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**"THE EFFECT OF SERVICE QUALITY ON CUSTOMER  
SATISFACTION AND CUSTOMER LOYALTY" (CASE STUDY: BANK  
SYARIAH MANDIRI PADANG)**

**THESIS**



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06152014**

**JURUSAN MANAJEMEN  
FAKULTAS EKONOMI  
UNIVERSITAS ANDALAS  
PADANG 2012**

**LETTER OF THESIS APPROVAL**

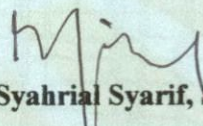
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**THE EFFECT OF SERVICE QUALITY ON CUSTOMER SATISFACTION  
 AND CUSTOMER LOYALTY  
 (Case Study: Bank SyariahMandiri Padang)**

*Bachelor Thesis by : Dicolaniarita  
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**ABSTRACT**

*The main objective of the study to measure and find how does service quality affect customer satisfaction, measure how does service quality affect customer loyalty, measure what is interrelations between service quality, customer satisfaction, customer loyalty, and test mediating effect customer satisfaction in relationship between service quality and customer loyalty of customer Bank SyariahMandiri Padang. Based on literature review there are five dimensions of service quality used in this research, they are; tangible, responsiveness, reliability, assurance, empathy. A quantitative research was used in this study with population of customer BSM in Padang and sample sizes are 150 by using purposive random sampling. To analyze the data, researcher using regression method. Based on the result of research shows that service quality is positively related to customer satisfaction, service quality is positively related to customer loyalty, and customer satisfaction positively mediating relationship between service quality and customer loyalty of BSM in Padang. This findings indicate that overall respondents feel satisfy and loyal with the quality service given by BSM in Padang.*

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## LIST OF CONTENTS

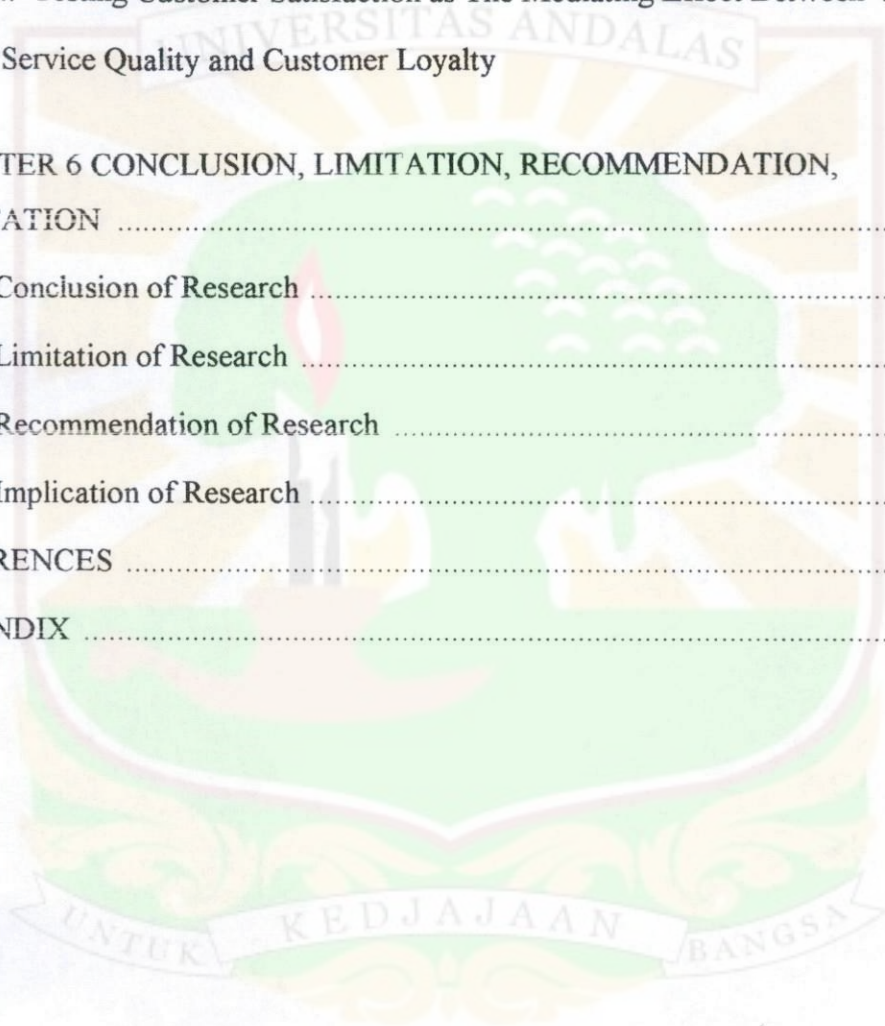
LIST OF CONTENT	i
LIST OF FIGURE	ii
LIST OF TABLE	iii
CHAPTER 1. INTRODUCTION	
1.1. Background of Research	1
1.2. Problem Statement	9
1.3. Objective of Research	9
1.4. Contribution of Research	10
1.5. Scope of Research	10
1.6. Outline of Research	10
CHAPTER 2. LITERATURE REVIEW	
2.1. The Concept of Service Quality	12
2.1.1. Service at Glance	12
2.1.2. Service Quality	13
2.1.3. Measures of Service Quality	15
2.1.4. Service Quality Model	16
2.1.5. Service Quality in Retail Banking	19
2.2. Concept of Customer Satisfaction	21
2.2.1. Definition of Customer Satisfaction	21
2.2.2. Customer Satisfaction in Retail Banking	22
2.2.3. Measurement of Customer Satisfaction	24



2.3. Concept of Customer Loyalty .....	25
2.3.1. Customer Loyalty in Retail Banking.....	26
2.4. Previous Empirical Study .....	27
2.4.1. Relationship Between Service Quality and Customer Satisfaction .....	27
2.4.2. Relationship Between Service Quality and Customer Loyalty .....	28
2.4.3. Relationship Between Service Quality, Customer Satisfaction, and Customer Loyalty.....	30
2.4.3. Relationship Between Customer Satisfaction and Customer Loyalty ...	31
2.5. Hypotheses .....	34
2.6. Theoretical Framework .....	34
 <b>CHAPTER 3. RESEARCH METHOD</b>	
3.1. Research Design .....	35
3.2. Population and Sample .....	35
3.3. Data Collecting Method .....	37
3.3.1. Primary Data .....	37
3.3.2. Secondary Data .....	38
3.4. Conceptualization and Operationalization of Variables .....	38
3.4.1. Dependent Variable .....	38
3.4.2. Independent Variable .....	38
3.4.3. Mediating Variable .....	38
3.5. Measurement Variable .....	41
3.6. Analysis of Data.....	42
3.6.1. Descriptive Analysis .....	42
3.6.1.1. Respondent Characteristics .....	42

3.6.2. Validity and Reliability Testing .....	42
3.6.2.1. Validity Testing .....	42
3.6.2.2. Reliability Testing .....	42
<b>CHAPTER 4. COMPANY PROFILE</b>	
4.1. History of Bank Syariah Mandiri .....	44
4.2. Vision and Mission of Bank Syariah Mandiri .....	45
4.3. Core Values of Bank Syariah Mandiri .....	45
<b>CHAPTER 5. RESULT AND DISCUSSION</b>	
5.1. Respondent Characteristics .....	47
5.2. Frequency Distribution of Respondent .....	55
5.2.1. Analysis of Service Quality .....	55
5.2.2. Testing of Customer Satisfaction .....	58
5.2.3. Testing of Customer Loyalty .....	58
5.3. Data Analysis .....	60
5.3.1. Validity Testing .....	60
5.3.2. Reliability Testing .....	62
5.4. Testing of Hypothesis .....	63
5.4.1. Linear Regression Variable Service Quality and Customer Satisfaction	63
5.4.2. Linear Regression For Variable Customer Satisfaction and.....	64
Customer Loyalty	
5.4.3. Linear Regression For Variable Service Quality and.....	65
Customer Loyalty	
5.5.4. Linear Regression Service Quality, Customer Satisfaction and .....	67
Customer Loyalty	

5.5. Discussion.....	69
5.5.1. The Effect of Service Quality on Customer Satisfaction .....	69
5.5.2. The Effect of Customer Satisfaction on Customer Loyalty .....	70
5.5.3. The Effect of Service Quality on Customer Loyalty .....	71
5.6.4. Testing Customer Satisfaction as The Mediating Effect Between .....	73
Service Quality and Customer Loyalty	
CHAPTER 6 CONCLUSION, LIMITATION, RECOMMENDATION, LIMITATION .....	75
6.1. Conclusion of Research .....	75
6.2. Limitation of Research .....	76
6.3. Recommendation of Research .....	77
6.4. Implication of Research .....	80
REFERENCES .....	81
APPENDIX .....	86



# CHAPTER I

## INTRODUCTION

### 1.1 Background of Study

Indonesia suffered the most economic damage during the Asian currency crisis of 1997-1998. The country, which experienced a sharper drop of the currency than any other country involved in the crisis, injected a huge amount of capital into its banks. Political and economic shocks, including the sharp drop in the currency, bank runs, and the collapse of the Suharto regime inspired by the political instability, deteriorated the balance sheets of leading banks. Capital injections conducted in 1999 to re-establish banks employed an extremely generous set of capital adequacy ratio criteria; 4% or higher for healthy banks, - 25% to 4% for banks that required capital injections, and - 25% or lower for banks that were to be immediately shut down. The banking sector had deteriorated that far.

However, the subsequent effort by the Indonesian government and rearrangement of the banking supervision structure enabled Indonesia eventually to exit the IMF program and the Indonesian Banking Restructuring Agency (IBRA) was dissolved after completing its task. The Indonesian banking sector or the general macro economy has restored its confidence rapidly. As far as published data shows, macro data on recent bank performance, the financial data of individual banks, and individual banks stock prices, suggest recovery of the management of banks.

The number of banks which reached 239 in pre-crisis 1996 came down to 151 in 2000 and even to 138 at the end of 2003, after the end of the crisis. There has been a slight change in the number of state banks, regional development banks, foreign banks, and joint venture banks, but the number of domestic private banks has decreased by nearly 54% To 76 (in 2003) from 161 (in 1998). On the other hand, the total number of branches has increased to 7,730 in 2003 from 5,919 in 1996. All state banks, regional development banks, foreign banks, and joint venture banks, have added to the number of their branches.

However, in the Indonesian banking sector, the top 5 banks represent 61% of the total assets of the banking sector as a whole, and the rate reaches 90% of the total assets when it comes to the top 23 banks (Indonesian Chamber of Commerce (2005) addition, the Indonesian government promoted consolidation and restructuring by closing relatively small banks and injecting capital into large banks after the Asian currency crisis. Taking these factors into account, changes in the number of banks and branches merely provide a clue toward our judgment and analysis.

The tables below show the development of sharia banking asset in west Sumatra, based on the data from Bank Indonesia.

Table 1.1. THE DEVELOPMENT OF SHARIA BANKING ASSET IN WEST SUMATERA 2008-2010 (Rupiah. Million)

Description	IV-2008	I-2009	II-2009	III-2009	IV-2009	I-2010	Growth IV-2009		Growth I-2010		Share
							(YOY)	(QTQ)	(YOY)	(QTQ)	
Asset	769,942	948,130	984,491	1,022,544	1,102,863	1,137,421	43.24%	7.85%	19.96%	5.13%	
DPK	586,878	579,340	618,208	676,438	839,267	883,843	43.01%	24.07%	52.56%	5.31%	100.00%
Giro	42,610	48,610	50,881	62,874	79,968	85,012	87.67%	27.19%	74.89%	6.31%	9.62%
Saving	282,218	303,184	321,942	354,609	325,662	427,087	15.39%	-8.16%	40.87%	31.14%	48.32%
Deposito	262,050	227,546	245,385	258,955	433,637	371,744	65.48%	67.46%	63.37%	-14.27%	42.06%
Amount of Financing	794,076	879,594	986,882	1,054,724	1,086,788	945,070	36.86%	3.04%	7.44%	-13.04%	100.00%
Working Capital	281,475	339,991	407,403	447,997	486,885	449,807	72.98%	8.68%	32.30%	-7.62%	47.60%
Investment	105,055	107,934	111,076	111,776	122,694	107,795	16.79%	9.77%	-0.13%	-12.14%	11.41%
Consumption	407,546	431,669	468,403	494,951	477,209	387,468	17.09%	-3.58%	-10.24%	-18.81%	41.00%
Sectoral Financing	794,076	879,594	986,882	1,054,724	1,086,788	945,070	36.86%	3.04%	7.44%	-13.04%	100.00%
Agriculture	29,784	30,639	31,458	28,895	36,433	31,826	22.32%	26.09%	3.87%	-12.65%	3.37%
Mining	441	441	441	441	441	350	0.00%	0.00%	-20.63%	-20.63%	0.04%
Industry	1,830	3,365	5,616	6,094	8,571	9,827	368.36%	40.65%	192.04%	14.65%	1.04%
Electricity, Gas and Water Project	3,543	5,188	5,271	6,185	4,550	3,326	28.42%	-26.43%	-35.89%	-26.90%	0.35%
Trading	115,524	164,155	203,061	219,895	247,296	195,753	114.06%	12.46%	19.25%	-20.84%	20.71%
Transportation	8,679	8,030	7,486	7,310	2,550	2,306	-70.62%	-65.12%	-71.28%	-9.57%	0.24%
World Service	186,835	193,337	223,030	245,337	249,032	255,266	33.29%	1.51%	32.03%	2.50%	27.01%
Social Service	39,894	42,770	42,116	45,614	60,704	58,944	52.16%	33.08%	37.82%	-2.90%	6.24%
Others	407,546	431,669	468,403	494,953	477,211	387,472	17.09%	-3.58%	-10.24%	-18.80%	41.00%
FDR	135.31%	151.83%	159.64%	155.92%	129.49%	-	-	-	-	-	-
NPF %	1.34%	1.80%	2.60%	2.85%	1.66%	-	-	-	-	-	-

**Note:**

DPK = Dana Pihak Ketiga / Third party funds

NPF = Non Performing Financing

NPL = Non Performing Loan

FDR = Financing to Deposit Ratio

LDR = Loan to Deposit Ratio

**Explanation**

DPK is funds raised from community, means that society as individuals, corporations, government, households, cooperatives

NPF / NPL is problems loans consisting of loans classified substandard, doubtful, and loss

The different between NPF and NPL:

NPF using for syariah banking while NPL using for commercial banking

FDR / LDR is financing ratio of third party funds received by bank

The different between FDR and LDR :

FDR using for syariah banking while LDR using for commercial banking

The table shows that, the development of sharia banking asset in West Sumatera shows a positive growth. Until quarter I-2010 the amount of sharia banking asset in West Sumatera has achieved IDR 1, 14 billion, its increase up to 20% compare to previous year. The effort to gain DPK by sharia bank nowadays is a current routine activity. The biggest amount of DPK is IDR 883.8 billion or increases as much as 52.6% (yoy). The biggest percentage in is giro as much as 74.9% then deposit (63.4%) and saving as much as 40.9%. the increasing number of giro indicates that whether local government or businessmen in West Sumatera have been enthusiastic in using sharia banking service in financial activities.

Even though DPK has a high growth, distribution of fund by sharia banking in West Sumatera, do not show as significant growth yet. In quarter I-2010 the total credit distributed by sharia banking in West Sumatera is IDR 954 billion, growth 7.44% compare to previous year. Fund mostly used for working capital with share up to 47.6% for consumption 41% and investment 11.4%. Funding for short term capital is slightly high with 32.3 %(yoy). Meanwhile funding for investment and consumption is stagnant.

Service quality is one of the critical success factors that influence the competitiveness of an organization. An organization able to differentiates itself from other competitor by providing high quality service. In today's world intense of competition, a firm's ability in delivering a high quality service that lead to customer satisfaction is the key for a sustainable competitive advantage (Shemwell et al., 1998). Customer satisfaction is considered also as the most important factor that directly influence the ability of the firm in optimizing profit,



improve firm and brand image, reduce customer turnover, and increase the awareness customer needs (Muffato and Panizzolo 1995).

In general, there are two type of firm product. They are service and good. Parasuraman et al., (1985) mentioned that services are kind of intangible product. It is different from goods in terms of how they are produced, consumed, and evaluated. Services are heterogeneous, it's performance often varies from producer to producer, customer to customer, and day to day. It explains why each firm produces various services as their output. To be more specific, production and consumption of services are inseparable. Unlike goods that can be engineered at a manufacturing plant and delivered to the customer, quality in services often occurs during service delivery process, which is appear during the interaction between a customer and a service provider.

Prabhakaran (2003) mentioned that the customer is the king. Meanwhile, each customer has different preferences and evaluation points about the services being delivered. Therefore, quality of service is more difficult for customers to be evaluated than quality of goods. Customers evaluate service quality not only on the outcome of the service but also on the process of service delivery, and from how well a service provider actually performs, give their expectations of service performance.

Service quality is one of critical success factors that influence the competitiveness of an organization, as for banking sector; service quality is becoming more important to maintain their market share, increased profitability, customer satisfaction and customer loyalty. A bank can differentiate itself from

competitors by providing high quality service. Therefore, banks have to provide service carefully because of the availability of banks. Banks have to improve the service level continuously. There is no guarantee that what is excellent service today is also applicable for tomorrow. To survive in competitive banking industry, banks have to develop new strategies which will satisfy their customers.

Parasuraman *et al.*, (1988) and Naeem and Saif (2009) found that customer satisfaction is the outcome of service quality. It is similar with the research finding of by Bitner and Zeithaml (2003), who mentioned that satisfaction is the customer's evaluation of a product or service in terms of whether that product or service has met their needs and expectations. Customer satisfaction refers to the extent to which customers are happy with the products and services provided by a business. In the competitive banking industry, customer satisfaction is considered as the essence of success. File and Prince (1992) also argued that the customers who are satisfied tell others about their experiences and banks can increase customers.

Service quality and customer satisfaction are important factors in creating customer loyalty. Chadha and Kapoor (2009) found that service quality and customer satisfaction have positive association with customer loyalty. It is align that profit and growth of the firm are stimulated primarily by customer loyalty and loyalty is a direct result of customer satisfaction.

Service quality is one of the most attractive areas for researchers over the last decade in the retail banking sector (Choudhury, 2008). In order to survive in the competitive banking industry, banks have to develop the strategies which will satisfy their customers. A bank will able to attract the customer by differentiating

itself from competitors with providing a high quality service. Therefore, this study aims to investigate the factors that directly contribute to the ability of a bank in attracting and maintaining the customers. Banks need to pay attention seriously to the service quality because of the existence of the competitors. Banks need to improve the service level continuously; since there is no guarantee that what is excellent service today is also applicable for tomorrow.

The Islamic banking is currently in enormous growth. Islamic banking is governed by the *shariah* laws with the objective of achieving fairness and balance between the parties in an agreement. Bank Syariah Mandiri was formed on 25 October 1999, and start operated on 1 November 1999 with the owner are Mandiri Bank (Persero) and Mandiri Sekuritas (source: [www.syariahmandiri.co.id](http://www.syariahmandiri.co.id) ). Bank Syariah Mandiri today is in fast growth era, perform and grow as a bank that is able to combine business idealism spiritual values, which underlie its operations. Bank Syariah have big opportunity to grow because conventional banking. Synergistic between ideal business and spiritual values became one of benefits of Bank Syariah Mandiri in banking in Indonesia. Bank Syariah Mandiri presents to build Indonesia together towards a better Indonesia.

Service quality is most importance in analyzing the performance of bank branches, since their survival depends on their service quality levels they provide. However, not only empirically studies of the relationship between service quality and customer loyalty in banking system are limited, but also the existing studies on bank branches efficiency in general do not account for the changing role of bank branches. (Portela&Thanassolis, 2006).

Excellence in service quality is a key to achieve customer loyalty which is the primary goal of business organizations, due to the advantages of customer retention (Ehigie, 2006). Today, the increasing awareness among bank customers of their rights, changing demands and highly competition requires constant progress in service quality from the bank for their customers to stay loyal. The current research intent to investigate whether the bank customers are satisfy with the services provided, which will eventually lead to customer satisfaction and loyalty. Therefore, based on previous illustration the current research aims to analyze the correlation between service quality, customer satisfaction and customer loyalty with the title **“The Effect of Service Quality on Customer Satisfaction and Customer Loyalty at Bank Syariah Mandiri in Padang”**.

