust does not only affect directly to increase customer loyalty PT. BRI, Tbk Medan Branch Office but also can be an intermediary between satisfaction with customer loyalty PT. BRI, Tbk Medan Branch Office.

5. CONCLUSION

Based on the results of the research and discussion described in the previous chapter, some conclusions can be drawn. (1) Satisfaction has a significant effect on customer trust PT. BRI, Tbk Medan Branch Office; 2) Satisfaction has a significant effect on customer loyalty PT. BRI, Tbk Medan Branch Office; 3) Trust has a significant effect on customer loyalty PT. BRI, Tbk Medan Branch Office; 4) Trust mediates partially mediation effect of satisfaction on customer loyalty PT. BRI, Tbk Medan Branch Office.

6. SUGESSTIONS:

Based on the conclusions described above, some suggestions can be summarized. To improve customer satisfaction PT. BRI, Tbk Medan Branch Office is expected to lead PT. BRI, Tbk Medan Branch Office in order to pay more attention to the products offered so that it can provide more satisfaction to customers, for example by upgrading all information systems and technologies available at PT. BRI, the Medan Branch Office and increasing the number of Automated Teller Machines (ATMs) in each sub-district.

Customer trust in PT. BRI, the Medan Branch Office which is already good should be maintained, but the commitment of each of the ranks at PT. BRI, the Medan Branch Office to create high integrity still has to be improved again, for example by: fast, friendly and polite service. Promote the community about the awards that have been received by PT. BRI, Medan Branch Office and continues to provide information about programs and promos at PT. BRI, Medan Branch Office.

High customer loyalty should be maintained through improvements in service so that customer satisfaction and trust remain high, so they want to recommend it to other parties. With the improvement of service quality, customer

satisfaction and trust will be formed, which ultimately results in customer loyalty by it self.

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