ANALYSIS OF THE EFFECT OF BRANCHLESS BANKING, LOCATION AND QUALITY OF SERVICES ON BRILINK CUSTOMER SATISFACTION IN DUREN SAWIT SUB-DISTRICT, INDONESIA

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Abstract

At present the banking world continues to experience growth, both in terms of service quality and technology. However, there are still many residents in Indonesia who have not yet experienced banking services, one of which is because the community's residence is far away from the location of the bank. Branchless banking is a banking service strategy that provides banking services without going through an office network, which aims to reach out to remote communities. BRILink is an officeless banking service owned by Bank BRI, through BRILink services the community is able to feel banking transactions easily and anytime. The purpose of this study was to analyze the effect of branchless banking, location, and service quality on BRILink customer satisfaction. The data used are primary data using questionnaires with a sample of 100 respondents in the Duren Sawit sub-district. The analysis used uses multiple liner analysis. The results of the study show that Branchless Banking and Location have a partial effect on Customer Satisfaction. While Service Quality does not partially affect Customer Satisfaction. Furthermore, Branchless banking, Location and Quality of Service simultaneously affect Customer Satisfaction.

Keyword: Branchless Banking; Location; Service Quality; Customer Satisfaction

INTRODUCTION

In the world of banking, the quality of services, technology and products continues to develop. However, not all Indonesian residents have obtained or felt banking services, this is because there are several factors including the distance between the residence of the community and the location of the bank and the existence of burdensome costs or requirements, especially for low income people. A breakthrough is needed so that banking services can reach all levels of society.

The Government through Bank Indonesia, which is carried out by the Financial Services Authority (OJK), is trying to create a program to overcome problems, one of which is branchless banking services. Branchless banking is a banking service that provides banking services without going through an office network but works with other parties (bank agents).

Banking companies to be able to compete and continue to grow, companies are required to be able to provide quality services so that they can meet the needs and desires of their customers. Location is also an important factor for customers to make transactions, locations that are easy to reach and a comfortable atmosphere will attract people to become customers. The purpose of the location strategy is to maximize profits for the company.

If the quality of branchless banking, service quality, and location are maintained and maintained, it will certainly lead to customer satisfaction and ultimately will benefit the company. Providing satisfaction to consumers is the main goal of every type of business. One action to satisfy consumers is by providing services to consumers as well as possible.

Bank Rakyat Indonesia Tbk (BRI) is one of the banks with the most branchless banking agents in Indonesia, reaching 51% spread throughout Indonesia (www.kompas.com). BRILink is a branchless banking service owned by Bank BRI. The purpose of this study is expected to be able to represent research on the effect of branchless banking, service quality and location on customer satisfaction with BRILink service users.

LITERATURE REVIEW

Branchless Banking

Branchless banking is a banking service strategy that provides banking services and other financial services that are carried out without going through an office network, but through collaboration with other parties by utilizing information technology. The purpose of branchless banking is to reach remote communities in order to experience banking services. In addition, branchless banking is expected to encourage economic growth and equitable development among regions in Indonesia, especially between villages - cities because the more members of

various community groups in various regions in Indonesia use financial or banking services, the economic activities of the community can be more smoothly.

BRILINK

BRILink is a development service for branchless banking agents issued by BRI Bank. Through BRILink services the community is able to carry out transactions easily with agents spread from various regions. Being a BRILink agent can be through a process including submission, approval, and signing of certain agreements. The selection of agents is very much considered because the quality of agent services is BRI's representation in serving customers, and agent productivity will support BRI's financial performance.

Location

Location is an important factor for customers to make transactions, locations that are easy to reach and a comfortable atmosphere will attract people to become customers. The physical appearance of the place can influence consumer bonds with place and customer satisfaction (Bitner, 1990, in Nursiana 2014). If the location is in a strategic place, not only the business owner but the customer will also feel satisfied because they feel benefited by the existence of an easily accessible location.

Service Quality

Service quality is an important instrument in the banking business, because service quality is a major factor in the continuity of banking business, where service quality seeks to meet customer needs and desires in order to meet customer expectations, so that in the banking service business is something that must be maintained and improved.

