



THE EFFECT OF MOBILE BANKING SERVICE QUALITY ON CUSTOMER LOYALTY (STUDY AT BANK BCA KCP WTC SUDIRMAN JAKARTA - INDONESIA)

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Abstract

This study aims to examine the effect of Mobile Banking Services (Reliability, Assurance, Responsiveness, Efficiency, Empathy, and Tangible) both partially, directly, and indirectly on Customer Loyalty of Bank Central Asia KCP WTC Sudirman. The sample in this study was taken using a data collection method called purposive sampling. The number of samples used was as many as 110 respondents. The data obtained were analyzed using path analysis (Path Analysis) using the SPSS v program. 22. The results show that: Partially, Reliability, Assurance, Responsiveness, Efficiency, and Tangible affect Customer Loyalty, while Empathy has no effect on Customer Loyalty at Bank Central Asia KCP WTC Sudirman. Variables that directly affect customer loyalty are Assurance, Empathy, Responsiveness, and Tangible variables. While the variables that have an indirect effect on customer loyalty through intervening variables are customer satisfaction, namely Assurance, Empathy, and Tangible variables.

Keywords: Mobile Banking, Customer Loyalty, Service Quality, Reliability, Efficiency

INTRODUCTION

The COVID-19 pandemic has increasingly increased the use of technology in various ways. The impact of globalization has also made the development of information and communication technology more advanced in various parts of the world and has brought great changes to the sectors of human life. Technology greatly facilitates humans not only in communication services but also in other sectors (Adila, 2017). This causes the banking world to participate in developing technology to develop and open networks for services to customers in the form of mobile banking services with many digital payment transactions, especially with the number of users increasing during the COVID-19 pandemic (Santosa et al., 2021). Mobile banking services open up opportunities for customers to conduct banking transactions via mobile devices (Wasilah, 2016).

In Indonesia, both state and private banks are competing to launch technology. Mobile Banking. Bank Central Asia (BCA), for example, is one of the largest private banks in Indonesia. Bank Central Asia is the first bank to launch a Mobile Banking system in Indonesia. BCA Mobile Banking service is known as m-BCA. Perfect and satisfying service for customers is one effective step in fighting negative word of mouth. When consumers spend money to consume a product or service, they also indirectly consume an experience. The experience will then cause a perceptual effect and end at the level of emotional satisfaction (Enterprise, 2010) (Cahyaningtyas & Santosa, 2021).

Based on that situation, Bank BCA KCP WTC Sudirman Jakarta was chosen as the research site because after being directly involved as an employee at Bank BCA KCP WTC Sudirman, it became a separate question to conduct this research directly. This research then takes the title: "The Effect of Mobile Banking Service Quality on Customer Loyalty (Study at Bank BCA KCP WTC Sudirman Jakarta)".

LITERATURE REVIEW AND HYPOTHESES

Banking

Regulations regarding banking in Indonesia have been regulated through the latest legislation, namely Law Number 10 of 1998 concerning Amendments to Law Number 7 of 1992 concerning Banking. The law has explained that what is meant by a bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and or other forms in order to improve the standard of living of the people at large (www.bi.go.id). Broadly speaking, the Bank's function is as a government tool to maintain monetary and financial economic stability. Meanwhile, the function of the Bank is narrow as a

means of withdrawing currency and demand deposits from the public and distributing them to the public (Cahyaningtyas & Santosa, 2021).

Banking Technology

Today the world has entered the era of globalization. This can be seen from the development of increasingly advanced information and communication technology in various parts of the world which has brought major changes to the sectors of human life. This has caused the banking world to start racking its brains and come up with a formula to develop and open a network for services to customers in the form of mobile banking services. Mobile banking services open up opportunities for customers to conduct banking transactions via mobile devices (Wasilah, 2016).