### **1.2 Problem Statement**

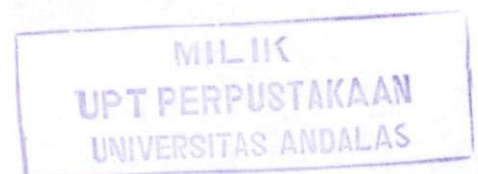
The research is purposed to answer these following questions:

1. How does service quality affect the customer satisfaction of Bank Syariah Mandiri in Padang?
2. How does service quality affect the customer loyalty of Bank Syariah Mandiri in Padang?
3. What is the interrelation between service quality, customer satisfaction and customer loyalty for Bank Syariah Mandiri in Padang context?

### **1.3 Objective of Research**

Based on the problem statements above, the objectives of the research are:

1. To measure how does service quality affect the customer satisfaction of Bank Syariah Mandiri in Padang.



2. To measure how does service quality affect the customer loyalty of Bank Syariah Mandiri in Padang.
3. To measure what is the interrelations between service quality, customer satisfaction and customer loyalty for Bank Syariah Mandiri in Padang context.
4. To test mediating effect of customer satisfaction in relationship between service quality and customer loyalty of customer Bank SyariahMandiri in Padang.

#### **1.4. Contribution of Research**

1. To gain a better understanding of factors affecting the service quality on customer loyalty and customer satisfaction
2. To strengthen theory related to service quality, customer satisfaction and customer loyalty
3. Improving the perception and knowledge of the researcher, also hopefully can be guidance to another researcher that interested in the same topic.

#### **1.5. Scope of Research**

This research is aimed to analyze the affect of the service quality on customer satisfaction and customer loyalty, and it is limited to Bank SyariahMandiri in Padang context only.

#### **1.6 Outline of Report**

In order to make it easier and make moderate the forwarding of content, this research is divided into six chapter, they are:

- CHAPTER I That is containing about background of the study, figures of banking industry, problem statement, objective of research, scope of research and contribution of research.
- CHAPTER II Is the chapter that evaluates the containing bibliography about basis for theory. Basis for the theory tells and concept of service, service quality, service quality dimensions, customer satisfaction, customer loyalty and previous research.
- CHAPTER III Explaining about research method which discussing about research design, population and sample, data collecting method, operationalization of variables, data processing, data analysis method and data analysis.
- CHAPTER VI This chapter will discuss about the structure of the company. Consist of background of the company, vision, mission, the company's organization structure of Bank Syariah Mandiri in Padang.
- CHAPTER V Explaining about data analysis and result that consist of survey result, descriptive analysis, validity and reliability test, classical assumption testing, hypothesis testing and discussion of the data analysis result.
- CHAPTER VI This chapter will explain about conclusion of research, suggestions of research, limitation of the research, implication of research and recommendation for further research.

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1. Concepts of Service Quality**

##### **2.1.1. Service at Glance**

A service is a process consisting of a series of more or less intangible activities that take place in interactions between the customer and service employees and or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems (Gronroos :2000). Meanwhile, Zeithaml and Bitner (2000) defined service are intangible, perishable, produced and consumed simultaneously and heterogeneously, service also defined as a form of attitude which is related to satisfaction and also leads to customer loyalty (Johnson and Sirikit, 2002).

According to Mudie and Pirrie (2006), services contain these following features:

a. **Intangibility**

Intangibility is the main feature of service. Service cannot assure the quality because it cannot be counted, measured, tested, verified and inventoried in advance of sale. Most of the firms find it difficult to understand how customers consider their services and evaluate the quality of their services.

b. **Inseparability (or simultaneous production and consumption)**

There is a marked distinction between physical goods and services in terms of the sequence of production and consumption. For physical goods, goods are

first produced, then stored and finally sold and consumed; services are first sold, then produced and consumed simultaneously.

c. Variability (or heterogeneity)

An unavoidable consequence of simultaneous production and consumption is variability in performance of a service. The quality of the service may vary depending on who provides it, as well as when and how it is provided.

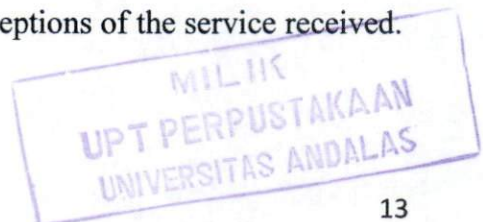
d. Perishability

Services cannot be stored for later sales or use. As services are performances they cannot be stored. If demand far exceeds supply it cannot be met, as in manufacturing, by taking goods from a warehouse. Equally if capacity far exceeds demand, the revenue and/or value of that service is lost.

### 2.1.2 Service Quality

Service quality is difference between customer expectation and perception of services delivered by service firms. It is the global evaluation or attitude of overall excellence of services. Parasuraman, *et al.*, (1985). Nitecki, *et al.*, (2000) defined service quality as the condition when service meeting or exceeding customer expectations, or as the difference between customer perceptions and expectations of services.

Meanwhile, Fogli (2006) define service quality as a global judgment or attitude relating to a particular service; the customer's overall impression of the relative inferiority or superiority of the organization and its services. Service quality is a cognitive judgment, its the difference between customer's expectations for the service encounter and the perceptions of the service received. (Zrithamlet *et al.*, 1993).





Service quality is very important component in any business activity. Especially for the marketer since a customer's evaluation of service quality and the resulting level of satisfaction are perceived to affect bottom line measures of business success (Lacobucci *et al.*, 1994). According to Leisen and Vance (2001) service quality helps to create the necessary competitive advantage by being an effective differentiating factor. Service quality was initiated in the 1980s as the worldwide trend when marketers realized that only a quality product could not be guaranteed to maintain competitive advantage (Wal *et al.*, 2002). It is essential and important for a service industry to ensure the quality service for establishing and maintaining loyal and profitable customer (Zeithaml, 2000; Leisen and Vance, 2001).

Previous service quality theory Rust and Oliver (1994) mentioned that customers will judge that quality as 'low' if performance does not meet their expectations and quality as 'high' when performance exceeds expectations.

Consequently, Rust and Oliver (1994) pointed out that companies need to measure consumers' satisfaction with their products and services. Generally, service and product quality always lies in the minds of the consumers depending on individual buying capacity, buying behavior, demand, taste, and fashion criteria and obviously the competitive markets that provide significant differentiation strategies. Service quality also depends on the personalization of consumer (To and Leung, 2001), which contains reliability, responsiveness, personalization and tangibles. These items significantly influence the consumer's experience and evaluation of service, and in turn, affects the brand loyalty of consumers.

Gronroos (1990) noted that the quality of a service as perceived by customers had three dimensions: functional (or process) dimension, technical (or outcome) dimension, and image. Furthermore, Richard and Allaway (1993) argued that utilizing only functional quality attributes to explain and/or predict consumers' behavior might be a misspecification of service quality and had low predictive validity.

### **2.1.3. Measures of Service Quality**

Measuring service quality seems to pose difficulties to service providers because of the unique characteristics of services: intangibility, heterogeneity, inseparability and perishability (Kotler and Armstrong, 2008). Because of these complexities, various measuring models have been developed for measuring perceptions of service quality (Aldlaigan and Buttle, 2002).

Service quality is considered to be a key factor in firms' financial performance, that is, profitability. Service quality not only entices new customers away from competitive firms but also induces customers' repurchase intentions (Lee, 2010).

There are many research instruments developed to measure the perceived service quality, such as Sureshchandar, *et al.*, (2002) who identified five factors of service quality which were core service or service product, human element of service delivery, tangibles of services, and social responsibility.

### **2.1.4. Service Quality Model**

As mentioned in previous section, Parasuraman *et al.*, (1985) firstly, identified ten key determinants of Service Quality. They are; Reliability,

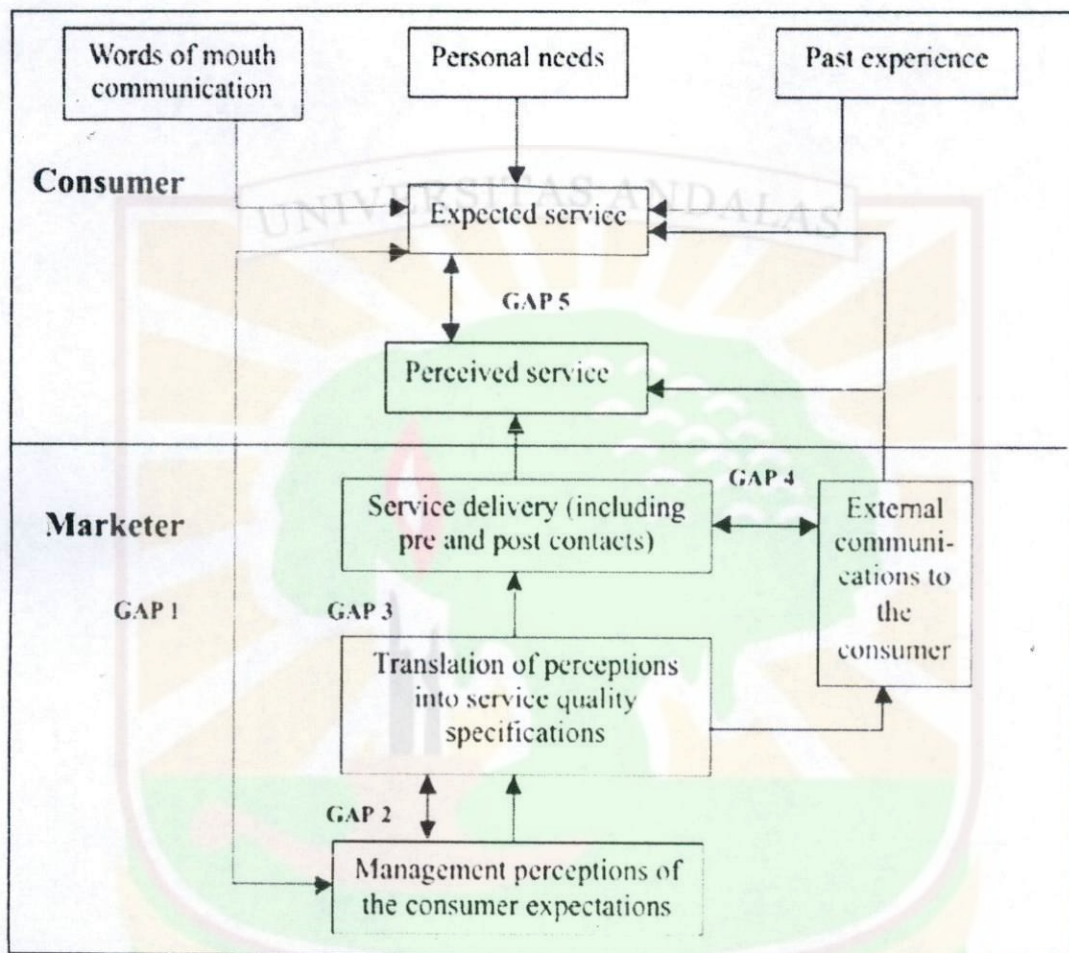
Responsiveness, Competence, Access, Courtesy, Communication, Credibility, Security, Understanding, Tangibles. Then in 1988, these are converted into five dimensions only and are considered relevant to measure service quality. These five dimensions are well-known as SERVQUAL model.

It consists of:

- a. Tangibles : physical facilities, appearance of personnel and equipment
- b. Reliability: ability to perform the promised service dependably and accurately
- c. Responsiveness: willingness to help customers and provide prompt service
- d. Assurance: Assurance (combination of items designed originally to assess Competence, Courtesy, Credibility, and Security). Ability of the organization's employees to inspire trust and confidence in the organization through their knowledge and courtesy.
- e. Empathy: Empathy (combination of items designed originally to assess Access, Communication, and Understanding the customer) – personalized attention given to customer.

The following figure shows the diagram of SERVQUAL model:

**Figure 2.1**  
**SERVQUAL Gap Analysis Model**



Source: Parasuraman et al., (1985)

According to figure 2.1, the lower portion shows the gaps revealed by the executive interviews (the marketer side) and the upper portion of the of the figure shows the gaps revealed by the customer interviews (customer side).

The following is the further explanation about the figure:

**Marketer side:**

- Gap 1 : consumer expectation – management perception gap

Managements' Perceptions Gap (will impact on the customer's evaluation of service quality)

Management may have inaccurate perceptions of what consumers actually expect. It requires the appropriate management processes, market analysis tools and attitude.

- Gap 2: service quality specification gap:

Management perceptions of consumer expectations- Service Quality Specifications (will impact on the service quality from the customer's viewpoint)

There may be an inability on the part of the management to translate customer expectations into service quality specifications. This gap relates to aspects of service design.

- Gap 3: service delivery gap:

Service Quality Specifications-Service Delivery (will impact on the service quality from the customer's standpoint)

Guidelines for service delivery do not guarantee high-quality service delivery or performance. Reasons for this include lack of sufficient support for the frontline staff, process problems, or frontline/contact staff performance variability.

- Gap 4: external communication gap:

Service Delivery-External Communications (will impact on the service quality from the customer's standpoint). Consumer expectations are fashioned by the external communications of an organization.

#### **Customer Side:**

- Gap 5: expected service – consumer perceived service gap:

Perceived quality of service depends on the size and direction of Gap 5, which in turn depends on the nature of the gaps associated with marketing, design and delivery of services.

This model is a diagnostic tool and externally focused. If used properly and correctly, it has the potential to assist the management to identify the relative service quality factors from customer perspective (Yang *et al.*, 2004).

#### **2.1.5. Service Quality in Retail Banking**

Service quality is important in the retail banking sector. Some of the reviewed literatures are presented below:

Bahia and Nantel (2000) conducted a research to develop a valid measurement of perceived service quality in the Retail Banking sector in Canada. They argued that the SERVQUAL approach has not except from critics; therefore, they developed a new measurement for perceived service quality in Retail Banking. They proposed a scale that was called Bank Service Quality (BSQ). It comprises 31 items classified across six dimensions as: effectiveness and assurance, access, price, tangibles, range of services offered and accuracy and reliability.

They proved that the dimensions of BSQ are more reliable than the dimensions of SERVQUAL. Glaveli *et al.*, (2006) stated that BSQ is more reliable than SERVQUAL.

Stafford (1996) conducted research to identify the core elements of BSQ and identified seven attributes in assessing BSQ. They are as follows:

- Bank atmosphere - environment of the bank including the attitude of the staffs.
- Relationship - it indicates the personal relationship with the bank employees.
- Rates and charges - an individual's perception of BSQ is affected by the low cost and high interest rates.
- Available and convenient services - it indicates the full range of available services, convenient and easily accessible.
- ATMs - it indicates the availability of the automatic teller machines.
- Reliability/honesty - it emphasizes on the solid bank ratings and reliable, honest staff.
- Tellers - enough and accessible tellers.

Angur *et al.*, (1999) examined the applicability of alternative service quality measure in the Retail Banking industry in India. They conducted their research on the consumers of two major banks in India. They use SERVQUAL model to measure the overall service quality. They found that all the dimensions are not equally important in explaining variance in overall service quality. The result indicated that responsiveness and reliability seem to be the most important dimensions followed by the empathy and tangible dimensions; whereas,

assurance appears to be the least important dimension. Finally, they concluded that SERVQUAL is the best measure of service quality in banking industry.

The applicability of the SERVQUAL measure is well established in the retail banking industry. As mentioned earlier, Angur *et al.*, (1999) stated that SERVQUAL is the best measure of service quality in the retail banking industry in the developing country. Most of the researchers use the SERVQUAL measure or the modified SERVQUAL measure in the retail banking industry.

From the above discussion it can be concluded that SERVQUAL is still suitable as an assessment tool to measure the service quality perceptions in the retail banking industry, whether it is based on difference score, gap score or performance only.

## **2.2. Concept of Customer Satisfaction**

### **2.2.1 Definition of Customer Satisfaction**

Satisfaction is person's feelings of pleasure or disappointment resulting from comparing a products or services perceived performance (or outcome) in relation to his or her expectations (Kotler, 2000). Meanwhile, Yi (1990) defined customer satisfaction as a collective outcome of perception, evaluation and psychological reactions to consumption experience with product/service, it is also defined as a function of consumer's belief that he or she was treated fairly.

Kumar *et al.*, (2010) and Lai (2004) found that assurance, empathy and tangibles are the important factor, and on the other hand, Baumann *et al.*, (2007) found that tangibles are not related to customer satisfaction and Ahmed *et al.*,(2010) find out that empathy is negatively related to customer satisfaction. Researchers have identified various determinants of customer satisfaction in the



retail banking sector. Arasli *et al.*,(2005) pointed out that reliability dimension of SERVQUAL has the highest impact on customer satisfaction in Greek Cypriot banking industry, whereas reliability is not related to customer satisfaction, found by Chaniotakis and Lymperopoulos (2009).

According to Levesque and McDougall (1996), competitive interest rate is one of the important determinants of customer satisfaction in retail banking sector. They found that a good “employee-customer” relationship can increase the satisfaction level. They pointed out that problem-recovery is important to maintain the customer satisfaction. However, the results did not confirm that satisfactory problem-recovery can increase satisfaction. At least, it can maintain the satisfaction level. Finally, they concluded that competitiveness and convenience of the banks are the two important determinants of customer satisfaction. On the other hand, Jamal and Naser (2003) found that convenience and competitiveness are not the critical factors for all gender, age and income groups.

### **2.2.2. Customer Satisfaction in Retail Banking**

In the competitive business market, many firms are focusing on their efforts on maintaining a loyal customer base. Most of the retail banks set their strategies towards increasing satisfaction and loyalty of customers through the quality of service. Customer satisfaction and service quality are inter-related. The higher the service quality, the higher is the customer satisfaction. Many agree that in the banking sector, there are no recognized standard scales to measure the perceived quality of a bank service. Thus, competitive advantage through high

quality service is an increasingly important weapon to survive. Devlin (2001) pointed out that “customers perceive very little difference in the services offered by retail banks and any new offering is quickly matched by competitors”. Tangibility, reliability and empathy are important factor for customer satisfaction, whereas responsiveness and assurance are important factor, found by Mengi (2009).

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and competitiveness are not the critical factors for all gender, age and income groups.

### **2.2.3 Measurement of Customer Satisfaction**

Westbrook (1980) suggested that future researchers propose multi item scale for measuring customer satisfaction, lowering measurement errors and improving the scales reliability at the same time. Sureshchandar et al., (2000) pointed out that customer satisfaction should be viewed as a multi-dimensional construct and the measurement items should be generated with the same dimensions of service quality. In addition conducted a case study on the library of council for economic planning and development of Executive Yuan, investigating users usage on the library service and their satisfaction. Circulation operations, collection utilizations, environment and physical facilities of the staff, serving manners, and education and consultancy considered as 6 major dimensions for evaluating user satisfaction. The results serve as a reference for the library to improve its service quality and service performance.

### **2.3. Concept of Customer Loyalty**

Loyalty is defined as a state of mind, a set of attitudes, beliefs, desires etc.

Dick and Basu, (1994) have grouped loyalty into several categories;

#### **1. Based on Dimensions**

- Relative attitude
- Patronage behavior

#### **2. Based on Categories**

- Loyalty (positive relative attitude, high repeat patronage)
- Spurious loyalty (low relative attitude, high repeat patronage)
- Latent loyalty (positive relative attitude, but low repeat patronage)
- No loyalty (low on both dimensions)

According to Foss and Stone, (2001), customer loyalty relates to what customers think and do (or try to do to the product and services are being served). Meanwhile, Singh and Sirdeshmukh, (2000), stated the customer loyalty as the market place currency of the twenty-first century.

Managing customer loyalty is important because it means not only managing behavior but also managing a state of mind of the customer. Most customer loyalty expert argues that loyalty is developed by approaches which reinforce and develop a positive state of mind and the associated behaviors. Loyal customers firstly trust the company, and then there repetition in term of consumption at the end there is attitude to select the same company for the next consumption activity.

Ndubisi, (2005) and Pfeifer, (2005) pointed out that the cost of serving a loyal customer is five or six times less than a new customer. This statement shows the importance of customer loyalty. It's similar with the research of Walsh *et al.*, (2005) who mentioned that it is better to look after the existing customer before acquiring new customers. Furthermore, Gee *et al.*, (2008) stated the advantages of customer loyalty for the company. The advantages are:

- a) the service cost of a loyal customer is less than new customers
- b) customer will pay higher costs for a set of products; and

- c) for a company, a loyal customer will act as a word-of-mouth marketing agent

### **2.3.1 Customer Loyalty in Retail Banking**

Customer loyalty in retail banking was defined by Garland and Gendall (2004). They mentioned that attitude and behavior were the most important determinants of the number of banks used. A loyal customer uses few banks, the highest likelihood of increasing business with the main bank, and the lowest probability of defection from that bank.

