THE INFLUENCE OF SERVICE QUALITY ON CUSTOMER LOYALTY IS MEDIATED BY SATISFACTION VARIABLES (STUDY OF CUSTOMER PERCEPTIONS ON BANK MANDIRI UNIT KUALA TANJUNG BRANCH BATUBARA DISTRICT, NORTH SUMATRA PROVINCE)

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Abstract

Based on the research results, data analysis and discussion above, the following final conclusions can be drawn: There are differences between research conducted by previous researchers regarding the influence of service quality on consumer loyalty, where previous research stated that there is a significant influence on consumer loyalty. However, in this research, the service quality variable did not significantly influence customer/consumer loyalty. The user satisfaction variable has a positive and significant effect on the customer loyalty variable, where these results complement previous research which states that user satisfaction has a positive and significant effect on customer loyalty. Service quality and user satisfaction simultaneously influence customer loyalty with the results obtained namely 49.9% influencing loyalty and the remainder explained by other variables outside of the variables studied.

Keywords**:** *service quality, consumer loyalty, user satisfaction*

1. INTRODUCTION

In the service industry, service quality is a very important factor because it is a profitable strategy to attract more new customers, retain existing customers, avoid customer turnover and create special advantages. The banking world today relies heavily on the quality of the information technology used, where each bank has almost equal technological capabilities, similar products, features or ease of service which makes banking a homogeneous industry. To win competition in a homogeneous industry, one way is to provide the type and quality of service that can differentiate one bank from other banks and form a strong customer base. The banking business is a service business based on the principle of trust so that service quality issues are a very determining factor in business success. Service quality is a form of consumer assessment of the level of service received and the expected level of service. This condition is due to increasing customer demands for products or services offered on the market, which has caused a paradigm shift where companies previously adhered to the concept of producing products or services that were determined more by the company's perception but are now focused on customers, meaning that the products produced must be in accordance with customer wishes plus value added service.

Economic progress affects people's lives. Increasing the social and economic status of society has an impact on behavior and lifestyle, these changes ultimately influence taste satisfaction with a product. People want quality products and services that suit their needs. In order to compete, survive and develop, banks are required to be able to provide quality services that can meet customer needs and desires. Products and services that do not meet the quality of customers are very easily abandoned and customers end up switching to other banks. To anticipate this, we will of course prioritize expanding products and services that are service-oriented and prioritize customer satisfaction.

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Ade Carlo Tiganna Damanik, Nazaruddin, Yeni Absah

Due to differences in criteria for selecting banks by customers, banks are required to always try to improve services and innovate continuously. Banks need to conduct consumer research by evaluating quality services to avoid differences in perception about what the company provides and what consumers themselves need, management needs to identify what consumers need precisely. So the company uses a customer-oriented concept, which means the company focuses its attention on consumer needs and desires, thereby creating satisfaction for consumers. Service quality and customer satisfaction are different concepts with the argument that perceived service quality is a form of attitude, a comprehensive evaluation in the long term, while satisfaction indicates the size of a particular transaction. Therefore satisfaction lasts in the short term. The higher the level of perceived service quality, the greater consumer satisfaction will increase. This statement confirms the close relationship between service quality and customer satisfaction. Service quality provides encouragement to customers to establish close relationships with the bank, thereby enabling the bank to understand expectations and needs, which in turn customer satisfaction will create loyalty to the bank.

Bank Mandiri, Kuala Tanjung branch unit, Batubara Regency, North Sumatra Province, as a banking services company, will not shy away from the reality of increasing competition in the banking services industry. Mandiri Credit is one of the credit products from the Mandiri Unit which is general, individual, selective and at reasonable interest which aims to develop or increase eligible micro businesses. To grant credit carried out in a more focused and targeted manner so that the use of Bank Mandiri's resources can provide optimal results and satisfy customers. Credit, Bank Mandiri uses the principle of prudence in analyzing credit provision which includes character and nature, capacity, capital, conditions and collateral. Based on the background of the problem stated above, the author is interested in conducting research with the title "The Influence Of Service Quality On Customer Loyalty With Credit Mediated By Satisfaction Variables (A Study Of Customer Perceptions In The Bank Mandiri Unit, Kuala Tanjung Branch, Batubaten Regency, North Sumatra Province)".

2. LITERATURE REVIEW
2.1 Definition of Services

Services are any action or performance that can be offered by one party to another, which is essentially intangible and does not result in ownership of something. the product can be related to physical products or not (Kotler, 2007; 42). In marketing strategies, the definition of services must be carefully observed, because the meaning is very different from products in the form of goods. The conditions and speed of service growth will depend on customer assessments of the performance offered by producers. The distinction between goods and services is often difficult to make, this is because the purchase of a good is often accompanied by certain services and conversely the purchase of a service often involves goods that complement it. Services are basicallyall economic activities with output other than products in the physical sense and are generally consumed along with the production process and provide added value in intangible form from the first purchase.

