



Customers' Satisfaction that Influences Business Bank Growth (Study Case of an Indonesian Bank)

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Author's contribution

The sole author designed, analysed, interpreted and prepared the manuscript.

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ABSTRACT

*The existence of Rural Banks (BPR) in assisting the development and economic progress of the community, especially in rural areas is very important. The purpose of this article is to examine and analyze impact customer's satisfaction to business bank growth of conventional rural banks in West Sumatra. The studied Indonesian Bank (Code: X) is a regional bank, formed by a non-governmental organization that is experiencing very rapid growth. Customers' satisfaction will be achieved if the quality of services provided is in accordance with their needs. Therefore, it is necessary to know the value of the level of customers' satisfaction with service facilities, priority service improvement can be done through the Potential Gain Customer Value Index. The methods used were the *servqual* method and the PGCV (Potential Gain Customer Value). The *servqual* method aimed to see the service quality attributes that need to be improved, and the PGCV method aimed to complete the analysis results of *servqual* by determining the priority of improvements that had to be done based on the PGCV index. Based on the analysis results, there were two service quality attributes that became the improvements priority, namely the Affordable Credit Interest with the score gap of -1.35, and the Professional Survey Teams with the score gap of -0.57. The PGCV index analysis showed the results with the first improvement proposal, namely the Affordable Credit Interest with the PGCV index of 7.47. Managerial implication of this study is understanding for the bank managers that customer is not merely a customer, they are more than what a banking*

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industry thinks. So they need to understand the factors like service quality, customer services, employee behavior, prompt services, customer relationship management which significantly contribute in customer satisfaction.

Keywords: Service quality; Servqual and PGCV.

1. INTRODUCTION

The studied Indonesian Bank (Code: X) is one of the banks that has experienced very rapid growth, and always maintains credibility to its customers. Increasing competition in the banking world requires companies to always improve their services to customers. With excellent service quality, it can increase customers' satisfaction [1-3].

An assessment of customer satisfaction with the service provided needs to be done to improve the company's performance and competitiveness.

Dipura & Hartomo [4] found that the internal factors of a bank greatly affected the performance of a bank. Ratnasari, et al. [5] states that measuring the customer satisfaction is very important in improving the tourism services industry, especially in improving services for tourism destinations. Subashini and Gopalam [6] describe the dynamics of service quality and satisfaction of customer on banks situated in various country indicates that earlier studies offered non consensus over the subject, to confirm the issues and trends of these factors which regulate service quality and customer satisfaction. Ameme and Wireko [7] claimed in his research that in today's competitive world where technology plays a very important role and if we talk about banking sector or industry there is a positive relationship between technology and customer satisfaction. They also stated that satisfaction of customers is not merely introducing innovative products and services rather it is much more than that. Machogu and Okiko [8] research brought to light that with e-banking complexities on customer satisfaction. Results shows that there are factors which leads to customer satisfaction particularly in e2-banking, which is one of the very important and fast growing way of doing banking. Chochol'áková et al. [9] research stated that in comparison with dissatisfied customers, satisfied customers were significantly more like by to recommend their bank to their friends and to consider using their current bank in the future, and they are more resistant to offers from other

banks. Kundu and Datta [10] research found regarding e-service quality, customer satisfaction and trust they found that there is a significant relationship among e-service quality, trust and customer satisfaction. Internet banking service quality has huge impact on trust. Molina et al. [1] brought to light that it is very important to have good relations with the customers which leads to increase in business. Also in there research they stated that satisfaction of customers is depends on service policy satisfaction, on accessibility and on the front line employee satisfaction. So positive relationships with the customers always lead to financial success to the bank for long run.

2. MATERIALS AND METHODS

The research was conducted at PT BPR AndalasBaruh Bukit. The data collection was carried out through distributing questionnaires to the customers of PT. BPR AndalasBaruh Bukit. The questionnaire was arranged based on 5 quality dimensions in the *Servqual* method, namely tangible, reliability, responsiveness, assurance, and empathy, along with 5 Likert Scale, namely: Scale 1: *very dissatisfied*, Scale 2: *dissatisfied*, Scale 3: *neutral*, Scale 4: *satisfied*, and Scale 5: *very satisfied*. Then the reliability and validity tests were performed using SPSS. The data analysis was done by looking for the gaps between the quality of perceived services perceived with the quality of expected services. Positive values indicated good service quality, while negative values indicated the opposite condition. The methods of data processing using the Service Quality (*Servqual*) and the Potential Gain Customer Value (PGCV). The *Servqual* method was intended to measure the service quality through the difference (GAP) between customer perceptions and expectations of the service quality. This method consisted of two main steps, namely obtaining customer perceptions and expectations of the quality of services provided. This PGCV method was to complete the analysis results from *Servqual* by determining the improvements priority that had to be carried out by the management of the studied Indonesian bank through the PGCV index numbers.

