# THE EFFECT OF SERVICE QUALITY, TRUST AND COMPLAINT HANDLING ON CUSTOMER LOYALTY OF CUSTOMERS OF BANK JATIM NGANJUK BRANCH

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| Article Information | | Abstract |
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***Research aim :****This study aims to measure and analyze whether there is an influence of service quality, trust and complaint handling partially and simultaneously on customer loyalty of Bank Jatim Nganjuk Branch customers.*

***Design/Method/Approach :****In this study using using purposive sampling technique and using quantitative approach. The population used is customers of Bank Jatim Nganjuk Branch and the sample used in this study is 40. This study applies multiple linear test data analysis technique and uses SPSSv23 tool.*

***Research Findings :****The findings of this study state that the Service Quality variable has no partial influence on Customer Loyalty. While Trust and Complaint handling have a partial influence on Customer Loyalty. But there is a simultaneous influence by the three variables on Customer Loyalty..*

***Theoretical contribution/Originality :****This study provides insight and understanding of the factors that influence customer loyalty in the banking industry. By analyzing the three factors simultaneously, this study provides a new perspective on the contribution of the three variables to customer loyalty.*

***Practitionel/Policy implications :****This research provides practical implications for Bank Jatim Nganjuk Branch.*

***Research limitations:****The limitations of this study only discuss service quality, trust, and complaint handling as independent variables, while customer loyalty is the dependent variable.*

***Keywords :****service quality, trust, complaint handling, customer loyalty.*

## 1. Introduction

Banking is a business in the service sector, which is related to service, customer trust and fund management. Along with the development of the banking world which is increasingly advanced due to the transformation triggered by technological developments, global economic dynamics and changes in consumer behavior that make business competition in the banking world increasingly tight. The changes that are currently occurring not only affect the way consumers interact with banking services, but also encourage the banking world to increase operational efficiency and introduce more innovative products and services. So that companies must create a strategy that can increase productivity for the services provided. Whereby banks must make customers more confident and loyal in using the bank's services.

**Figure 1**
**Number of Bank Data in Indonesia**
**Source: Central Statistics Agency**

| Kelompok Bank dan Kantor | Jumlah Bank dan Kantor Bank (Unit) | |
|---|---|---|
| | Bank | Kantor Bank |
| | 2023 | 2023 |
| Bank Umum Konvensional - Bank Persero | 4 | 12.392 |
| Bank Umum Konvensional - Bank Pembangunan Daerah | 24 | 3.672 |
| Bank Umum Konvensional - Bank Swasta Nasional | 57 | 6.239 |
| Bank Umum Konvensional - Kantor Cabang Bank Asing | 7 | 19 |
| Bank Umum Syariah - Bank Pembangunan Daerah | 3 | 363 |
| Bank Umum Syariah - Bank Swasta Nasional | 10 | 1.591 |
| **Jumlah Bank Umum** | 105 | 24.276 |
| Bank Perkreditan/Pembiayaan Rakyat - BPR Konvensional | 1.402 | 4.645 |
| Bank Perkreditan/Pembiayaan Rakyat - BPR Syariah | 173 | 520 |
| **Jumlah Bank Perkreditan/Pembiayaan Rakyat** | 1.575 | 5.165 |

Based on the Central Statistics Agency of Indonesia in 2023, general banks in Indonesia reached 105 banks. One of them is Bank Jatim or the East Java Regional Revenue Bank. With the development of banking, Bank Jatim has demands on the quality of service in relations with customers. So Bank Jatim needs to pay attention to the importance of factors that influence customers in giving trust to banking. Not only considering interest factors or technological advances in banking products, but customers will also consider security when making transactions and fast and efficient service to make it easier for customers to make transactions[1].

In this case, one way for Bank Jatim to remain competitive is by maintaining customer loyalty. In banking, loyalty is defined as a voluntary commitment where customers consistently make repeated purchases or save and use services for a long time. Loyalty is also defined as a concept that emphasizes the sequence of purchases. Customer loyalty can also be

formed by many factors, for example, there is a relationship between family, neighbors, closest friends or the promise of a smaller offer than another party.[2]. In banking, customer loyalty is very important, where high customer loyalty can determine the success of a banking company.[1].