Mobile Banking

Mobile Banking is a service facility in providing easy access and speed in obtaining the latest information and financial transactions in real-time. Mobile Banking can be accessed by individual customers via mobile phones that have GPRS technology. The mobile banking service product is a bank distribution channel to access accounts held by customers through GPRS technology using cellular telephones (cell phones) (Cahyaningtyas & Santosa, 2021).

Service Quality

Service quality focuses on efforts to fulfill consumer needs and desires and the accuracy of delivery to balance consumer expectations (Tjiptono, 2014). In the service industry, particularly the banking industry, product quality is measured by service quality. Management must understand the overall service offered from the customer's point of view. Services that are formed from the customer's point of view can provide more value to the products offered. The company must realize the quality by the requirements demanded by the customer. Service quality is an important factor that drives company performance because it positively affects customer satisfaction and customer loyalty (Santosa et al., 2019). So, if the quality of service is high, there is a higher probability that the customer will be satisfied with the service provided, and vice versa. This result is very important because customers who are satisfied with the quality of the service are not only willing to continue to use the service but will also influence others to use it, and they will become loyal customers (Sakyi, 2020). Indicators used in this study is: Reliability, Assurance, Responsiveness, Efficiency, Empathy, Tangible and Satisfaction Level.

H1: Service Quality Indicators positively affect Customer Loyalty

Customer Loyalty

Customer loyalty is understood as the attitude or behavior of the customer's commitment to a brand. Loyal customers recommend the brand to others, give positive reviews, make repeat purchases, and consider themselves part of a brand (Xhema et al., 2018). Habits are formed through frequent purchases and interactions over a period of time (Griffin, 2003)(Santosa & Chayaningtyas, 2020). Loyalty is the willingness of customers to always use the company's products in the long term, especially if using exclusively, and recommending the company's products to friends and colleagues. Meanwhile, Lupiyoadi (2013) stated that customer loyalty is understood as a combination of a customer's favorable attitude and repeat purchase behavior.

