

## The Role of Customer Satisfaction and Service Quality on Customer Loyalty: Case Study of M-Banking Services

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### Abstract:

The cause of this look at is to investigate the direct impact of provider first-class on customer satisfaction of mobile banking customers, to analyze the direct effect of carrier exceptional on customer loyalty of cellular banking users, to investigate the direct effect of patron pleasure on purchaser loyalty of mobile banking customers and to analyze the indirect effect of carrier exceptional of client loyalty through consumer pleasure of bank BCA cell banking users. The population in this study is 1,050 customers using mobile banking. The sample in this study was taken purposively. The number of samples is 91 people. The studies device used on this study became a questionnaire or questionnaire that turned into made by means of the researcher himself. The studies device is a tool used to degree an observed natural or social phenomenon. The primary data used in this study is data obtained based on answers to questionnaires distributed to customers. The conclusion from the study is that there is a significant influence between service quality variables on customer satisfaction for customers who use mobile banking, so that improving the quality of online services will have an impact on customer satisfaction to use mobile banking. There is a significant influence between the variables of customer satisfaction on customer loyalty, the better the online service quality, the greater the loyalty level of mobile banking application users. There may be a sizeable have an impact on between the variables of customer delight on client loyalty, the higher the level of customer delight, the higher the level of loyalty of mobile banking application users.

**Keywords:** customer satisfaction, celluler, customer loyalty, mobile banking, customer

## INTRODUCTION

The development of internet users who continue to increase, requires every service provider company to continue to innovate, meet consumer needs and be able to continue to compete and survive from its competitors. In the field of technology, the most rapid developments are now occurring in telecommunications (smartphones) which facilitate all community activities. Research released in January 2021 shows the percentage of internet users aged 13 to 64 who have each type of device, including mobile phones (98.3%), smartphones (98.2%), non-smartphones mobile phones (16%) , laptops or desktop computers (74.7%), tablets (18.5%), game consoles (16.2%), to virtual reality devices (4.2%). The internet and smartphones have become things that are needed for everyday people's lives as a liaison with someone or doing business to make transactions. the large number of internet and smartphone users has provided change and a business opportunity for the business sector, especially in the banking sector (Muslim, 2016). This is used to develop interesting innovations that can provide benefits and convenience in conducting business transactions electronically. One of the banking technology innovations that utilize smartphones is called mobile banking (m-banking). Mobile Banking can provide benefits for banks and customers. For banks, the use of mobile banking is a solution to save costs in infrastructure development compared to opening branch offices and ATM outlets (Abdurrahim et al., 2023).

Meanwhile, for customers, the use of mobile banking makes it easy to transact freely, not limited to time and location, without having to go to a branch office or an ATM for transactions. The many disruptions to mobile banking and its operations that do not meet customer expectations have made them distrust and dissatisfied with the service (Parasuraman et al., 2005; Tannady et al., 2022). To build high customer loyalty, customer satisfaction and high trust from customers are needed. Service quality is one of the important issues discussed by the company as an effort to maintain its business existence in the midst of existing competition. In today's digital era, information technology plays a very important role in aspects of human life because it makes it easier to carry out various activities, including business activities (Akbar & Djatmiko, 2016). Enterprise organizations ought to be capable of adapt, if first of all the employer centered on product great and how to provide best direct service, now groups are confronted with the truth that to win within the midst of opposition, groups must provide on-line or electronic media which of route ought to additionally be of excessive best (Suryati et al., 2022). Measuring the service quality of its electronic media is one of the company's focuses in the digital era. Previous studies entitled The affect of E-carrier high-quality on E-pride and E-Loyalty of Customers of Mandiri Online Users. This take a look at pursuits to find out how the affect of online service best on the net impartial machine on the satisfaction and loyalty of its users (Al-dweeri et al., 2019).

The result is that the quality of online services has a positive and significant influence on the satisfaction and loyalty of online independent system users. From previous research with the research title the impact of carrier pleasant and accept as true with on patron satisfaction and Its implications for customer loyalty. The results of the study show that BRI's E-banking service quality has a significant effect on E-customer satisfaction. There may be an instantaneous affect between consumer delight and consumer loyalty. Based on previous research with the research title the effect of carrier satisfactory on customer pride and customer loyalty at Lazada (Amel, 2020). This research was conducted to measure customer assessment of the variables Service Quality, Customer Satisfaction, and Customer Loyalty. In addition, this study aims to evaluate the influence of E-Service Quality, Customer Satisfaction, and Customer Loyalty variables. The consequences acquired on this take a look at are carrier fine has a advantageous and vast impact on client delight, client pride has a superb and vast impact on patron Loyalty, carrier satisfactory has a high quality and full-size effect on client Loyalty (Anderson & Srinivasan, 2003; Suyoto & Tannady, 2022).