Levesque and McDougall (1996) pointed out that by increasing the number of loyal customer; a retail bank faces the following consequences:

1. Decreases its servicing cost (i.e. customers do not open or close their accounts)
2. Fulfills customers need and gains knowledge of financial affairs
3. Has an opportunity to cross-sell existing and new products and services.

### **2.4. Previous Empirical Study**

#### **2.4.1 Relationship Between Service Quality and Customer Satisfaction**

In marketing literature, service quality and customer satisfaction have been conceptualized as a distinct, but closely related constructs. There is a positive relationship between the two constructs. The relationship between customer satisfaction and service quality is debatable. Some researchers argued that service quality is the antecedent of customer satisfaction, while others argued the opposite relationship defined service quality and customer satisfaction as

“service quality is a global judgment, or attitude, relating to the superiority of the service, whereas satisfaction is related to a specific transaction”.

In 2011, Ahmed and Amir doing research in one on banking in Pakistan. Based on their research result they found service quality has a positive effect on customer satisfaction with  $p$  value  $< 0.05$ . It was interesting to note that the bank's service quality were significant contributors to customer satisfaction. The inclusion of features and benefits beyond the “traditional” service quality determinants provided a more complete and comprehensive picture of the factors that contributed to a customer's overall attitude towards the service.

In 2010, Ravichandran, K, Tamil Mani, B, and Arun Kumar, S. found that disconfirmation in five dimensions is based on the order from the lowest mean to the highest mean, as follows: tangibles (.684), empathy (.619), responsiveness (.378), reliability (.243), and assurance (.336). Since all quality disconfirmation scores were positive, the subjects' perceptions (actual) were greater than expectations and the subjects were satisfied with banks service quality in varying degrees. The findings also showed that only responsiveness was found to be significant in predicting overall satisfaction with the banking service ( $b = 0.143$ ,  $p = .0003$ ), although the R-square is .102. Being responsive means being attentive to the needs of customers in a timely manner. Though prompt service has both an objective and subjective component for both provider and consumer of a service, the results in this study suggest that recognizing responsiveness as another form of responsibility is essential to every member of the health care system in order to increase customers' overall satisfaction with banking service. So the study affirms that the service quality level in the proposed study on private banks was at

adequate level and the regression on overall service quality lists out the various servqual items which has a spread in all the dimensions of the servqual model.

Then Ladhari (2009) also have doing investigation in one of banking in Canada. The study utilizes the performance of components of servqual in an empirical survey conducted among 193 Canadian bank customers. Support the dimensionality, reliability, convergent reliability, discriminant validity and predictive validity of the scale in this service setting. The results also show that responsiveness and empathy are the most important dimensions of overall service quality in the Canadian banking context.

#### **2.4.2. Relationship Between Service Quality and Customer Loyalty**

Lo, Osman and Ramayah in 2010 have investigated about relationship between service quality and customer loyalty. They are doing research in one of the banking in Penang, Malaysia. The questionnaire covered the demographic profile of respondents and items to measure the constructs. A pre-testing of the questionnaires was done with 10 selected banks customers who have experience with branch banking. The respondents were asked to provide feedback on the ambiguity and structure of the questions. With the assistance of the pre-test, the original questions were refined and some corrections were made. Self-administered questionnaire was used to gather data from various bank customers. There were a total of 238 responses received at the end of data collection process.

From the research they found that tangibles have no significant impact on customer loyalty. This is shown from the value of cronbach alpha is 0.932 (not supported). It has been observed that there is a changing trend and respondents did

not treat tangibles as an important measurement anymore due to availability of self-service terminals. Therefore, the bank must look into upgrading the proficiency of their self-service terminals rather than their interior. Also due to the emergence of IT, tangible has lost its importance as a measurement for customer loyalty. Internet banking has been very popular among the banks in Malaysia and is growing tremendously. As such, IT should be taken into consideration and used as a measurement for customer loyalty. This will give a more reflective result for the banking environment today.

Meanwhile resulting which related with Responsiveness they found in field of research that have negative effect on customer loyalty, this is shown from the value of cronbach alpha 0.983 (Not supported). The result related with Empathy, found will have positive effect on customer loyalty, this is shown from the value of cronbach alpha 0.943 (Supported). The result related Reliability, found have positive relationship with customer loyalty, with the value of cronbach alpha 0.960 (Supported) And last variable is Assurance, found the result, it will have positive effect on customer loyalty, this is shown from the value of cronbach alpha 0.984 (Supported).

The impact of service quality on customer loyalty was also investigated by Lorenzo, et al (2010). The results indicated that providing quality service leads to competitive advantage, organizational growth, and enhanced profitability. The results also showed that service quality is positively associated with customer loyalty.



### 2.4.3 Relationship Between Service Quality, Customer Satisfaction, Customer Loyalty

Caruana (2002) supported that the effects of service quality and the mediating role of customer satisfaction. The results indicated customer satisfaction does play in the effect of service quality on service loyalty. All of them are related each other. To make clear, this figure shown about relationship between service quality, customer loyalty and customer satisfaction as role model.

Figure 2.2.



Source: Caruana (2002)

Ganguli and Roy (2011) have concluded a research about the generic service quality dimensions of technology-based banking and to examine the effect of these dimensions on customer satisfaction and customer loyalty. The study found that customer service and technology usage easiness and reliability have positive and significant impact on customer satisfaction and customer loyalty. It was also found that technology convenience and customer satisfaction have significant and positive impact on customer loyalty.

#### **2.4.4. Relationship Between Customer Satisfaction and Customer Loyalty**

Relationship between customer satisfaction and customer loyalty already investigated by Kazi (2011) in retail banking sector in Bangladesh. Based on the result of questionnaire already spread among 100 sample bank customer with the percentage of male and female respondents are 77 and 23 respectively, which shows the male dominance of bank customers. In the whole sample, 53% of respondents fell in the age range of 21-30, and 32% fell in the range of 31-40. In terms of qualification, the respondents are almost equal and that is, Undergraduate (31%), Graduate (33%), and Post Graduate (35%). 63% of respondents are service holder and 43% of respondents earn more than 20000 Taka per month. There is a positive correlation between customer satisfaction and customer loyalty in the retail banking sector in Bangladesh.

Other studies that support this research are research conducted by Ehigie (2006). Ehigie have done a research about Correlates of customer loyalty to their bank: a case study in Nigeria. The result of the research shows that perception of service quality and satisfaction are significant predictors of customer loyalty, with customer satisfaction contributing more. If customers feel satisfied, it indicated customer loyalty will increase.

**Table 1: Summary of Previous Research**

No	Research Topic	Previous Study	Research Finding	Implication of Study
1	Relationship between service quality and customer satisfaction	Ahmed I, and Amir (2011)	Service quality have positive effect for customer satisfaction	Banking Industry
		Ravichandran, K, Tamil Mani, B, and Arun Kumar, S (2010)	From five dimensions of service quality testing in this research only responsiveness was found to be significant in predicting overall satisfaction with the banking service	Banking Industry
		Ladhari (2009)	All of dimension of service quality except tangible have contribution to customer satisfaction	Banking Industry
2	Relationship between service quality and customer loyalty	Lo, Osman and Ramayah (2010)	From the research find this result: <ul style="list-style-type: none"> <li>• Tangibles have no significant impact on customer loyalty</li> <li>• Reliability have positive relationship with customer loyalty</li> <li>• Responsiveness have positive effect on customer loyalty</li> <li>• Empathy have positive effect on customer loyalty</li> <li>• Assurance have positive effect on customer loyalty</li> </ul>	Banking Industry
		Lorenzo, et al (2010).	From the research finding: showed that service quality is positively associated with customer loyalty.	Service Industry

3	Relationship between service quality, customer satisfaction and customer loyalty	Caruana (2002)	Found that the effects of service quality and the mediating role of customer satisfaction. The results indicated customer satisfaction does play in the effect of service quality on service loyalty. All of them are related each other.	Banking Industry
		Ganguli and Roy (2011)	Customer service and technology usage easiness and reliability have positive and significant impact on customer satisfaction and customer loyalty	Banking Industry
4	Relationship between customer satisfaction and customer loyalty	Kazi (2011)	There is a positive correlation between customer satisfaction and customer loyalty in the retail banking sector in Bangladesh	Banking Industry
		Ehigie (2006),	Suggests that there is a significant positive relationship between customer satisfaction and customer loyalty/retention	Banking Industry

## 2.5. Hypotheses

Based on problem statement and previous literature review, the hypotheses of current research are:

*H1: There is a positive influence of Service Quality on Customer Satisfaction.*

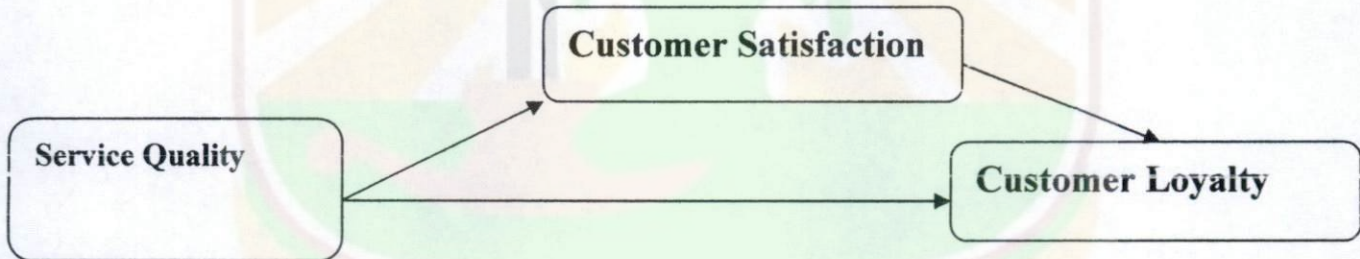
*H2: There is a positive influence of Customer Satisfaction on Customer Loyalty.*

*H3: There is a positive influence of Service Quality on Customer Loyalty.*

*H4: Customer Satisfaction has a role in mediating the relationship between Service Quality and Customer Loyalty.*

## 2.6. Theoretical Framework

The theoretical framework of the current research is shown by the figure below:



*Resources: refers from figure 2, Caruana (2002)*

## CHAPTER III

### RESEARCH METHOD

#### 3.1 Research Design

This research uses quantitative approach in order to find out the appropriateness of the theoretical model of the research and determine the interaction between all variables. It is to investigate the effect of service quality on customer satisfaction, and customer loyalty of customer Bank SyariahMandiri in Padang. All of data and information are collected from respondents using questionnaire and then the result will be explained to answer research questions.

#### 3.2 Population and Sample

The following explanation is the population and sample used in this research;

- Population

Sekaran (2003) conceptualized population as entire group of people, events, or things of interest that the researcher wishes to investigate. Populations of the research are customers of Bank Syariah Mandiri in Padang.

- Sample

Sample is a part of research elements. Uma Sekaran (2003) conceptualized sample as a subset of population. The advantages of taken sample are cheaper cost and quick result.

Numbers of sample of the research are 150 respondents. The reason to choose the sample size is based on Roscoe (1975) in Sekaran (2003) who conceptualized the rules of thumb for determining sample size:

1. *“Sample sizes larger than 30 and less than 500 are appropriate for most research.*
2. *Where samples are to be broken into subsamples; (male/females, juniors/seniors, etc.), a minimum sample size of 30 for each category is necessary” (Page 295).*

Convenience sampling design of the research is used to obtain information from specific target groups and conveniently available. Sekaran (2003) mentioned that the convenience sampling is confined to specific types of people who can provide the desired information, either because they are the only ones who have it, or conform to some criteria set by the researcher, and is most often used during the exploratory phase of a research project and is perhaps the best way of getting some basic information quickly and efficiently. In this research, the samples are 150 respondents/customers of Bank Syariah Mandiri in Padang.

In the questionnaire, data collected from respondents and there are a section concerning respondents' profile to get a general idea about the respondents' age, education and working status as various factors might also influence their perception.

Data collection is conducted via a survey where an instrument (questionnaire) that used to record opinions of respondents. The questionnaire comprised of questions related to opinions of respondents when experiencing the services of Bank Syariah Mandiri service. The method of finding respondents by spread questionnaire among customer that comes to bank. It's easy to get information related service quality of this bank, satisfy or not with the service that given by bank, and their perception as well as experience for their banks.

### 3.3 Data Collecting Method

#### 3.3.1 Primary Data

Primary data is information obtained firsthand by the researcher on the variables of interest for the specific purpose of study (Sekaran, 2003). In collecting data, the researcher had conducted survey through distributed the questionnaires. A questionnaire is form to fit with the objective and conceptual model of research. A short questionnaire with conceptually clear and concise statement is judged to be for both the respondent and the researcher. The questionnaire is designed to examine service quality and its relation with the customer satisfaction and loyalty that mentioned in the conceptual model.

The questionnaire included a section on customer's profile, as various demographic factors (particularly the gender) were likely to influence the respondent perception about the service quality in banking sector. Questionnaire contains the statement represent each variables; service quality, customer satisfaction and loyalty. Then, respondents were asked to respond on a scale as to their agreement or disagreement and important or not important with each statement by using five point Likert Scale (Sekaran, 2003). Point rating scale that classified from:

1 = strongly disagree

2 =disagree

3 = neutral

4 = agree

5= strongly agree



### **3.3.2 Secondary Data**

Secondary data is information gathered from source already existing (Sekaran, 2003). Secondary data is require to strengthen and gaining wider picture about the effect of service quality on customer satisfaction and loyalty.

### **3.4 Conceptualization and Operationalization of Variables**

#### **3.4.1 Dependent Variable**

This research uses Customer loyalty as dependent variable.

#### **3.4.2 Independent Variable**

This research uses Service quality as independent variable. There are five dimensions of Service quality used in questionnaire;

- Tangibles
- Reliability
- Responsiveness
- Assurance
- Empathy

#### **3.4.3 Mediating Variable**

Customer satisfactions play as mediating variable in this research. For the detail of the conceptualization and operationalization of the research, the variables are explained in table below;

Sources:

- a. Parasuraman, (1988), Cronin Taylor, (1992), Garland and Gendall, (2004) supported Dick and Basu (1994).

- b. Krepapa (2003), Aydin and Ozer, 2005, Caruana (2000)
- c. Gremler and Brown, (1996)

At table 3.4 below is the Operationalization Variables used in questionnaire.

**Table 3.4.3**  
**Operationalization of Variables**

Variables	Dimension	Indicator	No. item	Sources	Scale
Service Quality	1. Tangibles	<ul style="list-style-type: none"> <li>- Modern equipment</li> <li>- Visually appealing facilities</li> <li>- Employees who have a neat, professional appearance</li> <li>- Visually appealing materials associated with the service such as brochures</li> </ul>	4	Parasuraman, et al. (1988), in Kazi (2011)	Likert Scale
	2. Reliability	<ul style="list-style-type: none"> <li>- Providing services as promised</li> <li>- Ability to perform the promised service dependably and accurately</li> <li>- Bank insist on error free records</li> <li>- Performing services right first time</li> <li>- Customer have a problem, bank interest solving it</li> </ul>	5	Parasuraman, et al. (1988), in Kazi (2011)	Likert Scale
	3. Responsiveness	<ul style="list-style-type: none"> <li>- Keeping customers informed when services will be provided</li> <li>- Willingness to help customers</li> <li>- Readiness to respond customers requests</li> </ul>	3	Parasuraman, et al. (1988), in Kazi (2011)	Likert Scale
	4. Assurance	<ul style="list-style-type: none"> <li>- Employees who have knowledge to answer customer questions</li> <li>- Employees that instill</li> </ul>	5	Parasuraman, et al. (1988), in Kazi (2011)	Likert Scale

		<p>confidence in customers</p> <ul style="list-style-type: none"> <li>- Making customer feel safe in their transactions</li> <li>- Employees who are consistently courteous</li> <li>- Giving customer individual attention</li> </ul>			
	5. Empathy	<ul style="list-style-type: none"> <li>- Employees who deals with customers in caring fashion</li> <li>- Employees who understand the needs of their customers</li> <li>- Having the customers best interests at heart</li> </ul>	3	Parasuraman, et al. (1988), in Kazi (2011)	Likert Scale
Customer Satisfaction	1. Competitiveness 2. Convenience	<ul style="list-style-type: none"> <li>- Say positive things about this banks to other people</li> <li>- Intend to continue doing business with this bank</li> <li>- Encourage friends and relatives to do business with this banks</li> <li>- Consider this banks as my primary bank</li> </ul>	7	Cronin Taylor (1992) in Kazi (2011)	Likert Scale
		<ul style="list-style-type: none"> <li>- Overall I'm satisfied with my bank</li> </ul>		Krepapa (2003) cited from Ganguli and Roy (2011)	Likert Scale
		<ul style="list-style-type: none"> <li>- I think I did right thing when I choose this bank</li> <li>- I am delighted with my bank</li> </ul>		Caruana (2000) cited from Ganguli and Roy (2011)	Likert Scale
Customer Loyalty	1. Attitude 2. Behavior	<ul style="list-style-type: none"> <li>- Doubt if I would switch this bank</li> <li>- Really like doing business with this bank</li> <li>- To me, this banks is clearly the best to do business</li> <li>- Believe is good bank</li> </ul>	8	Gremler and Brown (1996) in Caruana (2000)	Likert Scale

		- Try to use transaction from this bank every time I need services			
		- I would recommend my bank to others		Aydin and Ozer, 2005 in Ganguli and Roy (2011)	Likert Scale
		- I will always consider this bank as my first choice		Caruana (2002) cited in Ganguli and Roy, (2011)	Likert Scale
		- I expect to do more business with my bank in the future		Ganguli and Roy, (2011)	Likert Scale

### 3.5. Measurement Variables

Measurements of service quality, customer satisfaction, and customer loyalty were adopted and developed on the basis of established existing variables from previous studies. All variables were measured with Five-point scale for their responses where they are designed to examine how strong the subjects agree or disagree with the statements on a 5-point scale (Sekaran, 2003). The anchors are:

1 = Strongly Disagree (SDA)

2 = Disagree (DA)

3 = Neutral (N)

4 = Agree (A)

5 = Strongly Agree (SA)

### 3.6. Analysis of Data

Analysis method that is used in this research is regression. This method used to test the effect of variable on other variables. Then, information gathered

by data collection activities will be examined to determine service quality in Bank Syariah Mandiri and how it affects customer satisfaction and customer loyalty.

### **3.6.1. Descriptive Analysis**

#### **3.6.1.1. Respondent Characteristics**

The respondent of Bank Syariah Mandiri will be characterized based on Age, Gender, Education Qualification, Position/Occupation, Income/Month, Current City, Time period saving, Product and Service used in BSM.

### **3.6.2. Validity and Reliability Analysis**

#### **3.6.2.1. Validity Testing**

Validity testing is purposed to establish the goodness of measurement, whether we are measuring the right things or not. Validity test is tested by comparing  $r_{\text{count}}$  and  $r_{\text{table}}$ . According to Ghozali (2001) validity test is a tool which is used to measure validation of questioner. This validity testing is using corrected item total correlation. Coefficient of correlation is calculated from each item scores and total score of related variable. With validity value 0.4-0.5

#### **3.6.2.2. Reliability Testing**

In statistics, reliability is the consistency of a set of measurements or of a measuring instrument. Internal reliability testing is purposed to see how well the items measuring a concept hang together as a set. *Cronbach's Alphas* is a reliability coefficient that indicates how well the items in a set are positively correlated to one another. The answer consistency showed by the degree of *Cronbach's Alphas*. The closer the reliability coefficient gets to 1,0, the better.

## CHAPTER IV

### COMPANY PROFILE

#### 4.1. History of Bank Syariah Mandiri

Bank Syariah Mandiri (BSM) was established since 1999. BSM has in fact appeared as blessings and morale learnt from the 1997-1998 economic and monetary crises. As is known, the economic and monetary crisis, followed by multi-dimension crisis including in the national politics, has massively affected all aspects of public life, not an exception to business matters. Under such a condition, the conventional banks dominated banking industry suffered from the worst crisis. The government finally took action by restructuring and recapitalizing the banks in Indonesia.

