

## THE EFFECT OF SERVICE QUALITY AND SATISFACTION ON LOYALTY IN MEMBERS OF “KSPPS BMT MANDIRI SEJAHTERA JAWA TIMUR”

### PENGARUH CORPORATE GOVERNANCE DAN KINERJA KEUANGAN TERHADAP MANAJEMEN LABA PERBANKAN SYARIAH

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#### ABSTRAK

Penelitian bertujuan mengetahui kualitas pelayanan dan kepuasan berpengaruh terhadap loyalitas anggota “KSPPS BMT Mandiri Sejahtera Jawa Timur” secara parsial dan simultan dengan data dari hasil kuisioner secara aksidental dengan sampel 100 anggota BMT dan diuji instrumen. Pengujian regresi berganda  $Y = a + b1.x1 + b2.x2$  menghasilkan persamaan regresi berganda  $Y = 3,793 + 0,316 + 0,477$ , uji asumi klasik (normalitas, multikolinieritas, heteroskedastitas), dan uji hipotesis berdasar uji T ditemukan hipotesis pertama dan kedua diterima, kualitas pelayanan dan kepuasan masing-masing memengaruhi loyalitas dengan kualitas pelayanan lebih dominan mempengaruhi loyalitas. Hasil simultan hipotesis uji F kedua variabel bersama-sama berpengaruh terhadap loyalitas.

**Kata Kunci:** Kualitas Pelayanan, Kepuasan, Loyalitas, Baitul Maal Tamwil.

#### ABSTRACT

The purpose of the study is to find out whether service quality and satisfaction affect the loyalty of members of "KS PPS BMT Mandiri Sejahtera East Java" partially and simultaneously with data from the accidental questionnaire results, with a sample of 100 BMT members and tested by using some instruments. The multiple regression test of  $Y = a + b1.x1 + b2.x2$  gave the multiple regression equation of  $Y = 3.793 + 0.316 + 0.477$ , and classic assumption test (multicollinearity normality, heteroscedasticity), and hypothesis testing based T- test found that the first and second hypotheses are accepted, and service quality and satisfaction each influence loyalty with service quality more dominantly affects loyalty. The simultaneous results of the two variables of F test hypothesis together have an effect on loyalty.

**Keywords:** Service Quality, Satisfaction, Loyalty, Baitul Maal Tamwil

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## I. INTRODUCTION

A company should prioritize the consumer loyalty as its main priority, one of which is the services of Sharia Financial Institutions (LKS). The multitude of LKS in Indonesia has resulted in increasingly tight competition. Loyalty is defined as the level of loyalty of a consumer to certain goods or services, despite the influence of marketing that causes a consumer to switch to other products, as stated by Kotler and Kevin (2008: 138). In order to retain their customers, companies are required to improve service quality while increasing customer satisfaction. According to Sunyoto (2012) service quality is defined as a way of fulfilling consumer desires and needs, where the companies are able to meet with the consumers expectations. (Leninkumar, 2017) explains that satisfaction is an attitude of judgment from consumers after consumers make purchases of goods or obtain services. Sharia financial institutions BMT (Baitul Mal Wa Tamwil) according to Nurul Huda (2010: 363), are divided into baitul maal as collectors, as well as a distributor of non-profit funds, and Baitul Tamwil is more focused as a distributor as well as a collector of commercial funds. KSPPS BMT Mandiri Sejahtera Jawa Timur” is a savings and loan cooperative as a distributor as well as collecting funds from members to members by applying sharia principles. "KSPPS BMT Mandiri Sejahtera East Java" is very beneficial for areas not reached by banking financial institutions. Thus, BMT is an option to improve the economic standard of living of the lower middle class community in the form of: collection, distribution of funds, and services. The aids can also be in the form of

financing to increase the capital of Micro, Small and Medium Enterprises (MSMEs), so as to increase the productivity of MSMEs. In supporting the success of a business, BMT must be able to improve service quality, both in the form of goods and services. In addition to service quality, each BMT should maintain the level of member satisfaction as it is important for the sustainability of the BMT, resulting BMT members will loyally use the goods or services of the BMT respectfully. If the BMT is unable to provide good service quality and at the same time cannot satisfy the members, the member will cease to be a member of the BMT. Leninkumar (2017), in his research, found a significant relationship between customer satisfaction and loyalty. Omoregie et al. (2019), in his research, service quality has a significant positive effect on loyalty. This finding motivates the writer of this study to discuss *the Influence of Service Quality and Satisfaction on Loyalty to Members of "KSPPS BMT Mandiri Sejahtera East Java"*.

### **Formulation of the problem**

The formulation of the problem includes:

1. Whether the quality of service partially affects the loyalty of members of "KSPPS BMT Mandiri Sejahtera East Java".
2. Whether satisfaction partially affects the loyalty of members of "KSPPS BMT Mandiri Sejahtera East Java".
3. Whether the quality of service and satisfaction simultaneously affect the loyalty of members of "KSPPS BMT Mandiri Sejahtera East Java".