Mobile Banking

Service Quality

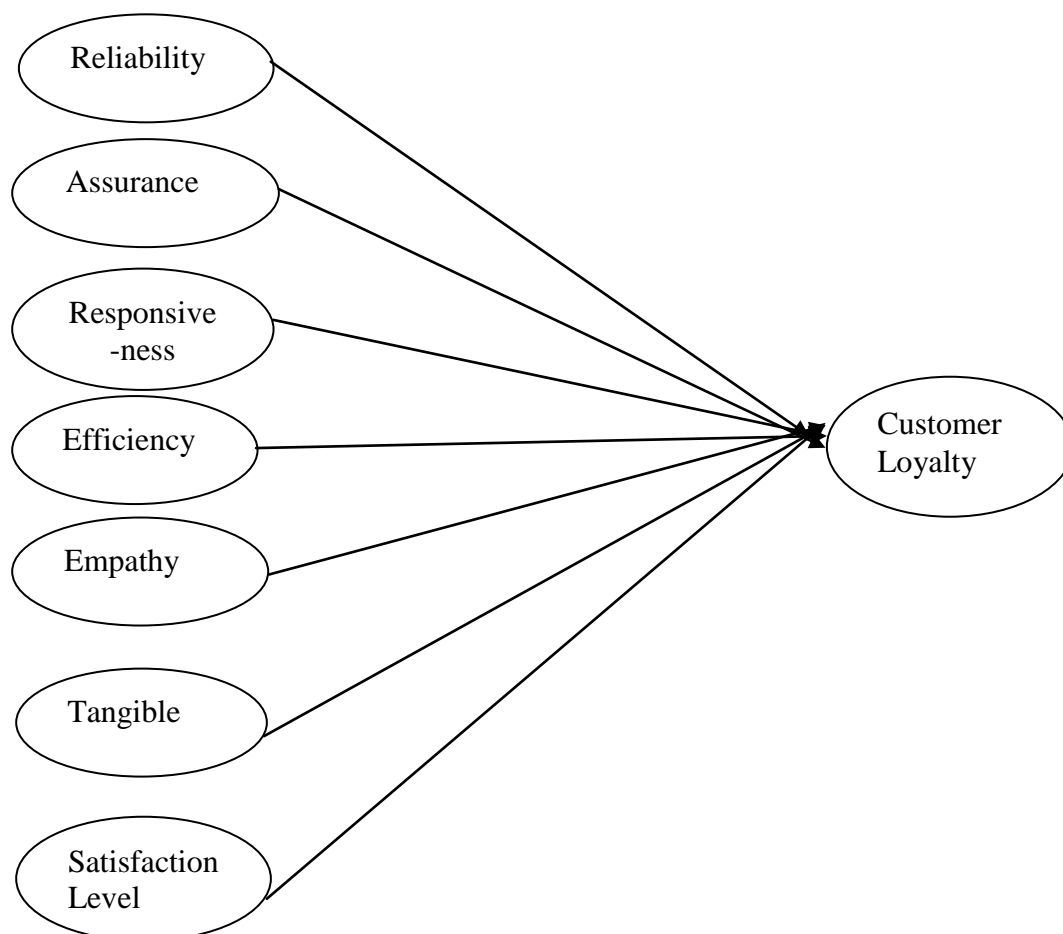


Figure 1. Research Framework

RESEARCH METHODS

The study adopted a descriptive research design. The population used in this study are Bank Central Asia customers at KCP WTC Sudirman Jakarta who are actively using Mobile Banking Services. While the sample for this study was 154 respondents. Simple random sampling is used in this study, each individual is chosen entirely by chance and each member of the population has an equal chance, or probability, of being selected. The author took the place of research at KCP WTC Sudirman Jakarta. This research was conducted from 18 April 2020 – 03 May 2020. The data collection method in this study used primary data, namely by directly disseminating a questionnaire (questionnaire) using Likert scale. The questionnaire is a data collection technique that is done by giving a set of questions or written questions to respondents to answer.

In this study, the approach used by the author is a quantitative research approach using a survey. This research is included in associative research, namely research that aims to determine the relationship between two or more variables (Sugiyono, 2015). Statistical analysis used in this study is multiple regression analysis using the SPSS 22 program.

RESULTS AND DISCUSSION

Respondents' Demographics

Table 1. Respondents' Demographics

Variable	Category	Frequency	Percentage
Gender	Female	95	62%
	Male	59	38%
Age	<20	9	6%
	21-25	38	25%
	26-30	61	39%
	>30	46	30%
Occupation	Entrepreneur	56	35%
	General Employees	45	29%
	Civil Servant	30	20%
	Student	15	10%
	Others	9	6%
Time using m-banking	<1 year	15	10%
	1 year	38	25%
	2 year	45	29%
	>2 years	55	36%

The number of respondents is 62% dominated by female respondents. The age of the respondents is dominated by the age of 26-30 years with the number of respondents as much as 39. Respondent using m-banking more than 2 years is dominant about 36%.

Validity and Reliability Test

A validity test is used to measure the validity or validity of a questionnaire. While reliability is a tool to measure a questionnaire which is an indicator of a variable or constructs. The data requirement is valid or not, that is, if the correlation coefficient $r_{count} > r_{table}$ then it is declared valid, the r_{table} is 0.1966, and the 27 point questionnaire all values exceed 0.1666, it can be said that the questionnaire used is valid. As for reliability, a constructor variable is said to be reliable if it gives a Cronbach Alpha value > 0.70 (Ghozali, 2016). And the results of data processing, it is known to obtain a Cronbach's Alpha value of 0.858, this means that the statements in the questionnaire in this study are considered reliable.

