The Influence of Service Quality and Customer Satisfaction on Customer Loyalty of BCA Mobile in Bandar Lampung

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ABSTRACT

PT. Bank Central Asia, Tbk, founded in 1957, is one of the largest private banks in Indonesia today with an asset value of 1,408 trillion rupiah with a net profit of 48.6 trillion rupiah. The results of the Bank Service Excellence Monitor (BSEM) survey conducted by Marketing Research Indonesia (MRI) in the 2020-2021 edition produced data that BCA Mobile was ranked second and the 2023-2024 edition was ranked fifth in the 10 best mobile banking performances in Indonesia. The problem in this research is that there has been a decline in BCA Mobile's performance followed by many complaints about the use of the BCA Mobile application, which has become a trending topic on the X social media platform (Twitter). BCA Mobile must attention to this so that customers do not think about looking for alternatives to other mobile banking. The aim of this research is to test whether service quality and customer satisfaction have an influence on BCA Mobile customer loyalty in Bandar Lampung City. This research uses a survey method by distributing questionnaires to 90 respondents via Google Form. The analytical method used is simple regression using the partial test (t test) and Sobel test with the SPSS 25 application. The results of the research show that the service quality variable and customer satisfaction variable have an influence on the BCA Mobile customer loyalty variable in Bandar Lampung City.

INTRODUCTION

In today's competitive business environment, companies must prioritize customer needs and expectations by providing superior services. Building strong relationships with customers through consistent interactions leads to the development of customer loyalty, which is essential for a company's long-term success. In the banking industry, where customer demands for quality services and technological innovations are high, maintaining customer loyalty is crucial. This is especially true in Indonesia's competitive banking sector, where banks must continually enhance their offerings.

One prominent example is PT Bank Central Asia, Tbk (BCA), Indonesia's largest private bank, operating since 1957. By December 2023, BCA had accumulated assets of IDR 1,408 trillion and net profits of IDR 48.6 trillion. With over 38 million customers and a wide network of 1,258 branches and 19,047 ATMs (BCA website), BCA has implemented various innovative services to meet diverse customer needs, including BCA Mobile, a mobile banking application designed to enhance customer satisfaction and loyalty by offering accessible, convenient financial services.

BCA Mobile allows customers to perform essential banking tasks like balance checks, transaction histories, and credit card payments directly from their smartphones, eliminating the need to visit physical branches. The app simplifies transactions by enabling customers to store payment details for future use, significantly improving convenience. Furthermore, BCA Mobile includes non-banking features such as bill payments, ticket bookings, and the ability to withdraw cash from ATMs without a physical card. However, physical cash transactions still require ATM or branch visits.

Despite its wide range of features, BCA Mobile has faced performance issues. According to the Bank Service Excellence Monitor (BSEM), BCA Mobile's performance slightly declined from 95.08% in 2020 to 94.88% in 2021. By 2023-2024, it dropped further to fifth place, with scores of 91.26% and 93.34%, respectively. Customer complaints about service disruptions, such as those on March 20, 2023, when BCA Mobile experienced a major outage, have also raised concerns (Tribunnews.com, March 20, 2023). Similarly, in September 2023, another outage prompted over 1,475 social media posts about the issue (Liputan6.com, September 25, 2023), emphasizing the need for technical improvements to maintain customer trust.

To ensure service quality, BCA Mobile needs to meet six criteria identified by Marliyah et al. (2021): application ability, information quality, reliability, responsiveness, assurance, and personalization. Application ability involves user-friendliness, while information quality ensures accurate and trustworthy data. Reliability addresses consistent service delivery, and responsiveness involves quickly resolving customer issues. Assurance builds customer confidence through transparency, and personalization tailors services to individual needs, enhancing user experience.

