(RESEARCH ARTICLE)

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The influence of service quality, facilities and product types on customer satisfaction at Bank Aceh Singkil Branch

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Abstract

Currently, customer satisfaction is the focus of attention by almost all parties, including Bank Aceh Singkil Branch. This study identifies the problems faced by Bank Aceh Singkil Branch regarding customer satisfaction. Although there is an increase in the number of customers every year, the addition of customers has decreased from 2021 to 2022. In addition, many customers leave their accounts without officially closing them, which makes it difficult to measure the number of inactive customers. In the increasingly fierce competition of the banking industry, this problem indicates a potential decline in customer satisfaction. Factors that potentially affect customer satisfaction include service quality, facilities, and the types of products offered by the bank. Therefore, it is necessary to conduct research to understand the extent to which the quality of service, facilities, and types of products of Bank Aceh Singkil Branch meet the expectations of its customers and to identify solutions to improve customer satisfaction in the long term. The results of this study indicate that the quality of service, facilities and types of products have a simultaneous influence on customer satisfaction, because the three variables have a direct effect value greater than 0, while for the indirect effect has a value of 0.

Keywords: Banking; Quality; Service; Facilities; Product Type; Customer Satisfaction

1. Introduction

According to Law Number 10 of 1998, a bank is a business entity that collects funds from the public in the form of deposits and distributes them back to the public in the form of credit or other forms in order to improve the standard of living of many people. Banks are also economic dynamizers where banks become economic centers, sources of funds, implementers of payment traffic, produce savings, and encourage the progress of national and international trade. It can be said that without the role of banks it is impossible to globalize the economy (Kusuma, 2014).

Marketing is one of the strategic functions in the company in carrying out banking activities, especially when competition in the industry shows a higher intensity, effective marketing is also what consumers need and want. The main objective of the marketing strategy carried out is to increase the number of customers, both in quantity and quality. To achieve this goal, it can be done by providing customer or customer satisfaction. Customer satisfaction is very valuable for banks or companies.

Currently, customer satisfaction is the focus of attention by almost all parties, both government, business people, consumers and so on. This is due to their better understanding of the concept of customer satisfaction as a strategy to win the competition in the business world. Customer satisfaction is important for service providers because customers will spread their satisfaction to potential customers, so that it will increase the reputation of the service provider. Creating customer satisfaction is one of the cores of achieving long-term profitability for companies. The creation of satisfaction in the hearts of consumers is very beneficial for the growth of brand loyalty or loyalty. Consumers will be loyal when similar products they have represent the convenience of their needs. Therefore, companies must be able to

create, develop and manage an integrated system that can create satisfaction for consumers. Marketing strategies are needed by companies to provide satisfaction to consumers.

There are several factors that influence customer satisfaction, including service quality. Customer satisfaction is also determined by the quality of service that customers want, so quality assurance is a top priority for banks. Service quality is also an important factor affecting customer satisfaction. Mark R. Colgate and Petter J Danaher (2000) have conducted research that they have successfully shown that the quality of employee service to customers affects customer satisfaction, where poor service has a greater impact on customer satisfaction than service that is categorized as the best.

Customer perceived service quality is a global assessment, related to a specific transaction, more abstract and exclusive because it is based on perceptions of quality related to satisfaction. Service quality is the characteristic and nature of the service that affects the employee's ability to satisfy the needs expressed by the customer or implied in the customer.

In addition, another factor that affects customer satisfaction is facilities, facilities are the benchmark of all services provided, and have a very high influence on customer satisfaction, because the level of existing facilities also makes it very easy for customers to do activities and comfortable to use existing facilities. Customers are now very critical of the availability of facilities at the bank, both from the appearance of the building, parking area, waiting room, security and so on. Apart from these facilities, another important facility is the banking facility itself which is needed by customers in order to provide convenience in transactions ranging from transfer facilities between accounts, cash withdrawals via ATMs (Automated Teller Machines), waiting room facilities and supporting facilities for transactions.