Bank Mandiri embarked on consolidation and commissioned Sharia Banking Development Team. The team aims to develop sharia banking business services within the Bank Mandiri business group as a response to the law enforcement of UU No. 10 Year of 1998 that allows commercial banks for running sharia transaction services (dual banking system). The Sharia Banking Development Team concluded that the law enforcement serves the right time for converting PT Bank SusilaBakti from conventional to sharia banking. Accordingly, the Sharia Banking Development Team prepared the system and infrastructure to change conventional banking activities of BSB to a bank running on the basis of sharia principles under the name PT Bank Syariah Mandiri just as legalized with the Notarial Act of Sutjipto, SH, No. 23 dated September 8, 1999.

The change in BSB business type into sharia commercial bank has been approved by the Bank Indonesia Governor through Decree No. 1/24/KEP.GBI/1999, October 25, 1999. Through the Decree of Senior Deputy Governor of Bank Indonesia No. 1/1/KEP.DGS/ 1999, the central bank approved the bank renaming into PT Bank Syariah Mandiri. Following the approval and legal registration, PT Bank Syariah Mandiri has officially been in operation since 25 Rajab 1420 H or November 1, 1999.

#### **4.2. Vision and Mission of Bank Syariah Mandiri**

##### **Vision**

To be the most trusted and preferred sharia bank for business partners

##### **Missions**

1. To generate sustainable growth and profits
2. To put priority on consumer funding and micro, small and medium financing
3. To hire and develop professional employees in a healthy work environment
4. To develop sharia universal values
5. To run banking operations according to sound banking practices.

#### **4.3. Core Values of Bank Syariah Mandiri**

Going through a concerted participatory process among all levels of employees since mid-2005, a set of new corporate values has been declared to be shared by all employees of Bank Syariah Mandiri. They are declared as Shared

Values Bank Syariah Mandiri. Shared Values Bank Syariah Mandiri with the acronym “**ETHIC**”, which ethic stand for:

1. **Excellence**: Striving for excellence through integrated and continuous improvements.
2. **Teamwork**: Developing a work environment with mutual synergy.
3. **Humanity**: Upholding humanity and religious values.
4. **Integrity**: Complying with professional ethics, thinking and behaving with high morale.
5. **Customer Focus**: Understanding and serving the customer needs to make Bank Syariah Mandiri a reliable and profitable partner.





## CHAPTER V

### RESULT AND DISCUSSION

This chapter will discuss analysis of research result related with service quality, customer satisfaction, and customer loyalty of customer Bank Syariah Mandiri (BSM) in Padang. This chapter also explained respondent characteristics, analysis of service quality, customer satisfaction, and customer loyalty of customers BSM Padang, hypothesis testing and discussion of results.

#### 5.1. Respondent Characteristics

The characteristics of the respondents in this study are categorized as age, gender, educational qualification, occupation, income/month, current city, period saving and product/service used in BSM Padang.

The following sections will describe profile of the respondents based on gender.

##### 5.1.1. Respondent Characteristic Based on Age

**Table 5.1.**  
**Respondent Characteristic Based on Age**

Age (years)	Frequency	Percentage
< 20 years	50	33.3
21-30 years	51	34.0
31- 40 years	20	13.3
41- 50 years	22	14.7
> 50 years	7	4.7
Total	150	100

*Source: processed from questionnaire using SPSS*

As shown in table 5.1, the majority of respondents' age is 21 – 30 years old, there are 51 respondents (34%), and then < 20 years old are 50 respondents (33.3%), 41 – 50 years old are 22 respondents (14.7%), 31-40 years old are 20 respondents (13.3%), and the minority of respondent's age is > 50 years old, it is 8 respondents (4.3%). Table 5.1 also shows that the dominant respondent can be categorized as youth people. It is 21-30 years range.

The data on table 5.1 shows that the dominant customer of BSM Padang can be categorized into youth or productive age. For instance, senior high school age maximum is 19 years old, and the rest of them are college student or working as employees or entrepreneur. The service of BSM Padang is necessary to conduct such as saving, transfer the money, salary payment, etc. Therefore, the underlined data here is that it is dominated by youth/productive ages.

If take look at the location of BSM Padang itself which located near the central market of Padang therefore, it is easier accessed by the people who comes from any place in Padang since always public transport available to reach it.

## 2. Respondent Characteristic Based on Gender

**Table 5.2.**

**Respondent Characteristic Based on Gender**

Gender	Frequency	Percentage
Male	60	40.0
Female	90	60.0
Total	150	100

*Source: processed from questionnaire using SPSS*

Respondent characteristics divided into 2 (two) criteria, are male and female. Table 5.2. shows that the numbers of female more dominant than male, in

the research shown those males are 60 respondents (40.0 %), and female are 90 respondents (60.0 %). In field of study, dominant of amount respondent found is female, so on percentage showed respondent of female more than male which saving their money or to be customer in BSM in Padang. From the data we may conclude that the dominant customer of BSM Padang is female. It is related with the culture of societies who treat equally the male and female in term of working. As for BSM Padang itself, by having the fact that the dominant customer is female, it can be used as the strategy to gain maintain the them with special service for woman such weekly door prize for manicure and pedicure treatment, weekly bulletin about beauty and the food recipe etc.

### 3. Respondent Characteristic Based on Education Qualification.

Table 5.3.

Respondent Characteristic Based on Education

Range	Frequency	Percentage
Junior high school	5	3.3
Senior high school	71	47.3
Diploma	19	12.7
Undergraduate	46	30.7
Others	9	6.0
Total	150	100.0

Source: processed from questionnaire using SPSS

Based on educational qualifications, as shown in table 5.3, the majority of respondents' educational qualification is Senior High School; it is 71 Respondents (47.3%). Then, undergraduate is 46 respondents (30.7 %), diploma is 19 (12.7 %), others 9 respondents (6.0%). And the minority respondents is Junior High School, it is 5 (3.3%).

From the data it is known that the service of BSM is well-distributed among the societies. So BSM service is not used by those who come from marginal-high societies only, but also used by those who graduated from Senior High School.

#### 4. Respondent Characteristic Based on Occupation

**Table 5.4.**

**Respondent Characteristic Based on Occupation**

Occupation	Frequency	Percentage
Civil Servant	22	14.7
Employee of BUMN	15	10.0
Entrepreneur	18	12.0
Retirement	5	3.3
Student/college student	76	50.7
Other	14	9.3
Total	150	100

*Source: processed from questionnaire using SPSS*

Based on the occupation the respondents will be divided into 6 (six) criteria, are Civil Servant, Employee of BUMN, Entrepreneur, Retirement, Student/college student, and other. As shown in table 5.5, the majority of respondents' occupation is student/college student, it is 76 respondents (50.7 %). Then, civil servant, it is 22 respondents (14.7 %). Next is Entrepreneur 18 respondents (12.0%), Employee of BUMN 15 (10.0%), Other 14 Respondents (9.3%), and Retirement 5 Respondents (3.3%).

The data shows that the dominant customer of BSM is student/college student ones. It is related with the habit or culture of Padang youth generation who already well adapted saving culture and other banking facility such as ATM, transaction notification etc.

## 5. Respondent Characteristic Based on Income/Month

Table 5.5.

Respondent Characteristic Based on Income

Income/month( IDR)	Frequency	Percentage
< Rp.1.000.000	34	22.7
Rp.1.000.000-Rp.3.000.000	38	25.3
Rp.3.000.000-Rp.5.000.000	23	15.3
Rp.5.000.000-Rp.10.000.000	11	7.3
>10.000.000	1	0.7
Blank answer	43	28.7
Total	150	100

Source: processed from questionnaire using SPSS

Table 5.5 shows that there are 43 (28.7%) respondents who did not full fill the item of income per month. This is the majority percentage. This blank answer might be fulfill by the student/college student who still having no income yet. Then, the frequency for Rp.1.000.000-Rp.3.000.000 is 38 responds (25.3%). Next, < Rp.1.000.000 is 34 (22.7 %), Rp.3.000.000-Rp.5.000.000 is 23 responds (15.3 %), Rp.5.000.000-Rp.10.000.000 is 11 responds (7.3 %), the minority is >10.000.000, it is 1 responds (0.7 %).

The data shows that don't need to have a big income until someone decided to use BSM Padang service. The customer which have income < Rp.1.000.000/months and Rp.1.000.000- Rp.3.000.000/months already feasible to use the service of BSM. It means that the image of BSM Padang is already "friendly" for all level of societies.

## 6. Respondent Characteristic Based on Current City

Table 5.6.

### Respondent Characteristic Based on Place of Origin

No	Current City	Frequency	Percentage
1	Aceh	1	0.7
2	AekKanopar	1	0.7
3	Agam	3	2.0
4	Bandung	2	1.3
5	Batipuh	1	0.7
6	Batusangkar	5	3.3
7	Bengkulu	1	0.7
8	Bukittinggi	11	7.3
9	Curup	1	0.7
10	Jakarta	1	0.7
11	Jambi	3	2.0
12	Jawa Tengah	1	0.7
13	Lampung	1	0.7
14	Lb.Basung	4	2.7
15	Lb.Aiung	1	0.7
16	Makasar	1	0.7
17	Medan	1	0.7
18	Muaralabuh	3	2.0
19	Padang	57	38.0
20	Palangkaraya	1	0.7
21	Palinggam	1	0.7
22	Pariaman	2	1.3
23	Pasaman	2	1.3
24	Payakumbuh	7	4.7
25	Padang Panjang	8	5.3
26	Pekanbaru	2	1.3
27	Pessel	1	0.7
28	Rengat	1	0.7
29	Riau	1	0.7
30	S.Rumbai	1	0.7
31	Sijunjung	1	0.7
32	Singkarak	1	0.7
33	Solok	10	7.3
34	Solsel	1	0.7
35	Surabaya	1	0.7
36	Sawahlunto	1	0.7
	Total	150	100.0

Source: processed from questionnaire using SPSS

Table 5.6 shows that the respondents came from 36 various places. The dominant is Padang, it is 57 responds (38%), next is Bukittinggi 11 (0.7%), Solok 10 (6.7%) and many others area include inside and outside West Sumatera Province, for instance, Aceh, Jakarta, Bengkulu, Pekanbaru etc. This data can be categorized into heterogeneous one, since the case for this research is BSM Padang only. But it doesn't matter, caused it proves that there is heterogeneous also the structure of Societies in Padang itself.

### 7. Respondents Characteristics Based on Time Deposit

**Table 5.7.**

**Respondents Characteristics Based on Time Deposit**

<b>Time Deposit</b>	<b>Frequency</b>	<b>Percentage</b>
< 1 year	70	46.7
1 Year	19	12.7
> 1 year	61	40.7
Total	150	100

*Source: processed from questionnaire using SPSS*

Based on table 5.7, time Deposit divided into 3 characteristics they are <1 year, 1 year, > 1 year. And the results shown that the majority of respondent who save their money less than 1 year, it is 70 responds (46.7%). Then the respondents who save their money more than 1 year is 61 respond (40.7%). And the minority of the amount of respondents save their money in 1 year is 19 (12.7%). The data shows that there is balance number between the customer who as the "new user" of BSM service and the one who already use the service of BSM Padang more than 1 year. Therefore, there is a balance number between the new and the old one. BSM should have a good strategy to gain more new customer and maintain the current one.

**8. Respondents Characteristics Based on Product and Service Used in Bank Syariah Mandiri Padang**

**Table 5.8.**

**Respondent Characteristics Based on Product and Service Used in Bank Syariah Mandiri**

<b>Product/service used in BSM</b>	<b>Frequency</b>	<b>Percentage</b>
Plans saving	33	22.0
Sympathetic saving	78	52.0
Qurban saving	1	0.7
Retirement saving	4	2.7
Hajj saving	13	8.7
Others	21	14.0
Total	150	100

*Source: processed from questionnaire using SPSS*

As shown in table 5.8 the majority of respondents on using product and service in BSM is Sympathetic saving with 77 responds (51.3%). Next the respondents using Plan saving with 33 responds (22 %). Then respondents who used others product/service of BSM with 21 responds (14%), Hajj saving with 13 responds (8.7%). The minority of respondents used Retirement saving 4 responds (2.7%) and Qurban saving 2 responds (1.3%).



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Total	150	100

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## **5.2. Frequency Distribution of Respondents**

### **5.2.1. Analysis of Service Quality**

#### **Testing of Tangible**

From the result of frequency distribution of 150 respondents based on tangible indicators got the average is 4.2 with 84.4 %. The mean value is 4.2, it is  $> 4$  indicate that BSM Padang doing well in serving its customers. And the majority of respondents stated that BSM Padang already has a fairly modern equipment, have the physical facilities are visually appealing, employees who always seem to look neat and matters related to service (such as brochures or statements) is visually able to attract public attention.

#### **Testing of Reliability**

From the result of frequency distribution of 150 respondents based on reliability indicators the average is 4.06,  $> 4$ . Is means that reliability indicator of BSM Padang in serving their customers is almost very good.

The majority of respondents stated that the BSM Padang always keep to be able perform the promised service dependably and accurately to their customers, BSM Padang able to demonstrate a genuine enthusiasm in solving customer problems, providing services as promised, always keep records accurately. Services right first time, if customer have problem, bank interest in solving it. Although there are still some respondents disagreed with the statements, but the numbers are relatively small.

### **Testing of Responsiveness**

The average service quality on BSM Padang based on responsiveness indicator is 4.19, with 83.8%. It is  $> 4$ ; it means that responsiveness provided by BSM Padang to their customers is good.

From the result indicated that the majority of respondents stated that BSM Padang always readiness to respond customer requests it means that the employees understand what customer's needs. By always readiness to respond customer requests, employees of BSM Padang keeping customers informed when services will be provided, and employees BSM Padang always willing to help customers. Although there are still some respondents disagreed with the statement, but the numbers are relatively small.

### **Testing of Assurance**

From frequency distribution of 150 respondents can be explained the average service quality on BSM Padang based on assurance indicators is 4.22, or 84.4%. This suggests that the assurance provided by BSM Padang to customers has been good.

From result the majority of respondents believe employees of BSM Padang, most respondents feel safe in conducting transactions with BSM Padang, their employees are consistently courteous in serving its customers and their employees have the knowledge to answer the questions of customers. Although there are still some respondents disagreed with the statements, but the numbers are

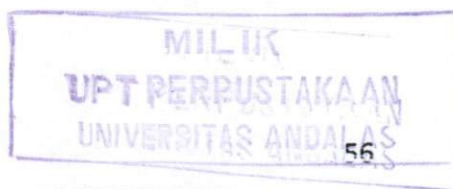
relatively small, so it does not affect the respondent to remain loyal to the BSM Padang.

### **Testing of Empathy**

From the result of frequency distribution of respondents based on empathy indicators, got the average service quality on BSM is 3.92 or to the level of achievement is 78.4% of respondents. This suggests that BSM Padang has given good attention to customers. The majority of respondents stated that the employees who understand the needs of their customers, with the mean of responds of respondents is 4.10. The service that provided by employees of BSM Padang has best interests at heart.

Based on explanations above the service quality provided by BSM Padang to their customers based on the dimensions of tangible, reliability, responsiveness, assurance, and empathy already meet the desires and expectations of its customers. From five service quality dimensions, the highest average found in the tangible and assurance dimensions that is equal to 4.22 or 84.4%. This suggests that the BSM Padang has excellent tangible and assurance in serving their customers, so that customers are satisfied and remain loyal to BSM Padang.

The lowest rate found on the empathy dimensions is equal to 3.92 or 78.4%. This suggests that the BSM Padang is still not able to give credence to the maximum or guarantee to their customers. For that companies should pay attention to this dimension, and strive to improve and enhance the service quality particularly in providing assurance to their customers, so that customers can trust



and feel happy doing transaction and it can affected level of customer loyalty to keep using the services of BSM Padang.

### **5.2.2. Testing of Customer Satisfaction**

From the result of frequency distribution of respondents for customer satisfaction, the average is 3.90. It is almost 4. This shows that most customers are satisfied with the services that provided by BSM Padang. In total of 150 respondents indicated 78 % expressed satisfied with BSM Padang.

The highest average of customer satisfaction is in dimension I am delighted with my bank. It can be seen that there were mean is 4.06 from the result. Meaning that the respondents claimed to feel delightful doing transaction in BSM Padang.

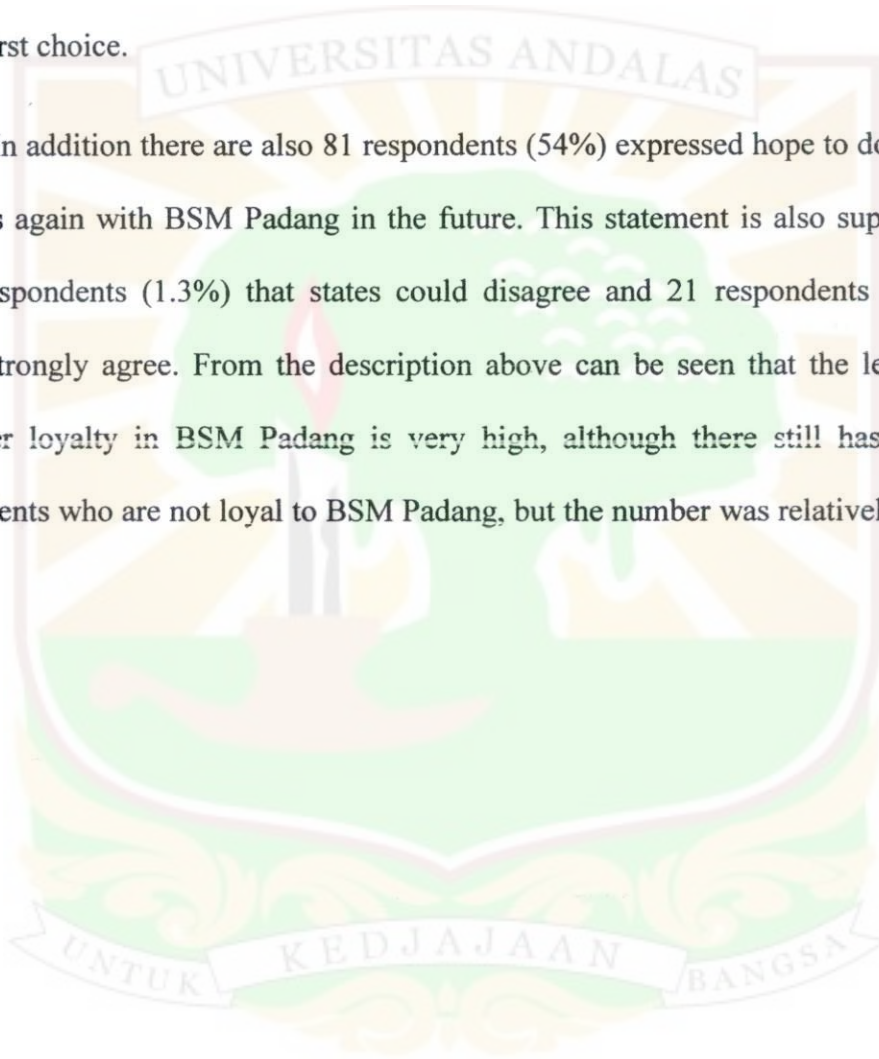
### **5.2.3. Testing of Customer Loyalty**

From the result of table frequency distribution of respondents the average customer loyalty at BSM Padang in level 3.85 or to the level of achievement 77% of respondents achievements. This suggests that customer loyalty in BSM Padang is high. And majority of respondents answered agree and strongly agree with the statements.

From the result of the study, 150 respondents, it is known that 99 respondents (66%) would recommend BSM Padang to others. And try to use transaction from this bank every time the customers need services. This statement is supported by 1 respondent (0.7%) that states could disagree, that would not always recommend BSM Padang to others and not use BSM Padang every time to doing transaction.