Customer satisfaction is pivotal in driving loyalty. Astuti et al. (2020) define customer satisfaction as the emotional response to a product's performance compared to expectations. For BCA Mobile, satisfaction is closely tied to service quality and performance. When the app meets or exceeds expectations, customers are more likely to continue using it and recommend it

to others. Loyal customers contribute to BCA's success by resisting the urge to switch to competitors and promoting the app to others. This study aims to examine the impact of service quality and customer satisfaction on customer loyalty to BCA Mobile in Bandar Lampung. Specifically, it seeks to determine whether service quality directly influences customer loyalty and satisfaction, and whether customer satisfaction mediates the relationship between service quality and loyalty. The theoretical benefit of this research is to provide insights into these relationships, contributing to the marketing strategy literature. Practically, it helps marketing managers make informed decisions about improving service quality and customer satisfaction to maintain customer loyalty.

Service Quality

Service quality refers to the degree of difference between customer expectations and the actual service received. If the service meets or exceeds expectations, it is perceived positively; if it falls short, it is viewed negatively (Astuti et al., 2020). In mobile banking, service quality reflects the platform's ability to facilitate effective banking transactions. It includes six dimensions: application ability, information quality, reliability, responsiveness, assurance, and personalization (Marliyah et al., 2021). These dimensions shape customer satisfaction and influence overall perceptions of service quality (Akob & Sukarno, 2022; Siadari & Lutfi, 2020).

Customer Satisfaction

Customer satisfaction is the emotional response of customers when evaluating a product or service's performance, reflecting whether it meets or exceeds expectations (Astuti et al., 2020). In mobile banking, satisfaction arises when the service delivers benefits aligned with customer expectations. Satisfaction is shaped by three dimensions: expectation conformity, performance perception, and customer evaluation. Expectation conformity refers to the alignment between expected and actual service; performance perception captures the actual experience; and customer evaluation assesses the overall value received (Marliyah et al., 2021). High satisfaction fosters repeat usage and positive recommendations, essential for customer retention.

Customer Loyalty

Customer loyalty is defined as the commitment of customers to continuously use a specific product and recommend it to others (Astuti et al., 2020). Loyalty is a psychological state where customers develop preferences, likes, and dislikes toward a product, influencing their purchasing decisions (Siadari & Lutfi, 2020). Loyalty has three key dimensions: continued loyalty, willingness to recommend, and ongoing usage (Marliyah et al., 2021). Loyal

customers resist switching to competitors, despite attractive alternatives. They provide long-term benefits to companies, helping improve financial performance by maintaining a stable customer base and encouraging repeated purchases.

RESEARCH METHODE
Population and sample

The population for this study consists of active BCA Mobile users in Bandar Lampung, defined by Sugiyono (2017) as a generalization area encompassing subjects and objects with specific qualities and characteristics that the researcher examines to derive conclusions. The sample, according to Sugiyono (2017), is a subset of this population selected for the study. Employing a non-probability sampling method, this research targets respondents who have not all been given an equal chance of selection. The purposive sampling technique focuses on individuals residing in Bandar Lampung who have used BCA Mobile for at least three months and completed a minimum of two transactions. Following the guidelines by Hair et al. (2014), the minimum sample size was determined using the formula n (5) times 18 = 90 respondents.

Data and data collection

This study adopts a quantitative research approach based on positivist philosophy, focusing on concrete data to analyze specific populations (Sugiyono, 2017). Primary data were collected through questionnaires distributed to BCA Mobile users in Bandar Lampung. Secondary data, as defined by Malhotra (2018), were sourced from existing literature and scientific references, enriching the theoretical context. The data collection technique employed a questionnaire, as described by Sugiyono (2017), using a 5-point Likert scale to assess respondents' agreement levels, which effectively measures attitudes, opinions, and perceptions regarding the phenomena under investigation.

Operational definition

This research investigates three variable types: independent, intervening, and dependent. The independent variable, service quality (X), is defined by Marliyah et al. (2021) as digital services enhanced by technology to facilitate banking transactions, measured through six dimensions: application capability, information quality, reliability, responsiveness, assurance, and personalization. Customer satisfaction (Z), identified by Marliyah et al. (2021) as stemming from the comparison between expected and perceived performance, is evaluated based on dimensions such as expectations, perceived performance, and overall customer assessment. Lastly, customer loyalty (Y) is described by Marliyah et

al. (2021) as customers' tendency to repurchase and recommend services, assessed through dimensions of continued loyalty, willingness to recommend, and sustained application use.