2.2 Service Quality

Quality is a dynamic condition related to products, services, people, processes and environments that meet or exceed expectations (Goetsh and Davis in Suwandari, 2005; 11). According to Wyckof (Tjiptono, 2002; 59), service quality is the level of excellence that is expected to fulfill customer desires. In other words, whether service quality is good or not depends on the service provider's ability to consistently meet consumer expectations. Consumer satisfaction is a reference point in improving and maintaining service excellence to consumers. Meanwhile, the definition of service quality is a comparison between consumers' expectations about the services they receive and their perceptions about the correct services. If expectations are higher than the actual service received, then the quality of the service received is less than satisfactory, then consumer dissatisfaction occurs (Parasuraman et al, 1985).

2.3 Understanding Consumer Satisfaction

According to Kotler (2007; 177), consumer satisfaction is the level of a person's feelings after comparing the performance he feels compared to his expectations. The level of satisfaction is a function of the difference between perceived performance and expectations. If performance is below expectations, customers will be disappointed. If performance meets expectations, then customers will be satisfied. Meanwhile, if performance exceeds expectations, customers will be very satisfied. Customer expectations can be shaped by past experiences, comments from relatives and promises and information from marketers and competitors. Satisfied customer will be loyal longer, less sensitive to price and give good comments about the company.

2.4 Understanding Consumer Loyalty

Loyalty is defined as an expected behavior for a product or service which includes, among other things, the possibility of further purchases or, conversely, changes to service agreements or how likely it is that customers will switch to a brand or service provider (Aaker; 1991). Service quality has a strong relationship with the company that provides services to it. Companies can maximize pleasant consumer experience, as well as minimizing unpleasant consumer experiences. Consumer satisfaction can create consumer loyalty towards companies that provide satisfactory service quality (Fandy Tjiptono, 2002). According to Mowen and Minor in Dharmesta (1999) use the definition of customer loyalty in the sense of a condition where consumers have a positive attitude towards a brand and intend to continue purchasing it in the future.

3. RESEARCH METHODS

3.1 Research design

The research method that will be used in this research is the causal method, which aims to examine the influence of one variable on another. Furthermore, this study is a type of research conducted to determine the causal relationship between variables. This research is survey research because data collection was carried out through questionnaires given to respondents.

3.2 Population, Sample, and Sampling Techniques

In this research, the population referred to is credit customers at the Bank Mandiri Kuala Tanjung branch branch, BatuBara district, North Sumatra Province in November 2022, totaling 35,540 people. The sample in this study was taken from 100 respondents who would represent credit customers at the Bank Mandiri Kuala Tanjung branch branch, BatuBara district, North Sumatra Province. The samples came from the northern, southern, central, eastern and western

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Ade Carlo Tiganna Damanik, Nazaruddin, Yeni Absah

regional units, each of which was represented by 2 units with respondents taken proportionally. The sampling technique used is Multistage Cluster sampling, namely cluster sampling carried out in several stages, namely the first stage divides the units into five regions, north, south, central, east and west. Then the second stage takes 2 units each as a region sample. In the third stage, 10 sample units were taken proportionally so that the number reached 100 respondents.

3.3 Source Data
1. **Primary data**

   Data was obtained from respondents, namely credit customers in the unit. To obtain primary data, a survey research method was used, namely by distributing a list of questions or questionnaires to respondents.
2. **Secondary Data**

   Supporting data in this research comes from information originating from the Branch Office of the Bank Mandiri Kuala Tanjung unit, Batubara Regency, North Sumatra Province.

3.4 Data collection technique
1. Questionnaire: This uses a list of questions given to respondents, namely credit customers in the unit, to obtain data.
2. Observation: Namely by making direct observations of the research object to complete the required data.
3. Interview: namely conducting direct interviews with management or customers of the Bank Mandiri Kuala Tanjung branch branch, BatuBara district, North Sumatra Province to obtain the desired data.

3.5 Operational Definition and Variable Measurement
The variables that will be measured in this research are:
1. Reliabilityis the ability to provide services as promised to customers quickly, accurately and reliably.
2. Responsivenessis the desire to help customers by providing appropriate service.
3. AssuranceThis includes knowledge, politeness, the officer's ability to demonstrate honesty and self-confidence.
4. Empathyis the ability to understand customer desires, including good communication, personal attention, concern for customers.
5. Tangiblesis a tangible service, which can be in the form of physical facilities, equipment, and the appearance of officers.
6. Customer satisfaction is the level of a person's feelings after comparing the results he feels compared to his expectations.
7. Customer loyalty is a customer's deep commitment to always use Bank Mandiri products and services consistently in the future and results in repetition.

