



**PERCEIVED VALUE AS MEDIATION BETWEEN THE EFFECT  
OF SERVICE QUALITY ON CUSTOMER SATISFACTION  
BANK MANDIRI BRANCH OFFICE OF BANDA ACEH**

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**Abstract**

*This research aimed to analyze the effect of service quality on customer satisfaction both directly and indirectly through perceived value. The sampling technique used was quota sampling. For the study, the sample size comprised of respondents as many 70 customer Bank Mandiri'. Data analysis technique used was Structural Equation Model (SEM). The empirical results showed that service quality has a significant effect on perceived value; perceived value has a significant effect on customer satisfaction; service quality has a significant effect on customer satisfaction both directly and indirectly through perceived value.*

*Keywords: Service Quality, Perceived Value, Customer Satisfaction, Indonesia*

## INTRODUCTION

The banking industry can now be said to be very competitive, which previously had only the banking industry of state banks, but now the banking industry has also been attended by private banks. To be able to survive in the competitive business market, something very important to be considered by every company, including Bank Mandiri Branch Office of Banda Aceh for paying attention to customer satisfaction.

What can be done by Bank Mandiri in order to increase customer satisfaction is by improving service quality. Service quality is an indication of customer satisfaction, if the service received by the customer is in line with his expectations, the customer will be satisfied with the service (Malik, 2012). In addition to service quality, another thing that can be done by Bank Mandiri is to increase customer satisfaction by increasing value for customers. The perceived value is also one of the factors that can determine the level of customer satisfaction, when a customer receives a high value for a service, the customer will feel high satisfaction (Hapsari et al., 2016). The service quality and perceived value have an important role in increasing customer satisfaction, the better the quality of services provided by Bank Mandiri, the higher the value felt by customers for these services which indirectly will also increase customer satisfaction (Al Chalabi & Turan, 2017).

The results of research conducted by researchers previously found that service quality (Rosita, 2015) and perceived value (Hapsari et al., 2016) had a significant effect on customer satisfaction. Meanwhile, there are also results of research conducted by previous researchers previously found that service quality (Tee et al., 2018) and perceived value (Gultom et al., 2016) did not significantly influence customer satisfaction.

Regarding bank customer satisfaction so far it can be said that customers are not satisfied with the services obtained from Bank Mandiri. For example: customers often experience difficulties when conducting transactions at ATMs or mobile banking, which is caused by the network system owned by Bank Mandiri not yet good enough. The existing reality is also the researchers get on the results of the initial survey of researchers, where the customer's perception of customer satisfaction with services obtained from Bank Mandiri is only equal to (3.35) on a scale of 1 to 5 can be said to be in the poor category. These results indicate that Bank Mandiri customers so far can be said to feel they are not quite satisfied with the services provided by Bank Mandiri. Problems experienced by bank management are long queues of customers, not large parking spaces, limited resources for providing services, tellers and security (Wulandari, U and Syaifullah, M, 2017).

Based on the differences in the results of these researchs, it is necessary to conduct further research in order to explain the effect of service quality on customer satisfaction both directly and indirectly through perceived value.

## **LITERATURE REVIEW**

### **Customer Satisfaction**

Based on Expectancy Disconfirmation Theory stated by Oliver (1980), customer satisfaction is a summary of the psychological state that comes from a comparison between customer experience after using a product with customer expectations before using the product. If the product received does not meet expectations, the customer does not feel satisfied, but if the product received meets expectations, the customer will feel satisfied, whereas if the product received exceeds expectations, the customer will feel very satisfied (Lubis et al., 2015).

### **Perceived Value**

The perceived value can be said as the difference between customer evaluation of all benefits obtained with the sacrifices incurred to obtain a particular service (Kotler & Keller, 2016). Perceived value consists of the following dimensions: 1) functional value, namely the value perceived by the customer for the services provided by the company, 2) emotional value, namely the value perceived by the customer that arises through his experience with the company, and 3) social value, namely the value perceived by customers on the company's ability to establish relationships with customers (Ivanauskien et al., 2012).

