Influence of Frontliner Service Quality and Quality Products Towards Customer Loyalty at KSPP Syariah BMT NU East Java Sumbersari Branch

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ARTICLE INFO	ABSTRACT
	This research aims to evaluate the influence of service quality and product quality on customer loyalty at BMT NU Sumbersari. This Sharia Financial Institution is known for its friendly and responsive service as well as savings pick-up and delivery services and sharia financial financing. This research uses a descriptive quantitative approach. The population in this study was 1527. The research sample was determined randomly (random sampling) with the total sample calculated using the Slovin formula numbering 94 people. Data was collected through questionnaires, and analyzed using multiple linear regression. The results of the research obtained using the t test and F test show that the quality of frontliner service partially influences customer loyalty at BMT NU Sumbersari. Product quality partially has no effect on customer loyalty at BMT NU Sumbersari. Frontliner service quality and product quality simultaneously influence customer loyalty at BMT NU Sumbersari. The resulting R2 value of 0.115 (11.5%) can be interpreted to mean that the capability of the frontliner service quality model (X1), product quality (X2) on customer loyalty (Y) is 11.5 percent, and the rest is influenced by other factors.

Keywords: Customer Loyalty, Frontliner Service Quality, Product Quality |

INTRODUCTION

Banking is a financial institution that has an influence on the country's economy. The first conventional banking in Indonesia adopted an interest system which aims to obtain large profits. This caused banking to weaken during the 1998 monetary crisis, so that conventional banking at that time experienced bankruptcy. The formation of sharia-based financial institutions is an alternative in improving the economic system. Sharia financial institutions apply the principles of justice, honesty and equality through a system of sharing results. BMT is a sharia-based financial institution based on the Al-Quran and hadith to realize fair, healthy, dynamic and reasonable rights and obligations. Masyitoh (2014) said that BMT is a sharia-based organization, a combination of two concepts, namely maal and tamwil. The collection and distribution of ZIS funds is the concept of maal itself, which has become a part of the life of the Muslim community. And tamwil Apart from

that, the concept of tamwil emerged to be used by profitable businesses to benefit the lower middle class (micro). In increasing competitiveness in a financial institution, a company must be able to build customer trust.

Prospective customers' trust is needed to carry out the business carried out by the company. Prospective customers' trust can arise by looking at the quality of service they get from the company, one of which is from the frontliners. Service quality can be interpreted as the sense of care that a company provides to customers. Service quality always changes according to what customers request. Siswandi, et al (2018), said that service quality is one of the variables that can determine satisfaction and has an impact on customer loyalty. The quality of a service can be said to be a factor in generating customer satisfaction and providing a sense of loyalty to a company itself.

Apart from good service quality, the company must also be able to present quality products to customers, so that customers feel that the company has advantages compared to other companies and will always use the company's services. Kotler & Armstrong (2015) say that the quality of a product is the product or service features that can give a sense of satisfaction to customers. Customer loyalty is the behavior of customers who consistently purchase goods or services from one company. In research conducted by Porral and Lang (2015), loyal customers are usually synonymous with customers who frequently make transactions with one company the next day. Quoting from research by Rachmawati (2017), he said that short-term customer loyalty will increase the income generated by the company and in the long term it will gain the trust of customers, so that it will lead to more profits for the company. Because usually customers who are loyal to a company will want to make transactions at high prices or with cheap service, and loyal customers will also recommend the company to others.

This research took the subject at KSPP Syariah BMT NU East Java Sumbersari Jember Branch because in Jember city there are many sharia financial institutions that use other sharia principles, but many financial service users use the services of BMT itself. The quality of service at BMT NU East Java Sumbersari Branch can be said to be very good, the service there is very friendly and always alert and ready to serve. This can be one of the factors in customer loyalty, BMT NU itself provides savings and financing pick-up and drop-off services, not just quality good service but also product quality at BMT NU really understands what customers need, as is the case with healthy living financing products. This product is designed for members who still don't have a toilet or bathroom and recommends clean water through a murabahah contract. Therefore, researchers are interested in researching customer loyalty at BMT NU East Java Sumbersari Jember Branch. This research aims to examine service quality and product quality which influence customer loyalty at KSPP Syariah BMT NU East Java Sumbersari Jember Branch.

Based on the description presented above, researchers are interested in conducting research on the influence of frontliner service quality and product quality on customer loyalty and compiling it in the form of research entitled; "THE INFLUENCE OF FRONTLINER SERVICE QUALITY AND PRODUCT QUALITY ON CUSTOMER LOYALTY AT KSPP SYARIAH BMT NU EAST JAVA SUMBERSARI JEMBER BRANCH."

METHODS

The research uses a descriptive quantitative approach and survey method. The number of customers at the BMT NU Sumbersari Jember branch from 2015 to 2023 is 1527. In determining the number of respondents in this study, the following Slovin formula was used:

$$n = \frac{N}{1 + N(e)^2}$$

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Information:
n = Sample size
N = Number of population
e = 10% (standard error)

Based on the Slovin formula calculation, the number of respondents in this study was 94 people. Observation data was processed using the SPSS 25 application. The tests used included validity tests, reliability tests, normality tests, multicollinearity tests, heteroscedasticity tests, multiple linear regression tests, t tests, f tests, and coefficient of determination tests. And to obtain and process it, researchers use a questionnaire which will be filled in by respondents.