3.6 Hypothesis Testing Techniques
To test the role of consumers as a mediating variable on the influence of service quality on credit customer loyalty, the Path Analysis Method was used. This path analysis is an extension of regression analysis to measure causal relationships between variables. With the Path Analysis

Method, relationships will be known where X influences Y and also has an indirect influence on Z, while Z influences Y (Ghozali: 2005).

Testing the second hypothesis in this research uses path analysis. The relationship between the independent variable and the dependent variable in this research is written in the model as follows:

$$X2 = a + b1.X1 + ei$$
$$Y = a + b2.X1 + b3. X2 + ei$$

Information :

Y	: Customer Loyalty a : Constant
b1…. b3	: Regression coefficient of independent variable
X1	: Service Quality
X2	: Customer
Satisfactionei	: standard error

4. RESEARCH RESULTS AND DISCUSSION
4.1 Reliability Test

Table 1 Questionnaire Reliability Test Results

Variable	Alpha Coefficient	Information
Service Quality	0.717	Reliable
Customer Satisfaction	0.737	Reliable
Customer Loyalty	0.713	Reliable

Source: Primary data processed, 2023

The results of the reliability test show that all questionnaires are declared reliable because they have a reliability coefficient value greater than 0.60. So referring to Ghozali's (2001) opinion, a questionnaire is declared reliable if the Cronbach's alpha value is greater than 0.6. So it can be concluded that all questionnaires were declared reliable.

4.2 Data Normality Test

Table 2 Data Normality Test Results

Variable	Kolmogorov-Smirnov	p-value	Information
Unstandardized Residuals	0.96	0.23	Normal

From the results of the Kolmogorov-Smirnov test calculations, it is known that the p-value of the unstandardized residual is greater than α (p > 0.05), so that the overall data is declared to have a normal distribution.

4.3 Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	VIF
1	(Constant)	4.344	2.672		1.626	.107		
	Pelayanan	-.030	.041	-.057	-.717	.475	.813	1.230
	Kepuasan	.829	.091	.729	9.155	<,001	.813	1.230

a. Dependent Variable: Loyalitas

Figure 1 Multicollinearity Test Results

THE INFLUENCE OF SERVICE QUALITY ON CUSTOMER LOYALTY IS MEDIATED BY SATISFACTION VARIABLES (STUDY OF CUSTOMER PERCEPTIONS ON BANK MANDIRI UNIT KUALA TANJUNG BRANCH BATUBARA DISTRICT, NORTH SUMATRA PROVINCE)

Ade Carlo Tiganna Damanik, Nazaruddin, Yeni Absah

Based on the results of the multicollinearity test, it can be seen that the tolerance value obtained in this study was 0.932 and the VIF value obtained was 1.073. From the test results, it can be concluded that there are no multicollinearity symptoms in the regression model of this research because the tolerance value obtained is 0.932, which is greater than the set value (0.932 > 0.10) and the VIF value, namely 1.073, is much smaller than the set value (1,073 < 10.00).

4.4 Heteroscedasticity Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.325	1.936		1.718	.089
	Pelayanan	-.005	.030	-.018	-.166	.869
	Kepuasan	-.128	.066	-.213	-1.959	.053

a. Dependent Variable: ABS_RES

Figure 2 Heteroscedasticity Test Results

Based on the calculation results above, it shows that there is no heteroscedasticity disturbance because the significance value obtained is for the service variable of 0.869 and satisfaction of 0.53. So overall it can be stated that there is no heteroscedasticity problem in the regression model.

4.5 Autocorrelation Test

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.707^a	.499	.489	1.790	1.923

a. Predictors: (Constant), Kepuasan, Pelayanan

b. Dependent Variable: Loyalitas

Figure 3 Autocorrelation Test Results

Based on the test results, it is known that the Durbin-Watson value obtained is 1.923, this shows that the variables studied are free from autocorrelation, where the value that must be obtained is Du < DW < 4-Du, in this study it was found to be 1.7152 < 1.923 < 2 ,2848.

4.6 Hypothesis test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.344	2.672		1.626	.107
	Kualitas Jasa	-.030	.041	-.057	-.717	.475
	Kepuasan	.829	.091	.729	9.155	<.001

a. Dependent Variable: Loyalitas

Source: Processed Primary Data, 2023

Figure 4 Path Analysis Results

1.   t test

The results of the t test in simple regression analysis obtained a calculated t value for service quality of 0.717 with a significance value of 0.475. Based on these data, it can be concluded that service quality has an influence but is not significant on customer loyalty at Bank Mandiri Kuala Tanjung Unit Branch, this is because the tcount value obtained is smaller than the ttable value (0.717 > 1.661). The results of the t test on the satisfaction variable obtained a t count of 9.155 with a significance level obtained that was below 0.001. Based on these data, it can be concluded that service quality has a significant influence on customer loyalty at Bank Mandiri Kuala Tanjung Unit Branch where the results obtained from tcount are greater than ttable (9.155 > 1.661).

