

Service Quality Towards Bank Customer Loyalty (Empirical Study at BNI USU Medan)

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Abstract—This study aims to analyze the influence of service quality on customer loyalty at PT. BNI (Persero), Tbk USU Medan. This study used a quantitative approach with an explanatory type of research. The sample were 120 respondents and processed statistically using simple linear regression method. The results show that service quality positively has a significant effect on customer loyalty. These findings indicate that good service quality will encourage the interest of customers to conduct transactions continuously and repeatedly in the present and future in a bank.

Index Terms—Service quality, customer loyalty, banking, BNI.

I. INTRODUCTION

The level of competition in the business world is increasingly fierce, making every marketer required to be more creative and not just improve product quality alone. The difference between one product and similar products from competitors is getting smaller, where service quality is the main key in competing to meet the needs of consumers. It is increasingly recognized that service quality is a vital aspect of staying in business and winning competition. Whether or not a banking company is resilient is determined by the bank's ability to provide satisfying services to customers. In today's global market, competitive advantage lies in providing high quality services to customers in every organization. The financial services industry is now facing a rapidly changing market situation with new technology, economic uncertainty, fierce competition and demands from customers who want more services.

Banking is currently experiencing very rapid development, giving rise to a competitive and tight banking business. This cannot be denied anymore, where each bank is required to implement various methods in attracting the interest of the public. The banking industry is aware that increasingly intense competition to attract customers requires quality marketing and excellent service. According

to [1], service quality is defined as the level of quality where quality control is carried out to achieve good quality in accordance with consumer desires.

Banking is demanded to always improve the quality of its services by always paying attention to the needs and expectations of customers. Services must be designed so that customers always feel satisfied and ultimately have a high loyalty to the bank or bank products, so that banks can achieve high profitability and continue to grow and develop in accordance with the demands of competition and become a formidable market leader. Banks must be able to maintain good performance and improve what is still lacking from the assessment of customers who use their services in the future [2].

Loyalty certainly will not be achieved if it is not equipped with the quality of what is being carried out by the company. In this connection, the quality expressed in this study is the quality of service. The service quality dimension proposed by [3] consists of five (5) namely; tangibles, reliability, responsiveness, assurance and empathy. These five dimensions are known as SERVQUAL.

BNI USU Medan is the main branch office located in the North Sumater University (USU) area which is one of the largest campuses in North Sumatra, located in Medan. Customers are not only the public, but also USU students, staff and lecturers who conduct transactions at this bank. This bank is very strategically located that can help everyone who does business around the bank. The bank also holds USU lecturer and staff salary accounts, USU entry registration payments and student tuition payments. This bank has undergone many updates on physical buildings in 2017-2018, so it is known as the bank that has the best service, fast, clean and comfortable [4].

To assess the quality level of bank services, five dimensions of service quality are used, namely: tangibles, reliability, responsiveness, assurance and empathy. Of the five dimensions obtained by the customer assessment of BNI so that it can be seen its effect on loyalty. From the above phenomenon, the writer is interested in examining the problem with the title "Service Quality Towards Bank Customer Loyalty (Empirical Study at BNI USU Medan)".

II. THEORETICAL FRAMEWORK AND FORMULATION OF HYPOTHESES

A. Customer Loyalty

Loyalty is something that causes consumers to choose a brand, service, shop, product and certain activities. Loyalty is more to a feature owned by consumers and not just to something related to a brand [5]. Loyalty is a way for consumers to express their satisfaction with the

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