The Effect of Service Quality on Customer Satisfaction: Evidence from Bank BJB Cirebon Branch

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Abstract: The objective of this study is to examine the effect of service quality on customer satisfaction at PT Bank BJB Branch of Cirebon. This study employed a quantitative approach with primary data collected from 62 customers in the form of a questionnaire. The service quality was measured by five dimensions of reliability, responsiveness, assurance, empathy and tangibility. Customer responses were analyzed through descriptive analysis and simple linear regressions. The results indicate that customers expressed positive comments on the service of the bank, especially in terms of employee assistance, service speed, employee presence and customer convenience. However, the clarity of information provided by employees was still an area for improvement. The regression analysis shows that the service quality has a positive and significant effect on customer satisfaction with a regression coefficient of 0.588, a standardized coefficient of 0.605, and a t value of 5.881 at the significance level of 0.000. The coefficient of determination (r2) of 0.366 shows that service quality explains 36.6% of the variation in customer satisfaction and the remaining 63.4% is explained by other factors outside the model. Results demonstrate that the enhancement of service quality, especially in the domains of employee communication, responsiveness and customer support, can improve consumer satisfaction with banking services.

Keywords: Service Quality, Customer Satisfaction, Banking Services, Bank BJB.

Introduction

Banking industry is one of the service sectors where the direct interaction between employees and customers is an important part of service experience. Customers are not only interested in the banking products that are offered to them, but they are also paying attention to the information delivery, handling of transactions and the way employees respond to their needs. This is why the quality of service a bank offers can shape the way clients judge their experience with the institution (Marcos & Coelho, 2022; Zygiaris et al., 2022). Thus, good service is an important part of the positive relationship between banks and their customers. Customer

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satisfaction is highly related to the experience acquired in the service process. The service customers receive should be in accordance with their needs and expectations and they are likely to be satisfied. In banking, satisfaction can be measured by the customer's intention to continue using the services, trust the bank and recommend the services to others. In contrast, if a service does not meet the expectations of customers, it can lead to dissatisfaction and can influence the customer's future decision to continue using the services (Chen et al., 2022; Salamah et al., 2022). The quality of service is particularly important, because the activities of the bank are characterized by frequent contacts between customers and employees. Customers may need help in finding information, processing transactions, resolving administrative issues or choosing suitable banking products. Thus, the ability of employees to give accurate information, to respond to customer requests, to communicate properly and to give assistance can influence the customer's perception of the quality of the service (Bamert & Wehrli, 2005; Loureiro et al., 2014). At this stage, the quality of employee-customer interactions becomes crucial in maintaining customer satisfaction. Based on the research conducted at PT Bank BJB Kantor Cabang Cirebon, there are several complaints related to services. The complaint records available for 2017-2019 show concerns on limited parking facilities, lack of responsiveness in providing information and services, slow teller transactions resulting in long queues, limited understanding of customer needs by customer service officers and less friendly customer service. The number of recorded complaints went up from 124 in 2018 to 136 in 2019, which shows that complaints about service are still a problem that needs to be solved (Zehir et al., 2011). These conditions are relevant to the evaluation of service quality as complaints can provide some indication of aspects of service that customers see as deficient. For example, delays in transactions may increase the waiting time and poor communication may make it difficult for customers to obtain the required information. Also, customers' perceptions of the service experience can be impacted by employees who are perceived as less friendly or less responsive. If not handled properly, these conditions can cause dissatisfaction to the customers. In this study, the dimensions of service quality are measured by five dimensions namely reliability, responsiveness, assurance, empathy and tangibles. Reliability is the ability to perform the service accurately and timely. Responsiveness means the willingness and ability of employees to help customers. Assurance is about the competence, attitude and the ability to give the employee a sense of security. Empathy involves communication and attention to customer needs, and tangibles are physical facilities, availability of employees and communication facilities. The five dimensions are used to measure the quality of service in PT Bank BJB Kantor Cabang Cirebon (Aldunate et al., 2022; Kim & Kim, 2022). Banking demand's reliability and responsiveness from customers who expect their transactions and requests to be accurately and promptly executed. Impacts directly customer experience service error or long waiting time Assurance is also important because customers need to feel confident when they are interacting with financial services. The competence, attitude and the ability to give a sense of security of the employees can influence the feeling of comfort of the customers in their interaction with the bank. Other dimensions of service experience are empathy and tangibles. Customers want employees to communicate clearly and pay attention to the individual needs of customers (Yao et al., 2022). In contrast, physical facilities and communication facilities can influence the convenience of customers to access banking services. Based on the complaint data from Bank BJB Cirebon, one of the issues raised by customers is physical facilities, particularly the availability of parking. These aspects indicate that customer satisfaction cannot be separated from the interaction with employees and the service environment offered by the bank (Aladwani, 2024; Saad et al., 2022). Thus, the relationship between service quality and customer satisfaction is important to study in PT Bank BJB Kantor Cabang Cirebon. The research is concerned with the effect of service quality on customer satisfaction of the bank's customers. The unit of analysis is the relationship of service quality to customer satisfaction at the Cirebon branch, which is located at Jalan Siliwangi, Kesenden, Cirebon City, West Java. The study quantifies the relationship between the two variables through customer perception and not administrative complaint records. Hence, the objective of this research is to analyze the influence of service quality to customer satisfaction in PT Bank BJB Kantor Cabang Cirebon. The study is based on five dimensions of service quality viz. reliability, responsiveness, assurance, empathy and tangibles and their relationship with customer satisfaction. The findings are expected to provide empirical evidence on the role of service quality in shaping customer satisfaction, and offer practical considerations in improving service delivery, employee performance, customer communication and handling of customer needs at the branch.