Product quality is one of the factors that affect customer satisfaction. Payne in Hidayat (2017) provides a definition of product quality as a form with complex satisfaction values. Customers buy services to meet their needs and customers will provide value in proportion to the service's ability to do this. The value provided by the customer is related to the benefits or benefits it receives. Product quality is obtained by finding overall customer expectations, increasing the value of the product or service in order to meet these customer expectations.

Increasingly competitive competition between banks, encouraging bank management to improve the quality of service to customers because good service quality is proven in many studies to create customer satisfaction. In realizing quality service, banks need to pay attention to the service standards expected by customers and the service standards provided by competitors (as a comparison) as well as the service standards communicated to customers.

The results of the pre-survey that have been conducted by researchers are when researchers come to Bank Aceh Singkil Branch, customers who come usually make transactions such as saving, transferring money, paying installments and paying Hajj, of course customers expect good service quality, facilities and types of products from Bank Aceh Singkil Branch, this shows customer satisfaction in transactions still exists even though there are other banks that make competition between banks tighter. From the pre-survey conducted, researchers also obtained data on the number of customers for the last 3 years. The table of the number of customers can be seen in table 1.1.

Table 1 Data on the Number of Customers in 2020 - 2022

Numbers	Description	December 2020	December 2021	December 2022
1.	Number of Customers	33.198	38.139	40.482
2.	Number of Customers Who Closed Accounts	227	177	152

Source: Bank Aceh Singkil Branch

Based on the solid data in table 1, it can be seen that every year the number of customers increases continuously, but in 2020 to 2021 there was an increase in the number of customers of 4,941 while from 2021 to 2022 the addition was only 2,343 customers. From this data, it can be seen that the decrease was more than half from 4,941 to 2,343. It can also be seen in table 1 that the number of customers who close their accounts has decreased, but based on interviews that have been conducted, it turns out that many customers leave their savings alone without reporting to close their accounts. The number of customers who do not close their accounts but just leave their accounts without any transactions until their accounts reach a minimum balance cannot be calculated and known. This is what makes researchers want to further examine whether the quality of service provided by Bank Aceh Singkil Branch has met customer expectations, whether the facilities at Bank Aceh Singkil Branch have met customer expectations, and whether the types of products available at Bank Aceh Singkil Branch have met customer expectations. Based on this description, the researcher is

interested in conducting research with the title "The Effect of Service Quality, Facilities and Product Types on Customer Satisfaction at Bank Aceh Singkil Branch".

2. Material and methods

2.1. Partial Least Square (PLS) Method

According to Jogianto (2009: 11) data analysis was carried out using the Partial Least Square PLS method.) PLS is a multivariate statistical technique that compares multiple dependent variables and multiple independent variables. PLS is one of the variant-based SEM statistical methods designed to solve multiple regression when specific problems occur in the data, such as small research sample sizes, missing data and multicolonierity.

The choice of PLS method is based on the consideration that in this study there are three latent variables formed with formative indicators and forming moderating effects. According to Ghozali, the formative model assumes that the construct or latent variable affects the indicator, where the direction of the causality relationship is from the construct to the indicator.

The PLS approach is based on shifting the analysis from measuring model parameter estimates to measuring relevant predictions. So that the focus of analysis shifts from only estimating and interpreting the significance of parameters to validity and prediction accuracy.

3. Results

The criteria used are, if the AVE value is ≥ 0.5, it is considered valid. The results of the AVE value on the loading factor in table 3.1 are as follows.

Table 2 AVE Value

Variable	AVE Value	Description
X1 (KP)	0.678	Valid
X2 (F)	0.713	Valid
X3 (P)	0.686	Valid
Y (KN)	0.753	Valid

The resulting AVE value> 0.5 indicates that each variable has a valid value and can accurately represent the variation of its indicator variables.

3.1. Discriminant Validity

To test the discriminant validity of reflective indicators, we use the cross loading between manifest variables and latent variables as a basis. If the cross loading value on each manifest variable is higher than the cross loading on other latent variables, it is said that discriminant validity is met. However, in this study, there is only one variable that has reflective indicators, so this method cannot be used. Instead, we use another method, namely by looking at the Average Variance Extracted (AVE) value. The criteria used are if the AVE value ≥ 0.5, then the indicator is considered valid. For the AVE value, it can be seen in table 3.1 where the reflective indicator is Y (KN) which has an AVE value above 0.5 so that it is declared valid.