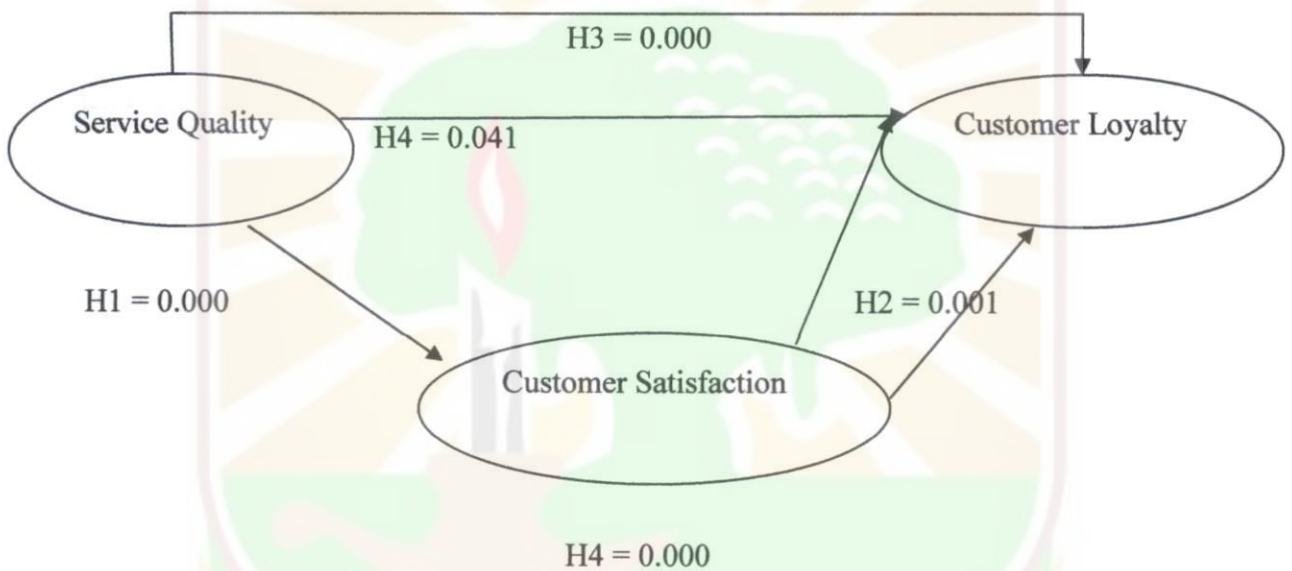
Then 87 respondents (58%) agree to say I will always consider this bank as my first choice. This statement also supported by 20 respondents (13.3) stated strongly agree. It means that the respondents would always consider BSM Padang as the first choice.

In addition there are also 81 respondents (54%) expressed hope to do more business again with BSM Padang in the future. This statement is also supported by 2 respondents (1.3%) that states could disagree and 21 respondents (14%) stated strongly agree. From the description above can be seen that the level of customer loyalty in BSM Padang is very high, although there still has some respondents who are not loyal to BSM Padang, but the number was relatively very small.



From the results obtained by regression analysis for service quality, value of t-count is 2.064 with a significance of 0.041 ( $>0.05$ ) and value t-count of customer satisfaction is 8.356 with a significance of 0.000 ( $< 0.05$ ). This suggests that customer satisfaction mediate the relationship between service quality and customer loyalty. Thus the fourth hypothesis (H4) in this study is supported.

**Figure Result of Hypothesis Testing Model:**



**Table 5.15 Summary of Hypotheses Testing**

Hypotheses		Results
<b>H1</b>	There is a positive influence of service quality on customer satisfaction.	Supported
<b>H2</b>	There is a positive influence of customer satisfaction on customer loyalty.	Supported
<b>H3</b>	There is a positive influence of service quality on customer loyalty.	Supported
<b>H4</b>	Customer satisfaction has a role in mediating the relationship between service quality and customer loyalty.	Supported

## CHAPTER VI

### CONCLUSION, LIMITATION, RECOMMENDATION, AND IMPLICATION

This chapter will explain about conclusion of the research, suggestion, limitation, and implication of the research.

#### 6.1. Conclusion of Research

Undoubtedly, no business can exist without customers. In the philosophical words of Peppers and Rogers “The only value your company will ever create is the value that comes from customers- the ones you have now and the ones you will have in the future”. This absolutely true. Customer satisfaction and customer loyalty is an asset to the organization. Hence, in order to maintain the customer, the organization needs to ensure that the right products and services, supported by the right promotion and making it available at the right time for the customers. While service quality are essential in today’s competitive market, it is equally important that a customer experiences good feeling with the service which given by the company. Establishing a professional relationship with customers empowers service providers with the knowledge of what customers need. When a business focuses on delivering what is of value to their customers, this will generate the potential for repeat business as well. The current research aims to analyze the correlation between service quality, customer satisfaction and customer loyalty in Bank Syariah Mandiri Padang, by using quantitative approach. At the end, it comes to conclusion section.



From previous data analysis and explanation it can be concluded the following points:

1. Answer first question, research find service quality affect customer satisfaction.
2. Answer the second question, research find customer satisfaction is positively influence of customer loyalty.
3. Answer the third question, research find service quality is positively influence of customer loyalty.
4. Answer last question of this research proposed that customer satisfaction has a role in mediating the relationship between service quality and customer loyalty. Research finds that customer satisfaction has role in mediating between service quality and customer loyalty.

## **6.2. Limitation of Research**

This research is aimed to and it is limited to Bank Syariah Mandiri in Padang context only.

This research aims to analyze the effect of the service quality on customer satisfaction and customer loyalty, this current research contains several limitations;

1. The case study for the research is limited to customer of Bank Syariah Mandiri Padang only. However, the similar topic might be adapted into other banking institution in other region.
2. The respondents in this research limited around 150 respondents.

3. To distribute the questionnaire, only some of this questionnaire distributes inside of BSM Padang, and some of questionnaire distribute outside of BSM Padang. Because BSM Padang still not open and give opportunities for the researcher to distribute questionnaire inside of BSM Padang.
4. The impact of environmental variables needs to be explored. This study does not separate the population sample into separate geographical locations. For instance, a person who lives in a remote place (runs a more simple life) may have different expectation and perception towards customer services offered by banks, because different culture, level education and some other demographic factors. Such as, some of customers, they have more time to spend in waiting their turn to get services from bank, so that's why it will be influence also about their perception whether satisfied or not with the services given by Bank, different for customer which didn't have more time to spend and waiting their turn because they have other jobs which is need to do soon.
5. Among many dimensions of service quality which proposed by experts. This research is limited to use five dimensions proposed by Parasuraman (1988).

### **6.3. Recommendation of Research**

The result of this research is expected to encourage and become references to conduct further research in the future; some suggested additional topics to be developed in further research are:

1. Researcher suggest that further research studies conducted by comparing two or more companies, or by comparison with other banks to get a relating pattern to the service quality, customer satisfaction and customer loyalty variables.
2. This study really limited samples, suggest for the future research hope using more samples, so it will contribute accurate result.
3. Respondent of this research only customer of BSM Padang in outside of office. Suggest for future research study distribute questionnaires inside of office or in waiting room inside of BSM office, because the manager of BSM Padang not give opportunities for the researcher to distribute the questionnaire inside of BSM office. Hope for the next researcher they can doing research inside of BSM office, in order to have accurate result, and also for BSM, hope they give opportunities for student on doing research inside of BSM in order the result of research finding more accurately.
4. The influence of service quality on customer satisfaction and customer loyalty also can be analyzed for other organizations in service industry such as banking, enterprises and hospital.
5. The scope area of current research is limited to Padang city. A bigger scope area of research such as West Sumatera and Indonesia for this similar topic is recommended, in order to gain a bigger description and a deeper analysis.
6. Dimensions of service quality on this current research are adapted from Parasuraman (1988) which consist of tangible, Reliability,

Responsiveness, Assurance, and Empathy. There are still other several experts who proposed different dimensions of service quality that possibly to be analyzed within the next research. Hope for the next researcher to be develop the dimensions of service quality on doing investigation their research

7. Dimensions of customer satisfaction on this research are competitiveness and convenience, adapted from Cronin Taylor (1992). Actually many dimensions can be developed to doing research, hope for the next researcher may to doing complete dimensions on doing their research study.
8. Dimensions of customer loyalty on this research are Attitude and Behavior, adapted from Gremler and Brown (1996), Garland and Gendall (2004),
9. From the research results revealed that customer satisfaction does not mediate the relationship between service quality and customer loyalty. This is in contrast with many previous studies. For that company management should be reviewing what the causing the customer satisfaction does not mediate the relationship between service quality with customer loyalty. Because customer satisfaction is very important in determining the level of customer loyalty to the company and management company must be able to give attention to customer satisfaction in order to build customer loyalty to the company.
10. Suggests for future research with in this area should attempt to extend the study on relationship between cities and places in term of culture issues,

banking environment, education level, and demographic factors which are missing in this study. Further research should be conducted to determine the factors that actually contribute to the differences in customer satisfaction and customer loyalty between places. Coverage on wider geographical area or city could also be considered for future study in order to enhance the generalization of the findings and further investigate potential differences in customer satisfaction and customer loyalty related with the quality of services which given by BSM Padang between these areas.

#### **6.4. Implication of Research**

Research finding indicate that service quality provided by BSM Padang for the customers is good. Therefore, the company should able to maintain and improve the service quality for several points:

1. Gaining the new customers, and increase the number of customer.
2. Maintain and transform the current customers to become loyal one.
3. Competition face in the banking industry.

Other implication is to increase customer loyalty of BSM Padang. In order to increase customer loyalty, this research can used to evaluate level of customer satisfaction through their service quality and examine its implication on their customer loyalty. The regression analysis shows that customer satisfaction mediate the relationship between service quality and customer loyalty. Its mean, if customers feel satisfy with the service quality it is a warrantee that those

customers become loyal to the bank. Therefore, by maintaining and improving the service quality, the management of the bank enables to gain satisfaction and loyalty of the customer at the same time.

This implications for marketing managers in BSM Padang, is pertinent that all the components in service quality be strictly followed and implemented effectively. Assurance, reliability, tangibles, responsiveness, and empathy, customer satisfaction and customer loyalty are all equally important. Marketing managers should not only focus on the banks objective of profits and gains, but must also look into the needs of customers as well. As a matter of fact, the marketing manager should recommend extensive customer-relations training programs for all frontlines and tellers. In this way it would increase the bank's core competency in customer satisfaction and customer loyalty. The result of the study has proven that SERVQUAL model is still effective model to measure customer satisfaction and customer loyalty in retail banking. Managers from various banks should continuously measure and improve the level customer satisfaction and customer loyalty using SERVQUAL model in order to maintain competitive in the market place.

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## LIST OF APPENDIX

Product of Bank Syariah Mandiri

Research Questionnaire

Frequency Distribution of Respondents Each of Dimensions of Service Quality,  
Customer Satisfaction, and Customer Loyalty



## Product of Bank Syariah Mandiri

	Product/service	Features	Requirements	Benefits
1.	<b>BSM SAVINGS</b>			
	<b>FUNDING SAVINGS</b>	<ul style="list-style-type: none"> <li>▪ Based on the sharia principle with <i>mudharabah muthlaqah</i> agreement</li> <li>▪ Minimum opening deposit: Rp80,000</li> <li>▪ Minimum next deposit : Rp10,000</li> <li>▪ Minimum balance: Rp50.000</li> <li>▪ Account closing cost: Rp20,000.</li> <li>▪ Administration cost/month: Rp6.000.</li> </ul>	Customer's ID card: (KTP/SIM/Passport)	<ul style="list-style-type: none"> <li>• Secured and guaranteed</li> <li>• Online across BSM outlets</li> <li>• Competitive profit sharing</li> <li>• BSM Card with ATM and Debit Card functions</li> <li>• e-Banking facility: BSM Mobile Banking &amp; BSM Net Banking</li> <li>• Easy payment of alms: zakat, infaq and sedekah.</li> </ul>
a.	<b>BSM PLANNING SAVING</b>	<ul style="list-style-type: none"> <li>▪ Based on <i>Mudharabah muthlaqah</i> Sharia principle.</li> <li>▪ Saving term range from 1 to 10 years.</li> <li>▪ Customer's minimum age 18 years and maximum 60 years upon maturity date.</li> <li>▪ Monthly minimum deposit Rp100,000..</li> <li>▪ Minimum fund target Rp1,200,000 and maximum Rp200 million.</li> <li>▪ Amount of monthly deposit and saving period cannot be changed.</li> <li>▪ No additional deposit outside monthly deposit.</li> <li>▪ Saving balance cannot be withdrawn, and if closed prior to the maturity date (end of contract period) will be</li> </ul>	Customer's ID card: (KTP/SIM/Passport)	<p><b>Benefits:</b></p> <p>Cash plan is useful for meeting the fund target, and the insurance benefits can be calculated as follows.</p> <p>Insurance benefits = Fund target – Balance upon cash claim.</p>

		charged with administration cost.		
b.	<b>BSM SIMPATIK SAVING</b>	<ul style="list-style-type: none"> <li>▪ Based on the sharia principle of Wadiah scheme</li> <li>▪ Minimum initial deposit Rp25,000 (without ATM) &amp; Rp80,000 (with ATM)</li> <li>▪ Next deposits minimum Rp10,000</li> <li>▪ Minimum balance Rp20,000 (without ATM) &amp; Rp50,000 (with ATM)</li> <li>▪ Account closing cost Rp10,000</li> <li>▪ Administration cost Rp2, 000 per account per month or equivalent to the monthly bonus (minimum balance not deductible).</li> </ul>	Customer's ID Card: (KTP/SIM/Passport)	<ul style="list-style-type: none"> <li>• Secured and guaranteed</li> <li>• Online across BSM outlets</li> <li>• Monthly bonus in accordance with BSM policy</li> <li>• BSM Card facility with ATM and Debit Card functions</li> <li>• e-Banking facility: BSM Mobile Banking &amp; BSM Net Banking</li> <li>• Easy payment of alms: zakat, infaq and sedekah .</li> </ul>
c.	<b>BSM INVESTASI CENDEKIA SAVING</b>	<ul style="list-style-type: none"> <li>• Based on the sharia principle of mudharabahmuthlaqah scheme</li> <li>• Saving term from 1 year to 20 years</li> <li>• Saving term range from 1 to 10 years.</li> <li>• Customer's minimum age 17 years and maximum 55 (admission age plus contract period equals or does not exceed 60 years)</li> <li>• Minimum monthly installment Rp100,000 to Rp4,000,000.</li> <li>▪ Minimum installment and contract term cannot be changed</li> <li>▪ Partial withdrawal of the balance is allowed upon minimum balance condition of Rp1,000,000.</li> </ul>	Customer's ID card (KTP/SIM/Passport)	<ul style="list-style-type: none"> <li>• Competitive profit sharing</li> <li>• Flexible financial planning for children's future education</li> <li>• Automatic insurance coverage without prior health examination.</li> </ul>
d.	<b>BSM</b>	<ul style="list-style-type: none"> <li>▪ Based on the Sharia</li> </ul>	Customer's ID card	<ul style="list-style-type: none"> <li>• Secured and</li> </ul>

<p><b>MABRUR SAVING</b></p>	<p>principle with <i>mudharabah muthlaqah</i> scheme.</p> <ul style="list-style-type: none"> <li>▪ No fund withdrawal except for Haj / Umrah Pilgrimage Cost (BPIH) payment</li> <li>▪ Minimum initial deposit Rp500,000.</li> <li>▪ Next deposit minimum Rp100,000.</li> <li>▪ Minimum balance for SISKOHAT haj pilgrimage management system registration is Rp20,000,000 or in accordance with the Ministry of Religious Affairs requirement</li> <li>▪ Account closing cost due to pilgrimage cancellation Rp25,000.</li> </ul>	<p>(KTP/SIM/Passport)</p>	<p>guaranteed</p> <ul style="list-style-type: none"> <li>• Haj bridging fund facility for getting pilgrimage flight seat.</li> <li>• Connected online with the SISKOHAT system of the Ministry of Religious Affairs for easier haj pilgrimage registration.</li> </ul>
<p>e. <b>BSM DOLLAR SAVING</b></p>	<ul style="list-style-type: none"> <li>▪ Based on the Sharia principle with <i>wadi'ahyaddhamanah</i> scheme</li> <li>▪ Minimum initial deposit USD100</li> <li>▪ Minimum balance USD100</li> <li>▪ Maximum administration cost USD0.5 or equivalent to current monthly bonus</li> <li>▪ Account closing cost USD5.</li> </ul>	<p><b>Customer's ID card</b> (KTP/SIM/Passport)</p> <p>Taxpayer Registration Number (NPWP).</p>	<ul style="list-style-type: none"> <li>• Secured fund (US\$) and available at any time</li> <li>• Online across BSM branch offices</li> <li>• Monthly bonus by BSM policy.</li> </ul>
<p>f. <b>Qurban Saving</b></p>	<ul style="list-style-type: none"> <li>▪ Based on principle shariah <i>mudharabahmuthlaqah</i></li> <li>▪ Only can be obtained when the customer will conduct Qurban</li> <li>▪ First Minimum debt Rp50.000</li> <li>▪ Next Minimum debt</li> </ul>	<p>Identity card (KTP/SIM/Paspor).</p>	<ul style="list-style-type: none"> <li>• Easy financial planning for Qurban activity</li> <li>• easier in conducting an distributing Qurban</li> <li>• Competitive profit-sharing.</li> </ul>



		<ul style="list-style-type: none"> <li>▪ Rp25.000</li> <li>▪ Minimum of debt after Aqiqah event and Kurban praying Rp50.000.</li> </ul>		
g.	<b>BSM Retirement Saving</b>	<ul style="list-style-type: none"> <li>▪ <i>Mudharabah</i> and <i>Mutlaqah</i> management principle- based</li> <li>▪ Profit-share</li> <li>▪ Competitive</li> </ul>	<ul style="list-style-type: none"> <li>• Retirement and co-retirement</li> <li>• Civil servant government ministry</li> <li>• Judges</li> <li>• Army</li> <li>• Police</li> <li>• Compensation acceptance paid by PT Taspen, they are: Veteran PKRI dan KNIP.</li> <li>• Copy of ID card and driving license</li> </ul>	<ul style="list-style-type: none"> <li>• Helping consumer's financial management</li> <li>• Competitive profit-sharing</li> <li>• Low administration fee</li> <li>• Banking account can be opened in all BSM branch</li> </ul>
2	<b>BSM GIRO</b>			
a.	<b>BSM GIRO</b>	<ul style="list-style-type: none"> <li>▪ Based on the Sharia principle with wadiahaddhamanah scheme</li> <li>▪ Minimum initial deposit Rp 500,000</li> <li>▪ Minimum balance Rp.500,000.</li> <li>▪ Monthly administration cost Rp15,000 (without ATM) and Rp20,000 (with ATM).</li> <li>▪ Account closing cost Rp20,000</li> <li>▪ Administration cost per book Rp100,000.</li> </ul>	Individual: Customer's ID cards (KTP/SIM/Passport)	<ul style="list-style-type: none"> <li>• Secured fund and available at anytime</li> <li>• Ease of transactions using checks or Giro</li> <li>• Intercity Clearing facility for speedy bill collection</li> <li>• BSM Card facility, as ATM and Debit card (individual)</li> <li>• Account statement report from the bank every month</li> <li>• Monthly bonus by BSM policy.</li> </ul>
b.	<b>BSM GIRO VALLAS</b>	<ul style="list-style-type: none"> <li>• Based on the Sharia principle with wadiahaddhamanah scheme</li> <li>• Bo cost for cash withdrawal of bank notes up to USD 5,000</li> </ul>	ID Cards of Management members, Incorporation Act , Business License & Taxpayer Registration	<ul style="list-style-type: none"> <li>• Secured fund and available at anytime</li> <li>• Withdrawal at anytime using the withdrawal form</li> <li>• Account statement report from the bank</li> </ul>