Research Method

Research Design

This study used quantitative research design to examine the effect of service quality toward customer satisfaction at PT Bank BJB Kantor Cabang Cirebon (Segoro & Elvira., 2021). The study focused on service quality as independent variable and customer satisfaction as dependent variable. Service quality was measured by five dimensions namely; reliability, responsiveness, assurance, empathy and tangibles (Yu et al., 2022; Zygiaris et al., 2022). These dimensions were used to represent the main aspects of the experience of customers when receiving banking services.

Population and Sample

This research uses quantitative research design to analyze the effect of service quality on customer satisfaction at PT Bank BJB Kantor Cabang Cirebon. In this study, service quality was the independent variable and customer satisfaction was the dependent variable. Service quality was measured through five dimensions which are reliability, responsiveness, assurance, empathy and tangibles. These dimensions were used to evaluate the main aspects of customers' experiences when receiving banking services. The reason for choosing a quantitative approach was to measure customer perceptions and statistically test the effect of service quality on customer satisfaction. After that the data collected from the respondent were analyzed to determine the relationship between the two variables (Matzler et al., 2015; Shahid Iqbal et al., 2018).

Variables and Measurement

The study investigated two main variables: service quality as the independent variable and customer satisfaction as the dependent variable. The service quality was operationalized into five dimensions namely: reliability, responsiveness, assurance, empathy and tangibles. The dimensions were chosen to reflect different aspects of the service received by the customers such as accuracy and speed of service, responsiveness of the employees, competence and attitude of the employees, attention paid to the individual needs of the customers and the physical and communication facilities offered by the bank. The reliability dimension was measured from the capability to deliver fast and accurate services. Responsiveness was associated with the employees' willingness to help customers and their ability to respond to customer requests. Assurance included the competence of the employee, employee attitude and the extent to which the service gave customers a feeling of security. Measures of empathy were ease of communication and attention to customers. The tangibles were availability and condition of physical facilities, availability of employees and communication facilities. The indicators used to obtain an assessment of customers of the quality of service provided in the Bank BJB Cirebon branch. The dependent variable was customer satisfaction, and it was measured using the indicators included in the research questionnaire. The measurement was based on customers' perceptions of the service experience they had received from the bank. Both variables were measured using a structured questionnaire which had a five-point Likert scale of strongly disagree, disagree, neither agree nor disagree, agree and strongly agree. Favorable statements were scored on a 1-5 scale, with higher scores representing a more positive customer assessment. Afterward, the validity and reliability of the data collected through the questionnaires were tested prior to the main statistical analysis. This process was carried out to ensure the measurement items were appropriate to measure the variables of service quality and customer satisfaction. The score obtained is analyzed descriptively and simple linear regression to analyze the effect of quality of service on customer satisfaction.

