Digital Banking: Assessing Customer Satisfaction Through Product Quality

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Abstract: The fastest growth of information technology and the digital disruption which massively increase brought a huge impact to the banking field to continue their efforts to innovate the products. This research aims to explore whether the quality of the products offered by Bank Syariah Indonesia can improve the quality of its customers. The method that currently applied on this research was quantitative by causal approach. The sample which has been studied were 75 Indonesian Islamic Bank customers who were selected by random sampling technique. The technique chooses to selected the data was through a questionnaire. And These research reveals that an innovative product quality can be a factor that will improve the customer satisfaction area. With this research, Bank Syariah Indonesia is expected to implement and innovate their ultimate digital banking products which kindly difficult to imitate, and have high use value and cannot be replaced by other products, so as to achieve customer satisfaction and sustainable competitive advantage.

Keywords: Product Quality, Customer Satisfaction, Digital Banking

INTRODUCTION

The advancement of information technology these days brought many impacts to the business world, that's include in the banking industry. In these recent digital era, banks which definition as financial institutions that have a function in collecting funds from the public, need to catch up with the gap with various financial technology companies which take over the financial markets. Based on Citradi (2020), a rapid increase in the number of fintech will bring a serious threat to banking in Indonesia. This reported by a British research institution which states that people have a tendency to choose to fintech as many as 20% rather than the digital banking which only make it at 6% (Khadafi, 2019). Gaddafi (2019) also added that digital transactions in banking only had a 41% increase in percentage, which inversely proportional compared to the digital transactions at fintech that reached 55% YoY.

One of the Islamic banks that plays a role in digital banking is Bank Syariah Indonesia (Bank BSI). BSI Bank is a combined sharia banking of BRI Syariah, Mandiri Syariah and also BNI Syariah. While running its business, Bank Syariah Indonesia always innovates to continuously improve the customer satisfaction. This proven by the positive performance achieved by generating net profit of IDR 3.03 Trillion, up 38.42% YoY since the merger in 2021 (Media Digital, 2022).

Regarding the digitalization, BSI strengthens its digital infrastructure in all business lines from upstream to downstream via automated financing verification and scoring system, as well as providing Self-center opening services, corporate financial management through the BSI's CMS system which easily to access in retail financing via BSI Mobile (Walfajri, 2022). This certainly brought positive impact to the BSI Bank itself with the increase in the number of transactions across BSI digital channels that reaching of 177 million transactions or a significant growth in around May 2022 with total of 211% (Walfajri, 2022). Hery Gunadi as General Director of BSI Bank said that the increasing in the number of users caused by the transformation process of BSI SupperApps Mobile whereas the overall customers had implemented digital savvy, therefore in 2022 the BSI Bank received the Digital Banking Award for the category of institutional settings and customer Sharia (Digital Media, 2022; Walfajri, 2022).

In an efforts to compete with other fintech and banking companies, of course BSI Bank needs to innovate simultaneously towards the existing digital banking products, so that customer satisfaction could be maintained. Prasetyo & Ariawan (2021) mentioned in their research that customer satisfaction and customer loyalty can be improved through the quality of digital banking. Furthermore, Permana (2013) and Putro & Nurmahdi (2020) also stated that customer satisfaction can be increased by the performance of products sold by the company. Meanwhile, the research from Januarko et al (2019) and Budiastri (2017) found that the quality of product did not have influence towards consumer satisfaction.

With these current phenomena and gaps, the author has purposes to help the management of Bank Syariah Mandiri in order to increase its customer satisfaction through the role of the quality of Digital Banking products that are issued, so as to maintain positive performance and improve whole company performance.

LITERATURE REVIEW
Product Quality

Schiffman & Kanuk refers the quality of product as company's ability to provide an identity to the product with aim that consumers could recognize the product (Gulliando & Shihab, 2019). Furthermore, Kotler & Armstrong (2014) define quality of product as a characteristic of product or service which capable to meet the needs of its customers. Nasution added that quality of product is a dynamic condition related to products, people/labor, processes and tasks and environment which can fulfill or exceed consumer expectations (Putro & Nurmahdi, 2020).

Customer Satisfaction

Yazid defines customer satisfaction as the gap between those expectations that they have and the performance that they actually receive (Kurniawan et al., 2020). If the expectations are high, while the performance is low then these satisfaction cannot be achieved. Meanwhile, Kotler & Armstrong (2014) describe customer satisfaction as a feeling of pleasure or disappointment that arises after comparing the performance or results of the product with the expected performance or results that they have. Furthermore, Kotler & Armstrong in Gunawan & Prasetyo (2020) stated that customers create expectations about the

value and satisfaction provided from various market offers and buy based on these expectations.

