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Impacting The Quality of Services and Images of Company To Loyalitas Using BSI Medan City With Provision and Trust of a Variable Intervening

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Abstract: Customer loyalty is very important for the banking business. Loyal customers will not hesitate to spread positive information about the banking services and products they use. Maintaining loyal customers must be a top priority for the banking industry, service quality and company image can be special concerns that banks must pay attention to in maintaining customer loyalty. The aim of this research is to analyze the influence of service quality variables, company image on customer loyalty of Bank Syariah Indonesia (BSI) which is moderated by satisfaction and trust. This research is quantitative research using data collection methods in the form of questionnaires with a Likert scale. The sampling technique in this research is a non-probability sampling technique. The research population is BSI customers who live in Medan City with a sample of 210 people. The results of this research show that the variables of service quality and company image have a positive and significant effect on customer loyalty, as well as through the variables of satisfaction and trust. Indirectly, it can influence service quality and company image on customer loyalty. These findings prove that service quality, company image, customer satisfaction and trust have a very important role in growing customer loyalty at PT Bank Syariah Indonesia Tbk (BSI). Therefore, BSI Bank can develop strategies to increase and retain its customers by considering several aspects in this research.

Keyword: Service Quality, Company Image, Customer Loyalty, Satisfaction, Trust.

INTRODUCTION

Operational activities of Sharia Banking have begun since 1992 in Indonesia which to this day the sharia bank continues to develop and is able to demonstrate its existence to compete with conventional banking. Currently, conventional banking institutions are widely regarded as inconsistent with the principles of Islamic doctrine, especially because they use the interest/interest system. The Indonesian Orthodox Assembly (MUI) issued the Fatwa

(legal opinion) No. 1 of 2004 on Flowers. It affirms that the fruit system meets the criteria of *riba*, i.e. *riba nasi'ah* that existed in the time of Prophet Muhammad SAW. Thus, the fatwa states that the system of fruit is considered illegal from the point of view of Islamic law (*fiqh*) (Majelis Ulama Indonesia, 2004). The solution to the problem was introduced through the Act No. 21 of 2008 on Sharia Banking. Sharia banking has an operational path that follows a corridor or sharia guidelines. (Otoritas Jasa Keuangan, 2008). The sharia bank is a bank that does not use the *Riba* system.

After the migration process is completed, Bank Syariah Indonesia (BSI). It was in the year 2023 that BSI Bank passed Populix data in March 2023, that Bank BSI is the most popular sharia banking institution in Indonesian society. Based on the survey, approximately 51% of the 1,014 respondents who completed the survey indicated that they were using the BSI service.

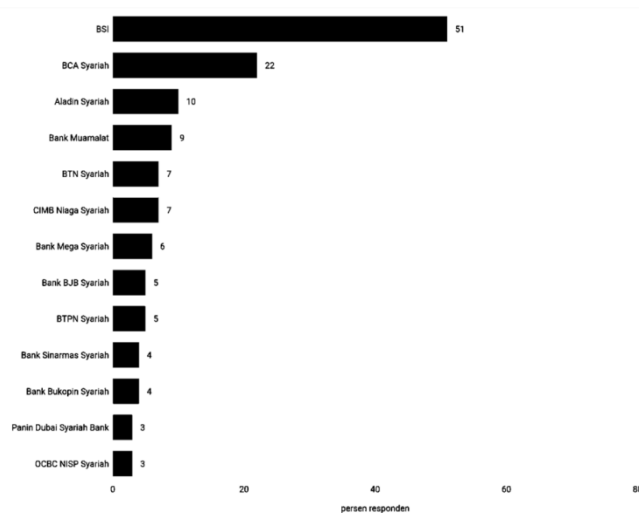


Figure 1. The most used Sharia banks in Indonesia in 2023

In this case, populix noted that 61 percent of respondents claimed to use conventional banking services. Of these, 44 percent said to be satisfied with conventional banks. Then, 40 percent did not see any significant difference between conventional and sharia banking, some populix respondents also wrote that the halal system is not a priority for most Muslims when choosing banking products. Customers are more pleased with the facilities and services that banks provide to their customers.

After going through various incidents experienced by BSI, there are still some complaints that BSI Bank has to face, such as researchers' interviews with some BSI bank customers, like; lack of information obtained by customers so that they have to come repeatedly to the bank which according to the customer the handling is not in line with their expectations. Lack of ATM facilities and quite difficult to access in certain areas as well as with m-banking applications that are sometimes still frequently used.

