EFFECTS OF EXPECTATIONS AND SERVICE QUALITY ON CUSTOMER SATISFACTION AT PT. BANK MANDIRI KENDARI BRANCH

Amy Nurhayati
aminurhayati65@gmail.com
SEKOLAH TINGGI ILMU EKONOMI ENAM ENAM KENDARI

Abstract— This study aims to determine and analyze the effects of expectations and service quality on customer satisfaction at PT. Bank MandiriKendari Branch. The objects of this study are expectations and quality of service to customer satisfaction conducted at PT. Bank MandiriKendari Branch. The populations used are all customers who make transactions at PT. Bank MandiriKendari Branch. Because the population is unknown or infinitive so the population size is not included, in this study there are 30 respondents as the samples. The analytical tool used is multiple linear regression using SPSS software. Based on the results of research conducted, it can be concluded that (1) expectations have a positive and significant effect on customer satisfaction at PT. Bank MandiriKendari Branch; and (2) service quality has a positive and significant effect on customer satisfaction at PT. Bank MandiriKendari Branch.

Index Terms— Service Quality Expectations, and Customer Satisfaction

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1 INTRODUCTION

Development of information technology leads to increasingly competitive and difficult business competition in global environment. There are many arising new competitors in the same industry; this can be seen as a treat for any companies engaging in the business. The presence of sharia banking in Indonesia requires increasing service quality given by conventional banking so it will not lose its market share. Easiness in banking facility access gives easiness for consumers to distinguish service quality given by a bank to others. Thus, sharia banking must compete in improving its service quality so it can ultimately achieve customer loyalty (Zakiyand Azzahroh, 2017).

Banking business is a service business based on customer trust on the given service. service quality serves as the most determinant factor in achieving success. Increasing advanced service technology in banking world leads to increasing rapid product and service innovation. Thus, each bank has to always pay attention to customer needs and desire as well as try to meet customer needs in the best manner and in a more satisfying manner than their competitors. According to Infobank 2003, in fact, service quality is seen as a central point for a bank and not its popularity, or its ability to provide credits and gift promotion.

Customer satisfaction is very important in forming a good image and attitude towards the Bank. It is necessary for formation of a good attitude so that customers have satisfaction and can it can be maintained continuously, because competition in the banking world is increasingly competitive so it is also necessary to continuously carry out various aspects to attract the interest of the community. Then the pattern of customer behavior and attitude towards banks must be an important variable. Attitude as an overall concept evaluation carried out by someone against an object will have effects on subsequent behavior (Basu, 1998)

Consumer satisfaction according to Philip Kotler and Kev-

in Lane Keller said that consumer satisfaction is a feeling of pleasure or disappointment which can be seen after comparing the performance (results) of products thought to the expected performance (2007: 177). In this study, indicators used in customer decision variables are referred to Philip Kotler and Kevin (2007), namely: the level of consumer pleasure using services, the level of service in accordance with customer expectations, the level of expectation of facilities provided by the company to customers and the level of needs given by the company according with consumer expectations.

Customer satisfaction is influenced by customer expectations and service quality. Expectations are expectations felt by customers that are very important for the survival of a bank. This is in accordance with the opinion of Sabarguna, (2004: 23) who said that patient expectations are a subjective value of the quality of the given services. This condition causes banks to be demanded to provide servicequality to customers so that they feel satisfied and wish to use the same bank if one day, they are required to make savings at the bank.

PT. Bank MandiriKendariBranch is one of the branches in Southeast Sulawesi Province. The PT. Bank Mandirioffice serves various needs related to Mandiriinternet banking and Mandiriinternet registration. For business people, there are also Mandiri internet business, Mandiri e-banking, Mandiri m-banking and many services to facilitate online transactions. Other services also include Mandiri bank loans, Mandiri Islamic banks, Mandiri SMS banking registration and Mandiri mobile banking. Based on pre-research conducted at PT. Bank MandiriKendari Branch, it is known that the quality of service is not in accordance with customer expectations so that there are still some dissatisfied customers with the received services. This can be seen from the number of customer complaints such as unfriendly employees to customers, slowly employees in providing services, customers in long queues because of limited tellers so that customers are bored with these condi-

tions, then employees are slow in responding to customer complaints.