Service quality is an action offered or performed by one party to another party. Service quality also plays a role as an element that is also important for companies to survive and regain customer trust. With the competition in the banking world that is currently happening, companies are required to be able to provide quality service to customers. Service quality can also be known through the perception between customers of a service they get to the service they want[3]. Service quality in banking companies is a priority. Good service quality can attract new customers and retain old customers. In this way, good service quality can create customer behavior desired by the company.[4].

According to[5]Trust is a belief that someone has towards the second party in a transaction relationship based on someone's belief that the trusted party has obligations or responsibilities as expected by someone. Trust begins when customers interact. The trust that is formed then develops into a customer attitude that will ultimately decide to use banking services. In the world of banking, customer trust is always related to the performance of the banking company. This is seen based on the level of success of the services provided. So that the gap they get becomes one of the reasons for the customer's loyalty attitude to the banking company[6].

In addition to service quality and trust, complaint handling is also a determining factor in customer loyalty. According to[7]complaint handling is an action or complaint of dissatisfaction with bank services or products. In this case, customer complaints become feedback for the company which tends to have a negative nature. Meanwhile, according to[8]complaint handling is the ability of the banking party to handle complaints from customers. With good handling will provide good value in the eyes of customers because it will provide an impact of satisfaction for customers that can create customer loyalty.

Research findings conducted by[9]stated that there was no significant influence found by service quality on customer loyalty. Meanwhile, in the findings conducted by[10]explains that complaint handling and trust factors have a significant influence on customer loyalty.

So along with the development of the banking industry, competition between banks is also increasing. Therefore, customer retention is an important factor in maintaining banking progress. Continuous improvement in service quality, increasing trust, and improving complaint handling can also increase customer loyalty. This allows banks to maintain customer loyalty or attract new customer targets.

## 1.1. Statement of Problem

This research emerged because of the development of the banking world which is increasingly advanced and widespread. This makes Bank Jatim, which is one of the regional banks, have to follow the increasingly tight banking competition so that Bank Jatim faces the challenge of maintaining and increasing customer loyalty. So that the problem involves factors of service quality, trust and complaint handling individually and explains whether or not there is a simultaneous combined influence of service quality, trust and complaint handling on customer loyalty variables.

### 1.2. Research Objectives

This study was written as a research to examine how much influence the factors of service quality, trust and complaint handling have on customer loyalty of Bank Jatim Nganjuk branch customers.

### 2. Method

In this study using quantitative research method. This study was conducted to see how the influence of service quality, trust and complaint handling variables independently on customer loyalty in Bank Jatim Nganjuk Branch Customers so that the selected population is Bank Jatim Nganjuk Branch customers. According to Roesco in Sugiyono[11]The sample size that fits this study is multiple regression or correlation. So this study uses a sample of at least 10 times the number of variables. So the sample used is 10 x 4 variables = 40 samples. In this study, the multiple linear regression analysis used includes validity tests and reliability tests. As well as the use of classical assumption tests including normality tests, multicollinearity tests, heteroscedasticity tests, coefficient of determination ($R^2$) and significance tests (T tests and F tests).

### 3. Results and Discussion

**Validity Test**

Validity Test is measured by correlating the value of each question to the total value of the relevant variable. This study measures validity by analyzing the relationship between the score of each question and the total score of the variable using the Spearman test which is carried out in two directions at a significance level of 5%. Questions are declared valid when the calculated correlation value (r count) has a value greater than the table correlation value (r table) in a two-sided test with a significance standard of 0.05. Conversely, questions are considered invalid if the calculated r value has a lower result than the r table value at the same significance level.