3.2. Reliability Test

Reliability test can be seen whether the data used is valid or invalid through the composite reliability value and Cronbach's alpha. Composite reliability is an index that shows the extent to which a measuring instrument can be trusted to be reliable, and Cronbach's alpha measures the level of consistency between items or questions in a measuring instrument. Both criteria must have a value ≥ 0.7 so that it can be said that the group of manifest variables that measure a variable has good composite reliability. The results of these two values can be seen in table 3.2 below.

Table 3 Reliability Test Results

Variable	Cronbach's alpha	Composite Reliability
X1 (KP)	0.946	0.954
X2 (F)	0.944	0.954
X3 (P)	0.949	0.958
Y (KN)	0.961	0.967

3.3. Structural Model Evaluation

The structural model (Inner model) can be evaluated by looking at the percentage of variance explained, namely by looking at the value of R-Square, Predictive Relevance and Model Fit. The results obtained based on the data that has been evaluated in the evaluation of measurement results can be seen in table 3.3 below.

Table 4 R-Square and Predictive Relevance Results

Variable	R-Square	Q2	Model Fit (NFI)
Y (KN)	0.828	0.824	0.734

In table 4 it can be seen that the Y (KN) variable has a value of 0.828, which means that the variable that can affect customer satisfaction is 82.8%. The predictive Relevance (Q2) value is 0.824 which means it has a good observation value because the value obtained is above 0. Model fit shows how well the model is made, the value obtained is 0.734, which means that the model we made 73.4% can be said to be good or Fit.

3.4. Inner Model

Table 5 Statistical value of t test on Inner Model (Score Data)

Relationship	Path coefficients	T statistics
X1 (KP) -> Y (KN)	0.129	3.648
X2 (F) -> Y (KN)	0.183	3.391
X3 (P) -> Y (KN)	0.648	11.86

Based on the results obtained in table 5, it can be seen that the quality of service, facilities and products also have a significant effect on customer satisfaction so that the following hypothesis can be drawn:

In the relationship between service quality and customer satisfaction has a path coefficient value of 0.129 and a T-Statistic value> 1.96 so it can be concluded that there is a meaningful influence between service quality and customer satisfaction and also because it has a positive path coefficient value, the better the quality of service, the customer satisfaction of Bank Aceh Singkil Branch will increase.

In the relationship between facilities and customer satisfaction, the path coefficient value is 0.183 and the T-Statistic value> 1.96 so it can be concluded that there is a meaningful influence between facilities and customer satisfaction and also because it has a positive path coefficient value, the better the existing facilities, the satisfaction of Bank Aceh Singkil customers will increase.

In the relationship between products and customer satisfaction, the path coefficient value is 0.648 and the T-Statistic value> 1.96 so it can be concluded that there is a large and very meaningful influence between products and customer satisfaction and because it has a positive path coefficient value, the better and more diverse the products available, the customer satisfaction of Bank Aceh Singkil Branch will increase.

3.5. Influence Between Research Variables

In structural equations involving several variables and paths between variables, there are influences between

variables including direct effects, indirect effects and total effects. For this reason, each of these effects will be discussed in detail. The direct, indirect and total relationships that occur between exogenous latent variables and endogenous latent variables and between endogenous latent variables and other endogenous latent variables are presented in table 3.5.

Table 6 Influence Between Research Variables

Relationship	Effect		
	Direct	**Indirect**	**Total**
Service Quality → Customer Satisfaction	0.129	0.000	0.129
Facility → Customer Satisfaction	0.183	0.000	0.183
Product → Customer Satisfaction	0.648	0.000	0.648

Based on table 6, it can be seen that service quality, facilities and also products have a direct influence, while for indirect effects all have a value of 0. For product variables, it has a very large direct effect when compared to service quality and facilities where the value is 0.648, while for service quality it is only 0.129 and facilities of 0.183.