This has direct effects on customer satisfaction because customers feel less satisfied with the service given by employees of PT. Bank MandiriKendari Branch. As a reference to support the theory and prepositions in this research, it is necessary for author's empirical study, so several research findings are adopted. A research conducted by DesiRatnasari (2015) shows that the level of expectations has positive and significant effects on community satisfaction. Furthermore, a research conducted by SuciPurwandari (2015) shows that service quality has positive and significant effects on satisfaction.

Based on the data and description above, several problems are formulated, namely: (1) Whether expectations have effects on customer satisfaction at PT. Bank MandiriKendari Branch and (2) whether quality of service have effects on customer satisfaction at PT. Bank MandiriKendari Branch.

2 LITERATURE REVIEW

2.1 Expectation Concept

Snyder (2007) stated it as the ability owned by individuals to produce ways to achieve desired goals, together with the motivation owned to use these ways. Snyder, Feldman, and Rand (in Williams and Butler, 2010) explained that the concept of this expectation theory is a process of individual thought about a goal, as well as having motivation and ways to realize such goal. Burns (2010) stated that expectations have targets namely goals to be achieved and a goal provides meaning in one's life.

Pramita (2018) defined expectation as something that can be formed and can be used as a step for change. Favorable changes can cause individuals to achieve a better life. Snyder, Feldman, Shorey, and Rand (2010) defined the concept of expectation as a process of thinking about a goal accompanied by motivation to move towards the goal and ways to achieve such goal.

Based on these opinions, it can be concluded that expectation is a thought formed to achieve goals or desires, by generating energy as motivation that drives individuals to take any generated steps or efforts.

2.2 Indicators of Expectation

Valerie. A Zeithaml (1993) said that every consumer must have expectation in making a purchase decision, this expectation has a large role as a standard of comparison in evaluating the quality of product and customer satisfaction. When consumers get a product in accordance with their expectations, then the consumer will maintain the product he gets so as to create a loyal attitude from the consumers themselves. Then, it can be concluded if greater customer expectations will lead to higher level of customer loyalty.

In this research, there are four indicators of customer expectation variable according to Sri Mulyani (2003), namely:
   a.   Personal Need
   b.   Explicit Services Promises
   c.   Implicit Service Promises
   d.   Past experience.

2.3 Concept of Service Quality

Service quality is a comparison between reality and expectations for services given by the bank. In other words, service quality is the beginning of service user satisfaction, meaning that if a business entity provides good service quality to service users, service user satisfaction will be achieved so that service quality is centered on efforts to meet customer needs and desires and delivery accuracy to balance customer expectations.

Tjiptono (2004) stated that service quality must begin with customer needs and end with customer perception. This means that a good quality image is not based on perspective or perception of the service provider, but based on customer's point of view. It is the customers who assume and enjoy the company's services, so they are the ones who should determine the service quality.

Quality gives a drive to customers to build a strong binding relation with the company. In thelong term, such relationship enables the company to understand carefully customer expectation and needs (Tjoptono, 2004).

2.4 Dimensions of Service Quality

In a research by Parasuraman (1990) cited by FandyTjiptono (2005) service quality is divided into 10 general dimensions that represent the assessment criteria used by service users to assess service quality. However, in subsequent developments, Parasuraman et al (in Fitzmmons, 1994; Zeithaml and bitner, 1996) cited by FandyTjiptono (2005) found that 10 (ten) existing dimensions can be summarized into only 5 (five) main dimensions. The five main dimensions include:
   1)   Tangibles, service attributes that can be seen clearly (tangible) including physical facilities, equipment, employee appearance, and communication facilities.
   2)   Reliability, is the ability to provide the promised service immediately, accurately, and satisfactorily.
   3)   Responsiveness, is staff desire to help customers and provide services responsively.
   4)   Assurance, including knowledge, abilities, courtesy, and trustworthiness of the staff; free from danger, risk or doubt.
   5)   Empathy, including ease of relationships, good communication, personal attention, and understanding the needs of customers.

