

The Influence of Service Quality, Brand Image and Trust on Customer Satisfaction : A Study on Internet Banking Users in the City of Malang

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Abstract. The development of technology in the banking business with the using of internet banking applications have been widely carried out to improve service and customer satisfaction. Our research is focused on online banking customers in Malang, Indonesia, and we want to learn how factors like service quality, brand image, and trust impact their happiness. Information is gathered quantitatively in this study by use of questionnaires. One hundred respondents were chosen at random from those who had used an online banking app for at least six months. The method of data analysis using multiple linier regression with partial t test and simultaneous F test. As shown by the data, brand image and trust have a positive and statistically significant influence on customer satisfaction, whereas service quality has a positive but not statistically significant effect. Positive and substantial effects on customer satisfaction may be attributed to the confluence of the factors service quality, brand image, and trust. Brand perception is the most important factor.

Keywords: service quality, brand image, trust, customer satisfaction

1 Introduction

As a result of intense competition, financial institutions are under constant pressure to increase client satisfaction and sustain their loyalty programs. The degree to which an individual is pleased or dissatisfied with a product or service depends on how closely its performance or results match those of the individual's expectations [6]. Satisfaction is a result of perceived performance and expectation. If expectations are not met, the consumer will not be pleased. If the performance exceeds client expectations, they will be happy or delighted. Customer happiness is a crucial factor for any business to consider, since it may effect the long-term profitability of a firm.

One of the applications in the internet development used by banks is Internet Banking which gives services to the customers. It can facilitate the customers to do a transaction wherever and whenever without standing in line. It is believed that transactions through internet banking will give maximum service quality to the customers. Therefore, the improvement in the service quality using internet banking is important to be considered. Besides the technology development using internet in bank service, the service quality, brand image, and customer's trust needs also to be improved.

The best service quality will comfort the customers in using internet banking, and want to use the service continuously. [3], [4] found that service quality significantly affected customer satisfaction. On the other hand, [15] found that service quality affected the customer satisfaction but it is not significant. Brand image also plays an important role in banking marketing. Internet banking can be a characteristic of a certain service attached to a brand or a name which can build a positive image in a customer's mind then it makes them pleased. [2], [14], [17] and [11] found that brand image affected significantly the customer satisfaction. To the contrary, [4] and [13] found that brand image did not affect significantly the customer satisfaction. Trust in the safety of transactions using internet banking can give the customer satisfaction. Trust, according to Barnes, is a faith that a person will find what he/she wants on the exchange partner [1]. This involves the person's willingness to behave specifically based on the faith that the partner will give what he/she hoped and generally a hope is others words, promises or statements that can be trusted. Customer trust is a hope held by a customer on the company's promises either spoken or written in which the company has to make it true. Trust affected positively and significantly the customer satisfaction [5]. Contradictorily [15] and [1] found differently that trust affected insignificantly the customer satisfaction.

Various previous research findings which were inconsistent, it is believed that conducting further research on the customer satisfaction. Therefore, the purpose of this study is to determine the impact of service quality, brand image, and trust on the customer satisfaction of online banking customers in Malang city, using BCA Bank's Borobudur Branch as the research object.

2 Literature Review

2.1. Customer Satisfaction

Customer Satisfaction is a feeling of disappointment or pleasure on the staff work performance as what customer expected. It is the key to whether a bank is successful or not because the customer satisfaction will

positively affect the company and if the customer is not satisfied with the staff performance, it will be a serious threat to the company. Kotler argued that customer satisfaction is a level of customer satisfaction after comparing the performance or result he/she felt to what he/she hoped [6]. [12] defined customer satisfaction is a form of characteristic or speciality judgment on a service or product. Customer satisfaction could be known from the conformity between service and what to expect, between service and its tariff/price, and customer satisfaction to what it gave [8]. The advantages of customer satisfaction, according to [19] were (1) the harmonious relationship of company and its customer; (2) a good basis for the repurchase; (3) driving the customer loyalty; and (4) forming a word of mouth recommendation that enhances company reputation in customers' mind. The customer satisfaction variable measurement indicator in the [18] research are the four possible outcomes for a satisfied customer: (1) a repeat purchase; (2) positive word-of-mouth; (3) brand loyalty; (4) the choice to buy more items from the same firm; and (5) the elimination of any interest in the competitor's brand and advertising.

2.2. Service Quality

Service quality is a benchmark of how good the given service level is to meet the customer's expectation [7]. Service quality is essential in the service company, in order to maintain the service quality, the service company must always conduct surveys from time to time to the customers to know what they want and expect from the company as the service provider. According to Parasuraman (in [19]), the dimensions to measure the service quality are (1) tangibles, (2) reliability, (3) responsiveness, (4) assurance, and (5) empathy. Service quality is about the company reputation based on the staff performance given to the potential customer or to the regular customer in which it will evaluate how good or bad the staff performance is. Service quality is a well done strategy in the company to satisfy the customers' need and it will generate satisfaction [5].