2.   F test

The F test in this research obtained the following values:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.707[a]	.499	.489	1.790

a. Predictors: (Constant), Kepuasan, Kualitas Jasa

Source: Primary data processed, 2023

Figure 5 F Test Results

The F test in simple regression analysis obtains an F valuecalculated as 48.350 with a significance level obtained of 0.001. Thus, it can be concluded that the Service Quality and Satisfaction variables influence the loyalty variable, but the influence given is not significant because the significance obtained is 0.001.

3.   R Test2

The results of the coefficient of determination test in this study obtained the R2 value as shown in the following image:

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	309.899	2	154.950	48.350	<.001[b]
	Residual	310.861	97	3.205		
	Total	620.760	99			

a. Dependent Variable: Loyalitas

b. Predictors: (Constant), Kepuasan, Kualitas Jasa

Source: Processed Primary Data, 2023

Figure 6 Variable F Test Results

The results of the coefficient of determination test in this analysis showed an R-Square value of 0.499. This shows that as much as 49.9% of the variation in customer loyalty can be explained by the variables of service quality and user satisfaction. Meanwhile, the remaining 51.1 percent is explained by other variables outside of this research model.

4.7 Discussion

1.   Service quality has an influence but is not significant

Based on the results of the hypothesis test that has been carried out above, it can be seen that service quality influences loyalty, but the influence is not significant because the value obtained is

Ade Carlo Tiganna Damanik, Nazaruddin, Yeni Absah

much smaller than the value that has been determined if seen from the results of the t test carried out (0.717 > 1.661).

Based on these results it can also be seen that not all indicators contained in the service quality variable are rejected because. Through the results of the t test, the value obtained is still higher than the significance level set at 0.05. Based on the explanation above, the results of this research are very different from research conducted by Muhaimin (2018), Nugroho (2017), Karsono (2018), and Novianto (2009) who stated that service quality has a significant influence on customer loyalty at a bank.

2.   Customer Satisfaction Has a Significant Influence on Loyalty

Based on the results of the hypothesis test that has been carried out above, it can be seen that customer satisfaction influences loyalty with the results obtained being very significant because the value obtained during the t test is much greater than the t test value that has been determined if seen from the results of the t test carried out, the results obtained obtained by the satisfaction variable, namely (9.155 > 1.661). Based on the explanation above, it can be seen that all indicators contained in the user satisfaction variable were accepted by respondents and exceeded the predetermined t value. Based on these results, this research complements the results of research conducted by Muhaimin (2018), Nugroho (2017), Karsono (2008), Aramita (2017) and Novianto (2009) which stated that user satisfaction significantly influences customer loyalty.

3.   Service Quality and Customer Satisfaction Both Influence Customer Loyalty

Service quality and user satisfaction simultaneously influence customer loyalty, this can be seen based on the results of the R-Square test where the value obtained from this test is 0.499, which means that overall the variables of service quality and customer satisfaction influence customer loyalty by 49. 9% and the remaining 51.1% is explained by other variables outside of the variables studied in this research. Based on the explanation above, it can be concluded that this research complements research conducted by Karsono (2018), Aramita (2015), and Novianto (2009) which stated that service quality and consumer satisfaction simultaneously and significantly positively influence user or customer loyalty.

5. CONCLUSION

Based on the research results, data analysis and discussion above, the following final conclusions can be drawn:

1. There are differences between research conducted by previous researchers regarding the influence of service quality on consumer loyalty, where previous research stated that there is a significant influence on consumer loyalty. However, in this research, the service quality variable did not significantly influence customer/consumer loyalty.
2. The user satisfaction variable has a positive and significant effect on the customer loyalty variable, where these results complement previous research which states that user satisfaction has a positive and significant effect on customer loyalty.
3. Service quality and user satisfaction simultaneously influence customer loyalty with the results obtained namely 49.9% influencing loyalty and the remainder explained by other variables outside of the variables studied.

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THE INFLUENCE OF SERVICE QUALITY ON CUSTOMER LOYALTY IS MEDIATED BY SATISFACTION VARIABLES (STUDY OF CUSTOMER PERCEPTIONS ON BANK MANDIRI UNIT KUALA TANJUNG BRANCH BATUBARA DISTRICT, NORTH SUMATRA PROVINCE)

Ade Carlo Tiganna Damanik, Nazaruddin, Yeni Absah

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