Conceptual Framework

According to current phenomena, theories and several previous research that have been submitted previously, the conceptual framework of this research used to assessing the customer satisfaction of Bank Syariah Indonesia via the role of quality of the digital banking products which issued by its bank.

Figure 1. Conceptual Framework

RESEARCH METHODS

This research method used was quantitative by causal method to explore the link between the independent and dependent variables. This research aims to assess customer satisfaction of Bank Syariah Indonesia specifically through the role of digital banking quality that has been issued by Bank Syariah Indonesia. The population of this research was 300 people with the total sample used was 75 samples which calculated by Slovin formula by an error tolerance level at 10%. The sampling technique that used in this research was simple random sampling, while the data collection is done through questionnaire. The data analysis technique used to proceed the hypothesis was simple regression analysis in the instrument test stages and then classical assumptions.

FINDINGS AND DISCUSSION

Instrument Test Results

Through the results of validity test, it is recognized that all measurement indicators of the quality of product have an r-count value which greater than r-table (0.300), so it can be interpreted that all the indicator s of product quality are valid and can be applied to the entire of research. Then, from the validity result of customer satisfaction, it is known that from the 10 indicators measured, there are only 9 indicators which meet the specified requirements. Thus, only 9 indicators can be declared valid and can be applied as subsequent measurements.

Table 1. Instrument test results (validity)

	r-count		r-count
ProdQual1	.909	CustSatis1	.933
ProdQual2	.927	CustSatis2	.952
ProdQual3	.871	CustSatis3	.933
ProdQual4	.569	CustSatis4	.945
ProdQual5	.662	CustSatis5	.925
ProdQual6	.931	CustSatis6	.943
ProdQual7	.904	CustSatis7	.945
ProdQual8	.929	CustSatis8	.946
ProdQual9	.954	CustSatis9	-.457
ProdQual10	.856	CustSatis10	.338

The next instrument test that's should be done is the reliability of the data. Based on the results of data reliability test, it is known that the value of Cronbach's alpha product quality is

0.969 and the nasal satisfaction is 0.925. Therefore it can be concluded that the two variables studied can be relied upon for further testing.

Table 2. Instrument test results (reliability)

Variable	Cronbach's Alpha
ProdQual	.969
CustSatis	.925

Classic Assumption Test

Based on the data normality test results, it is indicates that the points has approach the diagonal line on the P-P Plot diagram, so it can be stated as these data were normally distributed.
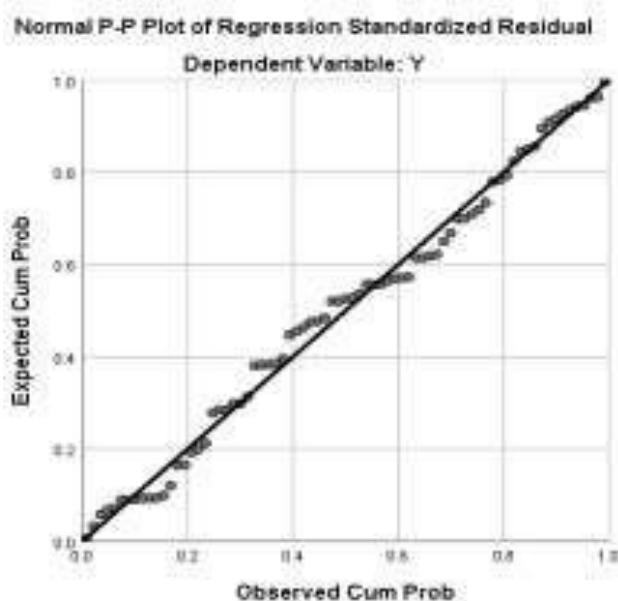