Zetham, et al., (1990) in FandyTjiptono (2005) have opinion that there is an effect of service quality dimension on customers' expectations based on word of mouth information, personal needs, past experience and external communication (advertisements of various other forms of company promotion) with the reality they receive.

2.5 Concept Of Customer Satisfaction

Customer satisfaction is a level in which customer needs, desires and expectations can be met which will result in continuing loyalty. The most important factor for creating customer satisfaction is performance and quality of the services provided by the organization.

In general, customer satisfaction is determined by whether or not the customer's expectations are met. This general definition refers to the expectancy disconfirmation paradigm. Based on this paradigm, customers form expectations, these expectations will become the standard for assessing actual performance of a product or service.

If what the customer expects is met, there will be a confirmation. In other words, there will be satisfied customers. Conversely, if what is expected by the customer is not met, then there will be disconfirmation. There is positive disconfirmation, there is negative disconfirmation. There will be positive disconfirmation if a product or service can meet customer needs beyond what is expected by the customer. There will be negative disconfirmation if a product or service cannot meet customer expectations. Positive confirmation and disconfirmation can lead to customers satisfied, while negative disconfirmation can lead to dissatisfied customers.

According to Kotler (2006) satisfaction is defined as a feeling of happy or disappointed by one person after comparing his impression at performance or result of a product and expectations. Satisfaction is a function of impression on the performance which meets expectation, then there will be satisfied customers if the performance exceeds expectation, then the customers will be extremely satisfied or eager. Meanwhile, definition of customers according to Yamit (2005:75) traditionally is one purchasing and using a product. In a company engaging in the field of service, customers are ones using the service.

Kotlerand Amstrong (2006) argued that customer satisfaction depends on product performance estimates to provide value, relative to buyer expectations. Buyers are satisfied if performance is in line with expectations. The buyer is dissatisfied if the product's performance is far below customer expectations.

## 2.6 Indicators of Customer Satisfaction

Customer satisfaction is a consequence of comparisons made by customers who compare between levels of perceived benefits against expected benefits by customers. The customer satisfaction indicators (according to Irawan, 2008), are:

1) Feelings of satisfaction (in the sense of being satisfied with the product and its services) namely an expression of feeling satisfied or dissatisfied by the customer when receiving good service and quality products from the company.
2) Always buy a product, namely customers will continue to use and continue to buy a product if they achieve the expectations they want.
3) Willingness to recommend to others, namely satisfied customers after using a product or service will tell it to others and be able to create new customers for a company.
4) Fulfillment of customer expectations after buying a product, namely whether or not the quality of a product or service after the purchase of a product based on the expectations that the customer wants.

3 CONCEPTUAL FRAMEWORK AND HYPHOTHESES

3.1 Conceptual Framework

Referring to the theory and previous research showing that quality has a direct relationship to customer satisfaction, SuciPurwandari (2015), while according to LuhAyuMulyaningsih (2016) it explains that service quality has positive and significant effects on customer satisfaction. Based on this and several previous empirical studies, the conceptual framework of the study is presented in the following scheme:

Scheme 3.1.Research Concept Framework
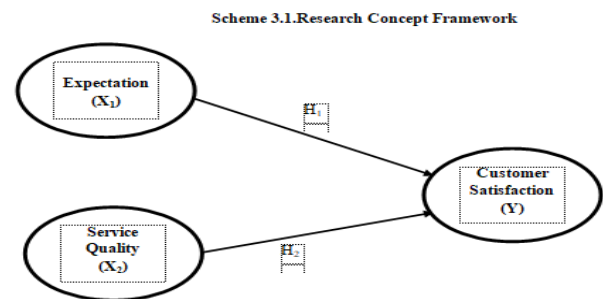
3.2 Research Hyphotheses

Based on the aforementioned problem formulation and literature review and based on the conceptual framework, the hypotheses in this study are as follows:

H1 : Expectations have positive and significant effects on customer satisfaction at PT. Bank MandiriKendari Branch.