Customer Satisfaction

Customer satisfaction can be interpreted as full-time evaluation, where perceptions of the performance of selected services and products meet or exceed the buyer's expectations. Customer satisfaction is a very important factor in business survival. If the customer is satisfied, of course they will carry out a continuous transaction to the company, so that it will cause an increase in profits for the company. But if customers are disappointed, not only will the company's profits decrease but they will also move to become customers of competitors.

Conceptual Framework

Branchless Banking is a bank service that is carried out without going through an office network, which aims to reach remote communities in order to experience banking services and to reduce the costs of banking operational services. In implementing Branchless Banking services, good service quality is also needed, service quality is an important component in running a banking business because customers will be satisfied if they get good service in accordance with what they expect. Then the location is also an important factor for the public to make transactions, locations that are easily reached and the atmosphere of a comfortable environment is more in demand by the community.

Branchless Banking quality, location and service quality when utilized maximally may certainly result in customer satisfaction in using Branchless Banking. Customer satisfaction itself can be interpreted as full-time evaluation, where perceptions of the performance of selected products and services meet or exceed expectations before purchase. Based on the framework of thought, it can be formulated as follows.
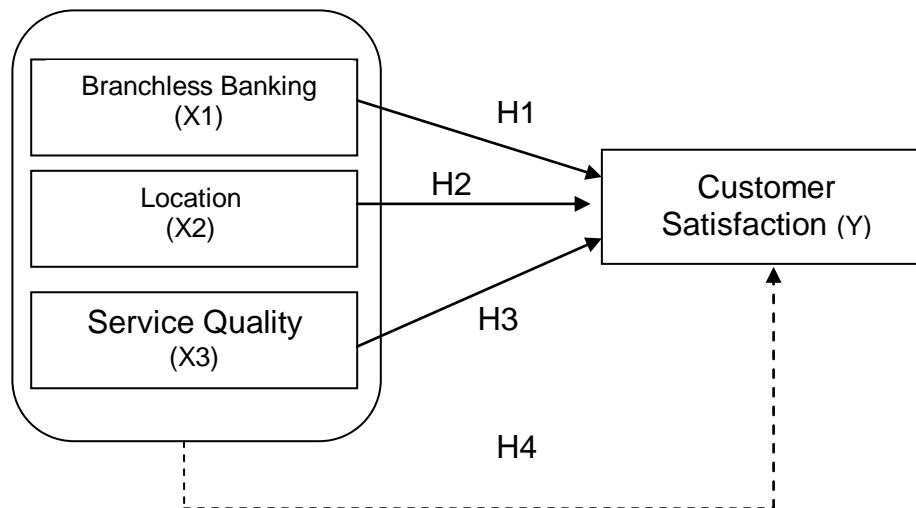

Figure 1 The conceptual framework

Hypotheses

Based on the above framework, the research hypothesis can be formulated as follows.

H1: Branchless banking has a partial effect on customer satisfaction.

H2: Location has a partial effect on customer satisfaction.

H3: Service quality has a partial effect on customer satisfaction.

H4: Branchless banking, service quality and location have a simultaneous effect on customer satisfaction.

METHODOLOGY

Population and Sampling

The object used in this study is BRILink Agent. For the population used is income that uses BRILink services in Duren Sawit District, Indonesia.

Then to select respondents, it is done with a simple random technique. Sempel used was 10 BRILink agents scattered in Duren Sawit sub-district, with each agent getting 10 questionnaires needed by BRILink for the agent.

Data / Variables Used

In scientific writing, the data used are primary data from the distribution of questionnaires and secondary data through books, journals and websites and the internet. The variables used in the study are the dependent variable namely Customer Satisfaction (Y). And the independent variable consists of Branchless Banking (X1), Location (X2) and Service Quality (X3).

Data analysis technique

The data analysis technique used in this study is using multiple linear regression analysis with SPSS version 22. Multiple linear regression analysis is a linear relationship between two or more independent variables (X1, X2, X3.... Xn) with the dependent variable (Y). The multiple linear regression equation is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_nX_n$$

Information:

Y   : Dependent variable (predicted value)

X1 X2 X3   : Independent variable

a   : Constant (Y value if X1, X2, X3..Xn = 0)

b   : Regression coefficient (value of increase or decrease)

RESULTS AND DISCUSSION

Characteristics of Respondents

Based on the results of the study by distributing questionnaires to 100 respondents, it was found that the characteristics of the respondents were grouped as follows.