### **Objectives of the Study**

The objectives of the study include:

1. To find out the effect of service quality partially on loyalty of the "KSPPS BMT Mandiri Sejahtera East Java" members.
2. To find out the effect of satisfaction partially on loyalty of "KSPPS BMT Mandiri Sejahtera East Java" members.
3. To find out the effect of service quality and satisfaction simultaneously on loyalty of "KSPPS BMT Mandiri Sejahtera East Java" members.

## **II. THEORETICAL BASIS AND HYPOTHESIS DEVELOPMENT**

### **Service quality**

Service quality describes the comparison between desire and performance (Parasuraman et al. (1985). Lewis & Boom in (Parasuraman et al., 1985), explains that service quality is a measure of how well the services provided by the company match with the expectations of consumers. Service quality is the best guarantee to maintain customer loyalty. Berry et al., (1988) introduced a service quality model known as SERVQUAL, which was first applied in the service industry specifically for restaurants. According to this model, service quality is described with the help of five dimensions. These dimensions include five areas, namely:

1. *Reliability*. The company's ability to provide promising and satisfying services.
2. *Responsiveness* or concern. The company's ability to help and provide services to consumers in a responsive, fast, and caring manner.
3. *Guaranty* (assurance of certainty). The company's ability to provide consumers with a sense of security from various risks as well as feelings of doubt.
4. *Empathy*. The company's ability to give full attention to consumers such as good communication and understanding consumer needs.
5. *Tangible*. The form provided by the company such as facilities, equipment, employees and other facilities.

### **Satisfaction**

Satisfaction is an important factor in the performance and competitiveness of a company to achieve long term sustainable company success which is very dependent on customer satisfaction (Zeithaml et al., 1996). Satisfaction is a consumer's assessment of goods or services that meet their needs according to their expectations. The definition given by Yap et al. and Ningsih & Segoro, in

(Leninkumar, 2017), explains that satisfaction is an attitude of judgment from consumers after consumers make purchases of goods or obtain services.

To conclude, satisfaction describes the level of happiness or disappointment by consumers after evaluating the results of the performance of goods or services that are in line with or different from what are expected. When the performance of the goods or services received is in line with their expectations, the consumer will feel very fulfilled and happy.

### **Loyalty**

Customer loyalty means a customer's tendency to continue a relationship with a service provider (Zeithaml, 2000). According to Oliver in (Leninkumar, 2017), customer loyalty is a buyer's promise to buy goods or from the company over a period of time repeatedly or consistently. Thus, Customer Loyalty is a form of consumer willingness to utilize a company's goods or services in a sustainable manner or continue in the long term and recommend the company products and services to the people in his surroundings.

A company badly needs customer loyalty in this middle of business competition. A successful company must acquire new customers and be able to retain existing customers to continue utilizing the goods and services provided rather than switching to other companies. Having loyal customers is the main goal of a company, because loyal consumers are able to guarantee the company's sustainability for a long time. Consumers with a certain level of loyalty to goods or services usually will not consider consuming goods or services other than what is desired. However, consumers tend to look for goods or services according to their criteria when they do not get the goods or services as desired. These consumers also recommend these goods and services to other people who are able to make the company continue to grow and survive in the middle of competition.

### **BMT (Baitul Maal wat Tamwil)**

Nurul Huda (2010: 363) divided Baitul Maal wat Tamwil into *baitul maal* as a collector and distributor of *non-profit* funds and *baitul tamwil* which is more focused as distributors and collectors of commercial funds. BMT is a private financial institution whose capital comes from the community without being subsidized by the government at all. The existence of BMT, therefore is the same as cooperatives, but what distinguishes them in their business activities is that BMT is based on sharia principles. BMT is a non-bank LKS as a collector of funds from the community and distributor of funds to the community with the aim of improving the standard of living of the lower economic community. "KSPPS BMT Mandiri Sejahtera East Java" is a savings and loan cooperative as a distributor and at the same time collects funds from members to members by applying sharia principles. Established on June 13, 2006 as a legal entity under Number 03/BH/403.62/VI/2006, complete address: Jl. Raya Pasar Kliwon RT 01 RW 01, Karangcangkring Village, Dukun District, Gresik Regency, East Java Province. "KSPPS BMT Mandiri Sejahtera East Java" is very beneficial for areas that are not reached by banking financial institutions. Thus, BMT is an option to improve the economic standard of living of the lower middle class community in the form of collection, distribution of funds, and services. This assistance can also be in the form of financing to increase the capital of Micro, Small and Medium Enterprises (MSMEs), so as to increase the productivity of MSMEs.