2.3. Brand Image

Brand image represents the brand perception, information as well as the past experience [13]. In [17] opinion, brand image is one of the factors that affects customer satisfaction in which the brand image plays a role in the success of service provider, company or both local and global organization. [10] argued that a brand image can be measured in three, (1) the strength of a brand image, it is the measurement on how the information inserts into customers' memory and is able to stand as the part of a brand image, (2) the favorable of a brand image, it is the measurement which is formed from the customers' mind on a certain brand based on the relationship between the attribute and the advantage that can fulfill their needs. The advantage refers to the ability of the brand to be easily remembered, (3) the uniqueness of a brand image, this measurement must have the continuous superiority or have the unique sales proportion in order customers to buy the product. The measurement of the uniqueness depends on two factors, how far the product brand association has the similarity or the balance if it is compared to other brands and how far marketing communication program has the difference if it is compared to other brands.

2.4. Trust

Customers' Trust is a hope held by the customers on promises given by the company either spoken or written and the company must make them true. By keeping the old and new customers' trust, it will positively affect the company [5]. Customers' trust is all the knowledge owned by the customers and all the conclusions made by the customers about object, attribute, and the advantage [9]. Object can be a product, a person, a company, and all things in which a person has trust and behavior. Attribute is a characteristic or a feature that it perhaps is or isn't owned by an object. Based on that definition, trust is one's trust to another in the transaction relationship based on the faith that the trusted person will satisfy all the responsibilities well as he/she expected [1], [9] stated that trust variable measurement indicators are (1) honesty in the transaction, (2) responsibility to the customers, and (3) a good bank reputation.

3 Research Method

This research used causal research design or cause-effect that is useful to analyze the relations among the variables. This design is to understand the cause and effect among the research variables, by using the quantitative approach. According to [16], the research problem in causal relationships includes the associative pattern, it is to ask the relationship between two variables or more. Based on the explanation, causal design research refers to the formation of cause and effect relationship among independent variables (X), they were service quality (X1), brand image (X2), and trust (X3) to the dependent variable (Y), customer satisfaction.

The subject of this research were the customers of Bank Central Asia (BCA), Borobudur branch, Malang that the exact number of the subjects was unknown due to the bank being confidential. Therefore, the total samples were 100 respondents by referring to [16]. He stated that the adequate sample used in a common research is 30 to 100 samples. The sampling technique was purposive sampling by a criterion, the customer who used the internet banking for at least or more than 6 (six) months. The data collection technique was a questionnaire method in order to get the direct primary data from the respondents' response to the given questionnaire. Likert scales with ordinal degrees of preference (there were five) were employed to quantify the data. All of the instrument items utilized in this study were tested for validity and reliability, establishing that the research's chosen method of

analysis, double regression analysis, was appropriate. The normality test, the multicollinearity test, and the heteroscedasticity test were used to verify that the analytic method was consistent with the standard assumptions. It was determined that the data satisfied the normalcy criterion, that there was no multicollinearity among the independent variables, and that there was no heteroscedasticity.

Based on the review of related literatures and previous researches, the conceptual framework could be explained as the following figure 1:

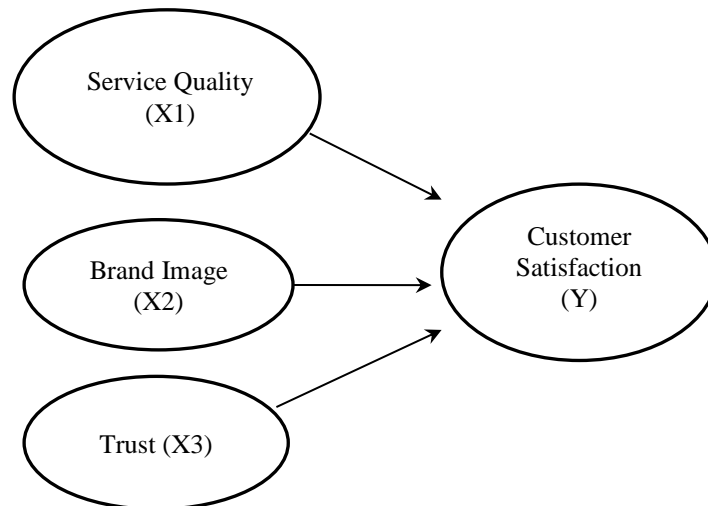


Figure 1. The Research Conceptual Framework

Research Findings and Discussion

The research findings gave the general picture of the respondents that 55 respondents are males and 45 respondents are female, on the average age of ≤ 25 years old were 40% respondents, in 26-39 years old were 33% respondents, and between 40-65 years old were 27% respondents. Their educational background were \leq Senior High School graduates 23% respondents, Diploma graduates 28% respondents, Bachelor Degree graduates 35% respondents, and Postgraduates 14% respondents. Their job status were 18% college students or students, 38% entrepreneurs, Civil Servant/State Owned Corporation workers 17%, private employees 22%, and housewives 5%. Their period of being a customers were 33% for ≤ 2 years, 47% for 2-5 years, and 20% for > 5 years. As for the period of using internet banking facilities, ≥ 6 months – 1 year were 11%, $> 1 - 3$ years were 43% and > 3 years 46%. This showed that the majority of the BCA Borobudur Branch Malang customers were entrepreneurs and private employees, in the age of 25-39 years old which is a productive working age, have been customers for 2-5 years, and used internet banking facilities for 3 years. This indicated that the customers have been comfortable using the facilities.