Data Collection

The primary data was obtained directly from PT Bank BJB Kantor Cabang Cirebon customers by using a structured questionnaire. The questionnaire was designed to gather the respondents' evaluations of the quality of the service and the level of customer satisfaction according to the parameters set for each variable of the research. Responses were rated on a five-point Likert scale. In this study used observation, interviews and literature study besides the questionnaire data (Russo et al., 2021). Observation was conducted to obtain information regarding the conditions and activities that occur at the research location. While the interview was conducted with the employees of Bank BJB to obtain supporting information related to the conditions of service found in the study. Theoretical and conceptual bases for research of the relationship between service quality and customer satisfaction were provided by literature study (Debets et al., 2020; Yamashita., 2022).

Data Analysis

The data analysis was carried out by using a systematic procedure, namely instrument testing, descriptive analysis, regression analysis, and hypothesis testing. First validity and reliability tests were carried out to determine the quality and consistency of the questionnaire items used to measure service quality and customer satisfaction. Thereafter, descriptive analysis was performed to describe the respondents' characteristics and their responses to the research variables. The stage gave an initial description of customers' perceptions of the services provided by PT Bank BJB Kantor Cabang Cirebon. The next step was to use simple linear regression analysis to test the effect of service quality on customer satisfaction. The analysis was used to determine the direction and the degree of relationship between the independent and dependent variables. The regression output included the correlation coefficient, regression coefficient and coefficient of determination, to assess the strength of the relationship and the contribution of service quality to customer satisfaction. In hypothesis testing t-test was used to test the significance of the effect of service quality on customer satisfaction. All statistical analyzes were conducted using IBM SPSS.

Research Procedure

The research process was carried out in several successive stages. The research started with the identification of the problem of service quality at PT. Bank BJB Kantor Cabang Cirebon. Then formulate the research objectives, variables and measurement indicators. Then questionnaire was designed based on the selected indicators and distributed to the selected respondents. Supporting information was also obtained through observation, interviews and study of the literature. After the data collection process was completed, the questionnaire responses were tabulated and prepared for statistical analysis. To evaluate the research instrument, validity and reliability test were carried out, and then descriptive and regression analysis were conducted. The results obtained were then interpreted to know the effect of service quality on customer satisfaction at PT Bank BJB Kantor Cabang Cirebon and used as the basis for drawing the research conclusions.

Result and Discussion

Descriptive Findings on Service Quality

Based on the results of the service quality assessment, it can be seen that the customer's perception of the services provided by PT Bank BJB Kantor Cabang Cirebon is mostly positive. Responses showed positive views of service speed, employee help, customer comfort, and employee availability. For example, 79 % of respondents agreed or strongly agreed that the services provided by the bank were fast enough. For example, a higher percentage (92%) agreed or strongly agreed that employees helped when customers entered the bank. Also seen as a positive was the availability of employees with 82% of respondents choosing the agree or strongly agree categories. However, the findings indicate that perceptions of the customer were not as strong in all aspects of the service. Regarding employees' capability to give answers easy to understand for the customers, 63% of the respondents answered positively, 32% neutrally, and 5% negatively. This finding suggests that communication and clarity of information constitute an area that warrants more attention. This finding is relevant to the service problems identified at the branch, especially regarding employee responsiveness, understanding customer needs and communication.

Table 1 Selected Customer Assessments of Service Quality

Service quality item	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)
Service is sufficiently fast	29	50	17	4
Employees offer assistance	44	48	7	2
Employees provide understandable answers	21	42	32	5
Service provides customer comfort	37	40	21	2
Sufficient employees are available	24	58	15	3

The findings suggest that the strength of the service quality was more visible in operational aspects such as employee availability and willingness to help customers. Conversely, communication needs more attention because a considerable percentage of customers were neutral regarding the clarity of employee response. This distinction is important because banking services need customers to be given information that is available, but also clear and understandable.

Customer Satisfaction

The analysis of the customer satisfaction results also confirms a generally positive response pattern. For the satisfaction items, most of the respondents chose strongly to agree or agree categories. The assessment of banking products and services received the strongest reactions. For example, 100% of respondents agreed/strongly agreed with the statement on satisfaction with the interest rate on credit, while 89% agreed/strongly agreed that the products offered by Bank BJB were in line with customer needs. In the same way, 94% of respondents agreed or strongly agreed that they were satisfied with the credit offering provided by the bank. Another important finding relates to bank's assistance in dealing with customer complaints. Seventy-nine percent of respondents strongly agreed or agreed that Bank BJB employees were available to help with customer complaints. Eleven percent chose the neutral category. The positive response remained, but the presence of neutral responses suggests that the customer experience in terms of problem resolution may not have been equally satisfactory for all respondents.