### **Service Quality**

The service quality is an evaluation of the comparison of expected service quality with the quality of services obtained, the evaluation does not only focus on service outcomes, but also involves an evaluation process in service delivery (Zeithaml et al., 2018). Service quality consists of the following dimensions: 1) reliability, namely the company's ability to provide services according to the promised accurately and reliably, 2) responsiveness, namely the company's ability to provide fast service to customers, 3) assurance, namely the company's ability in maintaining customer trust in the company, 4) empathy, namely the company's ability to understand customer wants and needs specifically, and 5) tangibles, namely the company's ability to provide good facilities and infrastructure to customers (Zeithaml et al., 2018).

## Theoretical Framework

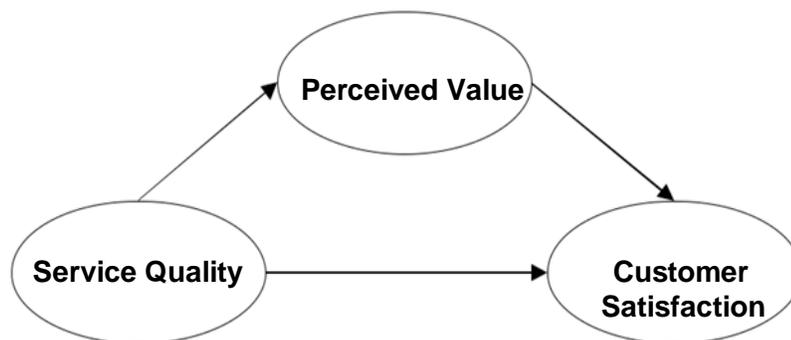
According to Razavi et al. (2012), the quality of services provided by companies can increase the value perceived by customers for these services. Gumussoy & Koseoglu (2016) also said that if customers get higher quality services at lower costs, the value perceived by customers will also increase.

According to Suariedewi & Sulistyawati (2016), service quality is a determinant of customer satisfaction, the better the services provided by a company, the higher the level of satisfaction felt by customers. Malik (2012) also said that service quality is an indication of customer satisfaction, if the service received by the customer is in line with his expectations, the customer will be satisfied with the service.

According to Hapsari et al. (2016), perceived value is one of the factors that can determine the level of customer satisfaction, when a customer receives a high value for a service the customer will also feel high satisfaction. Raza et al. (2012) also said that customer satisfaction reflects feelings derived from the value felt by customers, when a customer receives a high service value from a service, it will also result in high satisfaction.

The results of research by Malik (2012), Wulandari (2015), Hapsari et al. (2016), Suariedewi & Sulistyawati (2016), and Al Chalabi & Turan (2017) found that service quality indirectly has a positive and significant influence on customer satisfaction through perceived value, the results of these research concluded that the better the quality services provided by service providers the value perceived by customers will also increase which indirectly will also increase customer satisfaction.

Figure. 1. Theoretical Framework



Based on the theoretical framework, the research hypothesis is determined as follows:

- H1: Service quality has an effect on perceived value.
- H2: Service quality has an effect on customer satisfaction.

H3: Perceived value has an effect on customer satisfaction.

H4: Service quality has an effect on customer satisfaction through perceived value.

