

Research Article

The Influence of Brand Trust and Product Quality on Customer Satisfaction and Its Implication on Consumer Loyalty at the Branch office of Pt. Bank Indonesia (Persero) Tbk. Banda Aceh, Indonesia

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Abstract: The purpose of this research is to know: (1) brand trust influence on customer satisfaction (2) product quality influence on customer satisfaction, (3) brand trust influence on customer loyalty (4) product quality influence on customer loyalty (5) on customer loyalty, (6) there is indirect influence of brand trust on customer loyalty through customer satisfaction (7) there is indirect effect of product quality to customer loyalty through customer satisfaction. This research was conducted at BNI Bank Banda Aceh. The object of this research is brand trust and product quality, customer satisfaction and loyalty. The result of research shows that there is influence of brand trust on customer satisfaction, there is influence of product quality on customer satisfaction, research result also proves that there is influence of brand trust to customer loyalty, then there is influence of product quality on customer loyalty, then there influence of customer satisfaction influence on loyalty customers, there is indirect influence of brand trust on customer loyalty through customer satisfaction and there is indirect effect of product quality on customer loyalty through customer satisfaction of PT. Bank Negara Indonesia (Persero) Tbk. Banda Aceh.

Keywords: Brand Trust, Product Quality, Customer Satisfaction and Customer Loyalty.

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INTRODUCTION

The development of information technology makes business competition in the global environment more competitive and increasingly difficult. The number of emerging new competitors in the same industry, a threat to companies that are running its business. The birth of sharia banking in Indonesia, making conventional banking increasingly improve the quality of its services so as not to lose its market share. Ease of access to banking facilities, making consumers easily differentiate the quality of services from a bank with other banks. To that end, sharia banking must compete in improving the quality of service to satisfaction that leads to customer loyalty can be achieved.

Technological developments have had an impact in all areas, one of which is the banking industry. At this time, everyone needs banking services. In addition to saving and lending, the bank is also used as a means to make the payment of bills and all other forms of transactions that can be done through banking services. Currently almost all consumer activities cannot be separated from the role of banking, the

service is fast and easy in the transaction is expected by consumers.

Customer loyalty is a condition expected by every company, especially service companies such as banking. The high customer loyalty, can indicate the success of a company. Customer loyalty is defined as a strong desire of the customer to buy back the product or service and will not move to another company (Oliver, 1999). Loyal customers will always re-purchase in the future, if they need the same product or service. This opinion is in line with Porral & Lang's research (2015) which proves that customers who are loyal to a product, will intend to buy back the product in the future. Indirectly, customer loyalty can improve the competitiveness of a company. Seeing the role of customer loyalty is crucial to the company, many experts have examined the important contribution of customer loyalty to the company (He & Lai, 2014; Martinez *et al.*, 2014; Lee & Lee, 2013).

The bank's ability to deliver ongoing benefits will have a significant impact on the level of customer satisfaction. The customer's desire to remain loyal and buy or use the services of the organization in the future depends on how satisfied the customer is. Bontis,

Booker and Serenko (2007) examine the causality link between customer satisfaction and customer loyalty in the North American banking industry and find that there is a positive relationship between customer satisfaction and customer loyalty.

Customer satisfaction is a major factor in shaping customer loyalty. Experts have proven the positive effect of customer satisfaction on customer loyalty (Haumann *et al.*, 2014; Bejou, 2013; Ringle *et al.*, 2011). Satisfied customers will buy the offered product and influence other potential customers to purchase products and services from a company (Pollack, 2014). In line with the research of Bunker *et al.*, (2013) proving that satisfied customers will advise / say positive about the company to others / word of mouth (WOM). Oliver, (1980). Defines customer satisfaction as a psychological state felt by the customer of a product or service determined by the difference between the customer's expectations and the experience of consuming the product or service.

Customer Satisfaction at BNI Banda Aceh Branch Office (hereinafter referred to as BNI Banda Aceh) is one factor that can influence the loyalty level of banking customers in using services provided by Bank BNI Banda Aceh to its customers. The fact of the low customer satisfaction can be seen from the level of service received is still not able to satisfy the customer, such as the customer must queue at the teller or customer service with a long time, causing boredom and dissatisfaction of customers against Bank BNI Banda Aceh is still considered the same as other .

However, low customer satisfaction will have a positive impact on the decrease of customer loyalty in using the services provided. Diah Dharmayanti, (2013) mentions that the low customer satisfaction is one of them caused by the quality of service provided by Savings Bank Mandiri Surabaya Branch is still less satisfactory for its customers or services provided is still relatively low. Then A Sajeevan Rao and RK Sharma, (2012) mentioned that the rate of transfer of customers from one bank to another bank is still high or customers who still have double accounts between sharia banking accounts and conventional banking. In connection with Bank BNI Banda Aceh, the low customer satisfaction is also caused by the level of customer confidence in Bank BNI Banda Aceh which is still considered to have similarities with the implementation of the system at Bank BNI Banda Aceh or customers or customers mention there is no difference from the service point received, while the difference which appears only in the use of product names that use the term sharia.