		<ul style="list-style-type: none"> <li>per month</li> <li>• Minimum initial deposit USD 1,000</li> <li>• Minimum balance USD1,000</li> <li>• Monthly administration cost USD 5</li> </ul>	number.	<ul style="list-style-type: none"> <li>every month</li> <li>• Monthly bonus by BSM policy.</li> </ul>
c.	<b>BSM GIRO SINGAPORE DOLLAR</b>	<ul style="list-style-type: none"> <li>• Minimum First investment SGD 200</li> <li>• Minimum balance SGD 200</li> <li>• Monthly administration fee SGD 2</li> <li>• Closing banking account fee SGD 5.</li> </ul>	Individual: ID Card Driving license Passport	<ul style="list-style-type: none"> <li>• Secured fund and Available at anytime</li> <li>• Withdrawal at anytime using the withdrawal form</li> <li>• Monthly bonus by BSM policy</li> </ul>
d.	<b>BSM GIRO EURO</b>	<ul style="list-style-type: none"> <li>• Based on the Sharia principle with wadiah yadhamanah scheme</li> <li>• Minimum initial deposit EUR200</li> <li>• Minimum balance EUR200</li> <li>• Monthly administration cost EUR2</li> <li>• Account closing cost EUR5.</li> </ul>	Individual : Customer's ID cards (KTP/SIM/Passport	<ul style="list-style-type: none"> <li>• Secured fund and Available at anytime</li> <li>• Withdrawal at anytime using the withdrawal form</li> <li>• Monthly bonus by BSM policy</li> </ul>
3.	<b>BSM DEPOSITO</b>			
a.	<b>BSM DEPOSITO</b>	<ul style="list-style-type: none"> <li>• Flexible time range: 1, 3, 6 and 12 months</li> <li>• Can be withdrawn upon maturity date</li> <li>• Minimum deposit Rp2,000,000</li> <li>• Stamp duty Rp6.000.</li> </ul>	Customer's ID cards (KTP/SIM/Passport	<ul style="list-style-type: none"> <li>• Secured and guaranteed fund</li> <li>• Sharia based management</li> <li>• Competitive profit sharing</li> <li>• Can be used as financing collateral</li> <li>• Automatic Roll Over (ARO) facility.</li> </ul>
b.	<b>BSM DEPOSITO VALLAS</b>	<ul style="list-style-type: none"> <li>• Flexible time range: 1, 3, 6 and 12 months</li> <li>• Withdrawn upon maturity</li> <li>• Minimum deposit USD1,000</li> <li>• Stamp duty Rp6.000.</li> </ul>	Customer's ID cards (KTP/SIM/Passport	<ul style="list-style-type: none"> <li>• Secured and guaranteed fund</li> <li>• Sharia based management</li> <li>• Competitive profit sharing</li> <li>• Can be used as financing collateral</li> <li>• Automatic Roll Over</li> </ul>

			(ARO) facility.
<b>SERVICE PRODUCT</b>			
1. <b>BSM CARD</b>		<ul style="list-style-type: none"> <li>• Own Saving or Giro (Demand Deposit) account in BSM</li> <li>• Fill in ATM card application form.</li> </ul>	<ul style="list-style-type: none"> <li>• Easy cash withdrawal at all ATM units of ATM BSM, ATM Mandiri, ATM Prima-BCA, ATM Bersama and ATM Bankcard networks.</li> <li>• Shopping payment transactions at more than 20,000 merchants using EDC Prima-BCA</li> <li>• Fund transfer among accounts in BSM</li> <li>• Real-time Fund Transfer among member banks of ATM Bersama and Prima-BCA</li> <li>• Bill payment for cellular phones, Telkom, PLN and IM2 at ATM BSM units</li> <li>• Payment of zakat and infaq at ATM BSM and ATM Mandiri</li> <li>• Balance inquiry and change of PIN.</li> </ul>
2. <b>BSM PAYMENT CENTRE (sentrabayar)</b>	Cash payment, auto-debit, SMS Banking or through ATM Bank Syariah Mandiri payment receipts.	<ul style="list-style-type: none"> <li>• An account holder, for payment using ATM, auto-debit or SMS Banking facilities</li> <li>• Mentioning the customer's registration numbers for cash payment.</li> </ul>	<ul style="list-style-type: none"> <li>• Ontime bill payment</li> <li>• Easy</li> <li>• Payment counters in all Bank Syariah Mandiri offices.</li> </ul>
3. <b>BSM SMS BANKING</b>		<ul style="list-style-type: none"> <li>• Own an account in BSM</li> <li>• Fill in SMS Banking application form</li> <li>• Minimal balance</li> </ul>	<ul style="list-style-type: none"> <li>• Transactions at anytime, anywhere</li> <li>• Free registration at BSM branches</li> <li>• Low-cost transaction</li> </ul>

		<p>Rp100,000</p> <ul style="list-style-type: none"> <li>Cellular providers: <ul style="list-style-type: none"> <li>a. Indosat: Matrix, IM3, Mentari</li> <li>b. Telkomsel: Kartu HALO, Simpati and As</li> <li>c. Excelcomindo: Xplor, Bebas, Jempol.</li> </ul> </li> </ul>		
4.	<b>BSM NET BANKING</b>	<ul style="list-style-type: none"> <li>View customer account data and information (saving, time deposit, demand deposit, financing) on screen integrated display</li> <li>Print latest transactions</li> <li>Fund transfer real time to other banks (through ATM Bersama and Prima networks)</li> <li>Pay periodic bills (telephone, electricity, etc)**</li> </ul>	<ul style="list-style-type: none"> <li>Customer uses BSM Net Banking by accessing the website BSM Net Banking at : <a href="http://bsmnet.syariahmandiri.co.id">bsmnet.syariahmandiri.co.id</a></li> <li>Every type of transaction uses unique Key Code</li> <li>For fund transfer transaction, all Key Codes are required while for transaction data access and transaction data print, only User-ID and Password are required.</li> </ul>	<ul style="list-style-type: none"> <li>Access to transaction data by internet 24 hours/day</li> <li>East of inter-bank real-time fund transfer</li> <li>Excellent security system support for every transaction with BSM Net Banking</li> <li>Own management of financial transactions related to the bank.</li> </ul>
5.	<b>PPBA (PAYMENT THROUGH ATM IN-HOUSE TRANSFER MENU</b>	<ul style="list-style-type: none"> <li>Current Account at BSM</li> <li>Crediting to institution account</li> <li>Customer payment report to the institution account</li> <li>Daily report D+1 after transactions by e-mail or other media.</li> </ul>	<ul style="list-style-type: none"> <li>Institution fills in and submit BSM PPBA facility request form</li> <li>BSM gives a 3-digit unique code to the institution</li> <li>The code is in use as initial code for payment transaction</li> <li>Payment by ATM uses In-house transfer by</li> </ul>	<ul style="list-style-type: none"> <li>Assisting institutional customers in managing payment from their customers</li> <li>Customer payment through ATM</li> <li>Payment service is effective 24 hours/day, 7 days/week through ATM BSM, ATM Mandiri and ATM Bersama networks</li> <li>Institutional customer's ease in managing payment</li> </ul>

			<ul style="list-style-type: none"> <li>filling in the institution code followed by customer registration numbers.</li> </ul>	<ul style="list-style-type: none"> <li>from their customers</li> <li>• Customer payment is directly credited to the institution's account.</li> </ul>
6.	<b>BSM MONEY CHANGING SERVICES</b>	<ul style="list-style-type: none"> <li>• Sale and purchase transactions using the Sharf scheme</li> <li>• Using the exchange rates issued by Bank Syariah Mandiri</li> <li>• Money changing rate calculation is based on the rupiah exchange</li> <li>• Money changing transactions can use either cash money or account debiting.</li> <li>• Bank notes on trading must be free from defects in line with Bank Syariah Mandiri requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• BSM account holder</li> <li>• Fill in the money changing transaction slip.</li> </ul>	<ul style="list-style-type: none"> <li>• Helping customers buy/sell foreign currencies fast and easily.</li> <li>• Customers can do transactions through their BSM accounts.</li> </ul>
7.	<b>BSM ELECTRIC PAYROLL</b>	<ul style="list-style-type: none"> <li>• Available at all Bank SyariahMandiri branch offices</li> <li>•Advanced payroll technology that is designed to receive all types of information technology system used by the corporate customer.</li> <li>•Payment in the rupiah currency</li> <li>•Salary payment can be carried out more than one time every month for each employee of the company.</li> </ul>	<ul style="list-style-type: none"> <li>• Bank Syariah Mandiri account</li> <li>• Salary beneficiary employees must be account holders of Bank Syariah Mandiri</li> <li>• Playoff facility application</li> <li>• Subject to administration cost on every transaction pursuant to the Bank Syariah Mandiri policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Assisting the company in employee salary payment in a simple and secured way.</li> <li>• The company does not need to make salary payment in cash</li> <li>• Employees receive their salary in a more secured and on-time way.</li> </ul>
8.	<b>BSM CASH TRANSFER</b>	<ul style="list-style-type: none"> <li>• BSM Net Banking or BSM Mobile Banking GPRS,</li> </ul>	<ul style="list-style-type: none"> <li>• BSM or Giro BSM Account holder.</li> <li>• Registered BSM Mobile Banking GPRS or BSM Net Banking customers.</li> <li>• Name and cellular phone numbers of</li> </ul>	<ul style="list-style-type: none"> <li>• Fast; cash money reaches the beneficiary soon after the remittance process.</li> <li>• Easy; beneficiary doesn't have to be a bank account holder. Cash can be claimed at</li> </ul>

		the beneficiary.	any of more than 3,600 online post offices throughout Indonesia. <ul style="list-style-type: none"> <li>• No time limit: Cash remittance is effective at anytime and anywhere, even on Sundays and holidays.</li> <li>• Secured: cash claimed by PIN and Remittance Transaction Number requirement</li> </ul>	
9.	<b>BSM INTERNATIONAL TRANSFER WESTREN UNION</b>	<ul style="list-style-type: none"> <li>• Service available at all Bank Syariah Mandiri branch offices.</li> <li>• Available for individual/corporate account holders in Bank Syariah Mandiri or another bank.</li> <li>• Sender/ Beneficiary/ Authorized Bearer/Authorized institution submit identity cards</li> <li>• Paying agent pays the transferred fund to the Beneficiary in local currency or another approved currency at the destination country.</li> <li>• Sender is subject to remittance cost</li> <li>• Beneficiary at Bank Mandiri is charged only with stamp duty.</li> </ul>	<ul style="list-style-type: none"> <li>• Fast, within seconds, the fund is ready for claim by the beneficiary</li> <li>• Served by +/- 200,000 agents in +/- 200 countries</li> <li>• Applicant/Beneficiary does not have to be a bank account holder or does not have to be domiciled at the supplicant's country or at the transfer destination country.</li> <li>• Remittance to certain countries will have to be complemented with a security test question.</li> </ul>	
10	<b>BSM CLEARANCE</b>	<ul style="list-style-type: none"> <li>• The collected clearance fund is credited to the customer's account or transferred to the customer's account in another bank</li> <li>• Rupiah currency</li> </ul>	<ul style="list-style-type: none"> <li>• Bank Syariah Mandiri account holder</li> <li>• Filling in the deposit slip</li> <li>• Subject to BSM Clearance</li> </ul>	<ul style="list-style-type: none"> <li>• Secured; the customer can receive the payment in the form of check from the client without having to use cash</li> <li>• Customers do not</li> </ul>

		<ul style="list-style-type: none"> <li>• The Bank acts only as message bearer and on behalf of (wakalah) the customer, in case the bank draft is declined by the drawn bank, Bank SyariahMandiri assumes no responsibility.</li> </ul>	cost pursuant to the Bank Syariah Mandiri policy.	need to do the collection.
11	<b>BSM INKASO</b>	<ul style="list-style-type: none"> <li>• Bank SyariahMandiri account holder</li> <li>• Rupiah or foreign currency (USD, SGD)</li> <li>• The collected fund is credited to the customer's account in BSM or to the customer's account in another bank.</li> <li>• The Bank acts only as message bearer and on behalf of (wakalah) the customer, in case the bank draft is declined by the drawn bank, Bank Syariah Mandiri assumes no responsibility.</li> </ul>	<ul style="list-style-type: none"> <li>•Bank Syariah Mandiri account holder</li> <li>•Filling in the inkaso slip</li> <li>•Subject to inkaso rupiah Rp10.000,- + correspondence cost</li> <li>•Overseas inkaso cost refers to the central bank Forex Circular.</li> </ul>	<ul style="list-style-type: none"> <li>• The customer can receive bank draft payment from anywhere in Indonesia and from another country in accordance with Bank Syariah Mandiri requirement.</li> <li>• Customers do not need to do the collection.</li> </ul>
12	<b>BSM INTERCITY CLEARING</b>	<ul style="list-style-type: none"> <li>• The drawn media include check or bilyetgiro from another bank</li> <li>• Service available at all Bank Syariah Mandiri branch offices</li> <li>• This facility is effective with another bank with the same type of service.</li> </ul>	<ul style="list-style-type: none"> <li>•Bank Syariah Mandiri account holder</li> <li>• Filling in the deposit slip</li> <li>• Subject to intercity clearing cost as per Bank Syariah Mandiri rate policy</li> </ul>	<ul style="list-style-type: none"> <li>• Cash flow unaffected</li> <li>• Relatively short collection time.</li> </ul>
13	<b>BSM RTGS (REAL TIME GROSS SETTLEMENT)</b>	Rupiah currency interbank real-time transfer within the same city or different cities. Effective transfer within minutes.	<ul style="list-style-type: none"> <li>• Filling in the transfer slip</li> <li>• Subject to RTGS cost by the Bank Syariah Mandiri policy.</li> </ul>	<ul style="list-style-type: none"> <li>•Ease of business transactions to maintain customer credibility, especially in financial transactions.</li> <li>•Within minutes, the transferred fund has reached the beneficiary bank safely and easily.</li> <li>•No need for cash in doing business transactions.</li> </ul>

14	<b>INTRA CITY FUND TRANSFER (LLG)</b>	<ul style="list-style-type: none"> <li>• The fund source can be cash deposit or account debiting</li> <li>• Only in rupiah currency</li> <li>• Transfer time limit by the Bank Syariah Mandiri policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Bank Syariah Mandiri account holder</li> <li>• Filling in the transfer slip</li> <li>• Subject to transfer cost by the Bank Syariah Mandiri policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Secure and simple transfer</li> <li>• Fast transfer</li> <li>• Higher beneficiary confidence on LLG transfer than bank draft collection</li> <li>• Short message can be added to the transfer transaction.</li> </ul>
15	<b>BSM TRANSFER VALLAS</b>	<ul style="list-style-type: none"> <li>• Transfer fund source can be cash deposit or account debiting in the rupiah or foreign currency (by the Bank Syariah Mandiri policy)</li> <li>• Transfer time limit by the Bank Syariah Mandiri policy (not later than 14:00 local time).</li> </ul>	<ul style="list-style-type: none"> <li>• Bank Syariah Mandiri account holder</li> <li>• Filling in the transfer slip</li> <li>• Subject to administration, telex/SWIFT, and bank correspondent costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Secured and simple fund transfer</li> <li>• Fast transfer using SWIFT system</li> <li>• Short message can added to the transfer transaction</li> <li>• Another party cannot draw the fund unless using adequately sealed proxy letter.</li> </ul>
16	<b>BSM TAX ONLINE</b>	<ul style="list-style-type: none"> <li>• Taxpayer must fill in the SSP (Tax Payment Form)</li> <li>• Payment by cash, check or in-house transfer</li> <li>• Taxpayer gets tax payment receipt</li> <li>• Taxpayer remains obliged to report the payment and receipt to the local Tax Office.</li> </ul>	<ul style="list-style-type: none"> <li>• Bank Syariah Mandiri account holder</li> <li>• Filling in the Tax Payment Form</li> </ul>	<ul style="list-style-type: none"> <li>• Taxpayer does not have to pay tax at the State Cash Office</li> <li>• No queuing.</li> </ul>
17	<b>BSM IMPORT TAX</b>	<ul style="list-style-type: none"> <li>• Payment by cash or in-house transfer</li> <li>• Payment in rupiah currency</li> <li>• Taxpayer receives tax payment receipt</li> <li>• Currently effective service available at the Tanjung Priok Cash Office.</li> </ul>	<ul style="list-style-type: none"> <li>• Bank Syariah Mandiri account holder</li> <li>• Filling in and submitting the SSP and SSPCP (Customs &amp; Excise Payment Form).</li> </ul>	<ul style="list-style-type: none"> <li>• Fast process</li> <li>• Low-cost, Rp 40,000,- per transaction.</li> </ul>
18	<b>BSM BANK REFERENCE</b>		<ul style="list-style-type: none"> <li>• Bank Syariah Mandiri account holder</li> <li>• Preparing request letter for bank</li> </ul>	<ul style="list-style-type: none"> <li>• As a reference to the good relationship between the customer and the bank (customer reputation)</li> </ul>



		reference	<ul style="list-style-type: none"> <li>• To meet one of the requirements for the customer to apply for third party project.</li> </ul>
19	<b>BSM STANDING ORDER</b>	<ul style="list-style-type: none"> <li>• Bank Syariah Mandiri account holder</li> <li>• Submitting standing order request letter to the bank.</li> </ul>	<ul style="list-style-type: none"> <li>• Guaranteed customer credibility for transactions</li> <li>• Customer do not have to come to the bank for in-house transfer</li> </ul>



## Research Questionnaire

### I. Profile of Respondent

#### Personal Data

##### 1. Age:

- < 20 years
- 21-30 years
- 31- 40 years
- 41- 50 years
- > 50 years

##### 2. Gender:

- Male
- Female

##### 3. Educational Qualification:

- Elementary school
- Junior high school
- Senior high school
- Diploma
- Bachelor's degree
- Others (mention) .....

##### 4. Occupation:

- Civil Servant
- Employee of BUMN
- Entrepreneur
- Student / college student
- Others (mention) .....

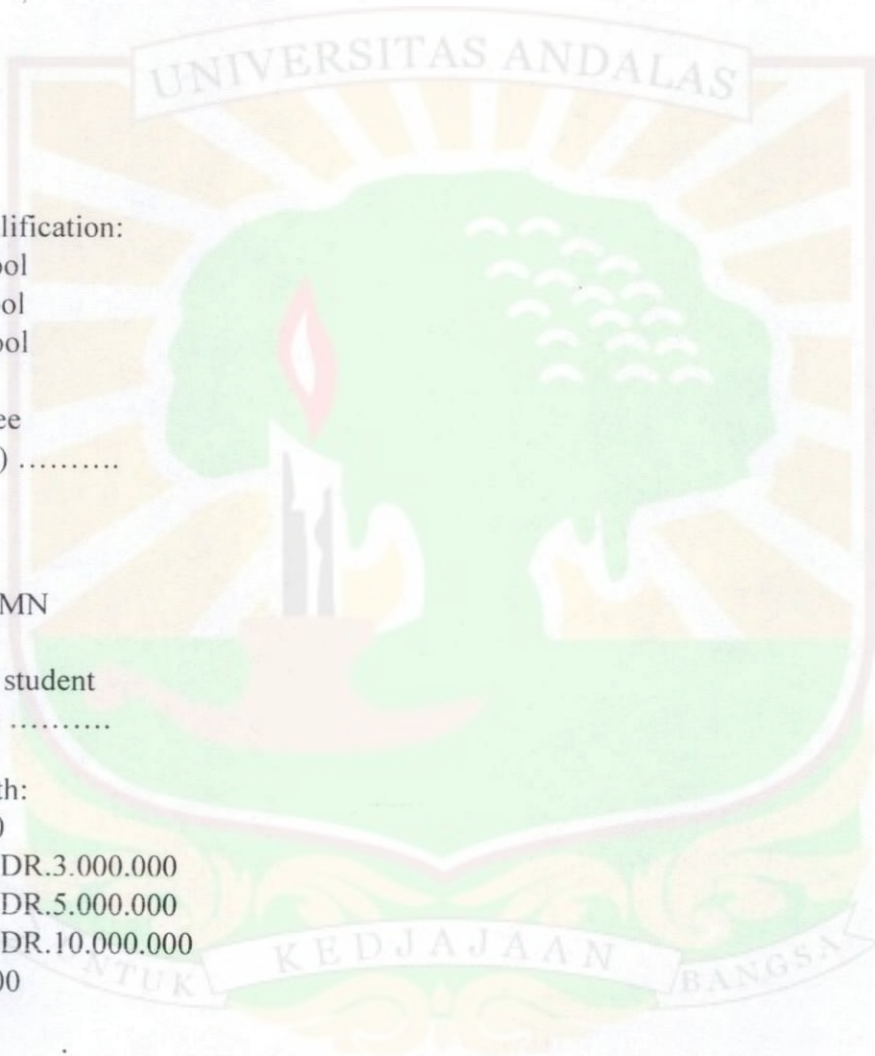
##### 5. Income per month:

- < IDR. 1.000.000
- IDR.1.000.000- IDR.3.000.000
- IDR.3.000.000- IDR.5.000.000
- IDR.5.000.000- IDR.10.000.000
- > IDR. 10.000.000

6. Current City : \_\_\_\_\_

7. Period Saving :

- < 1 year
- 1 year
- > 1 year



8. Types of account used in BSM Padang:

- Plans Saving
- Sympathetic Saving
- Qurban Saving
- Retirement Saving
- Hajj Saving
- Other (mention) .....