Figure 2. P-P Plot Diagram of the research

According to the heteroscedasticity test, it can be seen that the graph did not form a certain pattern or in the sense of spreading along the X and Y lines, thus it is concluded that there is no heteroscedasticity of the data in this research model.
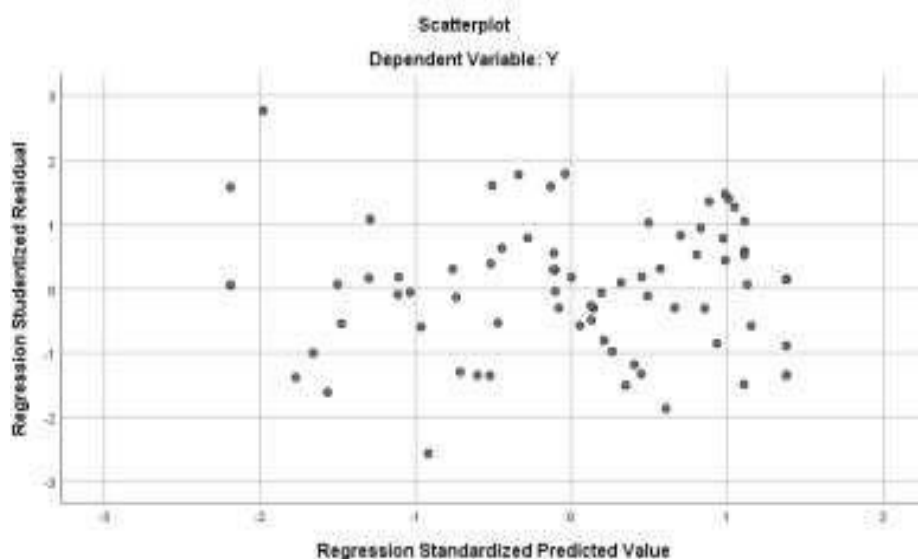

Figure 3. Scatterplot Diagram

The last test was classic assumption test which is called autocorrelation. Based on these autocorrelation test results, it is known that the Durbin Watson value in this research was 2.090 or in other word that it is not residual occurred in this research.

Table 3. The autocorrelation test results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.958[a]	.918	.917	2.15303	2.090

Hypothesis Test

According to the results of simple regression analysis test, it is recognized that the regression coefficient value of 9R-Square) in this research was 0.918 with significance level of 0.000 <0.05. Thus it can be interpreted that the quality of product could predict the customer satisfaction of Bank Syariah Indonesia.

Table 4. Simple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.026	.893		.029	.977		
X	.886	.031	.958	28.600	.000	1.000	1.000
							R-Square = .918
							F-Count = 817.942

Discussion

The results from these research were indicates that the quality of product can play a role in predicting/measuring customer satisfaction of Bank Syariah Indonesia. In other words, customer satisfaction can be increased by the quality of banking products which can meet their expectations. These findings are also in line with the research by Razak et al (2019), Putro & Nurmahdi (2020)and Permana (2013) who found that customers will feel satisfied if their expectations for the product can be met, so it is important for companies to improve the performance of their products in order to achieve the customer satisfaction.

These research results were also realizes that there is a close relation between products and customer expectations. It stating a fact that the customers have a high expectations of digital banking product which issued by Bank Syariah Indonesia. Therefore, it is necessary for Bank Syariah Indonesia to continue its innovation as it desires by the customers, Thus, those customers will not moved to either competitors (other banks) or fintech companies which recently have launched various types of Digital banking products.

CONCLUSION AND RECOMMENDATION

These research verdicts that in order to measure the customer satisfaction of Bank Syariah Indonesia it can be accomplished through the role of its product quality. Thus, the higher the quality of the products which offered by Bank Syariah Indonesia, the higher the customer satisfaction would be achieved. This essentially needs to boost the performance of Bank Syariah Indonesia in order to increase the positive trend that it has achieved.

There are several recommendations which the author could be convey through this research such as the Islamic Banks of Indonesia are expected to create and innovate their digital banking products which are difficult to imitate, have a high use values which cannot be replaced by other products, so they will achieve a sustainable competitive advantage. This could be done by developing of products and facilities as well as features in the digital banking of Bank Syariah Indonesia by providing financial planning features with sharia

system, financial management with sharia principles, features for zakat, infaq, shadaqah and Qurban at in one hand. In addition, Bank Syariah Indonesia's digital banking are also expected to be able to complement its digital banking features with a complaint service that could be accessed for 7 x 24 hours with a short waiting time, therefore those customers could report all issues which occurred in conducting their transaction quickly and accurate. Lastly, the digital banking of Bank Syariah Indonesia are also expected to be able to implement an information technology system which convenience to use, so it can be fit to every ages level. Through these recommendations, it is hoped that Bank Syariah Indonesia will be capable of creating their customer trust and perception, customer insight, customer experience and customer engagement, so it will have an impact to the increasing of overall customer satisfaction to Bank Syariah Indonesia itself.

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