The following is an overview of the research hypothesis for each variable
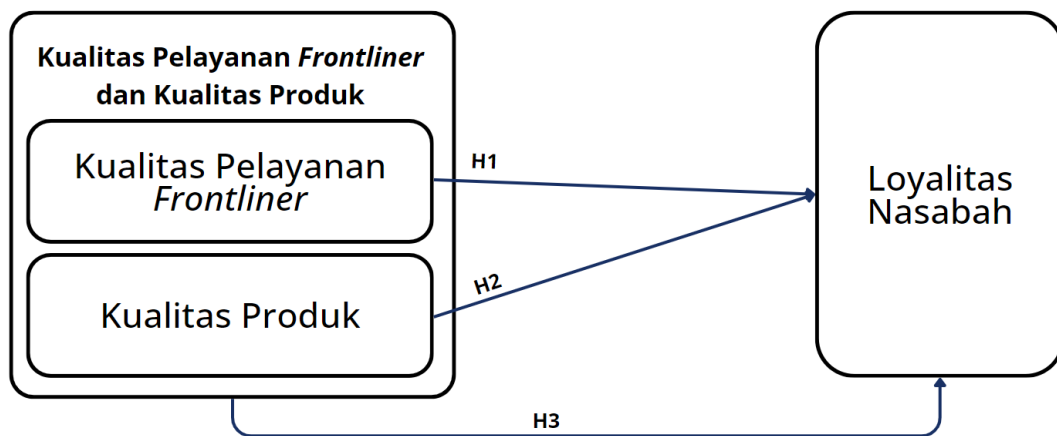
Figure 1. Hypothesis

H1, the service quality variable (partial) has a significant effect on customer loyalty.
H2, product quality variables (partial) have a significant effect on customer loyalty.
H3, the variables of frontliner service quality and product quality (simultaneously) have a significant effect on customer loyalty.

RESULTS AND DISCUSSION

The following are the results of what has been obtained from a research conducted and also data transparency from the results of processing raw data obtained from questionnaires.

Based on what the researchers asked of 94 respondents, 22% were men and 78% were women, this shows that the majority of those participating in this study were women. Based on the table above, of the 94 people who answered, 9 respondents or 9% were service users from BMT NU Sumbersari Branch since 2015, 2 respondents or 2% admitted that from 2016 they used services from BMT NU Sumbersari Branch, 17 respondents or 18% admitted using BMT services since 2017, 17 more respondents from 2018, 24 respondents or 26% since 2019, 16 respondents or 17% from 2020, 5 respondents or 5% admitted since 2021, while the remaining 4 respondents or 4% more from 2022. From this data, it is stated that the majority of respondents in this study were from 2019.

Based on theTest the validity of Frontliner Service Quality. This research uses SPSS 25 software to test the validity of questionnaire data filled in by respondents, and the data is said to be valid if the significant number is below 0.5 and the Pearson correlation value is above 0.5. In this study, all

independent and dependent variables have a significant value of less than 0.5 and the Pearson correlation value is more than 0.5, so it can be said that the data used is valid.

Based on the reliability test,The number shown in the alpha value of each variable is greater than the predetermined reliability crisis value, as shown in the table above. Because the questions in a questionnaire are given more than once to different respondents, the measurement results are relatively consistent. Therefore, it can be concluded that the data in this study can be trusted, because the frontliner service quality variable (X1) is 0.837 > 0.6, the product quality variable (X2) is 0.708 > 0.6 and the customer loyalty variable (Y) is 0.613 > 0, 6. Therefore, the data obtained from the questionnaire can be used for research.Based on the normality test. Equal to 0.133, it is said that the significant value is > 0.05, so the data in this study is normally distributed. Based on the multicollinearity test. It states that the independent variable has a tolerance value > 0.10 and VIF < 10, it can be concluded that the two independent variables in this study do not have multicollinearity. Based on the heteroscedasticity test. It states that this research has a significant value of > 0.05, so it can be concluded that the data in this research is acceptable and there is no heteroscedasticity. Based on the multiple linear regression analysis. What is shown in the table above is Coefficient B which is a form of regression equation which can be produced as follows:

$$Y = 9.568+0.178x_1+0.021x_2+e$$

Based on the equation above, the following can be used as a reference:
a. Based on the equation, the constant value of 9.568 is positive, which means customer loyalty will increase if the two independent variables are not equal to 0 or change.
b. Frontliner service quality (X1) has a positive influence on customer loyalty, according to the X1 coefficient of 0.178.
c. Product quality (X2) has a positive impact on customer loyalty, according to the product quality coefficient (X2) of 0.021. This means that customer loyalty will increase with high quality products.

Based on partial t test, frontliner service quality has an influence on customer loyalty because the calculated t value is > t table and the significant value is > 0.05, while the product quality value has no influence on customer loyalty.