While the belief of the brand plays an important role in the creation of consumer loyalty to a particular brand. According to Ferrinadewi (2008: 150), "consumer confidence in the brand can only be obtained when the marketer can create and maintain a positive

emotional relationship with consumers". This positive emotional connection must be established over a short period of time but must be done consistently and persistently. Continued trust will result in loyalty. To create loyalty marketers must be able to create consumer confidence in a brand, because consumer loyalty to the brand can not be tested in the absence of consumer brand trust.

LITERATURE REVIEW

Brand Trust

A complete understanding of consumer decisions cannot be obtained without explanation of trust in a brand and how it relates to banking selection decisions. In industrial marketing, researchers have found that trust in sales and suppliers is the source of a person's decision to make a purchase. According to Lau and Lee (2000), there are three factors that influence brand trust. These three factors relate to the three entities covered by the relationship between brands and consumers. The three factors are the brand itself, the company brand maker, and the consumer. Meanwhile, Soderlund and Julander (2003) explain that customer trust can be attributed to the performance of the company. And they see the performance based on the level of service success that a company can afford, because they think that the same product but if purchased in different place will get different service. Thus the gap that they (consumers) feel (the gap between the expected and the obtained or obtained) is often called satisfaction.

Product Quality

The product is a set of physical or abstract attributes that the buyer may receive as a fulfillment of his or her needs. Meanwhile, according to Kotler product is any offer that can satisfy the needs and desires. According to Henard and Szimanski (2014), product superiority is superiority or higher distinction compared to competitors' offer.

Previous research done by Li, Calantone, and Cooper(2012) suggest that product attributes such as: product quality, reliability, latest and uniqueness, provide a more tangible picture of a company's ability to meet customer needs and "differences between alternatives in attributes - an important attribute gives a clear advantage "(Li and Calantone, 2012). While Mital *et al.*, (2011) suggests that a negative performance on attribute products has a negative effect on overall satisfaction and positive work has a positive effect on the same attribute and overall satisfaction shows a reduction in sensitivity at attribute performance levels www.vibinews.com (April 15, 2008).

Basically the opportunity or opportunity of a company in deciding to create a new product is based on a gap between customer satisfaction and customer expectations of a product. (Song and Parry, 2013) suggests that the most important thing in new product

development is the ability to change the distance of demand with vague or unclear expectations into a well-defined product. In filling in the gap can be filled by doing innovation of existing products or by developing a completely new product www.vibinews.com (April 15, 2008).

Customer satisfaction

Linguistically, Satisfaction comes from the latin language which is *satis* which means enough and *facere* do or make. Based on this linguistic approach then the satisfaction can be interpreted that the product or service that is able to provide more than expected by consumers.

Consumer Satisfaction is a condition where consumer expectation can be fulfilled by product (Kotler & Armstrong, 2012). Consumers respond as a result of their evaluation of the gap between their expectations and product performance. Satisfaction and consumer dissatisfaction become a hot topic discussed in various layers of society as well as industrial and service companies because customer satisfaction is determined by the quality of goods and services. Basically the sense of satisfaction / dissatisfaction is the difference between expectation and perceived performance.

Oliver (2013) argues that consumer satisfaction is a consumer's assessment of product or service features that deliver satisfactory needs at a level that is both below and above expectations. In other words in Oliver's view product features play an important role in the creation of customer satisfaction.

The level of customer satisfaction is a function of the difference between perceived performance with expectations if the performance is below expectations then the consumer will be satisfied as well as if the performance exceeds the expectations of consumers will feel very satisfied.

Consumer Loyalty

Today, the climate of competition in the world of commerce is increasingly felt. On the other hand such rapidly changing environmental conditions support the current competition. According to Dick and Basu (2004), one of the main goals of marketing activity is often seen from the attainment of customer loyalty through marketing strategy (Siregar, 2004). Customer loyalty is the most important part of repeat purchases to customers (Caruana, 2013).

According to Reichheld and Sasser (2012), customer loyalty has a positive correlation with business performance (Beerli *et al.*, 2014). According to Castro and Armario (2012), customer loyalty not only increases value in business, but also attracts new customers (Beerli *et al.*, 2014). In the short run, improving customer loyalty brings profit to sales. Profit

is the main motive of business consistency, because with the advantage of the business rotation wheel from the variation of products and services offered and market expansion served (Soeling, 2007). In the long term, improving loyalty will generally be more profitable, ie the customer is willing to pay higher prices, provide cheaper services and be willing to recommend to new customers.