### **Hypothesis**

#### **The influence of service quality on loyalty**

Omoregie et al (2019) states that service quality as a factor driving loyalty proves to have a significant effect on loyalty. If the BMT can provide quality services that meet with the needs and desires of its members in accordance with the members' expectations, loyalty can be surely formed. The more BMT can provide services to meet with the needs and desires of its members, the members will feel fulfilled with the quality of services provided so that members are able to survive for a long time. In the banking sector, study by Cameran et al., in (Fida et al., 2020), shows a relationship between the two variables where service quality plays an important role in increasing customer loyalty in service industries such as the banking sector. Based on this, the first hypothesis is:

*H1: Service quality affects loyalty*

### The effect of satisfaction on loyalty

The ultimate goal of satisfaction is customer loyalty. The more the company is able to increase satisfaction by meeting consumer needs, it will provide many benefits for the company, because these consumers feel what they want is fulfilled and will be loyal to be consumers of the company.

In increasing the loyalty of BMT members, BMT must be able to increase and maintain member satisfaction. A BMT member if he is satisfied with the services provided can be ascertained that he will last a long time as a member, this will build member loyalty to the BMT. Leninkumar's research (2017) shows a significant relationship between customer satisfaction and loyalty. Loyalty is considered as a result of customer satisfaction. In line with the results of Amin's research in (Omorieg et al., 2019), showing that customer satisfaction leads to customer loyalty, when customers have a perception that satisfaction with the consumption of retail bank services is fulfilled, they tend to be loyal customers. Thus, the second hypothesis is:

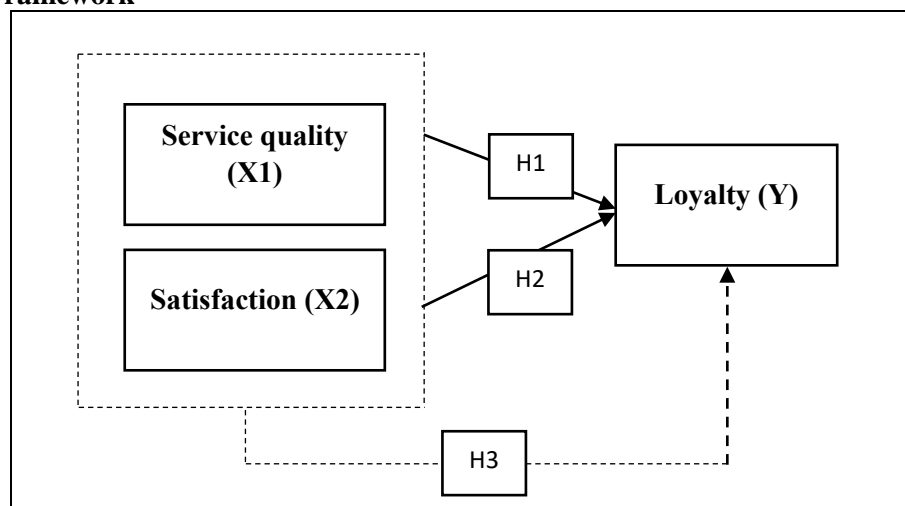
*H2: Satisfaction affects loyalty*

### The effect of service quality and satisfaction on loyalty

Loyalty is very dependent on how the consumer feels what he wants and needs can be fulfilled by the company as well as consumers will feel satisfied because the company is able to provide according to their expectations. In supporting business success, BMT must be able to improve service quality, both in the form of goods and services. In addition to service quality, for each BMT the level of member satisfaction is important for the sustainability of the BMT, BMT members will loyally use the goods or services of the BMT. If the BMT does not provide good service quality and a satisfied impression on the members, then the member can stop being a member of the BMT. Fida et al. (2020) revealed that respondents indicated an average of "Agree" responses across five dimensions. (change journal) The results showed a significant relationship on the three variables of service quality, satisfaction, and loyalty. With this the third hypothesis is:

*H3: Service quality and satisfaction have a significant simultaneous effect on loyalty.*

### Thinking Framework



Source: Processed data (2021)

Figure 1.  
Thinking Framework

Explanation:

X1 : Independent variable (quality of service)

X2 : Independent variable (satisfaction)

Y : Dependent variable (loyalty)

—> : Partial relationship between variables

- - -> : Simultaneous relationship of variables X1 and X2 with Y

### III. RESEARCH METHOD

The study used quantitative method with survey method using a personal questionnaire by members of "KSPPS BMT Mandiri Sejahtera East Java". The questionnaire used Likert scale of 1-5 with the population of all members, as many as 56,943 members. Sampling based on Slovin's formula found 100 samples of respondents from BMT members with the *Accidental* category, namely sampling by chance meeting at the location at the time of the study and deemed suitable as a data source.