Tabel 1. Hasil Uji Validitas

| Variabel | Item Pernyataan | R. Calculate | R. Tabel 5% | Keterangan |
|---|---|---|---|---|
| Service Quality | X1.1.1 | 0,312 | 0,312 | Valid |
| | X1.1.2 | 0,312 | 0,312 | Valid |
| | X1.2.1 | 0,312 | 0,312 | Valid |
| | X1.2.2 | 0,312 | 0,312 | Valid |
| | X1.3.1 | 0,750 | 0,312 | Valid |
| | X1.3.2 | 0,762 | 0,312 | Valid |
| | X1.4.1 | 0,711 | 0,312 | Valid |
| | X1.4.2 | 0,725 | 0,312 | Valid |
| | X1.5.1 | 0,568 | 0,312 | Valid |
| | X1.5.2 | 0,676 | 0,312 | Valid |
| Trust | X2.1.1 | 0,736 | 0,312 | Valid |
| | X2.1.2 | 0,689 | 0,312 | Valid |
| | X2.2.1 | 0,639 | 0,312 | Valid |
| | X2.2.2 | 0,818 | 0,312 | Valid |
| | X2.3.1 | 0,863 | 0,312 | Valid |
| | X2.3.2 | 0,656 | 0,312 | Valid |
| | X2.4.1 | 0,742 | 0,312 | Valid |
| | X2.4.2 | 0,752 | 0,312 | Valid |
| | X2.5.1 | 0,822 | 0,312 | Valid |
| | X2.5.2 | 0,753 | 0,312 | Valid |
| Complaint Handling | X3.1.1 | 0,836 | 0,312 | Valid |
| | X3.1.2 | 0,877 | 0,312 | Valid |
| | X3.2.1 | 0,801 | 0,312 | Valid |
| | X3.2.2 | 0,802 | 0,312 | Valid |
| | X3.3.1 | 0,660 | 0,312 | Valid |
| | X3.3.2 | 0,780 | 0,312 | Valid |
| | X3.4.1 | 0,783 | 0,312 | Valid |
| | X3.4.2 | 0,784 | 0,312 | Valid |
| Customer Loyalty | Y1.1.1 | 0,698 | 0,312 | Valid |
| | Y1.1.2 | 0,776 | 0,312 | Valid |
| | Y1.2.1 | 0,678 | 0,312 | Valid |
| | Y1.2.2 | 0,767 | 0,312 | Valid |
| | Y1.3.1 | 0,737 | 0,312 | Valid |
| | Y1.3.2 | 0,649 | 0,312 | Valid |

Based on the calculation above, the results of the validity test state that the total number of statements from each research variable, namely Service Quality, Trust, Complaint Handling, and Customer Loyalty, get a correlation calculation result (R. Calculate) that is

greater than or equal to the table correlation value (R. Table) at a significance level of 5% (0.312). This proves that each statement item is valid.

**Reliability Test**

According to[12]Reliability test is a statistical analysis step that will be applied to measure the extent to which a measurement instrument remains reliable and can be consistent in measuring a construct or variable. A variable can be considered reliable if the number of Cronbach's Alpha > 0.6.

**Tabel 2. Uji Reabilitas**

| Variabel | Jumlah Item | Cronbach's Alpha | Keterangan |
|---|---|---|---|
| Service Quality | 10 | 0,887 | Reliabel |
| Trust | 10 | 0,913 | Reliabel |
| Complaint Handling | 8 | 0,913 | Reliabel |
| Loyalitas Nasabah | 6 | 0,810 | Reliabel |

Sumber: Output SPSSv23

The results of table 2 above, all tested variables, namely Service Quality, Trust, Complaint Handling, and Customer Loyalty, have Cronbach's Alpha values > 0.6. These values indicate that the instruments in this study can be stated reliably.