H2 : Service quality has positive and significant effects on customer satisfaction at PT. Bank MandiriKendari Branch.

4 RESEARCH METHOD

4.1 Population and Samples

4.1.1 Population

Population refers to the whole group of people, events, or things of interest to be studied (Sekaran, 2006). In this study, the populations are all customers who make transactions at PT. Bank MandiriKendari Branch. Because the population is unknown or infinitive so the population size is excluded.

4.1.2 Research Samples

According to Sugiyono (2010) sample determination is done by accidental sampling method, namely sampling by anyone who is met with the same opportunity to serve as a sample with the criteria of making transactions at PT. Bank Mandiri-Kendari Branch and has a savings book at PT. Bank Mandiri-Kendari Branch.

Roscoe in Sugiyono (2010) stated that in a research that will conduct multivariate analysis (for example, correlation and regression), the number of sample members is at least ten times (10) of the number of variables to be studied. The number of samples taken in this study is 3 variables x 10 = 30. Through the theoretical approach above, the samples in this study are 30 (thirty) respondents. This has been considered representative to represent the existing population because the population is homogeneous, namely customers who are con-

ducting transactions at PT. Bank MandiriKendari Branch. Homogeneous is a term used to indicate that a matter is the same, both in nature and in its characteristics.

4.2 Data Collection Method

This research is conducted using cross sectional survey, which is a data collection method which information is collected only at certain times. While the data collection techniques used are:

1. Observation, used to collect data directly and record phenomena at the study site. The collected data include the results of the dialogue process between the leadership of the Office of PT. Bank MandiriKendari Branch with employees related to customer satisfaction.

2. Questionnaires are used to obtain quantitative primary research data regarding the studied variables. Data is collected by distributing questionnaires given personally to customers who make transactions at PT. Bank MandiriKendari Branch. After the questionnaire is distributed, the respondents are given time to answer, and after completing, the questionnaires will be collected again.

4.3 Data Analysis Technique

This study uses two kinds of analysis, descriptive statistical analysis and inferential statistical analysis of the obtained data in the field. Descriptive analysis is used to describe each of the research variables in a deeper manner. While quantitative techniques are used to determine the strength of the independent variable effects with the dependent variable, namely by analyzing the data with its score in accordance with the measurement scale that has been determined through multiple linear regression analysis using Microsoft Excel, and SPSS software.

The multiple linear regression formula is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \ldots + \beta_n X_n + e \text{ (J. Supranto, 2005)}$$

In which:

Y = Dependent variables
β_0 = Constanta
$X_1,\ldots X_n$ = Independentvariable-i(i = 1,2,3,\ldots,n)
$\beta_1,\ldots \beta_n$ = Regression Coefficient of each Variable X1 (i = 1, 2, 3 \ldots, n)
e = Error level

from the equation, it can be applied in this research as follow:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + e$$

In which:

Y = Customer Satisfaction Variable
X_1 = Expectation Variable β_1 = Regression Coefficient X1
X_2 = Service Quality Variable β_2 = Regression Coefficient X2
e = Error Factor (assumption = 0) β_0 = Constanta

5 RESEARCH RESULTS

The proposed hypotheses in this research are:

1. The first hypothesis states that expectation has positive and significant effects on customer satisfaction at PT. Bank MandiriKendari Branch. To prove this hypothesis, it uses regression testing using a significance value of 0.001, which means it is smaller than the value α= 0.05. Therefore, the expectation variable partially has positive and significant effects on customer satisfaction at PT. Bank MandiriKendari Branch. On this basis, the hypothesis proposed earlier can be accepted because it is proven true.

2. The second hypothesis states that service quality has positive and significant effects on customer satisfaction at PT. Bank MandiriKendari Branch. To prove this hypothesis, it uses regression testing using a significance value of 0.026, which means it is smaller than the value α= 0.05. Therefore, partially the service quality variable has positive and significant effects on customer satisfaction at PT. Bank MandiriKendari Branch. On this basis, the hypothesis proposed earlier can be accepted because it is proven true.