Various previous studies with several different variables have been studied by the researchers in an attempt to find out what factors can affect customer loyalty of BSI Bank. Some other factors that affect client loyalty are such as security, religiousness, promotion, quality of service, satisfaction, trust, and image. In this study, the researchers used additional variables, satisfaction, and confidence, as functional variables. Intervening as variable interference, dependent on variable, independent, so that there is an indirect relationship that can influence variable. dependent. So that change in variable dependent is indirectly influenced by variable independent. (Sugiyono, 2015).

Utami et al. (2019) conducted a research on the quality of services that showed that the service quality had a positive and significant impact on the loyalty of sharia bank customers.

The results of this study stated that sharia banks that provide high-quality services and follow procedures in accordance with Islamic law will enhance customer loyalty or loyalty. The findings are in line with a survey conducted by Zulkarnain et.al, (2020) and Pramono (2019), which said that the quality of service affects customer loyalty.

In this study, the researchers used additional variables, satisfaction, and confidence, as functional variables. Intervening as variable interference, dependent on variable, independent, so that there is an indirect relationship that can influence variable. dependent. So that change in variable dependent is indirectly influenced by variable independent. (Sugiyono, 2015) Based on some research gap descriptions from previous research, there are still many differences in the analysis of variables that affect customer loyalty or consumer loyalty, so it is necessary to discuss more deeply this research to analyze factors that can influence the loyalty of BSI customers.

METHOD

This research is a cross-sectional descriptive study. The population of this research is the entire customer of the Indonesian Sharia Bank (BSI) that exists in the City of Medan. Sampling using non-probability sampling methods with convenience samplings techniques to facilitate and speed up data collection. The research population is a customer at PT Bank Syariah Indonesia (BSI) in Kota Medan and has been using BSI facilities for at least 1 year. To save time and energy, data collection is done using a sampling model. According to Yunita in Mulyadi (2018) the number of questionnaires that must be prepared to be distributed ranges between 510 times the amount of variable indicators or question items in the questionnaire. The research uses a quantitative method used to analyze the influence between the quality of service and the company's image on customer loyalty in BSI City Fields with satisfaction and confidence as intervening variables. The analysis technique used in this study uses Partial Least Square (PLS) analysis using the SmartPLS 4.0 application.

RESULTS AND DISCUSSION

Landing Theory

Customer loyalty

Customer loyalty is the facilities and services provided by a company to customer satisfaction through continuity so that the consumer becomes a permanent customer. (Sitanggang et al., 2019) Loyalty in Islam is also called al-wala', which derives from the word mashdar from fi'il "waliya", which means "near". It means to be close to the Muslims by love. They, help. They. fight their enemies, and. stay. together. they. According to Kotler, the concept of customer loyalty, with four indicators that describe positive attitudes and re-purchase behavior, i.e.: 1) Purchase intention, 2) Word-of-mouth, 3) Price Sensivity, 4) Complaining behaviour.

Quality of Service

According to Kotler and Keller, a service is any action offered by a party to another that is essentially intangible and has no effect on ownership. Quality. Service is. 'level. excellence. which is expected and control over the level of excellence to meet the wishes of consumers Nasution in. Rusydi (2017). In general, the researchers used a five-dimensional benchmark of service quality developed by Parasuraman, Zeithnaml. and Berry. However, the quality dimension of the service is general, so if applied to companies with specific characteristics requires modification like Islamic banking companies (syariah). Based on this, Othman and Owen in a journal written by Fauzi (2019) modified the CARTER dimension to measure the quality of Islamic banking services developed from the SERVQUAL concept with additional compliance dimensions.

Research findings

SEM-PLS analysis is carried out through 2 analyses, namely Analysis of measurement model (outer model) and Analysis structural model (inner model). (Outer Model).