**Classical Assumption Test**

According to[12]research using classical assumption testing through normality test, multicollinearity test, and heteroscedasticity test. So this test is carried out to ensure the suitability of the regression model by verifying that the distribution of research data is within normal limits.
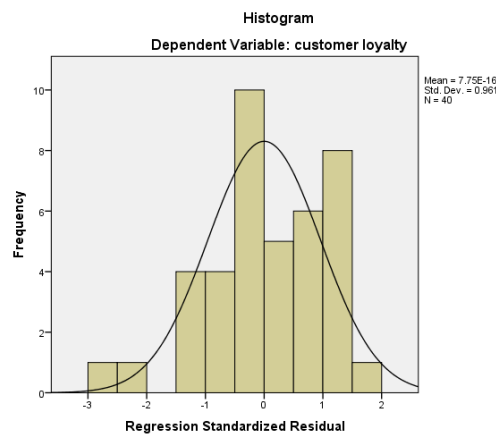
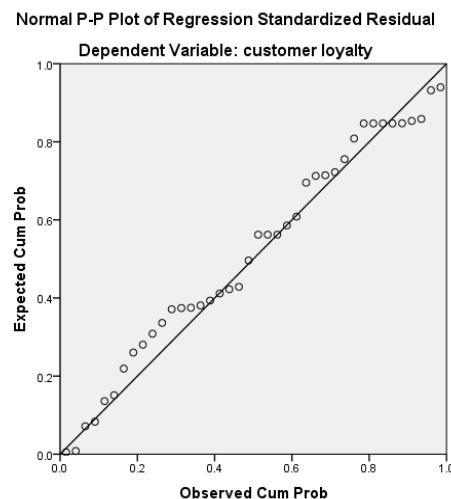**Normality Test**

**Figure 2. Histogram**



**Figure 3. P-Plot Graph**

Through the image above, the results show that the residual data is normally distributed. This is evidenced by the distribution of data that follows the diagonal line pattern evenly and consistently, without significant deviations. In addition, the residual histogram shows a distribution pattern that resembles the normal distribution shape. Thus, from these results, the regression model is concluded to be able to meet the assumption of normality.

**Multicollinearity Test**

Tabel 4.

Uji Muktikolineritas

| Model | | Collineatity Statistic | |
|---|---|---|---|
| | | Tolerance | VIF |
| 1 | (Constant) | | |
| | Service Quality | ,206 | 4,858 |
| | Trust | ,158 | 6.319 |
| | Complaint Handling | ,171 | 5.813 |

Sumber: Output SPSSv23

The output of the Variance Inflation Factor (VIF) and the tolerance listed, it can be seen that all independent variables, namely Service Quality, Trust, and Complaint Handling, have a tolerance value of > 0.1 and a VIF value of < 10. Specifically, Service Quality has a tolerance value of 0.206 and a VIF of 4.858, Trust has a tolerance number of 0.158 and a VIF of 6.319, and Complaint Handling has a tolerance score of 0.171 and a VIF of 5.813. Because all tolerance values are > 0.1 and VIF < 10, it can be concluded that there is no significant multicollinearity problem between the independent variables.
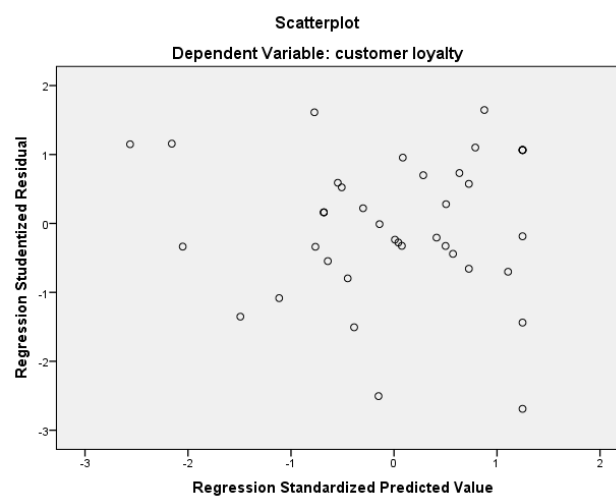
**Heteroscedasticity Test**



**Figure 4. Heteroscedasticity Test Results**

Based on the image above, it can be explained that there are no results that indicate heteroscedasticity. This can be seen from the scatterplot which shows that the residual points are evenly distributed around the zero number on the Y axis without a clear pattern. There is no wave pattern or regular variation, such as a pattern that widens and narrows alternately

## Multiple Linear Regression Analysis

Table 4. Analisis Regresi Linier Berganda

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 5,505 | 2. 709 | | 2,032 | ,050 |
| | Service Quality | -, 148 | ,134 | -,227 | -1,105 | ,277 |
| | Trust | ,331 | ,139 | ,559 | 2,384 | ,023 |
| | Complaint Handling | ,342 | ,156 | ,493 | 2,190 | ,035 |

a. Dependent Variable: Customer Loyalty

Sumber: Output SPSSv23

From the table, the results obtained with a constant value of 5.505. With a regression coefficient of X1 -0.148 which means that every one unit increase in service quality through the assumption of other variables remains, then customer loyalty can be reduced by 0.148. And the regression coefficient X2 has a value of 0.331 which means that each increase in Trust will increase customer loyalty by 0.331 with the hypothesis that other variables are consistent at a constant stage. With a regression coefficient of X3 0.342 which means that if there is an increase of one unit in complaint handling, it will increase the level of customer loyalty by 0.342, through the assumption of other variables remains.