Data analysis

The instrument testing phase includes validity and reliability assessments. The validity test gauges the accuracy of the research instrument, utilizing the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO MSA) and loading factor analysis performed with SPSS 25 on a sample of 30 respondents, as suggested by Singarimbun and Efendi (1995). Reliability, defined by Ghozali (2018) as the consistency of a questionnaire in measuring variables, is assessed using Cronbach's alpha, with an instrument deemed reliable if the alpha value surpasses 0.70.

For hypothesis testing, the partial test (t-test) assesses the significant influence of independent variables on the dependent variable at a 5% significance level. The hypothesis is accepted if the calculated t-value exceeds the t-table value or if the significance level is below 0.05. Additionally, the Sobel test determines whether a mediating variable significantly affects the relationship between independent and dependent variables, using a specific formula (Akob & Sukarno, 2022) or online statistical tools. Data analysis employs simple regression analysis via SPSS 25.

RESULT AND DISCUSSION

Description of Customer Characteristics

This study examines the impact of service quality and customer satisfaction on BCA Mobile customer loyalty in Bandar Lampung, with a sample of 90 users. The customer characteristics reveal that 55.55% are male and 44.44% female, indicating equal usage across genders. Most users (33.33%) fall within the 18-25 age range, highlighting a young, tech-savvy demographic. The majority of respondents are private employees (45.55%), and the highest monthly expenditure group is Rp1,500,000-Rp3,000,000 (33.33%). Lastly, 60% of participants hold a bachelor's degree, suggesting that educated users prefer BCA Mobile for its effective banking solutions and advanced features.

Description of Research Results

This research analyzes customer responses from questionnaires to assess service quality, customer satisfaction, and loyalty related to BCA Mobile. The findings show that the average score for service quality is 4.09, with the highest rating for ease of use at 4.48, indicating exceptional service quality. Customer satisfaction averages 4.12, with the highest score for meeting customer expectations at 4.22. Customer loyalty scores an average of 4.32, with the

highest for loyalty despite alternatives at 4.42. These results suggest that BCA Mobile excels in providing convenient banking services, effectively meeting customer expectations, and fostering strong loyalty among its users.

Partial Test (t-Test)

The partial test (t-test) conducted in this study evaluates the positive and significant influence of independent variables on dependent variables.

Table 1.
Partial Test Result

No	Variables	t-value	t-table (1.987)	Significance (p-value)	Conclusion
1	Service Quality (X) to Customer Loyalty (Y)	7.639	> 1.987	0.000	Has a positive and significant effect on customer loyalty
2	Service Quality (X) to Customer Satisfaction (Z)	8.254	> 1.987	0.000	Has a positive and significant effect on customer satisfaction
3	Customer Satisfaction (Z) to Customer Loyalty (Y)	9.610	> 1.987	0.000	Has a positive and significant effect on customer loyalty

The results reveal that the quality of service (X) has a t-value of 7.639, which exceeds the t-table value of 1.987 with a significance level of 0.000, indicating a positive and significant effect on customer loyalty (Y) for BCA Mobile users in Bandar Lampung. Similarly, the quality of service also significantly impacts customer satisfaction (Z), with a t-value of 8.254 surpassing the t-table value and a significance level of 0.000. Furthermore, customer satisfaction (Z) has a t-value of 9.610, significantly affecting customer loyalty (Y), as it also exceeds the t-table value with a significance level of 0.000. Overall, the findings confirm that both service quality and customer satisfaction positively and significantly influence customer loyalty towards BCA Mobile.

Sobel Test

The Sobel Test was conducted to examine the indirect effect of service quality (X) on customer loyalty (Y) through customer satisfaction (Z) as an intervening variable. The calculated Z-value was 6.349.

The results from the Sobel test indicated a significant positive mediation effect, with a two-tailed probability of 0.000, which is less than 0.05, confirming that mobile banking service quality positively and significantly influences customer loyalty mediated by customer satisfaction.