3. RESULTS AND DISCUSSION

3.1 Servqual

Based on the calculation results, the difference between the level of performance and the level of customer expectations is obtained, so that it can be seen which services are the problems and need to be corrected. The results of the *servqual* score calculation can be seen in the Table 1.

3.2 Cartesian Diagram Processing

The Potential Gain Customer Value (PGCV). The data processing for calculating the value of the Potential Gain Customer Value (PGCV) is to integrate the perception and expectation data from the previous *Servqual* calculation. For the calculation of the PGCV Index, furthermore, an Importance-Performance Diagram is made in order to make it easier to analyse customers through index numbers, and to give a way to be compared in a more detailed qualitative form. This Importance-Performance diagram is made from the data integration of perception (level of performance) - expectations (level of importance).

This diagram is to illustrate the position of performance and interests; some coordinate points are formed using the average value of the perception level and the expectation level of each indicator. Can be seen in the Cartesian Diagram or Importance-Performance (I-P) from the results of the research in Fig. 1.

3.3 PGCV (Potential Gain Customer Value)

The Potential Gain Customer Value (PGCV) analysis is performed to determine the value of the PGCV index on each attribute and service quality dimension, where the attributes with PGCV index values below the median value must be maintained, and the attributes with PGCV index values above the median value become the improvement priority.

Service priorities are obtained from the calculation results of the PGCV Index, which are ordered based on the largest difference between UDCV and ACV, presented in Table 2. Furthermore, improvement steps can be arranged according to the service that gets the first priority to the last.

Table 1. *Servqual* score calculation for each attribute

| Dimension | No | Indicator | Perception value | Expectation value | Servqual score |
|----------------|----|--|------------------|-------------------|----------------|
| Tangible | 1 | Clear And Complete Brochures And Credit Information | 4.52 | 4.95 | -0.43 |
| | 2 | Clear And Complete Credit Application Forms | 4.38 | 4.88 | -0.50 |
| | 3 | Employees Always Ready to Serve | 4.51 | 4.88 | -0.37 |
| | 4 | Comfortable Service Room | 4.41 | 4.87 | -0.46 |
| Reliability | 5 | Clear Credit Application Process | 4.48 | 4.89 | -0.41 |
| | 6 | Clear Credit Requirements | 4.44 | 4.86 | -0.42 |
| | 7 | Equal Service To Every Customer | 4.39 | 4.86 | -0.47 |
| | 8 | Affordable Credit Interest | 3.44 | 4.79 | -1.35 |
| Responsiveness | 9 | Fast Credit Process | 4.48 | 4.96 | -0.48 |
| | 10 | Fast Verification Communication and Credit Information | 4.52 | 4.90 | -0.38 |
| | 11 | Professional Survey Teams | 4.33 | 4.90 | -0.57 |
| Assurance | 12 | Fast Credit Agreement | 4.58 | 4.88 | -0.30 |
| | 13 | Customers Insurance Guarantee | 4.66 | 4.91 | -0.25 |
| | 14 | Maintaining Customers' Data Confidentiality | 4.58 | 4.87 | -0.29 |
| Empathy | 15 | Collateral is Safely Kept | 4.74 | 4.84 | -0.10 |
| | 16 | Understanding Customers' Conditions | 4.46 | 4.86 | -0.40 |
| | 17 | Assisting Customers in Fulfilling Credit Requirements | 4.36 | 4.86 | -0.50 |

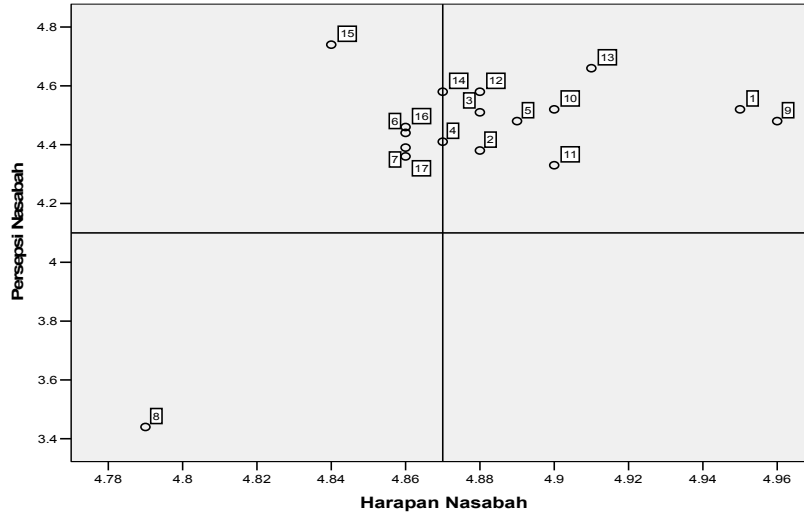


Fig. 1. Cartesian diagram or Importance-Performance (I-P) from the results of the research
 Source: Researcher Calculation and Analysis

