

THE EFFECT OF SERVICE QUALITY AND CUSTOMER VALUE ON REPURCHASES THROUGH CUSTOMER SATISFACTION OF INDONESIAN SHARIA MOBILE BANKING USERS IN SEMARANG

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ABSTRACT

The industrial revolution 4.0 in Indonesia has an impact on the financial services sector in order to adapt to the changing order in financial services. The main change is the change in digital strategy. One of the digital strategies owned by Islamic banking is mobile banking services. Although Bank Syariah Indonesia is the result of merger from BRI Syariah, BNI Syariah and Mandiri Syariah, mobile banking users are still far from the expected target, Islamic banking continues to increase socialization and literacy related to mobile banking at Bank Syariah Indonesia. Bank Syariah Indonesia's desire for mobile banking user customers is to make repurchases, when the repurchase of these services is carried out, it shows that customers have begun to need mobile banking services. Customers make repurchases influenced by customer satisfaction in using the mobile banking application. Customers feel satisfaction, one of which comes from the quality of services provided by Bank Syariah Indonesia, when customers have used it, customers can assess Bank Syariah Indonesia mobile banking services. The population in this study were users of mobile banking services in Semarang. The sample was 100 people and the sampling technique was purposive sampling and analysis techniques using Structural Equation Modeling (SEM) Partial Least Square or PLS. This study aims to determine the influence of service quality and customer value on repurchases through customer skills of Bank Syariah Indonesia mobile banking users, this study uses 3 hypotheses, namely Hypothesis 1 explaining the positive and significant influence of service quality on customer satisfaction, Hypothesis 2 explains the positive and significant influence of ulanh purchases on customer satisfaction, and Hypothesis 3 explains the positive and significant effect of customer satisfaction on repurchases.

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1. INTRODUCTION

The emergence of the industrial revolution 4.0 in Indonesia has an impact on the financial services sector to adapt to the changing order in financial services. One of them is the emergence of various technologies. This digital era encourages banks in Indonesia to make digital strategies as one of the company's strategies. This digital strategy is one of the great opportunities for banking. Internet users in Indonesia reached 196.7 million people, 88 million people are active mobile *banking* users.

Mobile banking services are one of the *electronic banking* services that have the highest frequency, namely 41% of customers (Institute for Development Economy and Finance, 2019), 37% of customers use ATMs, 18% of customers use Internet Banking, 5% of customers use EDC, and 4% use office services.

Islamic banking is one of the banks that implements mobile banking services, but sharia banking has a technological quality under conventional banking technology. Islamic financial inclusion was 9.1% while conventional financial inclusion was 76.19. The margernya 3 sharia banking BNI syariah, BRI Syariah, and Mandiri syariah in order to be able to pursue and answer the distruction of technology in sharia regulation.

Customers will continue to use *mobile banking* services when post-use and will make repurchases (Kotler & Keller, 2000). Consumers will repurchase when the customer feels satisfaction. Customer satisfaction will be achieved when the service products used have service quality and are considered good.

The low number of users of Bank Syariah Indonesia *mobile banking* services is not on target. The data was strengthened by the low assets and market share of Islamic banks at only 6.52%.

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2. LITERATUR REVIEW

This research uses the grand theory of consumer behavior. Consumer behavior is a concrete action of individuals or groups of individuals to choose and consume the desired goods or services. According to Zethaml and Bitner (2002) services are economic activities whose output is not to be consumed in conjunction with production and services provide added value such as their own enjoyment.

According to (Andrian Payne, 2014) the quality of service services is related to the organization's ability to meet or exceed customer expectations. The definition of service quality is centered on meeting the needs and desires of each consumer. The level of service quality cannot be judged from the company's point of view but from the customer's point of view. Therefore formulate the quality of service oriented from customer satisfaction. According to (Parasuraman, et al, 1988) there are five dimensions that can be used in determining service quality, namely 1) Reliability is the company's ability to provide services accurately and reliably. 2) Responsiveness is a fast and responsive service and helps consumer problems. 3) Assurance is the ability of a company that has knowledge, courtesy and guarantees such as security on a product or service so that customers do not hesitate in assessing the company. 4) Emphaty is the company's ability to pay sincere attention to each individual with the hope that consumer needs are met and attract customers to use the services that have been provided. 5) Tangible is physical evidence of the services provided is the appearance and facilities owned by the company by providing the best service such as service facilities, and the layout of the appearance of a service.