**II. Service Quality, Customer Satisfaction, Customer Loyalty**

No	Service Quality	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	BSM Padang using modern equipment					
2	Physical facilities BSM Padang are visually appealing					
3	Employees of BSM Padang neat and professional appearance					
4	All materials related BSM Padang service (such as brochures) are visually appealing					
5	Providing services as promised					
6	BSM Padang able to perform the promised service dependably and accurately					
7	BSM Padang insist on error free records					
8	BSM Padang performing services right first time					
9	If customer have problem, BSM Padang interest in solving it					
10	BSM Padang keeping customers informed when services will be provided					
11	BSM Padang willingness to help customers					
12	BSM Padang always readiness to respond customer requests					
13	Employees who have knowledge to answer customer questions					
14	Employees that instill confidence in customers					
15	Making customer feel safe in their transaction					
16	Employees who are consistently courteous					
17	BSM Padang giving customer individual attention					
18	Employees who deals with customers in					

	caring fashion					
19	Employees who understand the needs of their customers					
20	Employees having the customers best interests at heart					

No	Customer Satisfaction	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Say positive things about BSM to other people					
2	Intend to continue doing business with BSM					
3	Encourage friends and relatives to do business with BSM					
4	Consider BSM as my primary bank					
5	Overall I'm satisfied with BSM					
6	I think I did right thing when I choose this bank					
7	I am delighted with BSM					

No	Customer Loyalty	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Doubt if I would switch this bank					
2	Really like doing business with this bank					
3	To me, this banks clearly the best to do business					
4	Believe is good bank					
5	Try to use transaction from this bank every time I need services					
6	I would recommend my bank to others					
7	I will always consider this bank as my first choice					
8	I expect to do more business with my bank in the future					

*Thank you for your participation...*



**JURUSAN MANAJEMEN INTERNASIONAL, FAKULTAS EKONOMI  
UNIVERSITAS ANDALAS**

# **KUISIONER PENELITIAN**

***PENGARUH MUTU PELAYANAN, KEPUASAN NASABAH, KESETIAAN  
NASABAH TERHADAP BANK SYARIAH MANDIRI DI PADANG***

Padang, Desember 2011

Peneliti

**DICOLANIARITA**

## KUISIONER PENELITIAN

### **Responden yang terhormat,**

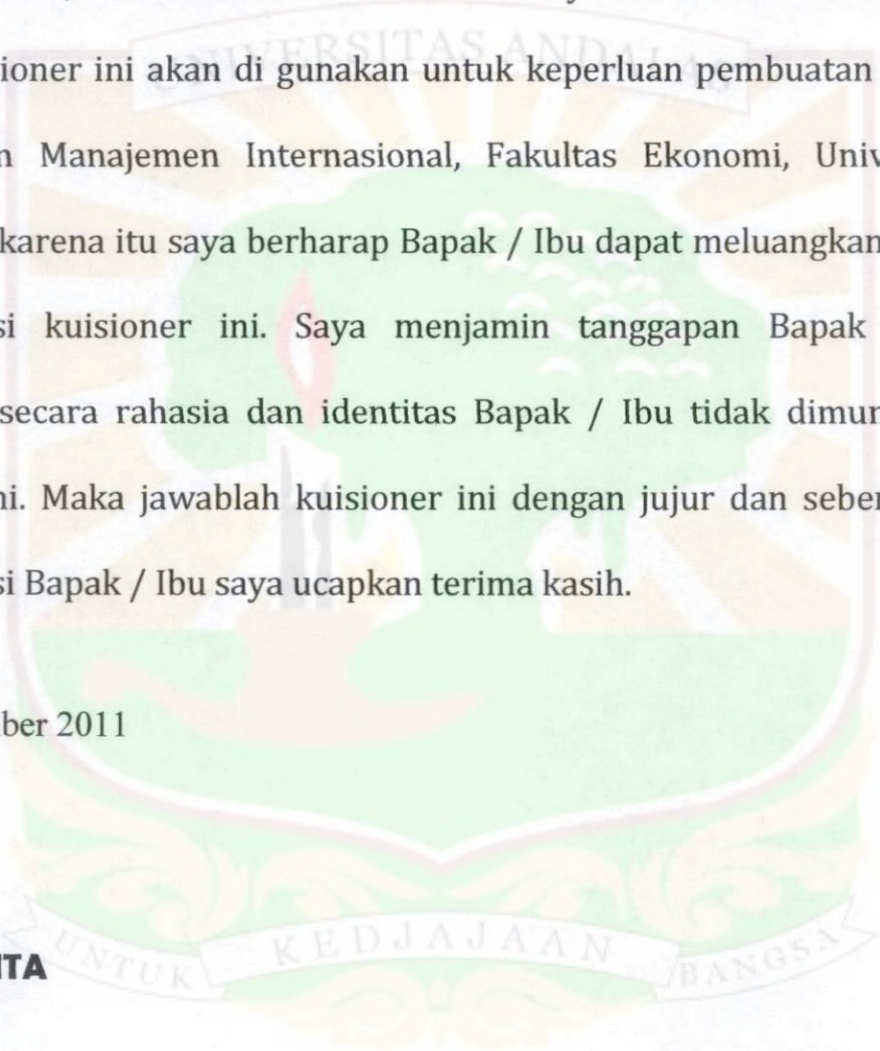
Kuisisioner ini bertujuan untuk mengetahui kualitas pelayanan terhadap kepuasan nasabah, dan kesetiaan nasabah Bank Syariah Mandiri di Padang .

Data dari kuisisioner ini akan di gunakan untuk keperluan pembuatan skripsi S1 di Jurusan Manajemen Internasional, Fakultas Ekonomi, Universitas Andalas. Oleh karena itu saya berharap Bapak / Ibu dapat meluangkan waktu untuk mengisi kuisisioner ini. Saya menjamin tanggapan Bapak / Ibu diberlakukan secara rahasia dan identitas Bapak / Ibu tidak dimunculkan dalam studi ini. Maka jawablah kuisisioner ini dengan jujur dan sebenarnya. Atas partisipasi Bapak / Ibu saya ucapkan terima kasih.

Padang, Desember 2011

Peneliti

**DICOLANIARITA**



## I. PROFIL RESPONDEN

### Data Diri

1. Umur :

- Dibawah 20 th
- 21 - 30 th
- 31 - 40 th
- 41 - 50 th
- Diatas 50 th

2. Jenis Kelamin :

- Pria
- Wanita

3. Pendidikan Terakhir :

- SD
- SLTP
- SLTA
- Diploma
- S1
- Lainnya (sebutkan) .....

4. Pekerjaan :

- PNS
- Pegawai BUMN
- Wiraswasta
- Pensiunan
- Pelajar / Mahasiswa
- Lainnya (sebutkan) .....

5. Pendapatan per bulan :

- < Rp. 1.000.000
- Rp. 1.000.000 - Rp. 3.000.000
- Rp. 3.000.000 - Rp. 5.000.000
- Rp. 5.000.000 - Rp. 10.000.000
- > Rp. 10.000.000

6. Kota Asal : \_\_\_\_\_

7. Lama Menabung :

- < 1 tahun
- 1 tahun
- > 1 tahun



8. Produk / jasa yang digunakan di BSM Padang:

- Tabungan Berencana
- Tabungan Simpatik
- Tabungan Kurban
- Tabungan Pensiun
- Tabungan Mabruur (Haji)
- Lainnya (sebutkan) .....

➤ Bapak/Ibu dimohon untuk memberi tanda ( √ ) pada salah satu jawaban yang paling tepat untuk setiap pernyataan di bawah ini dalam bentuk: Sangat Setuju, Setuju, Netral , Tidak Setuju, dan Sangat Tidak Setuju

**II. MUTU PELAYANAN, KEPUASAN NASABAH, KESETIAAN NASABAH**

No	Mutu Pelayanan	Sangat Setuju	Setuju	Netral	Tidak Setuju	Sangat Tidak Setuju
1	BSM Padang menggunakan peralatan yang modern					
2	Fasilitas fisik BSM Padang menarik dipandang mata					
3	Karyawan BSM Padang berpenampilan rapi dan professional					
4	Semua materi yang berkaitan dengan layanan BSM Padang (seperti brosur) menarik dipandang mata					
5	Menyediakan layanan seperti yang dijanjikan					
6	BSM Padang mampu menyediakan layanan yang dapat diandalkan dan akurat					
7	BSM Padang selalu mengupayakan pencatatan (records) yang bebas dari kesalahan					
8	BSM Padang memberikan layanannya secara tepat sedari dulu					
9	Jika nasabah memiliki masalah, BSM Padang sungguh sungguh berusaha untuk memecahkannya					
10	BSM Padang memberitahu nasabah kapan pastinya layanan akan diberikan					
11	BSM Padang selalu bersedia untuk menolong nasabah					
12	BSM Padang selalu siap untuk merespon permintaan nasabah					
13	Karyawan memiliki pengetahuan memadai untuk menjawab pertanyaan-pertanyaan nasabah					
14	Karyawan dengan sungguh sungguh memberikan perhatian kepada nasabah					



15	Karyawan selalu memberikan rasa aman kepada nasabah dalam bertransaksi					
16	Karyawan secara konsisten bersikap sopan terhadap Nasabah					
17	BSM Padang selalu memberikan perhatian penuh kepada setiap nasabah					
18	Karyawan membantu nasabah dalam memberikan Penilaian tentang fashion					
19	Karyawan paham akan kebutuhan nasabahnya					
20	Karyawan memiliki perhatian yang tulus dari hati					

No	Kepuasan Nasabah	Sangat Setuju	Setuju	Netral	Tidak Setuju	Sangat Tidak Setuju
1	Saya akan menyampaikan hal positif tentang BSM kepada orang lain					
2	Saya berniat untuk melanjutkan bisnis dengan BSM					
3	Saya mengajak teman dan keluarga untuk berbisnis dengan BSM					
4	Saya sadar bahwa BSM adalah bank yang terpenting bagi saya					
5	Saya secara keseluruhan puas dengan BSM					
6	Saya rasa saya telah melakukan hal yang benar ketika memilih bank ini					
7	Saya senang dengan BSM					

No	Kesetiaan Nasabah	Sangat Setuju	Setuju	Netral	Tidak Setuju	Sangat Tidak Setuju
1	Saya ragu jika akan mengganti bank ini					
2	Saya benar-benar menyukai bank ini					
3	Bagi saya, bank ini benar-benar sudah jelas yang terbaik untuk melakukan bisnis					
4	Saya percaya ini adalah bank yang bagus					
5	Saya menggunakan transaksi dari bank ini setiap saya butuh pelayanan					
6	Saya akan merekomendasikan bank ini kepada yang lain					
7	Saya sadar bahwa bank ini sebagai bank pilihan pertama bagi saya					
8	Saya berharap dan yakin untuk melakukan bisnis yang lebih dengan bank ini kedepannya					

**Terimakasih atas Partisipasi Anda...**

**List of Frequency Distribution Respondents Each of Dimensions of Service Quality,  
Customer Satisfaction and Customer Loyalty**

**Frequency Distribution of Respondents (N=150) – Tangible**

No	Indicators	Respondent's answer					Mean
		SDA	DA	N	A	SA	
1	BSM Padang using modern equipment	0 0	1 0.7%	13 9.3%	87 56.7%	49 33.3%	4.23
2	Physical facilities BSM Padang are visually appealing	0 0	1 0.7%	18 12%	86 57.3%	45 30%	4.17
3	Employees neat and professional appearance	0 0	1 0.7%	5 3.3%	75 50%	69 46%	4.41
4	All materials related BSM service (such as brochures) are visually appealing	0 0	2 1.3%	25 16.7%	84 55.3%	40 26.7%	4.07
<b>Average Mean</b>							<b>4.22 84.4%</b>

Source: SPSS 15.0 output

**Frequency Distribution of Respondents (N=150) - Reliability**

No	Indicators	Respondent's answer					Mean
		SDA	DA	N	A	SA	
1	Providing services as promised	0 0	2 1.3%	27 18%	78 52%	43 28.7%	4.08
2	BSM Padang able to perform the promised service dependably and accurately	0 0	1 0.7%	26 17.3%	80 53.3%	43 28.7%	4.10
3	BSM insist on error free records	0 0	3 2%	33 22%	77 51.3%	37 24.7%	3.99
4	BSM Padang performing services right first time	0 0	3 2%	34 22.7%	77 51.3%	36 24%	3.97
5	If customer have problem, bank interest in solving it	0 0	2 1.3%	22 14.7%	79 52.7%	47 31.3%	4.14
<b>Average Mean</b>							<b>4.06 81.2%</b>

Source: SPSS 15.0 output

**Frequency Distribution of Respondents (N=150) - Responsiveness**

No	Indicators	Respondent's answer					Mean
		SDA	DA	N	A	SA	
1	BSM Padang keeping customers informed when services will be provided	0 0	0 0	24 16%	82 54.7%	44 29.3%	4.13
2	BSM Padang willingness to help customers	0 0	1 0.7%	17 11.3%	80 53.3%	52 34.7%	4.22
3	BSM Padang always readiness to respond customer requests	0 0	2 1.3%	10 6.7%	89 59.3%	49 32.7%	4.23
	<b>Average</b>						<b>4.19 83.8%</b>

Source: SPSS 15.0 output

**Frequency Distribution of Respondents (N=150) - Assurance**

No	Indicators	Respondent's answer					Mean
		SDA	DA	N	A	SA	
1	Employees who have knowledge to answer customer questions	0 0	2 1.3%	24 16%	76 50.7%	48 32%	4.13
2	Employees that instill confidence in customers	0 0	0 0	19 12.7%	85 56.7%	46 30.7%	4.18
3	Making customer feel safe in their transaction	0 0	0 0	5 3.3%	94 62.7%	51 34%	4.31
4	Employees who are consistently courteous	0 0	1 0.7%	5 3.3%	89 59.3%	55 36.7%	4.32
5	BSM Padang giving customer individual attention	0 0	1 0.7%	17 11.3%	89 59.3%	43 28.7%	4.16
	<b>Average</b>						<b>4.22 84%</b>

Source: SPSS 15.0 output

**Frequency Distribution of Respondents (N=150) - Empathy**

No	Indicators	Respondent's answer					Mean
		SDA	DA	N	A	SA	
1	Employees who deals with customers in caring fashion	6 4%	19 12.7%	33 22%	65 43.3%	27 18%	3.59
2	Employees who understand the needs of their customers	0 0	2 1.3%	21 14%	87 58%	38 26.7%	4.10
3	Employees having the customers best interests at heart	0 0	2 1.3%	29 19.3%	76 50.7%	43 28.7%	4.07
	<b>Average</b>						<b>3.92 78.4%</b>

Source: SPSS 15.0 output

**Frequency Distribution of Respondents (N=150) - Customer Satisfaction**

No	Indicators	Respondent's answer					Mean
		SDA	DA	N	A	SA	
1	Say positive things about BSM to other People	0 0	0 0	23 15.3%	100 66.7%	27 18%	4.03
2	Intend to continue doing business with BSM	0 0	1 0.7%	42 28%	88 58.7%	19 12.7%	3.83
3	Encourage friends and relatives to do business with BSM	0 0	1 0.7%	40 26.7%	89 59.3%	20 13.3%	3.85
4	Consider BSM as my primary bank	0 0	6 4%	50 33.3%	77 51.3%	17 11.3%	3.70
5	Overall I'm satisfied with my bank	0 0	3 2%	32 21.3%	95 63.3%	20 13.3%	3.88
6	I think I did right thing when I choose this bank	0 0	0 0	27 18%	100 66.7%	23 15.3%	3.97
7	I am delighted with my bank	0 0	0 0	23 15.3%	95 63.3%	32 21.3%	4.06
	<b>Average mean</b>						<b>3.90 78%</b>

Source: SPSS 15.0 output

**Frequency Distribution of Respondents (N=150) - Loyalty**

No	Indicators	Respondent's answer					Mean
		SDA	DA	N	A	SA	
1	Doubt if I would switch this bank	1 0.7%	5 3.3%	35 22.7%	88 59.3%	21 14%	3.82
2	Really like doing business with this bank	0 0	3 2%	36 24%	86 57.3%	25 16.7%	3.89
3	To me, this banks clearly the best to do business	0 0	4 2.7%	43 28.7%	84 56%	19 12.7%	3.79
4	Believe is good bank	0 0	0 0	30 20%	100 66.7%	20 13.3%	3.93
5	Try to use transaction from this bank every time I need services	0 0	1 0.7%	27 18%	99 66%	23 15.3%	3.96
6	I would recommend my bank to others	0 0	1 0.7%	32 21.3%	99 66%	18 12%	3.89
7	I will always consider this bank as my first choice	1 0.7%	8 5.3%	34 22.7%	87 58%	20 13.3%	3.78
8	I expect to do more business with my bank in the future	0 0	2 1.3%	46 30.7%	81 54%	21 14%	3.81
	Average mean						3.85 77%

Source: SPSS 15.0 output



Statistics

	Age	Gender	HighEducation	Occupation	Income/m onth	Current City
Valid	150	150	150	150	107	150
Missing	0	0	0	0	43	0
Mean	2.23	1.60	3.89	3.93	2.13	
Median	2.00	2.00	3.00	5.00	2.00	
Mode	335	240	583	590	228	

Statistics

	Period Saving	Product and Service of BSM
Valid	150	150
Missing	0	0
Mean	1.94	2.66
Median	2.00	2.00
Mode	291	399

Frequency Table

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
di bawah 20 th	50	33.3	33.3	33.3
21-30 th	51	34.0	34.0	67.3
31-40 th	20	13.3	13.3	80.7
41-50th	22	14.7	14.7	95.3
di atas 50 th	7	4.7	4.7	100.0
Total	150	100.0	100.0	

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
pria	60	40.0	40.0	40.0
wanita	90	60.0	60.0	100.0
Total	150	100.0	100.0	

### HighEducation

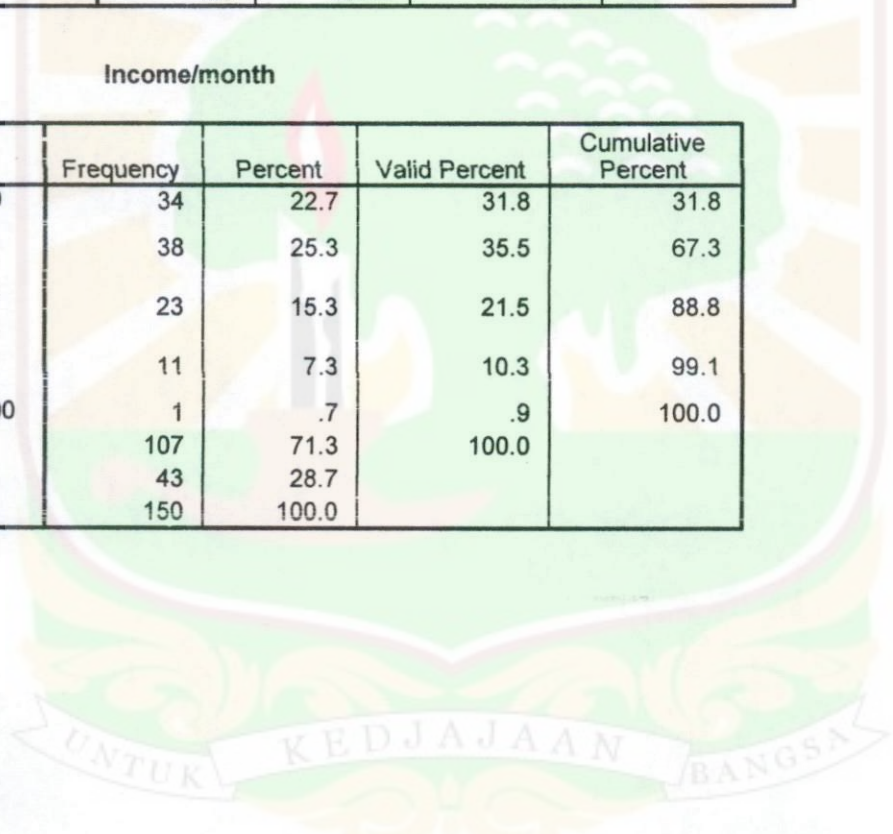
	Frequency	Percent	Valid Percent	Cumulative Percent
SLTP	5	3.3	3.3	3.3
SLTA	71	47.3	47.3	50.7
Diploma	19	12.7	12.7	63.3
S1	46	30.7	30.7	94.0
Lainnya	9	6.0	6.0	100.0
Total	150	100.0	100.0	