Table 2 Selected Customer Satisfaction Results

Customer satisfaction item	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)
Satisfaction with credit interest rate	65	27	8	0
Products meet customer needs	54	35	11	0
Satisfaction with credit offering	63	31	5	2
Employees are available to assist complaints	45	44	11	0

The pattern suggests that customer satisfaction was associated with the banking products received and the service by the employees. The positive assessment of product suitability and employee assistance indicates that customers mostly received services corresponding to their expectations. But the customer complaint aspect is relevant as well, because the customer satisfaction is also impacted by the experience the customer has when the customer faces problems.

Effect of Service Quality on Customer Satisfaction

The principal empirical finding of the study is the regression analysis. The results indicate that service quality has a positive regression coefficient of 0.588 and standardized coefficient of 0.605. The t-value is 5,881 with a significance of 0.000. The calculated t-value is found to be greater than the critical value of 2.000 and the significance value is less than 0.05, thus the null hypothesis is rejected. So that the quality of service has a positive and significant effect on customer satisfaction at PT Bank BJB Kantor Cabang Cirebon.

Table 3 Simple Linear Regression Results

Variable	B	Std. Error	Beta	*t*	Sig.
Constant	8.137	2.049	—	3.971	0.000
Service Quality	0.588	0.100	0.605	5.881	0.000

The positive regression coefficient shows the positive relationship of the service quality on customer satisfaction. The correlation coefficient is 0.605 and the correlation is positive. The coefficient of determination (R2 = 0.366) reveals that service quality accounts for 36.6% of the variation in customer satisfaction, while the rest 63.4% is attributed to other factors that were not included in the model. This finding is interesting because it shows that service quality is not merely an operational aspect of banking services, but is a quantifiable factor associated with customer satisfaction. The result is in line with the descriptive findings, where customers generally gave positive ratings for service speed, assistance, employee availability and other service aspects. Simultaneously, the poorer reactions for communication suggest that improvements in particular service elements could lead to higher levels of customer satisfaction. The results also empirically support the service problems identified before the survey. The branch received complaints about responsiveness, speed of transactions, understanding of customers' needs and friendliness of customer service. Recorded complaints went up from 124 in 2018 to 136 in 2019. The significant result of the regression indicates that addressing these service-related issues is relevant to improving the customers' satisfaction with the bank. An important implication of the finding is that improving service should not be limited to speeding up operations. The results indicate the significance of the employee's communication, responsiveness and customer support as part of the service experience. The original research also found employee attitude to be a relatively weak aspect of service quality, and recommended employee training aligned with established service procedures. The 36.6% explanatory contribution also indicates that service quality does not completely determine customer satisfaction. A large proportion, 63.4%, is still attributable to other factors not included in this study. Therefore, it is important to improve the quality of service, but further research is needed to explore other factors that can contribute to customer satisfaction at Bank BJB Cirebon.

Conclusions

This research aims to analyze the effect of service quality on customer satisfaction at PT Bank BJB Kantor Cabang Cirebon. The findings show that the customers' perception of the bank's service was generally positive particularly in terms of service speed, employee assistance, customer comfort and employee availability. However, the employees' ability to provide understandable answers was rated relatively lower, implying that communication is still an aspect that needs improvement. The statistical analysis reveals that there is positive and significant effect of service quality on customer satisfaction. The regression coefficient was 0.588 (standardized coefficient = 0.605; t = 5.881; significance = 0.000). The coefficient of determination ($R^2 = 0.366$) shows that 36.6 percent of the variation in customer satisfaction is explained by service quality, and the remaining 63.4 percent is related to other factors not included in the model. The findings show that improving service quality especially employee responsiveness, communication, assistance and customer handling is important to strengthen customer satisfaction. When interpreting the findings, the limitations of the study should be considered. This research was conducted in one branch of Bank BJB, and the number of respondents was 62 people, so that the results could not be generalized to other branches. Additionally, service quality was the only explanatory variable included in the analysis, which means that 63.4% of the variation in customer satisfaction was not explained by the model. Thus, future studies may include larger samples, multiple branches and additional variables to provide a broader explanation of customer satisfaction in banking services.

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