The reason of this take a look at is to research the direct effect of carrier high-quality on purchaser satisfaction of Mobile Banking users, to research the direct impact of provider fine on client Loyalty of Mobile Banking users, to research the direct impact of consumer satisfaction on patron Loyalty of Mobile Banking users and to analyze the oblique effect of carrier excellent of patron Loyalty via consumer pride of Bank BCA Mobile Banking users.

## LITERATURE REVIEW

E-service quality is defined as an assessment of the superiority and quality of electronic services offered in the virtual market. A organisation in increasing patron delight, is not sufficient to create high-quality

merchandise, however the enterprise must also hold the nice of carrier in order to always create customer comfort in shopping. provider exceptional in e-commerce is known as e-service nice, which is defined as the ability of the website to provide an effective and efficient purchasing, payment and product delivery enjoy. E-service quality is an electronic-based service to facilitate purchasing, buying and distribution sports efficiently. Satisfaction as an evaluation of the customer for each transaction experience, then e-Satisfaction can be considered as the fulfillment of pleasant customer needs collected during several transaction experiences that result in the establishment of an overall evaluation of online retailers (Suryati et al., 2022). Online satisfaction or what is commonly called delight is an assessment by using customers in every on line transaction. E-delight is taken into consideration as enjoyable patron desires for feelings of delight which might be accrued at some point of several transaction stories with on line media resulting in an normal assessment (Anderson & Srinivasan, 2003). E-purchaser Loyalty is a new idea and is considered as a department of the loyalty idea, which is implemented in the e-commerce area. E-Loyalty as consumer behavior to go to and evaluate sure websites and make transactions quite simply. Online loyalty or commonly referred to as e-customer loyalty is a voluntary attitude from customers towards an electronic business that results in repeated use. From the definition above we can conclude that E-Customer Loyalty is a consumer attitude to visit and buy a website without switching to another website.

E-service nice is defined as the level of efficiency and effectiveness of a website facilitating buying, shopping and the manner of delivering services and products. The service first-rate evaluation is finished at some stage in interplay with the website, and also after getting the service (Abdurrahim et al., 2023). Online loyalty or commonly referred to as e-customer loyalty is a voluntary attitude from customers towards an electronic business that results in repeated use. Online satisfaction or what is commonly called e-pride is an evaluation through the purchaser in every on-line transaction. E-pride is considered as fulfilling customer needs for feelings of satisfaction which might be gathered all through numerous transaction experiences with on line media ensuing in an general evaluation (Parasuraman et al., 2005).

## **METHODOLOGY**

The population in this study is 1,050 customers using mobile banking. The sample in this study was taken purposively. The number of samples is 91 people. The research device used on this take a look at turned into a questionnaire or questionnaire that become made with the aid of the researcher himself. The research instrument is a tool used to degree an observed herbal or social phenomenon. The primary data used in this study is data obtained based on answers to questionnaires distributed to customers. Secondary data used in this research is data obtained from books, journals, and other reading sources that have a relationship with the object under study. This validity check is used to measure the validity of a questionnaire. A measurement questionnaire is called valid if it does what it should do and measures what the questionnaire should measure.

The validity test is divided into three ways to measure it, which is to do a correlation among the score of the question items with the overall rating of the construct or variable. Validity test can also be carried out by means of acting a bivariate correlation between every indicator rating and the whole rating of the construct. Test with Confirmatory Factor Analysis (CFA). Reliability test is a device for measuring a questionnaire which is a hallmark of a variable or assemble. A questionnaire is said to be dependable or reliable if one's answers to statements are steady or stable sometimes. Reliability measurements can be carried out in two ways, namely repeated measures or repeated measurements and one shot or only one measurement. The criterion for evaluating the reliability test is if Cronbach Alpha gives a value of  $> 0.70$ , then the research instrument is considered reliable. Path analysis is a combination of the multiple linear regression model and the mediation model, namely the X variable affects the Z variable directly and indirectly affects the Z variable through the intermediary variable Y. The coefficient of determination basically measures how a long way the model's ability to give an explanation for the variation within the established variable. The cost of the coefficient of dedication is among 0 and one. A small value approach that the capability of the independent variables to provide an explanation for the variation in the dependent variable may be very confined. A value close to one manner that the impartial variables offer nearly all the information needed to anticipate the variation of the based totally variable. In wellknown, the coefficient of dedication for pass statistics is fantastically low due to the fact there is a massive variation between each observation, even as for time collection records it commonly has a high coefficient of willpower.

