Effect of Dimensions of Service Quality Satisfaction and Customer Loyalty of Islamic Bank in the Perspective of Islam in Palopo

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Abstract: This paper aims to analyze the quality of service using five dimensions that is tangible empathy, Reliability, Responsiveness, and Assurance. Where the first *tangible* dimension using attribute consists of the location, appearance of staff, office facilities are *up-to-date,* the cleanliness of the office, and exterior offices. The second dimension *empathy* that use attributes greet customers by name, an apology for the error service, understand customer needs, personal attention, and operational time. The dimensions of the third namely *reliability* that use service attributes as promised, timeliness of services, verification requests, and sincerity helped. The fourth dimension is the *responsiveness* attributes staff's willingness to help, the notification time of service, speed of service, readiness to serve. Then dimension the latter is the dimension *of assurance* that use attributes confidence in the ability of staff, courtesy staff, security transactions, and staff in still customer confidence. This research tested using SEM analysis, quality of service significant positive effect directly on customer satisfaction, means the better quality of service perceived by the *customer,* the higher the satisfaction of using services provided by the Islamic Bank in Palopo. Conversely, if the lower the quality of the service perceived by the customer, diminishing also their satisfaction to use the service provided by the Islamic Bank in the City of Palopo . Thus it can be conclusion that states that the quality of service in the perspective of Islam have a significant effect on customer satisfaction Islamic Bank in Palopo acceptable.

Keywords: *Empathy, responsiveness, Reliability, Quality, Satisfaction, Customer*

1. Introduction

Human effort in order to realize the welfare of the people living on this earth is strongly associated with economic activities. In the Islamic view of economic activity in line, recommended and fit is through business activity and investment. Some commands in two explicitly and implicitly in the holy book the Quran. The concept of the two views of life of the human race can be seen through the economic system developed by Islam which has a goal to achieve an economic growth rate of mankind in the long term and in order to maximize the welfare of mankind. The way to the development of Indonesian economy and regional free ASR this time, a change in the business environment very rapidly. Industry banking financial services faced with competitive rivalry, the emergence of a wide range of financial services that is based on economics Islam or conventional becomes a challenge for service providers, one of Islamic banking, even Foreign Affairs who want to open a branch in Indonesia so that competition among bank to seize market share is quite high. Services still are important to remain a priority in the service business. Santoso (2011) stated that the quality of service is a major component as the main products, namely bank loans constitute an offer are no different and bank services are also easily replicated. Quality of service is a form of consumers' assessment of the level of service received *(perceived service),* even the service of a powerful weapon to hook customer. Companies that stir in the field of services, satisfying consumers / customers is the most basic that should not be ignored because customer satisfaction is a strategic aspect in winning the competition and maintain the company's image in the eyes of the public, so that a quality service to customers is important. Bank Sharia should be able to show services that distinctive and far better, and quality compared to conventional banks because of the presence of Islamic banks is hope for some people, especially Muslims because of his belief he is unwilling / do not want anymore to trade in conventional banks. The Bank is a provider of financial products to serve the financial transactions for its customers.

Amid fierce competition with a competitor bank, all employees there Bank Sharia in Palopo, required to follow some training especially regarding services, among other e*xcellent Service, Sales Retail Bank Services, Service with Impact.* Without giving quality of service expected by the customer, then the bank will be

abandoned by its customers, who then will directly result in a decrease in the number of its customers. Care is essentially intended to meet the expectations of customers in financial activities. For the bank should actively provide quality service and Islamic which typically are quite different from services performed by the conventional banks over the years, as expected by Muslims during this time in their financial transactions, and thus the customers mainly Muslim would always loyal against the Islamic bank, because they have felt satisfaction with the services typical / Islamic appropriate expectations. Relating the above description about the urgency of the quality of service for customer loyalty, for Islamic banks in Palopo general observation or early observations of this study, and of the various comments / criticism costumer field it can be concluded that, particularly with regard to quality of service at the bank Sharia in Palopo same or mediocre, and some have provided a rating worse than the conventional banks. Where h al it actually should not happen because of the presence of Islamic banks actually expected to be *"rahmatan lilaalamiin"* mercy to mankind, as a spreader of love, savior / helper of mankind, which is characterized by the hospitality, courtesy and politeness in the face of others, which of course all of this could be a magnet for prospective customers and customer loyalty to Islamic banks, as well as the message of Allah in al-Quran Surah Ali Imran verse 159