5.1 Expectation Effects on Customer Satisfaction

The testing results in this study prove that expectation has positive and significant effects on customer satisfaction. The results of this study can be concluded that expectation has effects on increased customer satisfaction. This means that better expectation given by PT. Bank MandiriKendari Branch to customers will lead to more satisfied customers with PT. Bank MandiriKendari Branch.

Expectations are expectations felt by customers which are a very important factor for the survival of a bank. Expectations are measured based on the theory of Sri Mulyani (2003), namely: personal needs / explicit needs, explicit service promises / explicit service promises, implicit service promises implicitly and past experience.

Good expectations will increase customer satisfaction. Expectations are supported by meeting customer needs, providing services explicitly, implicitly serving, and learning from past experience to meet customer expectations appropriately, all of which will have effects on increasing customer satisfaction.

Consumer satisfaction according to Kotler and Keller is a feeling of pleasure or disappointment by someone after comparing the performance (results) of the product to the expected performance (2007: 177). Customer satisfaction is measured by level of pleasure, level of service, level of facility expectations and level of needs.

The results of this study support the results of a research by DesiRatnasari (2015) showing that the level of expectations has positive and significant effects on community satisfaction.

5.2 Service Effects on Customer Satisfaction

The testing results in this study prove that service quality has positive and significant effects on customer satisfaction. The results of this study can be concluded that service quality has effects on increased customer satisfaction. This means that better service quality provided by PT. Bank MandiriKendari Branch to its customers will lead to more satisfied customers with PT. Bank MandiriKendari Branch.

Measurement of service quality dimensions adopted from Parasuraman in FandyTjiptono (2005) states that service quality is the focus of assessment that reflects customer perceptions of the five basic dimensions including physical evidence (tangibles), reliability, responsiveness, assurance, and empathy.

Good service quality will increase customer satisfaction.Service quality are supported by positive physical appearance and more attractive, reliable company, timely service, existing assurance and good company empathy, all of which will have effects on increasing customer satisfaction.

Consumer satisfaction according to Kotler and Keller is a feeling of pleasure or disappointment by someone after comparing the performance (results) of the product to the expected performance (2007: 177). Customer satisfaction is measured by level of pleasure, level of service, level of facility expectations and level of needs.

The results of this study support the results of a research by SuciPurwandari (2015) showing that service quality has positive and significant effects on satisfaction. Meanwhile, according to LuhAyuMulyaningsih and I gStAgungKetutGede atmosphere (2016), ElzaFinnara and Ismail Razak (2017), CokordaAgung Wife KrisnaDewi and I gedeMertaSudiartha (2018) and GalihGalangTangguh W, et al (2018),all of which show that service quality has positive and significant effects on customer satisfaction.

6 CONCLUSION AND RECOMMENDATION

6.1 Conclusion

Based on the results of data analysis, proof of hypothesis and discussion of research results, it can be concluded that:
1. Expectations and Service quality have positive and significant effects on customer satisfaction. This means that every change in increased indicator of expectation and service quality variable can increase customer satisfaction. Better implementation of expectations and service quality can increase customer satisfaction at PT. Bank MandiriKendari Branch.
2. Expectations have positive and significant effects on customer satisfaction. This means that any changes in the indicator of expectations can increase customer satisfaction. Better application of Expectations is able to increase customer satisfaction at PT. Bank MandiriKendari Branch.
3. Service quality has positive and significant effects on customer satisfaction. This means that any change in the indicator of service quality variable can increase customer satisfaction. Better implementation of service quality can increase customer satisfaction at PT. Bank MandiriKendari Branch.

6.2 Recommendation

Based on the results of data analysis, discussion and conclusion of this study, the recommendations that can be put forward are:
1. For the leadership of PT. Bank MandiriKendari Branch which is oriented towards customer satisfaction, they should pay more attention and increase the expectation variable in the indicators of explicitly service promise and past experience. Furthermore, it is also necessary to improve service quality variable, especially on indicator of reliability.
2. For any subsequent researchers, it is expected to be able to utilize and develop the results of this study by using different variables such as promotion and company image or it can develop indicators used on each variable.

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