A: 0,161
B: 0,652
SE$_A$: 0,019
SE$_B$: 0,068
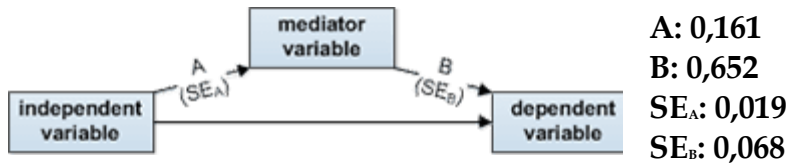
Sobel test statistic:6.34945975
One-tailed probability:0.00000000
Two-tailed probability:0.00000000

The derived equations for interpretation are: Equation I) Z = 4,469 + 0,161X indicates that for each one-unit increase in perceived service quality, customer satisfaction increases by 0.161 units. Equation II) Y = 6,098 + 0,140X + 4,914 + 0,652Z shows that a one-unit increase in perceived service quality leads to a 0.140 unit increase in customer loyalty, and a one-unit increase in customer satisfaction results in a 0.652 unit increase in customer loyalty.

The Effect of Service Quality on Customer Loyalty

The partial test (t-test) conducted using SPSS Version 25 shows a significance value of 0.000 (< 0.05) and a t-value of 7.639 (> 1.987), indicating that service quality positively and significantly influences customer loyalty towards BCA Mobile. The highest score of 4.48 was given to the statement "BCA Mobile is easy to use," showing that ease of use is a key factor in customer satisfaction and loyalty. These findings align with previous research by Marliyah et al. (2021), Akob and Sukarno (2022), and Siadari and Lutfi (2020), which also demonstrate a significant relationship between service quality and customer loyalty in mobile banking.

The Effect of Service Quality on Customer Satisfaction

The partial test (t-test) using SPSS Version 25 shows a significance value of 0.000 (< 0.05) and a t-value of 8.254 (> 1.987), indicating that service quality positively and significantly impacts customer satisfaction with BCA Mobile. The user-friendly interface and clear icons create ease and confidence in transactions, enhancing satisfaction. This supports the second hypothesis (H2), affirming that better service quality increases satisfaction. The results are consistent with studies by Marliyah et al. (2021) and Akob and Sukarno (2022), which also demonstrate a positive, significant effect of service quality on mobile banking customer satisfaction.

The Effect of Customer Satisfaction on Customer Loyalty

The partial test (t-test) using SPSS Version 25 shows a significance value of 0.000 (< 0.05) and a t-value of 9.610 (> 1.987), indicating that customer satisfaction positively and significantly affects customer loyalty to BCA Mobile. The positive influence suggests that higher satisfaction leads to greater loyalty.

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The highest scoring indicator, "expectation alignment," demonstrates that BCA Mobile meets customer expectations by providing convenience and efficiency, supporting hypothesis three (H3). This finding aligns with studies by Marliyah et al. (2021), Akob and Sukarno (2022), and Siadari and Lutfi (2020), which also show a positive relationship between satisfaction and loyalty in mobile banking contexts.

The Effect of Service Quality on Customer Loyalty through Customer Satisfaction

The Sobel test results, calculated using danielsoper.com, reveal a significant t-value of 6.349 (p = 0.000), confirming that customer satisfaction significantly mediates the relationship between service quality and customer loyalty for BCA Mobile. The positive mediation implies that better service quality leads to increased customer satisfaction, which in turn enhances loyalty. This supports the fourth hypothesis (H4) that service quality affects customer loyalty mediated by satisfaction. These findings align with Akob and Sukarno's (2022) study, which also demonstrates a significant effect of mobile banking service quality on loyalty through customer satisfaction.

CONCLUSION

The study concludes that service quality significantly influences customer loyalty and satisfaction among BCA Mobile users in Bandar Lampung. The highest-rated indicator of service quality is ease of use, which enhances customer retention. Customer satisfaction is driven by clear application design, and satisfaction positively impacts loyalty, with "expectation alignment" being the top-rated satisfaction indicator. Additionally, customer satisfaction mediates the relationship between service quality and loyalty. To further improve, BCA Mobile should enhance communication during app errors, actively seek customer feedback, and consider additional variables influencing loyalty in future research.

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