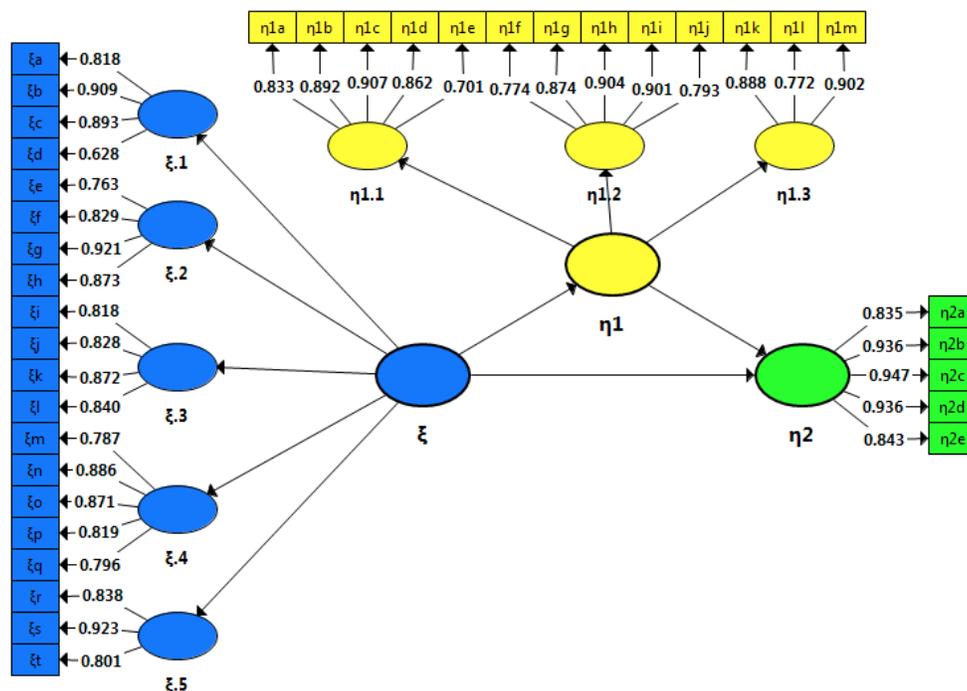
## RESEARCH METHODS

The population in this research were all customers of Bank Mandiri Branch Office of Banda Aceh, while the number of samples in this research were 70 respondents who were selected using quota sampling. Data collection techniques used were questionnaires and documentation, while data analysis techniques used were structural equation model (SEM) with SmartPLS version 3 software. SEM is a multivariate data analysis technique that combines the outer model which aims to determine the specification of the relationship between latent variables and the indicators and the inner model which aims to determine the specification of the relationship between latent variables (Hair et al., 2014).

## ANALYSIS AND RESULTS

### Evaluation of Research Models

Figure 1. The results of the evaluation model



Based on the figure, it is known that all indicators of each variable are valid because they have a loading indicator value ( $> 0.50$ ), meaning that all indicators of each variable can represent the

measured variable. Furthermore, the evaluation criteria of other models can be seen in the following table:

Table 1: Model testing

Variable	Average Variance Extracted	Composite Reliability	R Square (R <sup>2</sup> )	Q Square (Q <sup>2</sup> )
$\xi$ Service Quality	0,616	0,963		
$\eta_1$ Perceived Value	0,622	0,947	0,715	0,407
$\eta_2$ Customer Satisfaction	0,811	0,955	0,768	0,575

Based on the table, it is known that the values obtained from the other assessment criteria are: AVE (> 0.05), Composite Reliability (> 0.7), R<sup>2</sup> (> 0.25), and Q<sup>2</sup> (> 0.02). Thus, the model in this research has fulfilled the minimum assessment criteria required so that the model in this research can be said to be fit.

Table 2: Effect analysis

Inter-Variable Effect	P	p-value
$\xi \rightarrow \eta_1$	0,881	0,000
$\xi \rightarrow \eta_2$	0,315	0,005
$\eta_1 \rightarrow \eta_2$	0,572	0,000
$\xi \rightarrow \eta_1 \rightarrow \eta_2$	0,504	0,000

$\rho$  = path coefficient  
*p-value* = significant value  
 $\xi$  = service quality  
 $\eta_1$  = perceived value  
 $\eta_2$  = customer satisfaction

Based on the table, it is known that the effect between service quality, perceived value, and customer satisfaction is as follows:

- 1) Service quality has a positive and significant effect on perceived value, known from the value of the path coefficient of (0,881) with a significant value that is (0,000).
- 2) Service quality has a positive and significant effect on customer satisfaction, known from the value of the path coefficient of (0,315) with a significant value that is (0,005).

- 3) Perceived value has a positive and significant effect on customer satisfaction, known from the value of the path coefficient of (0,572) with a significant value that is (0,000).
- 4) Service quality has a positive and significant effect on customer satisfaction through perceived value, known from the value of the path coefficient of (0,504) with a significant value that is (0,000).