2. Literature Review

Quality of Service: Then, too, there are five dimensions of service quality by Lupiyoadi (2006: 182), namely: *Tangibles,* or physical evidence that the company's ability to demonstrate its existence to external parties. What is meant here is that the appearance and capabilities of the company's physical infrastructure and state of the surrounding environment is evident and the services provided. *Reliability,* or the reliability of which is the company's ability to give service as promised accurately and reliably. *Responsiveness* or responsiveness is a willingness to help and provide fast and accurate service to customers, with the delivery of clear information. *Assurance* or guarantee and assurance that the knowledge, politeness, and the ability of the company's employees to foster a sense of trust of the customers to the company. Consists of several components, among others, communication, credibility, security, competence and courtesy. *Empathy,* which provide a genuine concern and a private individual or given to customers by striving to understand the customer's wishes. For example, companies need to know the customer's wishes specifics of the physical form of the product or service to the distribution right. According to Oliver cited Hurriyati (2005: 128) reveals the definition of customer loyalty as follows. *Customer loyalty is deafly held commitment to re buy or repertoire a preferred product or service in the future, dispute situational influences and erecting Efforts having the potential to cause switching behavior.* Customer loyalty is a commitment to customers to survive in depth to re-subscribe or re-purchase of products / services Selected consistently in the future, although the influence of the situation and marketing efforts have the potential to cause changes in behavior. From the bottom of the proposed hypothesis: Refer to the description of the conceptual framework mentioned above, it can by hypothesis in this study as follows, among others:

H1: Quality of service in the Islamic perspective a significant effect on customer satisfaction Islamic Bank in Palopo.
H2: Satisfaction customer's significant effect on customer loyalty Islamic Bank in Palopo.
**H3:** Quality of service in the Islamic perspective and significant positive effect on customer loyalty Islamic Bank in Palopo.

3. Methodology

This study uses primary data to obtain information about all of the variables. Type variable data in this study can be divided into *exogenous variables, intervening,* and *Endogenous.* As for the variable *exogenous* is Dimension Quality of Services (X) consisting variable *Tangibles* (X_1) *Empathy* (X_2) *Reliabilities* (X_3) *Responsiveness* (X_4) and *Assurance* (X_5), then *the intervening* variables (Y1) is the Customer Satisfaction and the variable *endogenous* is Customer Loyalty (Y2). The source of research data pointed out is the collection of primary data through questionnaires to customers / customers and Employee Bank Sharia in Palopo, which contains questions about the variable. Gathering data using questionnaires that the questions cover all, variable in this study was measured by *a Likert scale* with five answer choices that allow respondents to express their feelings appropriate scale data is also conducted by interview, documentation and observation. The population in this study was all clients in Islamic Banking in Palopo, good customer

deposits, savings, or credit. Total population in Islamic Banking in Palopo City totaling approximately 5,000 customers. Due to the limitations of time, energy, and the selection of analytical tools in this research not all population can be used as a sample. Hair et al in Ferdinand (2002: 47) states that the sample size for the corresponding SEM analysis ranged from 100-200. When the sample size is too large, for example more than 400, then the method used to be very sensitive so it is difficult to get a measure *of goodness of fit* is good. Guidelines in determining the sample size used is five to ten times the amount of research indicators (Ferdinand, 2002: 48). Based on this view of the above, then the samples were determined in this study were 150 respondents to the consideration that the sample size is five times the number of existing indicators (5 x 30 = 150 respondents). The sample size is still within the range of sample sizes should be used that is 100-200 respondents. Sampling was done by *purposive sampling* technique sampling with particular consideration (Sugiyono, 2003: 77). Analysis of *Structural Equation Modeling* (SEM) To test the hypothesis SEM analysis with the help of the program AMOS version 20.Langkah-step modeling SEM according to Hair et al. (1995) there were seven rare to be done when using *Structural Equation Model*(SEM) is as follows:

Figure 1: The Conceptual Framework
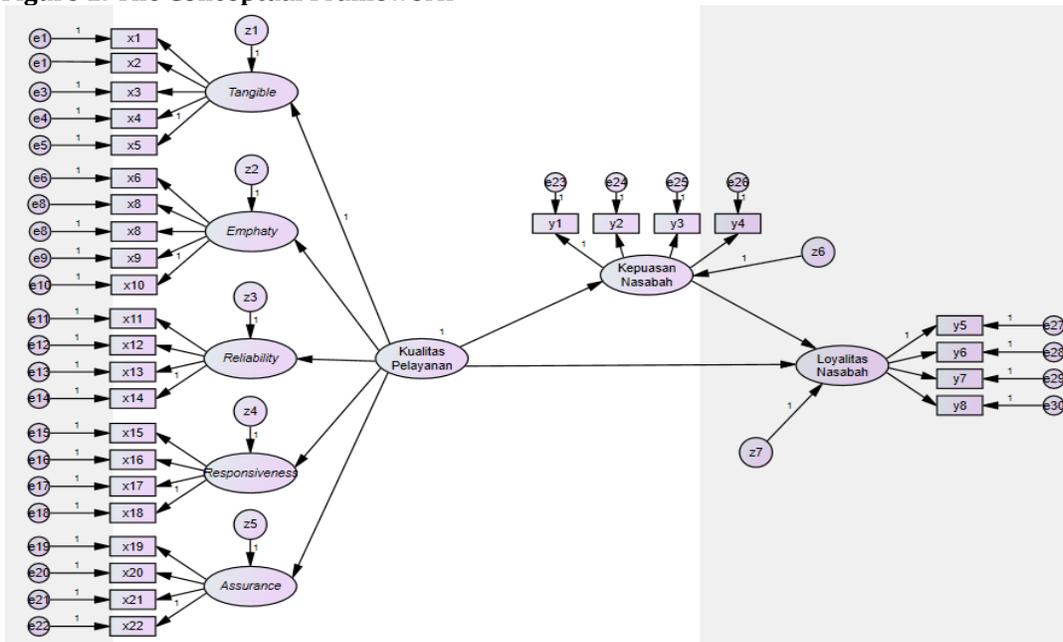
The development of a theory-based model:

- Develop path diagram to express causality
- Translates into a structural equation model specifications and measurements.

Variable endogen = variable exogen + variable endogen + error

The equation derived from the converted flowchart consisting of:
- Structural equation *(structural equation),* which is formulated to reveal causal relationships among the various constructs.
- Specific equations measurement model *(measurement model),* which must be determined variables that measure the construct and define a series of matrices that show the correlation between the hypothesized constructs or variables.
- The components identify *latent variable* size and structural components to evaluate the hypothesis of a causal relationship between *the latent variables* in a causal model and show a whole hypothesis testing of the model as a whole.

4. Findings

The quality of service using five dimensions that is *tangible empathy, Reliability, Responsiveness,* and *Assurance.* Where the first *tangible* dimension using attribute consists of the location, appearance of staff, office facilities are *up-to-date,* the cleanliness of the office, and exterior offices. The second dimension *empathy* that use attributes greet customers by name, an apology for the error service, understand customer needs, personal attention, and operational time. The dimensions of the third namely *reliability* that use service attributes as promised, timeliness of services, verification requests, and sincerity helped. The fourth dimension is the *responsiveness* attributes staff's willingness to help, the notification time of service, speed of service, readiness to serve. Then the last dimension is the dimension *of assurance* that use attributes confidence in the ability of staff, courtesy staff, security transactions, and staff in still customer confidence. Quality of care significant positive effect directly on customer satisfaction, which means that the better the quality of service perceived by the *customer,* the higher the satisfaction of using services provided by the Islamic Bank in Palopo. Conversely, if the lower the quality of the service perceived by the customer, diminishing similarly their satisfaction to use the service provided by the Islamic Bank in Palopo. Thus we can conclude that Hypothesis 1 which states that the quality of service in the perspective of Islam have a significant effect on customer satisfaction Islamic Bank in Palopo acceptable.