Meanwhile, Kotler (2012), defines consumer loyalty as a person's loyalty to a product, either a certain product or service. Consumer loyalty is a manifestation and continuation of customer satisfaction in using facilities or services provided by the company, and to remain a consumer of the company. The indicators of loyalty are: always faithful, always use the service, always use the services in handling various needs, always give recommendations and will not be affected with other products.

It further mentioned that loyalty is a proof consumer who has always been a consumer, who has the power and a positive attitude over the company, (Agung Budiarmo, 2011). The loyalty of a consumer to a particular product or service depends on several factors: the cost to move to another brand of goods or services, the existence of the same quality, quality or service of the type of substitute goods or services, the risk of changing the cost of substitute goods or services and the change in the level of satisfaction derived from the new brand compared with the experience of previous brands that have been used, (Diah Dharmayanti, 2006).

Consumers in meeting their needs and wants, will buy products with a particular brand. If the consumer's chosen brand can satisfy his needs and wants, then the consumer will have a deep memory of the brand, in such circumstances customer loyalty will begin to arise and develop. In the next purchase, the consumer will choose a product with a brand that has given him satisfaction, so there will be repeated purchases of the brand, (Kotler, Philip, 2012).

RESEARCH METHOD

Research Location

This research was conducted at BNI Bank Banda Aceh. While the object of this research relates to brand trust and product quality, customer satisfaction and loyalty.

Data Analysis Tools

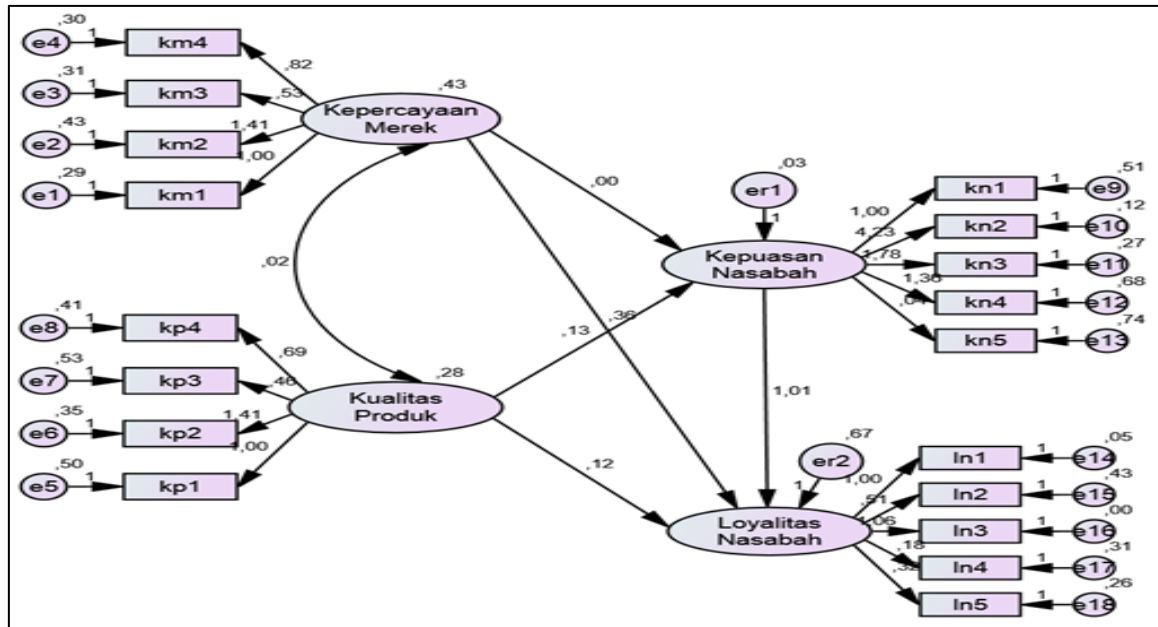
Data analysis equipment used to test the research hypothesis is path analysis (path analysis). The standard assumptions that must be met before building the path analysis model are: (1) recursive; (2) one-way relationship; (3) linear, additive and causal, (4) normally distributed; (5) there is no multicollinearity; and (6) all variables are measurable, at least on an interval scale. The reason for the use of path analysis is

because in the research variables tested both directly and indirectly between variables..

RESULTS AND DISCUSSIONS

The next analysis is a complete model of Structural Equation Model (SEM) analysis, after

analyzing the level of unity dimensionality of latent variable forming indicators tested by confirmatory factor analysis. Analysis of data processing result at full stage of SEM model is done by doing conformity test and statistical test. Results of data processing for the analysis of full SEM model can be seen on Figure 1 below.



Picture. 4.3. Test Result of Structural Equation Model (SEM).