Value customers a product or service that consumers want. The price set is something that consumers absolutely accept, but something that is accepted by consumers is therefore value can be explained by quality (Zeithaml and Bitner (2002)). Customer value in this study uses the theory of (Babin et al, 1994) states that customer value is divided into two, namely: 1) utilitarian value is a benefit perspective based on consumer perceptions. So that the benefit perspective is emphasized with functional benefits and processes in consumer decisions. 2) Hedonic Value is a result of spontaneous responses associated with personal relationships

Consumer satisfaction is a person's feeling of pleasure or disappointment after comparing the expected product or service with the work of the product or service that is felt in a real way (Kotler, 2007). According to (Wilkie, 1994) there are 5 elements in consumer satisfaction, namely: 1) Expectations are consumer expectations of a good or service before the goods and services are carried out. Before the goods or services are received, their consumers will think that the goods or services received are as they wish. 2) Performance is the consumer's experience of the real performance of a good or service when it is used without being informed by their expectations. Before using consumers, they must know that the product or service is important for consumers. 3) Comparison is a comparison after consuming goods or services with before consuming goods or services. 4) Confirmation is the consumer's experience of using the brand of different goods or services. Or the experiences of others.

According to (Assael Henry, 1987) is a repurchase behavior occurs when consumers evaluate the brand they are using and tend to buy a brand with the goods or services that provide the highest satisfaction. Thus repurchase can occur when consumers go through the adaptation of an organization's offerings and provide value and increase satisfaction. According to (Ferdinand, 2002) there are four dimensions of repurchase, namely: 1) Transactional interest: the tendency of consumers to always use the product or service that has been used. 2) Referential interest: the availability of consumers to recommend services that have been used against others. 3) Prudential interest: consumer behavior that makes service the first choice. 4) Exploratory interest: the desire of the consumer to always look for information on the services he is interested in

The quality of a product or service is one of the elements that consumers consider to make a purchase (Jahanshahi et al, 2011). According to (Othman and Owen, 2001) states that there is a strong relationship between service quality and consumer satisfaction. So that from the statement above, a hypothesis can be formulated that the quality of services affects customer satisfaction.

H1: It is suspected that there is a positive influence of service quality on customer satisfaction.

Customer value is the quality that customers feel according to the price of the product or service produced by a company (Slater and Narver, 1990). Value can be obtained when a customer assesses the good or bad of a product or service when it is used.

H2: suspected positive influence of customer value on customer satisfaction

Consumers will feel satisfied with a product or service has a tendency to consume the product or service repeatedly. Previous research according to (Olgun Kitapci, et al, 2019) stated that *customer satisfaction* affects *repurchase intention*.

H3: it is suspected that there is a positive influence of customer satisfaction on repurchases.

3. METHOD

This research uses a quantitative approach using primary data, namely questionnaires. The population of this study is mobile *banking* users of Bank Syariah Indonesia in Semarang. The sampling technique used is purposive sampling, which is a sampling of 100 respondents who use Bank Syariah Indonesia mobile banking with certain criteria, namely: 1) Domiciled in Semarang 2) Have an ID card or be 17 years old and above 3) Using Bank Syariah Indonesia *mobile banking*.

The measurement scales using a likert scale of 5 are Strongly Agree (5), Agree (4), Neutral (3), Disagree (2), Disagree (1). The analysis technique used is Structural Equation Modeling (SEM) Partial Least Square (PLS) software.

4. RESULTS AND DISCUSSION

In this chapter, the author will discuss the results of the questionnaire that has been distributed to all respondents. The distribution of questionnaires is aimed at Bank Syariah Indonesia *mobile banking* users spread across Semarang. Data is processed using SmartPLS 3.2.9 software. The data processed was as many as 100 respondents.

Validity Test

The first check in data processing is a validity test that serves to test the reliability of question items. The instrument will be said to be valid if the question item used is able to measure something essential. Through the SmartPLS validity test using convergent validity and discriminant validity.

Convergent Validity

The convergent validity test is used to determine the validity or not of question items that can be known through the outer loading instrument and the AVE (Average Variance Extracted) score. Outer loading is used to describe how much the correlation between the indicator and the latent variable is. The validity test using the outer loading score has several conditions, namely: a. the outer loading score > 0.50 can be notarized valid (Hair et al, 2014), b. the outer loading score < 0.50 is said to be invalid.

Table 1 Outer Loading Results

Variable	Average Variance Extracted (AVE)
Quality of Service (X1)	0,508
Customer Value (X2)	0,605
Repurchase (Z)	0,538
Customer Decision (Y)	0,675

The table above shows the results of Average Variance Extracted on four variables, namely service quality with a score of 0.465, customer value with a score of 0.605, repurchase with a score of 0.538 and customer decisions with a score of 0.675. The four variables show values greater than 0.5 so they are called valid and can be used to measure subsequent data.