Structural Model Evaluation (Inner Model)

The Inner Model is used to give an overview of the causal relationship of each variable created. This research uses a structural model design through SmartPLS 4.0 as shown in the following picture:

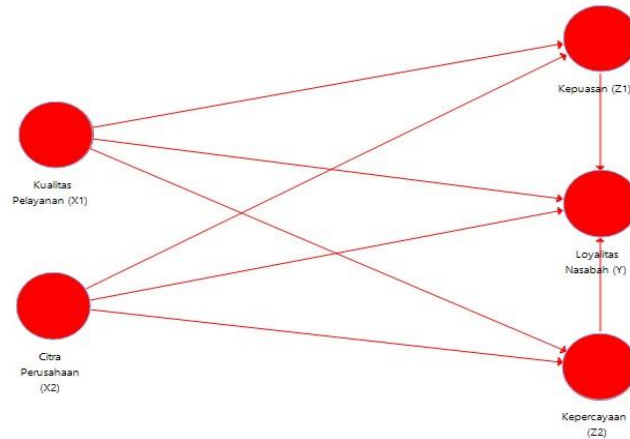
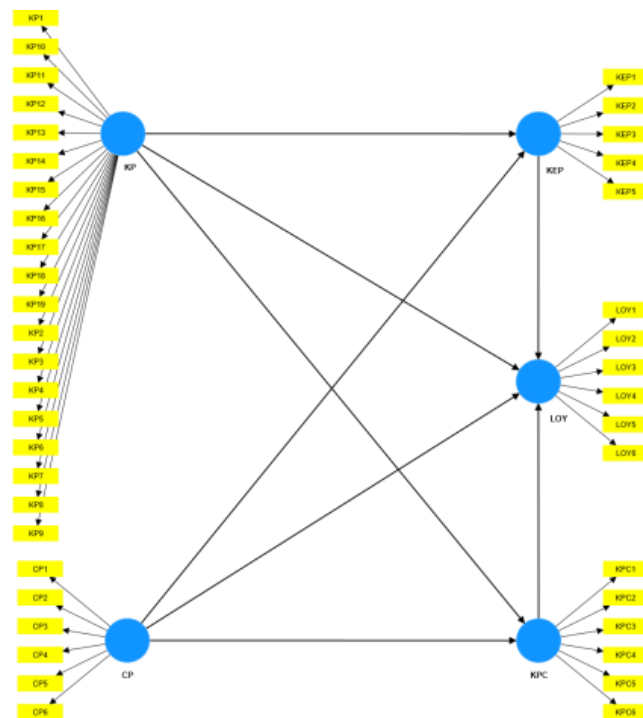


Figure 2. Model Inner Planning

Evaluation of measurement models (Outer Model)

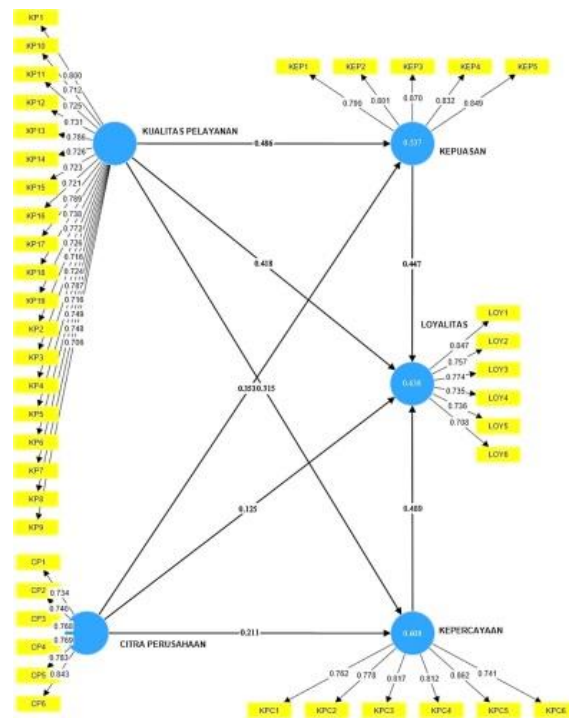
The design of the size of the model or so-called the outer model is done to explain the relationship between each indicator and the latent variable. Any indicator of each frame is reflective and can be seen on the X1, X2, Y and Z structures. (Hartono & Abdillah, 2015). Design, measurement model. This study uses Smart PLS like the following picture:



Source : Research results processed with Smart PLS 4.0, 2024

Figure 3. Outer Design Model

Model Estimates



Source : Research results, processed with Smart PLS 4.0, 2024

Figure 4. Loading Factor

Discussion

1. Impact of Service Quality on Customer Loyalty

The implication of this research is that the quality of service can motivate customers to build a strong relationship with the market. By providing high quality service, companies can full customer loyalty. The results of this study support previous research by Pramono et al., (2019), Zulkarnain et al. '(2020), Fauzi & Putra, (2020), Rahayu and al., (2021), Massora & Widyanti, (2021) and Wijaya, (2023), that Quality of Service has a positive and significant influence on customer loyalty.