Classic Assumption Test

Basic Assumption Test (Normality)

A normality test is used to determine whether the data is normally distributed or not. Testing the normality of the data using the Kolmogorov-Smirnov test is a two-way test (two-tailed test). A distribution is said to be normal if the significance value (p-value) is greater than the specified significance level of 0.05 or if $p > 0.05$, then the data is normally distributed. The results of data processing are as follows:

Table 2. Basic Assumption Test (Normality)

<i>One-Sample Kolmogorov-Smirnov Test</i>		
	N= 100	<i>Unstandardized Residual</i>
Normal	.0000000	,0000000
Parameters ^{a,b}	.31875098	,93783565
Most Extreme	.071	,066
Differences	.071	,066
	-.067	-,054
Test Statistic		.071
Asymp, Sig, (2-tailed)		.200 ^{c,d}

a, Test distribution is Normal, b, Calculated from data,

c, Lilliefors Significance Correction,

d, This is a lower bound of the true significance

Based on the results of the analysis above, the asymp sig value is 0.200 or greater than equal to 0.05. It can be concluded that the data variables Reliability, Assurance, Responsiveness, Efficiency, Empathy, Tangible, and Loyalty are normally distributed, where all these variables have an asymp sig value. 0.200 is more than 0.05.

Hypothesis test

Coefficient of Determination Test (R^2)

The Coefficient of Determination (Test R^2) shows a closeness index which states the proportion of the total variable Y (the dependent variable) that can be explained by the variable X (the independent variable). The value of the coefficient of determination is between zero and one. The results of data analysis on 100 respondents of Bank Central Asia KCP WTC Sudirman customers obtained the following results:

Table 3. Coefficient of Determination Test (R^2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.985 ^a	.971	.969	.331

a. Predictors: (Constant), KN, ASS, RES, EFF, REL, EMP, TAN

Based on the test results above, it is known that the R square value is 0.971, meaning that 97.1% of the loyalty of 100 customer respondents who were randomly selected is influenced by variations of the seven independent variables used, namely Reliability, Assurance, Responsiveness, Efficiency, Empathy, Tangible and Satisfaction Level while the remaining 2.9% is influenced by other factors outside the research model, thus the relationship between the seven variables are said to be quite strong because the R square value is close to 1.

T-Test (Partial)

The t-test is used to determine whether the independent variable partially affects the dependent variable with the other independent assumptions being constant. Rejection and acceptance of the hypothesis are based on a significance level ($fÉ$) of 5%, if sig > (0.05), then H_0 is accepted H_a is rejected and if sig < (0.05), then H_0 is rejected H_a is accepted.

Table 4. T-test (Partial)

		Coefficients ^a				
Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	-.281	.542		-.519	.605
	REL	.321	.066	.201	4.839	.000
	ASS	.852	.048	.579	17.801	.000
	RES	.404	.040	.272	10.063	.000
	EFF	-.246	.062	-.172	-3.988	.000
	EMP	.101	.083	.064	1.222	.225
	TAN	.668	.067	.539	10.003	.000
	KN	-.079	.056	-.062	-1.410	.162

a. Dependent Variable: LN

Based on the SPSS processed data above, the following explanation is obtained:

1. The Reliability variable (REL_X1) has a t-value of 4.839 with a significance value of 0.000 < 0.05. So it can be concluded that Reliability affects Customer Loyalty of Bank Central Asia KCP WTC Sudirman. Or it can be said that H_a is accepted.
2. Assurance variable has a t-value of 17.801 and a t-table value of 1.98609 or $t_{count} > t_{table}$ with a significance value of 0.000 < 0.05. So it can be concluded that Assurance has an effect on Customer Loyalty of Bank Central Asia KCP WTC Sudirman.
3. Responsive variable has a t-value of 10.063 and a t-table value of 1.98609 or $t_{count} > t_{table}$ with a significance value of 0.000 < 0.05. So it can be concluded that Responsiveness has an effect on Customer Loyalty of Bank Central Asia KCP WTC Sudirman.
4. Efficiency variable has a t-value of -3.988 and a t-table value of 1.98609 or $t_{value} < t_{table}$ with a significance value of 0.000 < 0.05. So it can be concluded that Efficiency has an effect on Customer Loyalty of Bank Central Asia KCP WTC Sudirman.
5. Empathy variable has a t-value of 1.222 and a t-table value of 1.98609 or $t_{value} < t_{table}$ with a significance value of 0.225 > 0.05. So it can be concluded that Empathy has no effect on Customer Loyalty of Bank Central Asia KCP WTC Sudirman.
6. Tangible variable has a t-value of 10.003 and a t-table value of 1.98609 or $t_{count} > t_{table}$ with a significance value of 0.000 < 0.05. So it can be concluded that Tangible has an effect on Customer Loyalty of Bank Central Asia KCP WTC Sudirman.
7. The Independent Variable Y or Satisfaction Level has a t-value of -1.410 and a t-table value of 1.98609 or $t_{value} < t_{table}$ with a significance value of 0.162 > 0.05. So it can be concluded