Based on the simultaneous F test, that the calculated f is 7.060 with a significant value of 0.001, and the f table in the f distribution table for df 1 = 2, df 2 = 91 is 3.150, which states that the calculated f value > f table, 7.060 is greater than 3.150, and the sig value . > 0.05 or 0.001 < 0.05. Thus, the hypothesis states that frontliner service quality and product quality simultaneously influence customer loyalty.

Based on the coefficient of determination test. It can be seen that the R^2 value of 0.115 (11.5%) can be interpreted that the capability of the frontliner service quality model (X1), product quality (X2) on customer loyalty (Y) is 11.5 percent, and the rest is influenced by other factors.

The Influence of Frontliner Service Quality on Customer Loyalty
This research shows a significant relationship between the frontliner service quality variable and the customer loyalty variable. Mantika, a previous researcher in 2021, strengthened the findings of this research, that the frontliner service quality variable has a significant influence on customer loyalty.

This research is in accordance with the results obtained from Rahayu & Alwie's research which shows that service quality has an influence on showing customer loyalty to Bank Muamalat, Sumberbaru Branch. This correlates with research conducted by Siswandi et al. (2018), that service quality can be said to be one of the factors that can make consumers feel satisfied and because customers feel satisfied it will have an impact on customer loyalty. And the quality of frontliner service at the BMT NU Sumbersari Branch is good service, such as tellers and finance and administration departments who are always ready to serve consumers who need good service and in

accordance with what has been instructed by the company, and field departments who carry out their duties. with what has become the principle of BMT itself.

Observations conducted by researchers at KSPP Syariah BMT NU Sumbersari Branch, researchers assume that the quality of frontliner service has an effect on customer loyalty due to several factors, namely frontliner officers provide special services that are not often provided by other financial institutions, such as pick-up and drop-off services provided by frontliner officers. in the field, this pick-up and drop-off service influences customers' assessments of the service quality of a financial institution itself.

The Influence of Product Quality on Customer Loyalty

Product quality does not have a significant influence on customer loyalty. This research was strengthened by previous research conducted by Sembiring (2014). This research is in line with what Sembiring (2014) said, that product quality is important for all financial institutions in retaining and attracting customers. However, superior product quality does not guarantee customer loyalty. The quality of the products available at BMT NU Sumbersari Branch are quality products and can understand what customers need. However, this research proves that product quality has no influence on customer loyalty.

Observations carried out by researchers in the field found that customers at BMT NU Sumbersari Branch purchased products only for the products they needed, and the ones most frequently used by customers at BMT NU Sumbersari Branch were patient and steadfast products. These two products were the most frequently used. by customers because these two products have what customers often need, the patient savings product is used for customers who want to save as savings for Eid and the patient savings product is for customers who want to save their money for daily needs, unlike the patient savings product which can only be taken when This steadfast product has entered the month of Ramadan for customers who want to make withdrawals or deposits at any time. Why product quality does not have an influence on customer loyalty, researchers assume it may be because not all of BMT NU's products are in accordance with what its customers need.

The Influence of Frontliner Service Quality and Product Quality on Customer Loyalty

The quality of frontliner employee service and the quality of a product simultaneously influence customer loyalty. According to the results obtained from testing the coefficient of determination, the magnitude of the influence of the independent variable on the dependent is 11.5 percent. the rest is influenced by other variables. Previous research by Mantika (2021) strengthens these findings: frontliner service quality, customer value and product quality influence Bank Syariah Mandiri customer loyalty. This research is in accordance with previous research by Kartawijaya (2019), that the independent variable has a simultaneous influence on the dependent variable. This simultaneous testing shows that the independent variables in this study have an influence on the dependent variable because BMT NU Sumbersari Branch has good service quality and products that are of the quality that customers need. The products at BMT NU Sumbersari Branch are varied and each product has a function.

CONCLUSION

This research shows a significant relationship between the independent variable frontliner service quality and customer loyalty. Observations conducted by researchers at KSPP Syariah BMT NU Sumbersari Branch, researchers assume that the quality of frontliner service influences customer loyalty due to several factors, namely frontliner officers provide special services that are not often provided by other financial institutions, **such as pick-up and drop-**off services provided by frontliner officers. in the field, this pick-up and drop-off service influences customers' assessments of the service quality of a financial institution itself. Product quality does not have a significant influence on customer loyalty. Customers at BMT NU Sumbersari Branch purchase products only

for the products they need, and the ones most frequently used by customers at BMT NU Sumbersari Branch are the patient and steadfast products. These two products are the most widely used by customers because these two products have what they need. customers need, the patient savings product is used for customers who want to save as savings for Eid and the tabah savings product is for customers who want to save their money for daily needs, unlike the patient savings product which can only be taken when the month of Ramadhan is entered, this tabah product is used for customers who want to make withdrawals or deposits at any time. Why product quality has no effect on customer loyalty, researchers assume it may be because not all BMT NU products are in accordance with what customers need. The independent variable simultaneously influences the dependent variable. According to the results of testing the coefficient of determination, the magnitude of the influence of the independent variable on the dependent is 11.5%, the rest is influenced by other variables.

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