Discriminant validity

The analysis of the validity of the discriminants can be seen by comparing the AVE scores of each construct with other construct correlations. If the AVE of each construct is greater than the correlation of the correlation of that construct with other constructs, it will be declared valid

Table 2 Classification of Discriminant Validity

	Quality of service (X1)	Customer Value (X2)	Repurchase (Y)	Customer Satisfaction (Z)
Quality of service (X1)	0,713			
Customer Value (X2)	0,808	0,778		
Repurchase (Y)	0,655	0,620	0,777	
Customer Satisfaction (Z)	0,737	0,739	0,690	0,755

Table 2 shows that the AVE roots of each construct are higher and lower. The service quality score is 0.713 lower than the customer value. Then but 3 variables have a higher score, namely the customer

value has a score of 0.778 than 0.620. The repurchase variable is higher with a value of 0.777 versus 0.690. Thus it is said that the 3 variables of customer value, repurchase and customer satisfaction have AAVE roots > the correlation coefficient shows high. But the variable quality of service has roots < the correlation coefficient shows low.

The discriminant validity analysis can be known through the results of cross-loading between question items and variables; The cross-loading value in question must be greater than the other values. Here are the cross-loading results of this study:

Table 3 Discriminant Validity Results

	Quality of service (X1)	Customer Value (X2)	Repurchase (Y)	Customer Satisfaction (Z)
X1.1	0.679			
X1.3	0.686			
X1.4	0.714			
X1.7	0.655			
X1.8	0.771			
X1.9	0.796			
X1.10	0.712			
X1.11	0.690			
X1.12	0.698			
X2.13		0.799		
X2.14		0.738		
X2.15		0.806		
X2.16		0.732		
X2.17		0.741		
Z18			0.764	
Z19			0.708	
Z20			0.786	
Z21			0.761	
Y22				0.811
Y23				0.815
Y24				0.845
Y25				0.615

The discriminant validity is said to be good when the score exceeds 0.5. Based on table 3 above, it can be concluded that the variables of service quality, customer value, customer satisfaction, and repurchase are said to be valid and functional.

Reliability Test

Reliability tests are conducted to see the consistency and confidence level in each. Questionnaires can be said to be reliable, meaning that the instrument can be trusted as a good data collection tool. Here's the reliability test:

Table 4 Reliability Test Results

	Composite Reliability	Cronbach Alpha
Quality of service (X1)	0,902	0,878
Customer Value (X2)	0,884	0,837
Repurchase (Y)	0,857	0,780
Customer Satisfaction (Z)	0,841	0,751

Based on table 4, reliability tests were obtained from service quality of 0.902, customer value of 0.884, repurchase 0.857, and customer satisfaction of 0.841 and Cronbach alpha qualktas service value of 0.878, customer value of 0.837, repurchase 0.780 and consumer satisfaction value 0.751. All values of the four variables are greater than 0.7 so this data is said to be reliable as a research instrument.

This research contributes literature that focuses on the effect of service quality and customer value on repurchases through consumer satisfaction. The calculation of data from 100 respondents who used *mobile banking* services produced several findings. The first finding is that service quality has a positive

and significant effect on consumer satisfaction so Hypothesis 1 (H1) is acceptable. Service quality influences customers who use *mobile banking* to continue using it because there are elements of reliability, responsiveness, tangibles, assurance and empathy that affect customer satisfaction (Hayati, 2019). The T-Statistical value obtained is $3,453 > 1.96$ and the P-value obtained is $0.001 < 0.05$ so this correlation has a positive and significant effect.

The second finding leads to customer value that has a positive and significant effect on customer satisfaction, so Hypothesis 2 (H2) is accepted. (Kotler and Keller, 2007) state that customer value is a perspective on the benefits and costs of an offer, with customer value, customers remain loyal to the company because they get more value to cause customer satisfaction. The T-statistics value obtained was $3.742 > 1.96$ and the P-values obtained were $0.000 < 0.05$ so this correlation had a positive and significant effect.

The third finding leads to customer satisfaction which has a positive and significant effect on repurchases, so Hypothesis 3 (H3) is accepted. When the customer has achieved satisfaction in using the service, the customer will continue to repurchase. The T-statistics value obtained was $10.438 > 1.96$ and the P-values obtained were $0.000 < 0.05$ so that this correlation had a positive and significant effect.

5. CONCLUSION

Service quality has a positive and significant effect on customer satisfaction, with a T-Statistics value of $3,453 > 1.96$. The quality or features of Bank Syariah Indonesia mobile banking can have a positive impact on customer satisfaction. Customer value has a positive and significant effect on customer satisfaction, with a T-Statistical value of $3,742 > 1.96$. The good and bad assessment of Bank Syariah Indonesia customers has a positive impact on customer satisfaction. Customer satisfaction has a positive and significant effect on repurchases using Bank Syariah Indonesia mobile banking, with a T-Statistik value of $10,438 > 1.96$. Customers when satisfied with using mobile banking services, customers will continue to use them again.

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