### Occupation

	Frequency	Percent	Valid Percent	Cumulative Percent
Civil Servant	22	14.7	14.7	14.7
Employee of BUMN	15	10.0	10.0	24.7
Entrepreneur	18	12.0	12.0	36.7
Retirement	5	3.3	3.3	40.0
Student/College student	76	50.7	50.7	90.7
Others	14	9.3	9.3	100.0
Total	150	100.0	100.0	

### Income/month

	Frequency	Percent	Valid Percent	Cumulative Percent
< Rp. 1.000.000	34	22.7	31.8	31.8
Rp. 1.000.000 - Rp. 3.000.000	38	25.3	35.5	67.3
Rp. 3.000.000 - Rp. 5.000.000	23	15.3	21.5	88.8
Rp. 5.000.000- Rp. 10.000.000	11	7.3	10.3	99.1
> Rp. 10.000.000	1	.7	.9	100.0
Total	107	71.3	100.0	
System	43	28.7		
Total	150	100.0		



Current City

	Frequency	Percent	Valid Percent	Cumulative Percent
d	8	5.3	5.3	5.3
Aceh	1	.7	.7	6.0
Aek Kanopar	1	.7	.7	6.7
Agam	3	2.0	2.0	8.7
Bandung	2	1.3	1.3	10.0
Batipuh	1	.7	.7	10.7
Batusangkar	5	3.3	3.3	14.0
Bengkulu	1	.7	.7	14.7
Bukittinggi	11	7.3	7.3	22.0
Curup	1	.7	.7	22.7
Jakarta	1	.7	.7	23.3
Jambi	3	2.0	2.0	25.3
Jawa Tengah	1	.7	.7	26.0
Lampung	1	.7	.7	26.7
Lubuk Alung	1	.7	.7	27.3
Lubuk Basung	4	2.7	2.7	30.0
Makasar	1	.7	.7	30.7
Medan	1	.7	.7	31.3
Muaralabuh	3	2.0	2.0	33.3
Padang	57	38.0	38.0	71.3
Padang Panjang	8	5.3	5.3	76.7
Palangkaraya	1	.7	.7	77.3
Palinggam	1	.7	.7	78.0
Pariaman	2	1.3	1.3	79.3
Pasaman	2	1.3	1.3	80.7
Payakumbuh	7	4.7	4.7	85.3
Pekanbaru	2	1.3	1.3	86.7
Pessel	1	.7	.7	87.3
Rengat	1	.7	.7	88.0
Riau	1	.7	.7	88.7
Sawahlunto	1	.7	.7	89.3
Sijunjung	1	.7	.7	90.0
Singkarak	1	.7	.7	90.7
Solok	11	7.3	7.3	98.0
Solok Selatan	1	.7	.7	98.7
Sungai Rumbai	1	.7	.7	99.3
Surabaya	1	.7	.7	100.0
Total	150	100.0	100.0	

Period Saving

	Frequency	Percent	Valid Percent	Cumulative Percent
d	< 1 th	70	46.7	46.7
	1 th	19	12.7	59.3
	> 1 th	61	40.7	100.0
	Total	150	100.0	



### Product and Service of BSM

	Frequency	Percent	Valid Percent	Cumulative Percent
id Plan Saving	33	22.0	22.0	22.0
Sympathetic Saving	78	52.0	52.0	74.0
Qurban Saving	1	.7	.7	74.7
Retirement Saving	4	2.7	2.7	77.3
Mabrur (Hajj) Saving	13	8.7	8.7	86.0
Others	21	14.0	14.0	100.0
Total	150	100.0	100.0	



# SERVICE QUALITY

## Frequency Table

### BSM Padang using modern equipment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	14	9.3	9.3	10.0
	Agree	85	56.7	56.7	66.7
	Strongly Agree	50	33.3	33.3	100.0
	Total	150	100.0	100.0	

### Physical facilities BSM Padang are visually appealing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	18	12.0	12.0	12.7
	Agree	86	57.3	57.3	70.0
	Strongly Agree	45	30.0	30.0	100.0
	Total	150	100.0	100.0	

### Employees neat and professional appearance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	5	3.3	3.3	4.0
	Agree	75	50.0	50.0	54.0
	Strongly Agree	69	46.0	46.0	100.0
	Total	150	100.0	100.0	

### All materials related BSM service (such as brochures) are visually appealing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.3	1.3	1.3
	Neutral	25	16.7	16.7	18.0
	Agree	83	55.3	55.3	73.3
	Strongly Agree	40	26.7	26.7	100.0
	Total	150	100.0	100.0	

**Providing services as promised**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.3	1.3	1.3
	Neutral	27	18.0	18.0	19.3
	Agree	78	52.0	52.0	71.3
	Strongly Agree	43	28.7	28.7	100.0
	Total	150	100.0	100.0	

**BSM Padang able to perform the promised service dependably and accurately**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	26	17.3	17.3	18.0
	Agree	80	53.3	53.3	71.3
	Strongly Agree	43	28.7	28.7	100.0
	Total	150	100.0	100.0	

**BSM insist on error free records**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.0	2.0	2.0
	Neutral	34	22.7	22.7	24.7
	Agree	77	51.3	51.3	76.0
	Strongly Agree	36	24.0	24.0	100.0
	Total	150	100.0	100.0	

**BSM Padang performing services right first time**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	2.0	2.0	2.0
	Neutral	33	22.0	22.0	24.0
	Agree	77	51.3	51.3	75.3
	Strongly Agree	37	24.7	24.7	100.0
	Total	150	100.0	100.0	

**If customer have problem, bank interest in solving it**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.3	1.3	1.3
	Neutral	22	14.7	14.7	16.0
	Agree	79	52.7	52.7	68.7
	Strongly Agree	47	31.3	31.3	100.0
	Total	150	100.0	100.0	

**BSM Padang keeping customers informed when services will be provided**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	24	16.0	16.0	16.0
	Agree	82	54.7	54.7	70.7
	Strongly Agree	44	29.3	29.3	100.0
	Total	150	100.0	100.0	

**BSM Padang willingness to help customers**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	17	11.3	11.3	12.0
	Agree	80	53.3	53.3	65.3
	Strongly Agree	52	34.7	34.7	100.0
	Total	150	100.0	100.0	

**BSM Padang always readiness to respond customer requests**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.3	1.3	1.3
	Neutral	10	6.7	6.7	8.0
	Agree	89	59.3	59.3	67.3
	Strongly Agree	49	32.7	32.7	100.0
	Total	150	100.0	100.0	

**Employees who have knowledge to answer customer questions**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.3	1.3	1.3
	Neutral	24	16.0	16.0	17.3
	Agree	76	50.7	50.7	68.0
	Strongly Agree	48	32.0	32.0	100.0
	Total	150	100.0	100.0	

**Employees that instill confidence in customer**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	19	12.7	12.7	12.7
	Agree	85	56.7	56.7	69.3
	Strongly Agree	46	30.7	30.7	100.0
	Total	150	100.0	100.0	

**Making customer feel safe in their transaction**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	5	3.3	3.3	3.3
	Agree	94	62.7	62.7	66.0
	Strongly Agree	51	34.0	34.0	100.0
	Total	150	100.0	100.0	

**Employees who are consistently courteous**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	5	3.3	3.3	4.0
	Agree	89	59.3	59.3	63.3
	Strongly Agree	55	36.7	36.7	100.0
	Total	150	100.0	100.0	

**BSM Padang giving customer individual attention**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	17	11.3	11.3	12.0
	Agree	89	59.3	59.3	71.3
	Strongly Agree	43	28.7	28.7	100.0
	Total	150	100.0	100.0	

**Employees who deals with customers in caring fashion**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	4.0	4.0	4.0
	Disagree	19	12.7	12.7	16.7
	Neutral	33	22.0	22.0	38.7
	Agree	65	43.3	43.3	82.0
	Strongly Agree	27	18.0	18.0	100.0
	Total	150	100.0	100.0	

**Employee who understand the needs of their customers**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.3	1.3	1.3
	Neutral	21	14.0	14.0	15.3
	Agree	87	58.0	58.0	73.3
	Strongly Agree	40	26.7	26.7	100.0
	Total	150	100.0	100.0	

**Employees having the customers best interests at heart**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.3	1.3	1.3
	Neutral	29	19.3	19.3	20.7
	Agree	76	50.7	50.7	71.3
	Strongly Agree	43	28.7	28.7	100.0
	Total	150	100.0	100.0	

**Customer Satisfaction**

Say positive things about BSM to other people

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	23	15.3	15.3	15.3
	Agree	100	66.7	66.7	82.0
	Strongly Agree	27	18.0	18.0	100.0
	Total	150	100.0	100.0	

Intend to continue doing business with BSM

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	42	28.0	28.0	28.7
	Agree	88	58.7	58.7	87.3
	Strongly Agree	19	12.7	12.7	100.0
	Total	150	100.0	100.0	

Encourage friends and relatives to do business with BSM

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	40	26.7	26.7	27.3
	Agree	89	59.3	59.3	86.7
	Strongly Agree	20	13.3	13.3	100.0
	Total	150	100.0	100.0	

Consider BSM as my primary bank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	4.0	4.0	4.0
	Neutral	50	33.3	33.3	37.3
	Agree	77	51.3	51.3	88.7
	Strongly Agree	17	11.3	11.3	100.0
	Total	150	100.0	100.0	

**Overall i'm satisfied with my bank**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	3	2.0	2.0	2.0
Neutral	32	21.3	21.3	23.3
Agree	95	63.3	63.3	86.7
Strongly Agree	20	13.3	13.3	100.0
Total	150	100.0	100.0	

**I think I did right thing when I choose this bank**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Neutral	27	18.0	18.0	18.0
Agree	100	66.7	66.7	84.7
Strongly Agree	23	15.3	15.3	100.0
Total	150	100.0	100.0	

**I am delighted with my bank**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Neutral	23	15.3	15.3	15.3
Agree	95	63.3	63.3	78.7
Strongly Agree	32	21.3	21.3	100.0
Total	150	100.0	100.0	

**Customer Loyalty**

**Doubt if I would switch this bank**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	.7	.7	.7
Disagree	5	3.3	3.3	4.0
Neutral	35	23.3	23.3	27.3
Agree	88	58.7	58.7	86.0
Strongly Agree	21	14.0	14.0	100.0
Total	150	100.0	100.0	

**Really like doing business with this bank**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	3	2.0	2.0	2.0
Neutral	36	24.0	24.0	26.0
Agree	86	57.3	57.3	83.3
Strongly Agree	25	16.7	16.7	100.0
Total	150	100.0	100.0	

**To me, this bank clearly the best to do business**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	2.7	2.7	2.7
	Neutral	43	28.7	28.7	31.3
	Agree	84	56.0	56.0	87.3
	Strongly Agree	19	12.7	12.7	100.0
	Total	150	100.0	100.0	

**Believe is good bank**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	30	20.0	20.0	20.0
	Agree	100	66.7	66.7	86.7
	Strongly Agree	20	13.3	13.3	100.0
	Total	150	100.0	100.0	

**Try to use transaction from this bank every time I need services**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	27	18.0	18.0	18.7
	Agree	99	66.0	66.0	84.7
	Strongly Agree	23	15.3	15.3	100.0
	Total	150	100.0	100.0	

**I would recommend my bank to others**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.7	.7	.7
	Neutral	32	21.3	21.3	22.0
	Agree	99	66.0	66.0	88.0
	Strongly Agree	18	12.0	12.0	100.0
	Total	150	100.0	100.0	

**I will always consider this bank as my first choice**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.7	.7	.7
	Disagree	8	5.3	5.3	6.0
	Neutral	34	22.7	22.7	28.7
	Agree	87	58.0	58.0	86.7
	Strongly Agree	20	13.3	13.3	100.0
	Total	150	100.0	100.0	



I expect to do more business with my bank in the future

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.3	1.3	1.3
	Neutral	46	30.7	30.7	32.0
	Agree	81	54.0	54.0	86.0
	Strongly Agree	21	14.0	14.0	100.0
	Total	150	100.0	100.0	

## Regression Service Quality and Customer Satisfaction

### Descriptive Statistics

	Mean	Std. Deviation	N
CustomerSatisfaction	27.33	3.517	150
ServiceQuality	82.60	9.965	150

### Correlations

		CustomerSatisfaction	ServiceQuality
Pearson Correlation	CustomerSatisfaction	1.000	.674
	ServiceQuality	.674	1.000
Sig. (1-tailed)	CustomerSatisfaction		.000
	ServiceQuality	.000	
N	CustomerSatisfaction	150	150
	ServiceQuality	150	150

### Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	ServiceQuality (a)		Enter

a All requested variables entered.

b Dependent Variable: CustomerSatisfaction

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.674(a)	.454	.450	2.608

a Predictors: (Constant), ServiceQuality

## ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	836.274	1	836.274	122.942	.000(a)
	Residual	1006.719	148	6.802		
	Total	1842.993	149			

a Predictors: (Constant), ServiceQuality

b Dependent Variable: CustomerSatisfaction

## Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	7.689	1.784		4.311	.000
	ServiceQuality	.738	.021	.674	11.088	.000

a Dependent Variable: CustomerSatisfaction

## Regression Customer Loyalty and Customer Satisfaction

## Descriptive Statistics

	Mean	Std. Deviation	N
CustomerLoyalty	30.87	4.325	150
CustomerSatisfaction	27.33	3.517	150

## Correlations

		CustomerLoyalty	CustomerSatisfaction
Pearson Correlation	CustomerLoyalty	1.000	.731
	CustomerSatisfaction	.731	1.000
Sig. (1-tailed)	CustomerLoyalty		.000
	CustomerSatisfaction	.000	
N	CustomerLoyalty	150	150
	CustomerSatisfaction	150	150

## Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	Customer Satisfaction(a)		Enter

a All requested variables entered.

b Dependent Variable: CustomerLoyalty

## Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.731(a)	.535	.532	2.960

a Predictors: (Constant), CustomerSatisfaction

**ANOVA(b)**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1490.736	1	1490.736	170.160	.000(a)
	Residual	1296.597	148	8.761		
	Total	2787.333	149			

a Predictors: (Constant), CustomerSatisfaction

b Dependent Variable: CustomerLoyalty

**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	6.290	1.900		3.311	.001
	CustomerSatisfaction	.899	.069	.731	13.045	.000

a Dependent Variable: CustomerLoyalty

**Regression Customer Loyalty and Service Quality**

**Descriptive Statistics**

	Mean	Std. Deviation	N
CustomerLoyalty	30.87	4.325	150
ServiceQuality	82.60	9.965	150

**Correlations**

		CustomerLoyalty	ServiceQuality
Pearson Correlation	CustomerLoyalty	1.000	.577
	ServiceQuality	.577	1.000
Sig. (1-tailed)	CustomerLoyalty	.	.000
	ServiceQuality	.000	.
N	CustomerLoyalty	150	150
	ServiceQuality	150	150

**Variables Entered/Removed(b)**

Model	Variables Entered	Variables Removed	Method
1	ServiceQuality(a)		Enter

a All requested variables entered.

b Dependent Variable: CustomerLoyalty

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.577(a)	.333	.329	3.544

a Predictors: (Constant), ServiceQuality

**ANOVA(b)**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	928.754	1	928.754	73.957	.000(a)
	Residual	1858.579	148	12.558		
	Total	2787.333	149			

a Predictors: (Constant), ServiceQuality

b Dependent Variable: CustomerLoyalty

**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	10.172	2.424		4.197	.000
	ServiceQuality	.251	.029	.577	8.600	.000

a Dependent Variable: CustomerLoyalty

**Regression Customer Loyalty, Customer Satisfaction, Service Quality**

**Descriptive Statistics**

	Mean	Std. Deviation	N
CustomerLoyalty	30.87	4.325	150
ServiceQuality	82.60	9.965	150
CustomerSatisfaction	27.33	3.517	150

**Correlations**

		CustomerLoyalty	ServiceQuality	Customer Satisfaction
Pearson Correlation	CustomerLoyalty	1.000	.577	.731
	ServiceQuality	.577	1.000	.674
	CustomerSatisfaction	.731	.674	1.000
Sig. (1-tailed)	CustomerLoyalty	.	.000	.000
	ServiceQuality	.000	.	.000
	CustomerSatisfaction	.000	.000	.
N	CustomerLoyalty	150	150	150
	ServiceQuality	150	150	150
	CustomerSatisfaction	150	150	150

**Variables Entered/Removed(b)**

Model	Variables Entered	Variables Removed	Method
1	CustomerSatisfaction, ServiceQuality(a)		Enter

a All requested variables entered.  
 b Dependent Variable: CustomerLoyalty

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.740(a)	.548	.542	2.928

a Predictors: (Constant), CustomerSatisfaction, ServiceQuality

**ANOVA(b)**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1527.268	2	763.634	89.086	.000(a)
	Residual	1260.065	147	8.572		
	Total	2787.333	149			

a Predictors: (Constant), CustomerSatisfaction, ServiceQuality  
 b Dependent Variable: CustomerLoyalty

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
82.60	99.302	9.965	20

**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	4.243	2.124		1.997	.048
	ServiceQuality	.067	.033	.155	2.064	.041
	CustomerSatisfaction	.771	.092	.627	8.356	.000

a Dependent Variable: CustomerLoyalty

Item Statistics for service quality

Descriptive Statistics

	Mean	Std. Deviation	N
ServiceQuality	82.60	9.965	150
BSM Padang using modern equipment	4.23	.636	150
Physical facilities BSM Padang are visually appealing	4.17	.649	150
Employees neat and professional appearance	4.41	.593	150
All materials related BSM service (such as brochures) are visually appealing	4.07	.696	150
Providing services as promised	4.08	.719	150
BSM Padang able to perform the promised service dependably and accurately	4.10	.693	150
BSM insist on error free records	3.97	.741	150
BSM Padang performing services right first time	3.99	.742	150
If customer have problem, bank interest in solving it	4.14	.705	150
BSM Padang keeping customers informed when services will be provided	4.13	.662	150
BSM Padang willingness to help customers	4.22	.664	150
BSM Padang always readiness to respond customer requests	4.23	.628	150
Employees who have knowledge to answer customer questions	4.13	.720	150
Employees that instill confidence in customer	4.18	.635	150
Making customer feel safe in their transaction	4.31	.530	150
Employees who are consistently courteous	4.32	.571	150
BSM Padang giving customer individual attention	4.16	.635	150
Employees who deals with customers in caring fashion	3.59	1.050	150

Employee who understand the needs of their customers	4.10	.673	150
Employees having the customers best interests at heart	4.07	.730	150

#### Item Statistics for customer satisfaction

##### Descriptive Statistics

	Mean	Std. Deviation	N
Say positive things about BSM to other people	4.03	.579	150
Intend to continue doing business with BSM	3.83	.639	150
Encourage friends and relatives to do business with BSM	3.85	.639	150
Consider BSM as my primary bank	3.70	.721	150
Overall i'm satisfied with my bank	3.88	.644	150
I think I did right thing when I choose this bank	3.97	.579	150
I am delighted with my bank	4.06	.605	150

#### Item Statistics for customer loyalty

##### Descriptive Statistics

	Mean	Std. Deviation	N
Doubt if I would switch this bank	3.82	.733	150
Really like doing business with this bank	3.89	.691	150
To me, this bank clearly the best to do business	3.79	.691	150
Believe is good bank	3.93	.575	150
Try to use transaction from this bank every time I need services	3.96	.601	150
I would recommend my bank to others	3.89	.592	150
I will always consider this bank as my first choice	3.78	.767	150
I expect to do more business with my bank in the future	3.81	.682	150

### Scale Statistics

Mean	Variance	Std. Deviation	N of Items
82.60	99.302	9.965	20

### Reliability

#### Scale: Service Quality

##### Case Processing Summary

		N	%
Cases	Valid	150	100.0
	Excluded(a)	0	.0
	Total	150	100.0

a Listwise deletion based on all variables in the procedure.

##### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.951	.955	20

#### Scale: Customer Satisfaction

##### Case Processing Summary

		N	%
Cases	Valid	150	100.0
	Excluded(a)	0	.0
	Total	150	100.0

a Listwise deletion based on all variables in the procedure.

##### Reliability Statistics

Cronbach's Alpha	N of Items
.904	7



## Scale: Customer Loyalty

### Case Processing Summary

		N	%
Cases	Valid	150	100.0
	Excluded(a)	0	.0
	Total	150	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of Items
.924	8