Based on the results of the research, the information received or not the hypotheses formulated can be seen in the following table:

Table 3: Hypotheses testing

Hypothesis		
H1	Service quality has an effect on perceived value	accepted
H2	Service quality has an effect on customer satisfaction	accepted
H3	Perceived value has an effect on customer satisfaction	accepted
H4	Electronic service quality has an effect on customer satisfaction through perceived value	accepted

## DISCUSSION

### Effect of Service Quality on Perceived Value

Based on the results of the research, it is known that service quality has a positive and significant effect on perceived value, the results conclude that the quality of services provided by Bank Mandiri Banda Aceh has a significant contribution in increasing the value felt by customer. These results indicate that the services provided by Bank Mandiri Banda Aceh are things that can determine the value perceived by customers for these services. Therefore, it is important for Bank Mandiri Banda Aceh to continue to provide, maintain, and improve the quality of services provided to customers so that the value perceived by customers towards Bank Mandiri services in Banda Aceh is increasingly high, because the value perceived by customers is one factor most importantly for Bank Mandiri Banda Aceh gained a competitive advantage.

### Effect of Service Quality on Customer Satisfaction

Based on the results of the research, it is known that service quality has a positive and significant effect on customer satisfaction, the results conclude that the quality of services provided by Bank Mandiri Banda Aceh has a significant contribution in increasing customer satisfaction. These results indicate that the customer satisfaction of Bank Mandiri Banda Aceh

can be improved by providing quality services to customers, because basically service quality is an indication of customer satisfaction, meaning that if services received by customers are in line with expectations, customers will be satisfied with that service. Therefore, it is important for Bank Mandiri Banda Aceh to continue to maintain and improve the quality of services provided to customers so that customers are satisfied with the service, because customer satisfaction is one of the marketing objectives that must be achieved by Bank Mandiri Banda Aceh in conducting its business.

### **Effect of Perceived Value on Customer Satisfaction**

Based on the results of the research, it is known that the perceived value has a positive and significant effect on customer satisfaction, the results conclude that the value perceived by customers for the services provided by Bank Mandiri Banda Aceh has a significant contribution in increasing customer satisfaction. These results indicate that the satisfaction of Bank Mandiri Banda Aceh customers is largely determined by the value perceived by customers for the services provided by Bank Mandiri Banda Aceh, because basically the perceived value is one of the factors that can determine the level of customer satisfaction, when a customer receives a value that high on a service, customers will also feel high satisfaction. Therefore, it is important for Bank Mandiri Banda Aceh to create high value for customers, because the value perceived by customers has an important role in increasing customer satisfaction.

### **Effect of Service Quality on Customer Satisfaction through Perceived Value**

Based on the results of the research, it is known that service quality has a positive and significant effect on customer satisfaction indirectly through perceived value, the results conclude that the better the quality of services provided by Bank Mandiri Banda Aceh, the value perceived by customers for these services will also increase which is also indirectly has a significant contribution in increasing customer satisfaction.

Based on the results of the research it is also known that the perceived value of this research acts as a mediating variable that has a partial role between the effect of service quality on customer satisfaction, it is seen from the results of research that found that service quality has a significant influence on customer satisfaction both directly and indirectly through perceived value. These results indicate that the higher the value perceived by customers for services from Bank Mandiri Banda Aceh, the more it will contribute to the influence of the quality of Bank Mandiri services in increasing customer satisfaction.

## CONCLUSIONS AND RECOMMENDATIONS

Service quality has a significant effect on perceived value; perceived value has a significant effect on customer satisfaction; service quality also has a significant effect on customer satisfaction both directly and indirectly through perceived value. The limitations of the research that has been done are on the number of organizations, area, respondents, theories from books and from studies sourced from reputable international journals.

Service quality is one of the factors that greatly determines perceived value and customer satisfaction, therefore it is recommended that Bank Mandiri Banda Aceh continue to improve the quality of its services. One way that can be done by Bank Mandiri Banda Aceh is by using technology in terms of serving its customers, in this case the technology in question is a machine for picking up queue numbers.

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