

## **Achieving customer satisfaction through service and product excellence**

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### **Abstract**

So far, customer satisfaction is still a major issue and concern for BTPN Syariah to survive in the intense competition among sharia banks in Indonesia. The bank strives to provide the best service and offer better quality products than competing banks. This study intends to determine the impact of service and product excellence on customer satisfaction. The study employed a quantitative approach and data collection using questionnaires distributed to 237 BTPN Syariah MMS Haurwangi Cianjur customers. Data analysis and hypothesis testing were carried out by regression analysis using SPSS. This study found that service and product excellence had a positive impact on customer satisfaction. The staffs were able to communicate well and explain the products in detail and clearly. BTPN Syariah financing was very useful for customers' business capital. In terms of service, customers highlighted the responsiveness and assurance of Banks in serving customers. In terms of product, Banks need to keep up to date with customer needs and reward loyal customers. Respondents in this study were rural communities with the majority not having a high level of education. The results are expected to add insight into the literature and banks concern. Future researchers can develop more in-depth research.

**Key words:** Customer satisfaction; service excellence; product excellence; sharia banks

## INTRODUCTION

Banking is a business of trust. Banks must provide certainty and security for their customers (Tseng et al., 2021). The success of satisfying customers is the main performance indicator. Managing banking services in accordance with customer needs and expectations is the right strategic direction for banking companies (Marzdashti et al., 2022; Yapanto et al., 2021). To achieve this is not an easy task. But it is not impossible to realize.

Efforts to improve the quality of services offered by banks must be market-oriented or community-oriented (Riyadi & Sukardi, 2022). People want bank services that are convenient and easy to transact. Sharia banking, which is gaining a lot of interest from the public, should not ignore that either. Surah Ali Imron, verse 159, instructs believers (who act as entrepreneurs) to be gentle (provide satisfaction) to a (customer).

In addition to good services, high-quality products also play an important role in generating customer satisfaction (Kaabachi et al., 2022). Due to a better education and easy access to more banking channels, customers demand more from the products and services, so banks today must look for innovative ways to market and achieve competitive advantage (Dandis et al., 2021). BTPN Syariah, as the planned research location, continues to do so and has advantages that other banks do not have.

BTPN Syariah operates based on the principle of financial inclusion by providing financial products and services to unreached remote communities and the underprivileged segments of society. In addition to providing access to financial services to these communities, BTPN Syariah also provides simple financial training to help its customers' livelihoods continue and fosters a healthier community through Program Daya (BTPN, 2021).

This study aims to explore the views of the public (BTPN Syariah customers) on the bank's service and product excellence. It is then tested whether this affect customer satisfaction, so that in the long run customer satisfaction can be used as the main objective for planning marketing strategies at the bank. Respondents in this study are rural communities with the majority not having a high level of education, as the financing customers at BTPN Syariah MMS Haurwangi Cianjur branch office.

## METHOD

### Type of Research, Population, and Sample

This type of research uses a quantitative approach. The study aims to confirm the evidence that there is an influence between the independent variable and the dependent variable. The data source used is primary data. The data was obtained from the distribution of questionnaires.

The population is BTPN Syariah MMS Haurwangi Cianjur customers with a total of 1,910 customers. The sample was calculated using the Isaac and Michael formula, and the results obtained the need for respondents as many as 237 customers. Respondents are rural communities as the financing customers at BTPN Syariah MMS Haurwangi Cianjur.

### Variable Operationalization

#### Dependent Variable

The dependent variable (Y) in this study is customer satisfaction. Satisfaction is a person's feeling of pleasure or disappointment that comes from a comparison between his impression of the performance (or results) of a product and his expectations (Kotler, 2018). The measurement used are: a. satisfied with the product, b. satisfied with the service, c. satisfied with the price, d. emotional respond, and e. conveniency.

#### Independent Variable

Independent variables in this study are service excellence (X1), and product excellence (X2).

#### Service Excellence

Service is something intangible that is an action or performance offered by one party to another and does not cause any transfer of ownership (Kotler, 2018). The measurement used are: a. tangible, b. reliability, c. responsiveness, d. assurance, and e. empathy (Kotler, 2018).

#### Product Excellence

Product excellence is superiority or higher differentiation compared to competitors' offerings (Henard & Szymanski, 2001). The elements of product excellence include uniqueness, value, and benefits that

the company offers to customers. The measurement used are: a. performance, b. features, c. reliability, d. conformance of specifications, e. durability, and f. aesthetics (Tjiptono, 2019).