Table 1 Characteristics of Respondents

No.		(%)
1	Age	
	≤ 20 years	12
	21 - 30 years	26
	31 - 40 years	35
	≥ 41 years	27
2	Gender	
	- Man	67
	- Woman	33
3	Work	
	- Entrepreneur	16
	- Employees	38
	- Housewife	17
	- Student	7
	- Others	22
4	Service usage in 1 week	
	1 time	32
	2 - 3 times	54
	> 3 times	14

Based on the table above, the results show the highest age of respondents, which is between 30 to 40 years with a percentage of 35%. Then for the gender of the respondent is dominated by men which is equal to 67%. Furthermore, for the work of the respondents dominated by employees, which amounted to 38% and the use of BRILink services at most in a week by respondents by 2-3 times.

Hypotheses Testing Results

Multiple Linear Regression Analysis

Multiple linear regression analysis is used to determine the linear relationship between two or more independent variables with the dependent variable.

Table 2 Multiple Linear Regression Test Results

Model	Unstandardized Coefficients
	B
(Constant)	4.740
Branchless Banking (BB)	.242
Location (L)	.431
Service Quality (SQ)	.037

Based on table 2, the regression equation is obtained as follows:

Y = 4,740 + 0,242 BB + 0,431 L + 0,037 SQ

From the regression equation, it can be inferred as follows:

1. The constant value (α) of 4.740 can be interpreted if the variable BB, L, and SQ value is 0, then customer satisfaction value is 4.740.
2. Branchless Banking (BB) variable regression coefficient is positive at 0.242. This shows that if there is an increase in BB of 1 unit, it will increase customer satisfaction by 0.025 assuming that the other independent variables have a fixed value.
3. Location (L) variable regression coefficient value is positive at 0.431. This shows that if there is an increase in L by 1 unit, it will increase customer satisfaction by 0.431 assuming that the other independent variables have a fixed value.
4. Service Quality (SQ) variable regression coefficient value is positive at 0.037. This shows that if there is an increase in SQ by 1 unit, it will increase customer satisfaction by 0.037 assuming that the other independent variables have a fixed value.

Coefficient of Determination

The coefficient of determination is used to determine the percentage of contribution of the influence of independent variables together on the dependent variable.

Table 3 Determination Coefficient Test Results

Model	R Square	Adjusted R Square
1	.371	.351

This shows that the Customer Satisfaction regression model is influenced by Branchless Banking (BB), Location (L), and Service Quality (SQ) of 37.1%, while the rest is 62.9% (100% - 37.1%) influenced by other variables outside of this study.

Partial Test with t-test

The t test is used to find out whether in the regression model the independent variable partially affects the dependent variable.

Table 4 Partial Test Results with t-test

Model	Sig.
1 (Constant)	.004
Branchless Banking (BB)	.015
Location (L)	.000
Service Quality (SQ)	.733

Based on table 4 hypotheses can be arranged for the regression model as follows.

Ho: Branchless Banking (BB), Location (L), and Service Quality (SQ) partially have no effect on Customer Satisfaction

Ha: Branchless Banking (BB), Location (L), and Service Quality (SQ) partially affect Customer Satisfaction

The results of hypothesis testing are as follows:

1. Testing of H1 Hypotheses

Branchless Banking (BB) significance value of Customer Satisfaction is 0.015. These results indicate that the value is less than 0.05, then the decision taken is Ho rejected and Ha accepted, so it can be concluded that the hypothesis H1 is accepted, Branchless Banking (BB) has a partial effect on Customer Satisfaction.

2. Testing Hypothesis H2

The significance value of Location (L) for Customer Satisfaction is 0,000. These results indicate that the value is less than 0.05, then the decision taken is Ho rejected and Ha accepted, so it can be concluded that the H2 hypothesis is accepted, Location (L) has a partial effect on Customer Satisfaction.