## Coefficient of Determination (R2)

Table 5. Hasil Koefisien Determinasi

| Model | R | R Square | Adjusted R Square |
|---|---|---|---|
| 1 | ,829[a] | ,687 | ,660 |

a. Dependent Variable; Customer Loyalty

b. Predictors: (Constant), Complaint Handling, Service Quality, Trust

The results of the analysis above, state the Adjusted R-Squared value of 0.660 indicating 66% consistency in the dependent variable that can be described by the independent variables Service Quality, Trust, and Complaint Handling. Meanwhile, there is a value of 34% outside the variables of this study and can be influenced by other factors.

**Hypothesis Testing**

Tabel 6. T-Test (Tes Parsial)

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 5,505 | 2. 709 | | 2,032 | ,050 |
| | Service Quality | -, 148 | ,134 | -,227 | -1,105 | ,277 |
| | Trust | ,331 | ,139 | ,559 | 2,384 | ,023 |
| | Complaint Handling | ,342 | ,156 | ,493 | 2,190 | ,035 |

a. Dependent Variable: Customer Loyalty

Based on the table above, the Service Quality variable (X1) has a t-value of -1.105, which is lower than the t table of 1.688 and a Sig value of 0.277 is greater than the value of 0.05, so that the X1 variable is interpreted as not having a significant effect on Customer Loyalty (Y). While Trust (X2) and Complaint Handling (X3) get a t-value of 2.384 and 2.190 and a Sig value of 0.023 and 0.035, so the t-value> t table and Sig <0.05. So it can be stated that the Trust and Complaint Handling variables have proven to have a significant effect on the Customer Loyalty (Y) variable.

Tabel 7. F Test ( Tes Simultan )

| Model | | Sym Of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 217,719 | 3 | 72,573 | 26,289 | ,000[b] |
| | Residual | 99,381 | 36 | 2,761 | | |
| | total | 317,100 | 39 | | | |

c. Dependent Variable; Customer Loyalty

d. Predictors: (Constant), Complaint Handling, Service Quality, Trust

Based on the results of the ANOVA (Analysis of Variance) test, it can be seen that the calculated F value is 26.289 with a significance level of 0.000. In addition, the F table with a significance level of 0.05 produces a value of 2.87. Because the calculated F value (26.289) has a greater value than the F table (2.87) and a significance value (0.000) which is smaller than 0.05. It is concluded that the variables Service Quality, Trust, and Complaint Handling simultaneously have a significant influence on Customer Loyalty.

## 4. Conclusion

Based on the output of data analysis that has been processed using the multiple linear regression analysis method, namely service quality has a significant figure of 0.277 which is more than 0.05. So,The service quality variable partially has no significant effect on the dependent variable customer loyalty. There is a significant effect of trust on customer loyalty with a significant number reaching 0.023 which is lower than 0.05. This means that Trust partially has an effect on Customer loyalty. However, Complaint Handling has a significant value of 0.035 which is lower than 0.05. With the results of the null hypothesis (H0) is declared rejected, and the alternative hypothesis (H3) is accepted. Thus, the complaint handling variable is stated to have a partial effect on customer loyalty.

This study was completed as one of the references and spurs in conducting further studies in the future, especially in the same field of study. This study was conducted to provide knowledge about the influence of service quality, trust and complaint handling on customer loyalty. With the limitations of further research factors, it can expand the research variables. So that studies on things that influence customer loyalty can contribute to its application in the banking sector.

This study also has limitations, namely limitations on the population and samples used. This is proven in the selection of factors because in this study 34% are still influenced by other factors. Thus, these limitations can be used as a basis for starting further research to obtain better study results.

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