2. Impact of Company Image on Customer Loyalty

Company image factors are often used by consumers to assess the reputation and good name of the company as a benchmark for consumers in using a service evening their loyalty to the Company. Based on the research results obtained that the Company's image has proved to have a positive and significant influence on the customer loyalty of BSI Bank Kota Medan. The implication of this research is that the image of the company can be a signal to the customer as the corporate image that will build the loyalty of the customer.

3. The Effect of Satisfaction on Customer Loyalty

Based on the results of the test, it was found that the customer satisfaction variable has a positive and significant influence on customer loyalty. Such indicators are re-purchase interest, expectation consistency, recommendation availability. In a study conducted at BSI Kota Medan it was found that the highest score of the statement is "I have a good experience when reporting a problem to an employee of Bank Syariah Indonesia (BSI)".

4. The Effect of Trust on Customer Loyalty

Implications of this study show that as trust increases, customer loyalty increases. One important factor that can make customers loyal is trust, because a low quality of trust

leads to the risk of customers becoming disloyal. On the other hand, customers become loyal because of high quality trust given.

5. Impact of Service Quality on Customer Satisfaction

Implications of the results of this study show that when a company provides quality service and meets customer expectations, it can automatically create customer satisfaction.

6. Impact of Service Quality on Customer Confidence

The implication of this research is that customer confidence can be enhanced by improving the quality of service provided to customers.

7. Impact of Corporate Image on Customer Satisfaction

Implications of research that a strong corporate image can limit the negative impact on the company so that it can prevent customers from switching to other competitors.

8. Impact of the Company's Image on Customer Confidence

Based on the results of the test, it was concluded that the corporate image has a positive and significant influence on the confidence of customers of BSI Kota Medan bank. This result supports previous research that stated that the Corporate Image has a significant and positive impact on the Confidence Study carried out by Kartika et al. (2019) which states that the image of the company has a major influence upon the trust, Implications of this study that a good image not only attracts customers to choose a company, but can also improve customer attitude and confidence in the company.

9. Impact of Service Quality on Customer Loyalty Mediated by Satisfaction

The results of the research confirmed that customer loyalty is affected by customer satisfaction positively and significantly. This means that indirectly client satisfaction is mediated by the quality of service to client loyalty. Implications of this study are that the quality of service and customer satisfaction are the most important mediators of customer loyalty, and the satisfaction of customers also mediates the influence of service quality on client loyalty. Therefore, BSI Kota Medan should focus primarily on achieving customer content which is the key to gaining loyalty by applying good service quality.

10. Impact of Service Quality on Customer Loyalty Mediated by Trust

The results confirmed that the quality of service has a positive and significant influence on customer loyalty mediated by the trust of nasabah. This means that the high level of customer satisfaction will affect the loyalty of the customer of BSI Kota Medan. The results of this study are in line with the research conducted by Kadek Bayu Pramana (2017) which also stated that customer trust positively mediates the relationship between service quality versus client loyalty.

CONCLUSION

This study aims to find out the impact of Service Quality and Company Image on Loyalty using BSI City Field through Satisfaction and Trust as Intervening variables. Based on the results of the research that has been done in the previous discussion, it can be concluded as follows:

1. The Service Quality Variable (X1) partially affects the customer loyalty (Y) of BSI Bank in the field.
2. The Company Image Variable (X2) partially affects the customer loyalty (Y) of BSI Bank in the field.
3. Satisfaction variable (Z1) partially affects customer loyalty (Y) of BSI Bank in the field.
4. Trust variable (Z2) partially affects customer loyalty (Y) of BSI Bank in the field
5. Service Quality Variable (X1) partially affects customer satisfaction (Z1) of BSI Bank in the Field
6. Service Quality Variable (X1) partially affects customer confidence (Z2) of BSI Bank in the field

7. Company Image Variable (X2) Partially Affects Customer Satisfaction (Z1) of BSI Bank in the Field
8. The Company Image Variable (X2) partially affects the Customer Trust (Z2) of BSI Bank in the Field
9. Customer Satisfaction (Z1) moderates the influence between Service Quality and Customer Loyalty (Y) of BSI Bank in the Field
10. Customer Confidence (Z2) moderates the influence between Quality of Service and Customer Loyalty (Y) of BSI Bank in the Field
11. Customer Satisfaction (Z1) moderates the influence between the Company Image on the Customer Loyalty (Y) of BSI Bank in the Field
12. Customer Confidence (Z1), moderates that between the Corporate Image and the Customers Loyalty (Y).

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