3. Testing of the H3 Hypothesis

Significant Value of Service Quality (SQ) for Customer Satisfaction of 0.733. These results indicate that the value is greater than 0.05, then the decision taken is Ho accepted and Ha rejected, so it can be concluded that the H3 hypothesis is rejected, Service Quality (SQ) does not partially affect Customer Satisfaction.

Simultaneous Test with F-test / ANOVA

The F / ANOVA test is used to find out whether the independent variables jointly influence the dependent variable, in the F test the following hypothesis is used.

Ho: Branchless Banking (BB), Location (L), and Service Quality (SQ) simultaneously have no effect on Customer Satisfaction

Ha: Branchless Banking (BB), Location (L), and Service Quality (SQ) simultaneously affect Customer Satisfaction

Table 5 Simultaneous Test Results with F-test / ANOVA

Model	Sig.
1 Regression	.000^b
Residual	
Total	

Based on table 5, we can find the significance value of 0,000. Then it can be stated a significance value of 0,000 <0,005 which means Ho is rejected and Ha is accepted, so it can be concluded that Branchless Banking (BB), Location (L), and Service Quality (SQ) jointly influence Customer Satisfaction.

Table 6 Summary of Hypothesis Test Results

Hypothesis		Result
H1	The effect of Branchless Banking partially on Customer Satisfaction	accepted
H2	The effect of of Location partially on Customer Satisfaction	accepted
H3	The effect of Service Quality partially on Customer Satisfaction	rejected
H4	The effect of simultaneous Branchless Banking, Location and Quality of Service on Customer Satisfaction	accepted

DISCUSSION

Based on the results of testing hypotheses regarding the Effect of Branchless Banking, Location, and Service Quality on the Satisfaction of BRILink Sermons, the discussion is as follows:

1. The t-test results show the Branchless Banking significance value of 0.015 <0.05, which means Branchless Banking has a partial effect on Customer Satisfaction. This indicates that Branchless Banking quality has an important role in customer satisfaction. Customers will be satisfied if the quality of branchless banking is good, and if this is ignored, the customer may feel less satisfied and even stop using the services of the branchless banking. Which will cause losses to the company due to loss of customers.

2. The t test results show the location significance value of 0,000 <0,05, which means that the location has a partial effect on Customer Satisfaction. This shows that a strategic

location is needed in choosing a business location, because the location can determine the satisfaction of the company's customers. If the location is in a strategic place, of course customers will find it easy, cost effective and save time. Not only customers but the company will benefit because customers will prefer to come to that location because of its strategic location.

3. The results of the t test show the significance value of Service Quality of 0.733> 0.05, which means that Service Quality does not partially affect Customer Satisfaction. This shows that the quality of service is not too calculated by the customer, possibly because the customers need the service so that even if there is interference with the service they will continue to use the service.

4. The F test results show the Branchless Banking significance, Location and Service Quality have a simultaneous effect on Customer Satisfaction. This indicates the importance of paying attention to Branchless Banking, Location and Quality of Service in carrying out the company's operations, because if it is maintained it will affect customer satisfaction, Customers who are satisfied with the product or services provided will tend to make continuous purchases. Of course this will have a good impact because it can increase profits for the company.

CONCLUSION

Based on the results of the study, conclusions can be drawn as follows:

1. The results of statistical testing show that Branchless Banking has a partial effect on Customer Satisfaction.

2. The results of statistical tests show that the location has a partial effect on Customer Satisfaction.

3. The results of statistical tests show that Service Quality does not partially affect Customer Satisfaction.

4. The results of statistical tests show that Branchless Banking, Location and Service Quality have an effect on simultaneous Customer Satisfaction.

SUGGESTIONS

The suggestions that can be given by researchers, namely:

1. Banking companies are expected to pay more attention to the quality of products / services and location of the company because in this study it has been proven that this will have an impact on customer satisfaction, which we must always maintain and improve.

2. Management of branchless banking services is very important in achieving satisfaction. Satisfied what was caused later was loyalty to the company, then this would increase the company's profits because of financial needs using the service

3. Future research is expected to examine using more variables to find out what factors can affect customer satisfaction.

4. In further research it is expected to be able to add more samples and not only use samples to BRILink customers but also other bank customers in Indonesia.

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