- Notes:
- Kepercayaan Merek : Brand Trust
 - Kualitas Product : Product Quality
 - Kepuasan Nasabah : Customer Satisfaction
 - Loyalitas Nasabah : Customer Loyalty

The Influence of Brand Trust on Customer Satisfaction

The estimation parameter for testing the influence of brand trust on customer satisfaction shows CR value of 2,336 and with probability equal to 0,023. Both values obtained are eligible for the acceptance of H1 that is CR value of 2,336 which is greater than 1,96 and probability smaller than 0,05.

The Effect of Product Quality on Customer Satisfaction

The estimation parameter for testing the effect of product quality on customer satisfaction shows CR value of 2,745 and with probability equal to 0.008. Both values obtained are eligible for H2 acceptance ie CR value of 2,745 which is greater than 1,96 and probability smaller than 0,05.

The Effect of Customer Satisfaction on Customer Loyalty

The estimation parameter for testing the influence of customer satisfaction on customer loyalty shows CR value of 2,343 and with probability equal to 0,022. Both values are eligible for the acceptance of H2

ie CR value of 2,343 which is greater than 1,96 and probability smaller than 0,05.

The Influence of Brand Trust on Customer Loyalty

The estimation parameter for testing the influence of brand trust on customer loyalty shows CR value of 2.078 and with a probability of 0.002. The two values obtained are eligible for the acceptance of H4 ie the CR value of 2.078 greater than 1.96 and the probability smaller than 0.05.

The Effect of Product Quality on Customer Loyalty

The estimation parameter for testing the effect of product quality on customer loyalty shows CR value of 3,186 and with probability equal to 0,042. The two values obtained are eligible for the acceptance of H5 ie CR value of 3.186 which is greater than 1.96 and a probability smaller than 0.05.

The results of this study imply that brand trust will have a positive impact on customer satisfaction customers at PT. Bank Negara Indonesia (Persero) Tbk. Banda Aceh. Customer satisfaction can be seen from

the performance of the banking in providing services to customers is very satisfying customers, there is a match between my expectations with the service I received, the clarity of service employees always equipped with an official identity, employees always prioritize aesthetics in providing services to each customer and customer satisfied with the services provided.

The implication of the research result on the brand trust variable shows that brand trust gives positive impact for the increasing of customer loyalty at PT. Bank Negara Indonesia (Persero) Tbk. Banda Aceh. The result of research on the effect of product quality on customer loyalty can be seen from customer's attitude about the customer committed to always use the bank where I save, the customer always give recommendation to friends and family to use the bank service where I save, the customer strives to remain BNI customer in In the future, customers always invite relatives and families to use the facilities of Bank BNI and customers are willing to pay (adm charge) more than receiving services from other banks.

CONCLUSIONS

1. There is influence of brand trust on customer satisfaction of PT. Bank Negara Indonesia (Persero) Tbk. Banda Aceh. The results of this study imply that the higher the brand trust of customers, it will further increase customer satisfaction of PT. Bank Negara Indonesia (Persero) Tbk. Banda Aceh.
2. There is influence of product quality to customer satisfaction of PT. Bank Negara Indonesia (Persero) Tbk. Banda Aceh. It is thereforw indicate that the quality of products offered can provide the level of satisfaction to customers.
3. There is an influence of brand trust on customer loyalty PT. Bank Negara Indonesia (Persero) Tbk. Banda Aceh.
4. Product quality has an effect on customer loyalty PT. Bank Negara Indonesia (Persero) Tbk. Banda Aceh. It implies that the better the quality of the product will be the higher the customer loyalty.
5. Customer satisfaction has an effect on the loyalty of customers PT. Bank Negara Indonesia (Persero) Tbk. Banda Aceh. It reveals that the higher the level of customer satisfaction will further increase customer loyalty.
6. There is indirect influence of brand trust on customer loyalty through customer satisfaction of PT. Bank Negara Indonesia (Persero) Tbk. Banda Aceh.
7. There is an indirect effect of product quality on customer loyalty through customer satisfaction of PT. Bank Negara Indonesia (Persero) Tbk. Banda Aceh.

RECOMMENDATIONS

1. In order to improve customer satisfaction and

customer loyalty based on brand trust variables, it is important to improve the image of Bank BNI Banda Aceh which is a brand with a good reputation in the eyes of customers, so that the future customers will still believe that BNI is the best brand in the selection decision .

2. Increased customer loyalty based on product quality variables, it should be noted that the products offered by Bank BNI Banda Aceh to the customer must be as needed for the community and the customer itself.
3. In order to increase customer loyalty, the bank must be able to provide recommendations to customers to invite family members and friends to use the services of the bank where I save.

For PT. Bank Negara Indonesia (Persero) Tbk. Banda Aceh can improve the quality of products offered to customers, as well as the bank should be able to increase trust to customers, that the funds that have been kept by customers are guaranteed safe and all transactions conducted can be accounted for and improved quality of service better.

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