The essential weak spot of the use of the coefficient of dedication is the unfairness closer to the number of unbiased variables covered inside the version. Every extra one unbiased variable, it will definitely increase regardless of whether the variable has a good sized impact on the dependent variable. Therefore, many researchers advocate using adjusted values when comparing which is the fine regression version. The adjusted price can boom or decrease if one unbiased variable is introduced to the model.

## CASE STUDIES

Based on the hypothesis testing, it can be seen that the proposed  $H_{a1}$  is acceptable. This can be seen through the t test in table 4.38 showing that t count is  $2.079 > 1.9870$  t table which means there is an influence and a significance level of  $0.040 < 0.05$  which means it is significant. The effects display that there is a sizeable influence among the provider first-class variable and consumer pride.

The effects of this have a look at support the results of preceding research on the effect of service first-class and believe on purchaser pride and their implications for customer loyalty, which shows that e-banking service quality variables have a significant effect on customer satisfaction. The higher the service quality, the higher the customer satisfaction. Based on the hypothesis testing, it can be seen that the proposed  $H_{a2}$  is acceptable. This can be seen through the t test in table 4.39 showing that t count  $2.342 > 1.9870$  t table which means there is an influence with a significance level of  $0.021 < 0.05$  which means it is significant. The results show that there is a significant influence between service quality variables on customer loyalty.

The results of this study support the results of previous research which discussed the effect of service quality on satisfaction and customer loyalty of customers using online banks, the results of the study indicate that the provider best variable has a tremendous and huge effect on customer loyalty. The consequences of this take a look at indicate that the better the quality of online services used by customers to shop for daily needs and transfers between customers, the greater the loyalty level of application users. Based on the hypothesis testing, it can be seen that the proposed  $H_{a3}$  is acceptable. This can be seen through the t test in table 4.39 showing that t count  $4.598 > 1.9870$  t table which means there is an influence with a significance level of  $0.000 < 0.05$  which means it is significant. The results show that there is a significant influence between customer satisfaction variables on customer loyalty.

The consequences of this have a look at support the consequences of preceding studies discussing the analysis of the effect of trust and carrier excellent on purchaser loyalty with client pleasure as an intervening variable. The results of the study show that consumer satisfaction has a superb and sizable effect on purchaser loyalty. The outcomes of this look at suggest that the higher the level of customer satisfaction or the assessment of satisfaction by consumers as shown by the experience of online transactions, the higher the level of loyalty of mobile banking application users. Based on the hypothesis testing, it can be seen that the proposed  $H_{a4}$  is acceptable. This can be seen through the Sobel test which shows that the calculated t value is  $2.090 > 1.9870$  t table with a significance level of 0.05. The outcomes of the look at show that patron satisfaction is capable of mediate the connection between carrier exceptional and consumer loyalty. The outcomes of this examine help the results of preceding research discussing the impact of provider satisfactory on patron pride and customer loyalty. The consequences of this look at suggest that service excellent has an oblique impact on patron loyalty thru patron satisfaction. The results of this study indicate that the better the quality of online service and the higher the level of customer satisfaction, the more loyal customers use mobile banking.

## CONCLUSION

The conclusion from the study is that there is a significant influence between service quality variables on customer satisfaction for customers who use mobile banking, so that improving the quality of online services will have an impact on customer satisfaction to use mobile banking. There is a significant influence between the variables of customer satisfaction on customer loyalty, the better the online service quality, the greater the loyalty level of mobile banking application users. There may be a sizable influence among the variables of purchaser pleasure on patron loyalty, the better the extent of consumer pleasure, the higher the level of loyalty of mobile banking application users. There is a significant indirect effect between service quality on patron loyalty thru client pride, in order that the higher the great of online provider and the higher the extent of client satisfaction and can have an impact on the more loyal customers use mobile banking.

The advice given to management is to always continue to provide the best service and continue to improve service quality standards for customers who use these services, besides that management must continue to be able to develop features and technology adopted by mobile banking so that there are no complaints from other customers. Suggestions for future researchers is that this research can be used as a reference for future researchers to expand their research both from the variables used, the test equipment and the number of respondents studied in order to produce better research than this research. Suggestions for the community is that this research can provide references to users of banking services, especially m-banking users so they can choose the right banking product services.

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