that the Satisfaction Level has an effect on Customer Loyalty of Bank Central Asia KCP WTC Sudirman.

F Test (Simultaneous)

The F test is used to determine whether the independent variables jointly affect the dependent variable.

If sig > (0.05), then Ho is accepted, Ha is rejected,

If sig < (0.05), then Ho is rejected. Ha is accepted.

The following are the test results from 154 respondents from Bank Central Asia KCP WTC Sudirman customers:

Tabel 5. F Test (Simultaneous)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	334.051	7	47.722	436.480	.000 ^b
	Residual	10.059	92	.109		
	Total	344.110	99			

a. Dependent Variable: Z
b. Predictors: (Constant), KN, ASS, RES, EFF, REL, EMP, TAN

Based on the processed data, it can be seen that the results of the F test are 436,480 with a significance level of 0.000. The significance value of the F 0.00 test is smaller than 0.05, which means that the model test (Reliability, Assurance, Responsiveness, Efficiency, Empathy, Tangible and Satisfaction Level) can be said to be feasible.

Path Analysis

Based on the results of the analysis above, it can be concluded that the path analysis equation for 154 respondents from Bank BCA KCP WTC Sudirman customers is as follows:

$$Y = 0.579ASS + 0.064EMP + 0.539TAN + 0.1702$$

From the regression equation above, several things can be interpreted, including:

1. Assurance variable has a standardized coefficient beta value of 0.579. This means that for every increase in beta by 0.01, the Assurance value will increase by 0.579 with the assumption that the other independent variables are considered constant.

2. Empathy variable has a standardized coefficient beta value of 0.064. This means that every time beta increases by 0.01, the Empathy value will increase by 0.064 with the assumption that the other independent variables are considered constant.

3. Tangible variable has a standardized coefficient beta value of 0.539. This means that for every beta increase of 0.01, the Tangible value will increase by 0.539 with the assumption that the other independent variables are considered constant.

CONCLUSION

Based on the results of data processing that has been carried out, the following conclusions can be drawn: Partially, the variables of Reliability, Assurance, Responsiveness, Efficiency, Tangible and Satisfaction Level affect Customer Loyalty of Bank Central Asia KCP WTC Sudirman while Empathy have no effect on Customer Loyalty of Bank Central Asia KCP WTC Sudirman. Simultaneously, m-banking service quality positively affect customer loyalty. Therefore, the hypothesis can be accepted, this result in line with Wijaya (2017), Putri (2019) and Safitri (2017) study.

Since in this study, the respondents are only Bank BCA KCP WTC Sudirman Jakarta Customers. This may restrict generalizability of the current findings. Future research can examine more customers at different areas.

MANAGERIAL IMPLICATIONS

Based on the results of this study, it is suggested that the following are some of the things for Banking which provide Mobile Banking services; Banking parties should have ideas to continue to innovate to make services easier, more effective and efficient so that customers will give loyalty to Mobile Banking service providers. With the increase in digital service users, providers need to pay attention to and improve the quality of m-banking services so that users can continue to be loyal to using m-banking.

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