## RESULTS AND DISCUSSION

### Profile of Respondents

Respondents in this study were 237 women, who were customers of BTPN Syariah products specifically for women who want to create or were running a business. Respondent profiles based on educational background and age are as follows:

**Table 1.**

Respondent Profiles Based on Educational Background

Latest Education	Total	Percentage
Elementary School	92	39%
Junior High School	94	40%
High School	51	21%
Jumlah	237	

**Table 2.**

Respondent Profiles Based on Age

Age	Total	Percentage
18-29	83	36%
30-39	58	24%
40-49	40	17%
50-59	55	23%
Jumlah	237	

### Descriptive Statistics

Respondents were asked to respond to questionnaire statements from each variable on a five-point scale: 5: strongly agree, 4: agree, 3: disagree, 2: disagree, 1: strongly disagree. The description of the collected data is as follows:

**Table 3.**

Descriptive Statistics

Variable	N	Min	Max	Mean	Std. Deviation
Service excellence	237	2.88	5.00	4.28	4.47
Product excellence	237	2.69	5.00	4.25	4.43
Customer satisfaction	237	3.00	5.00	4.32	4.45

The average value of respondents' responses to the three variables is in the range of 4.2 and 4.4, which shows that the responses to the three variables are in the good category. The staffs were able to communicate well and explain the products in detail and clearly. Also, BTPN Syariah financing was very useful for customers' business capital. Low scores related to services are responsiveness and assurance of banks in serving customers. While those related to product, banks need to keep up to date with customer needs and reward loyal customers.

### Multiple Linear Regression Analysis

Multiple linear regression analysis is used to determine the influence between the independent variables, namely service excellence (X1), and product excellence (X2) on the dependent variable, namely customer satisfaction (Y). The results of multiple linear regression tests can be seen in table 4 below:

**Tabel 4.**

Multiple Regression Analysis Test Results

Model	Coefficient	t-statistic	Sig.
(Constant)	23,491	7,321	,000
Service excellence → Customer satisfaction	,187	2,773	,006
Product excellence → Customer satisfaction	,319	4,734	,000
F-statistic		28,402	,000b
R2			,816
Adjusted R2			,812

The t test is used to show the effect of one by one independent variable (partial) in explaining the variation in the dependent variable. The results of the t test as shown in Table 4 are explained as follows:

**Service excellence t test results (X1) on customer satisfaction (Y)**

The t test results have a significance level of 0.006 smaller than 0.05, indicating that there is an influence of service excellence (positive and significant) on customer satisfaction at BTPN Syariah MMS Haurwangi Cianjur.

**Product excellence t test results (X2) on customer satisfaction (Y)**

The t test results have a significance level of 0.000 smaller than 0.05, indicating that there is an influence of product excellence (positive and significant) on customer satisfaction at BTPN Syariah MMS Haurwangi Cianjur.

The F test is used to determine whether the independent variables together (simultaneously) affect the dependent variable. The results of the F test as shown in Table 4 show that the significance value is smaller than 0.05 ( $0.000 < 0.05$ ), so it can be stated that service excellence, and product excellence simultaneously have an effect (positive and significant) on customer satisfaction at BTPN Syariah MMS Haurwangi Cianjur.

The coefficient of determination test is carried out with the aim of measuring the contribution of the independent variable to the dependent variable. The coefficient of determination is between zero and one. The results of the coefficient of determination test in table 4, namely the Adjusted R<sup>2</sup> value of 0.812, show that the service excellence and product excellence variables together contribute to explaining the variation in customer satisfaction variables by 81.20%, while the remaining 18.80% by other factors outside the research variables studied.

## **DISCUSSION**

### **The Effect of Service Excellence on Customer Satisfaction**

The t test results show that service excellence has a positive and significant effect on customer satisfaction at BTPN Syariah MMS Haurwangi Cianjur. The results of this study are in line with research by Jawaid et al. (2021) who found that external customers feel satisfied while using the Islamic banking services in Pakistan. Similarly, research by Osman et al. (2021) in Kelantan, Malaysia, who found that responsiveness, empathy, and reliability measurements were significant in influencing customer satisfaction.

Regarding the service provided by BTPN Syariah MMS Haurwangi Cianjur to its customers, the highest response was in the reliability. BTPN Syariah officers are considered capable of explaining their products in detail and clearly. While the lowest response is assurance. BTPN Syariah need to improve responsiveness and assurance of banks in serving customers.

### **The Effect of Product Excellence on Customer Satisfaction**

The t test results show that product excellence has a positive and significant effect on customer satisfaction at BTPN Syariah MMS Haurwangi Cianjur. The results of this study are in line with research by Mas'ud & Yusup (2021) who found product excellence affected the customer satisfaction of PT Bank Syariah Mandiri customers in West Nusa Tenggara (NTB). Furthermore, research by Nurhayati et al. (2021) found that non-Muslim customers of sharia banks (Bank Muamalat Indonesia and Bank Syariah Indonesia) in Manado became customers of sharia banks partly because of the products provided by the banks.

Regarding the product provided by BTPN Syariah MMS Haurwangi Cianjur to its customers, the highest response was in the durability. BTPN Syariah financing is available up to 60 years old. While the lowest response is features. BTPN Syariah lacks in providing rewards to loyal customers.

## CONCLUSION

From the finding and discussion of research on service and product excellence on customer satisfaction of BTPN Syariah MMS Haurwangi Cianjur, there are the following conclusions: Product excellence or products that are different and better than competitors is one of the supports for customer satisfaction. This study proves that product excellence is the most influential factor in influencing customer satisfaction. If a product is at a good level of product quality and in accordance with customer desires, it greatly affects the high customer satisfaction. The service excellence factor is a factor that affects customer satisfaction, but not as big as the product excellence factor, the better the quality of service provided by the bank, the level of customer satisfaction will increase.

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