Table 2. PGCV (Potential Gain Customer Value)

| No | Indicator | UDCV | ACV | PGCV | Improvement Proposal |
|----|---|-------|-------|------|--|
| 1 | Affordable interest rates | 23.95 | 16.48 | 7.47 | The need to review the determination of the loan interest rate |
| 2 | Professional Survey Teams | 24.50 | 21.22 | 3.28 | It needs to provide training and to improve a sense of professionalism, as well as the survey teams' independency. |
| 3 | Assisting Customers in Fulfilling Credit Requirements | 24.30 | 21.19 | 3.11 | The company needs to provide training for the employees, and to increase understanding of the customer care. |
| 4 | Clear and Complete Credit Application Form | 24.40 | 21.37 | 3.03 | It needs to add a detailed explanation in the credit application form (interest rates, tenure, insurance, and collateral). |
| 5 | Equal service to every customer | 24.30 | 21.34 | 2.96 | The company prohibits the employees from bringing their relatives as the customers at their place of work (give them references to other branches). |
| 6 | Comfortable Service Room | 24.35 | 21.48 | 2.87 | Improving the cleanliness and beauty of the service rooms, and adding service room facilities (Wi-Fi, air freshener, and decoration) so that customers feel comfortable and not bored while waiting. |
| 7 | Clear Credit Requirements | 24.30 | 21.58 | 2.72 | Providing explanations to prospective customers, both oral and written, with the use of words that are easily understood. |
| 8 | Understanding Customers' Conditions | 24.30 | 21.68 | 2.62 | Provide an extension of the due date for bad credit customers from the previously agreed credit agreement. |

4. CONCLUSION

Based on the results of *servqual* analysis and PGCV research, the author concludes that:

1. Customer satisfaction measured by service quality provided a useful tool for the banking services in rural banks. The findings also have profound implication for influences business bank growth.
2. *Servqual* score results with the highest results, namely the Collateral Secure Safely attribute, with the *servqual* score of -0.10, with satisfying service; while the lowest *servqual* score, namely the attribute of Affordable Credit, with the *servqual* score of -1.35, with unsatisfying service. The *servqual* scores are based on five quality dimensions, the highest is the Assurance dimension at -0.21, the second is the Responsiveness at -0.43, the third is Tangible at -0.44, the fourth is Empathy at -0.45, and the lowest is the Reliability dimension at -0.66.
3. The calculation results of the PGCV priority improvements are: 1) affordable credit, with the PGCV index of 7.47; 2) Professional survey team, with the PGCV index of 3.28; 3) Assisting customers in meeting credit requirements, with the PGCV index of 3.11; 4) Clear and complete credit application forms, with PGCV index of 3.03; 5) Same credit service to all customers, with the PGCV index of 2.96; 6) Comfortable service room, with the PGCV index of 2.87; 7) Clear credit terms, with the PGCV index of 2.72; 8) Understanding customer conditions, with the PGCV index of 2.62.
4. Suggestions for improvements that can be made are: a) The need to review the determination of the loan interest rate; b) The need to provide training and to improve a sense of professionalism, as well as the survey teams' independency; c) The company needs to provide training for the employees, and to increase understanding of the customer care; d) The need to add a detailed explanation in the credit application form (interest rates, tenure, insurance, and collateral); e) The company prohibits the employees from bringing their relatives as the customers at their place of work (give them references to other branches); f) Improving the cleanliness and beauty of the service rooms and adding service room facilities (Wi-Fi, air freshener, and decoration) so

that customers feel comfortable and not bored while waiting; g) Providing explanations to prospective customers, both oral and written, with the use of words that are easily understood; h) Provide an extension of the due date for bad credit customers from the previously agreed credit agreement.

DISCLAIMER

The products used for this research are commonly and predominantly use products in our area of research and country. There is absolutely no conflict of interest between the authors and producers of the products because we do not intend to use these products as an avenue for any litigation but for the advancement of knowledge. Also, the research was not funded by the producing company rather it was funded by personal efforts of the authors.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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