The result of the instrumentThe result of the instrument testing by validity test showed that 29 indicators to measure the tested variables were valid. The result of the reliability testing of the service quality variable, brand image variable, trust variable, and customer satisfaction variable was by Cronbach’s Alpha ≥ 0.60 which meant all the statements attached to each variable proved reliable and could be analyzed. The double regression analysis measurement of this research could be explained in Table 1 below :

Table 1. The Regression Coefficient Value, t Test and F test

Variable	β	t	Sign
Service Quality (X1)	.041	.541	.590
Brand Image (X2)	.573	6.791	.000
Trust (X3)	.350	3.521	.001
F		88.148	.000 ^a

R square	.734	
Adjusted R Square	.725	

From the result of statistical analysis stated in Table 1 above, it could be interpreted that service quality (X1) that measured by tangibles, reliability, responsiveness, assurance, and empathy indicators affected on the Customers Satisfaction (Y) identified from the t_{test} value $0.541 < t_{table}$ 1.661 and sign value $0.590 > 0.05$. It can be concluded that service quality variables influenced partially insignificant to the customer satisfaction. It was in line with [15] research but was different from the research of [3] and [4] that found the service quality influenced the customer satisfaction. This findings showed that customers in using the internet banking did not quite pay attention the the service quality because they felt that internet banking had been standardized as the other banks standards. They paid more attention to the advantages of internet banking than the given service quality. Nevertheless service quality was still an influential variable on customer satisfaction

Brand Image (X2) which was measured by the strength of the brand association, the advantage of brand association, and the uniqueness of the brand association influenced on the Customer Satisfaction (Y) identified from t_{test} value $6.791 > t_{table}$ 1.661 and sign value $0.000 < 0.05$. Overall, Brand Image was shown to have a positive and statistically significant effect on Customer Satisfaction. The brand image variable was the variable that was the dominant variable on the customer satisfaction, identified by the β (beta) value 0.573. This beta was the biggest variable which meant that this variable was dominant compared to other variables. This research findings supported the research of [2], [14], [17] and [11] but did not support the research of [4] and [13]. On the contrary, they found that brand image did not influence the customer satisfaction.

Trust (X3), which was measured by honesty in the transaction, responsibility to the customers, and the good bank reputation, affected the customer satisfaction (Y) identified from the value of t_{test} $3.521 > t_{table}$ 1.661 and the value of sign $0.001 < 0.05$. It could be concluded that the Trust variable influenced partially positive and significant to the customer satisfaction. This proved that customers were sure and trusted the internet banking which had the security system and comfort for them to use the internet banking continuously. The trust was the faith that the service provider would use it as a tool to maintain the long term relationship with the served customers. These research findings supported the research of [5], but did not support the research of [15] and [1] that found the trust did not influence significantly to the customer satisfaction.

The Simultaneous F Testing found that F test value $> F_{table}$, $88.148 < 2.699$, thus the regression analysis model was significant. It meant that H_0 was rejected and H_a was accepted so that it could be concluded that service quality variable (X1), Brand Image variable (X2), and Trust variable (X3) influenced simultaneously on the Customer Satisfaction variable of the internet banking users in Malang city. The Coefficient of Determination functioned to know how far all the independent variables could explain the dependent variables. It showed how big the percentage of the dependent variable variation was which used in the model and could explain the dependent variables. The degree of the R Square coefficient value, 0.734 (73.4%), meant that the independent variable variation used in this research, the service quality, the brand image, and the trust, could explain as many as 73.4% of the customer satisfaction variable. On the other hand, the rest of it, 26.6%, was explained by other variables which were not included in this research model.

5 Conclusion

Based on the analysis result and the discussion, thus it could be conclude that:

- 1) Customer satisfaction was somewhat impacted in a favorable direction by service quality. This study found that the pleasure of online banking customers in Malang city was positively affected by five service qualities: tangibles, dependability, responsiveness, assurance, and empathy.
- 2) A favorable and substantial impact of the Brand Image on Customer Satisfaction may be shown. In this study, we found that the satisfaction levels of Malang city's online banking customers were positively affected by three distinct brand images: brand association, brand advantage, and brand distinctiveness.
- 3) Customer satisfaction was dramatically impacted for the better thanks to the Trust's efforts. The study's subjects placed their faith in the banks' transparency during financial dealings, their willingness to take responsibility for their clients' needs, and the positive image of the institutions, all of which played a role in the growing contentment of Malang's online banking clients.
- 4) Several factors, including service quality, brand reputation, and trust, all worked together to determine a customer's overall pleasure. This result suggested that all three factors may be tested together in an attempt to boost online banking consumers' happiness in Malang.

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