4. Discussion

This study uses the Partial Least Squares-Path Modeling (PLS-PM) method to analyze the data scores of four latent variables, namely service quality, facilities, products, and customer satisfaction. The findings of this study indicate a meaningful and positive relationship between the four variables, this is evident from the positive path coefficient value. The results of this analysis provide evidence that improving the quality of services, facilities, and products can have a positive impact on increasing the level of customer satisfaction. With a deeper understanding of this relationship, Bank Aceh Singkil Branch can formulate more effective strategies in increasing customer satisfaction.

In addition, this study also looked at three direct effects between the variables tested, and showed that all effects were significant. An important point revealed in the results of the analysis is how important good product quality and variety are to create high customer satisfaction. In the context of intense competition with other banks, this understanding is an added value for Bank Aceh Singkil Branch in considering the right product strategy to meet customer needs and expectations.

The results of this study also confirm that service quality, facilities, and products are crucial factors in shaping positive perceptions and overall customer satisfaction levels. When viewed from the test results, there is a match between the reality of the situation at Bank Aceh Singkil Branch with the results of the test, where the product has the greatest direct effect value of 0.648. This refers to the products available at Bank Aceh Singkil Branch, the existing products are: Seulanga savings, Firdaus savings, Simpeda Savings, TAG Savings (miscellaneous savings), Sahara Savings, Tabunganku (for school children), simpel savings (student savings), and retirement savings. Deposits and current accounts. The number of products offered makes Bank Aceh Singkil Branch has customers from various circles and ages, because existing products are tailored to various needs. The most popular savings product is Firdaus savings, this is because firdaus savings products do not charge administrative fees to customers, while still getting profit sharing.

For the quality of service at Bank Aceh Singkil Branch has a direct influence value of 0.183 where this value is proven because at Bank Aceh Singkil Branch has 2 customer service and 2 tellers who serve customers. Then for facilities has a direct influence of 0.183 where at Bank Aceh Singkil Branch has banking hall facilities, waiting chairs, queuing machines, cash withdrawal ATMs, cash deposit ATMs, parking lots, toilets, product promotion television screens. Bank Aceh Singkil Branch must pay serious attention in improving and maintaining quality standards in all these aspects. In addition, this research also provides encouragement for Bank Aceh Singkil Branch to continue to innovate in developing products that are superior and relevant to the needs of the community, improve the quality of service to customers and provide complete facilities to increase customer satisfaction.

In a broader view, the results of this study provide direction for strategic decision making for Bank Aceh Singkil Branch. By understanding the importance of the positive relationship between service quality, facilities, products, and customer satisfaction, management can allocate appropriate resources and efforts to improve these factors. This research can

also serve as a foundation for further research in the same field or to explore more deeply other aspects that have the potential to affect customer satisfaction.

5. Conclusion

Based on the results of the analysis in this study, the following conclusions were obtained:

- Service quality affects customer satisfaction, this can be seen from the path coefficient value, namely 0.129 and the T-Statistic value> 1.96 so it can be concluded that there is a meaningful influence and also because it has a positive path coefficient value, the better the service quality, the customer satisfaction of Bank Aceh Singkil Branch will increase.
- Facilities affect customer satisfaction, this can be seen from the path coefficient value, namely 0.183 and the T-Statistic value> 1.96 so it can be concluded that there is a meaningful influence and also because it has a positive path coefficient value, the better the existing facilities, the satisfaction of Bank Aceh Singkil customers will increase.
- Products affect customer satisfaction, this can be seen from the path coefficient value of 0.648 and the T-Statistic value> 1.96 so it can be concluded that there is a large and very meaningful influence and because it has a positive path coefficient value, the better and more diverse the products available, the customer satisfaction of Bank Aceh Singkil Branch will increase.
- Based on the test results conducted that the quality of service, facilities and types of products have a simultaneous influence on customer satisfaction, because the three variables have a direct effect value greater than 0, while for indirect effects it has a value of 0.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

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