The findings in this study support the results of research conducted by Anindhyta (2009), with the title of the study the influence of the quality of service and the handling of complaints against customer satisfaction and loyalty Islamic commercial bank in Surabaya. Where is the research that significantly influence the service quality customer satisfaction with a probability value 0.022 <0.05. Quality of care is a significant positive impact directly and indirectly on customer loyalty, means the better the quality of service perceived by the *customer,* the higher the customer loyalty to a product / services provided by the Islamic Bank in Palopo. Conversely, if the lower the quality of the service perceived by the customer, diminishing also their loyalty to use the products / services provided by the Islamic Bank in Palopo. Thus we can conclude that Hypothesis 2 stated that the quality of service in the perspective of Islam have a significant effect on customer loyalty Islamic Bank in Palopo acceptable. The findings in this study support the results of research conducted by Anindhyta (2009), with the title of the study the influence of the quality of service and the handling of complaints against customer satisfaction and loyalty Islamic commercial bank in Surabaya. Where is the research that significantly influence the service quality customer loyalty with probability value 0,000 <0,05. Then the results of this study are also consistent with the results of research conducted by (Bloemer & Schroder (2003), Caruana (2002), and Bitner (2003) suggests that the quality of services offered by a company will affect the level of consumer loyalty.

Similar results were obtained Parasurahman (1998) in his research. Their findings clearly indicate that the quality of service has an influence on the formation of consumer loyalty. Customer Satisfaction significant positive effect directly on customer loyalty, means the better satisfaction in rasakanoleh *customer,* the higher the customer loyalty to the products / services provided by the Islamic Bank in Palopo. Conversely, if the lower satisfaction perceived by customers, diminishing anyway their loyalty to use the products / services provided by the Islamic Bank in Palopo. Thus we can conclude that Hypothesis 3 which states that customer satisfaction in the perspective of Islam have a significant effect on customer loyalty Islamic Bank in Palopo acceptable. The findings in this study support the results of research conducted by Anindhyta (2009), with the title of the study the influence of the quality of service and the handling of complaints against customer satisfaction and loyalty Islamic commercial bank in Surabaya. Where the results of research that customer satisfaction significantly influence customer loyalty with probability value 0,000 <0,05. Then the results of this study are also consistent with the results of research conducted by Caruana (2002) states that the customer satisfaction significantly influence the desire to buy and the quality of service has little effect on buy-back compared to customer satisfaction. This study provides an explanation that affects customer satisfaction to customer loyalty is defined as the desire to repurchase. Such loyalty models describe two groups of determinants that lead to a loyal customer at a bank that is what factors and how factors.

5. Conclusion

Based on the subject matter, the purpose of the study, the analysis and discussion, can following conclusion: Quality of care is significant positive effect directly on customer satisfaction, which means that the better the quality of service perceived by the *customer,* the higher the satisfaction of using services provided by Islamic Bank in Palopo. Conversely, if the lower the quality of the service perceived by the customer, diminishing also their satisfaction to use the service provided by the Islamic Bank in Palopo. Thus we can conclude that Hypothesis 1 which states that the quality of service in the perspective of Islam significant effect on customer satisfaction Islamic Bank in Palopo unacceptable. Quality of care is significant positive effect directly and indirectly on customer loyalty, means the better the quality of service perceived by the *customer,* the higher the customer loyalty to the products / services provided by the Islamic Bank in Palopo. Conversely, if the lower the quality of the service perceived by the customer, diminishing also their loyalty to use the products / services provided by the Islamic Bank in Palopo. Thus we can conclude that Hypothesis 2 which states that the quality of service in the perspective of Islam significant effect on customer loyalty Islamic Bank in Palopo acceptable. Customer Satisfaction significant positive effect directly on customer loyalty, means the better satisfaction of *customer,* the higher the customer loyalty to the products / services provided by the Islamic Bank in Palopo. Conversely, if the lower satisfaction perceived by customers, diminishing anyway their loyalty to use the products / services provided by the Islamic Bank in Palopo. Thus we can conclude that Hypothesis 3 which states that customer satisfaction in the perspective of Islam have a significant effect on customer loyalty Islamic Bank in Palopo acceptable.

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