Operational definitions of Variables include:

1. Dependent Variable.

The dependent variable serves a variable that affects or the variable that causes (Iswati and Anshori, 2009:57). Loyalty (Y) as the dependent variable can be understood as the customer's tendency to continue the relationship with the service provider (Zeithaml, 2000). Loyalty indicators according to (Griffin, 2002:31) include using goods and services continuously, recommending these goods and services to others, not switching to other financial institutions, and Making it first choice.

2. Independent Variable

The independent variable is the variable that is affected or the variable that is caused (Iswati and Anshori, 2009:57). According to Sunyoto (2012), the independent variable (x1), Service Quality, is a mode of fulfilling consumer desires and needs, in which delivery it is able to meet with the consumers' expectations. Service quality indicators used in this study include: (Parasuraman et al., 1985).

- a. Tangible: The company has dequate rooms which are clean, tidy, and comfortable.
- b. Responsiveness: Employees are ready to help resolve the complaints from members.
- c. Reliability: Punctual employees serve quickly, well, and thoroughly.
- d. Assurance: Friendly attitude of employees in serving consistently.
- e. Empathy: Providing products and services that benefit members.

The independent variable (x2) Satisfaction according to Gitomer, in (Ilieska, 2013), is the consumer's assessment of goods or services that meet their needs according to their expectations. The satisfaction indicators used include, feeling happy (in the sense of being satisfied with the products and services), compatibility that has met with the expectations, and the completely provided facilities.

The answers to the questionnaire are tested for validity using validity and reliability tests in order to find out how the questionnaire is able to measure the measured variables. Multiple regression test is used to find out the effect of the independent variable on the dependent variable through the equation  $Y = a + b1.x1 + b2.x2 + \dots$ , and so on. The next analysis is the classical assumption test and hypothesis testing (F test and T test). F or simultaneous test is done in order to find out whether the quality of service and satisfaction together affect loyalty. The T test, in one or another, is used to find out that loyalty is partially influenced by service quality and satisfaction, and the last test is to test the coefficient of determination through the R-square value, with data processing through the SPSS program.

### IV. RESULTS AND DISCUSSION

A total of 100 respondent members who were then sorted by gender and the length of period as members of "KSPPS BMT Mandiri Sejahtera East Java" filled out the questionnaire, which is described in the table below:

Table 1.  
Respondents by Gender

Gender	Number of Respondents	Percentage (%)
Man	26	26%
Woman	74	74%
Total	100	100%

Source: Appendix 4 (Data processed, 2021)

Based on Table 1, it is concluded that female respondents dominate 74% or 74 members of BMT, while the number of male respondents is 26% or only 26 members of BMT. Thus, it is known that most of the BMT members in the sample are women.

Table 2.  
Respondents by Gender

Duration of member	Number of Respondents	Percentage (%)
> 1 Year	91	91%
< 1 Year	9	9%
Total	100	100%

Source: Appendix 4 (Data processed, 2021)

Based on the information in Table 2, it can be concluded that many of the respondents filling out the questionnaire were 91% or 91 members old members with more than one years of membership, and 9% or 9 members with less than one year of membership. Thus, it can be found out that most of the BMT members who were sampled were old members of more than one year of membership.

Furthermore, after the data was processed by using the SPSS program, the results of the study are described as follow:

### Data Instrument Test

#### Validity test

The instrument is considered valid when the instrument can measure what it should measure. The validity test is considered valid when the value of  $r_{hitung} > r_{Tabel}$ . Finding  $r_{Tabel}$  using the formula  $(df) = n - 2$ , where  $n$  is a questionnaire totaling 100 respondents at a significant level of 0.05, it is known that  $r_{Tabel}$  is 0.196. So the questionnaire indicator is considered valid when the results of  $r_{hitung}$  validity are more than  $r_{Tabel}$  0.196. The following are the results of the validity of the indicators for the three variables:

Table 3.  
Test the Validity of "Service Quality"

Indicator	Correlation	Remark
XKP.1	0,803	Valid
XKP.2	0,838	Valid
XKP.3	0,814	Valid
XKP.4	0,870	Valid
XKP.5	0,695	Valid

Source: Processed data with SPSS version 26, 2021.

Table 4.  
"Satisfaction" Validity Test

Indicator	Correlation	Remark
XK.1	0,855	Valid
XK.2	0,888	Valid
XK.3	0,782	Valid

Source: Processed data with SPSS version 26, 2021.

Results on the table describe the test of the validity of the service quality and satisfaction indicators are reconsidered valid, with the result showing the value of  $r_{count} > r_{Table}$  a significant level of 0.05 greater than 0.196.

Table 5.  
"Loyalty" Validity Test

Indicator	Correlations	Remark
Y1	0,787	Valid
Y2	0,783	Valid
Y3	0,849	Valid

Y4	0,855	Valid
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Source: Processed data with SPSS version 26, 2021.

The results of the validity test of the loyalty variable indicator in the table above is considered valid, with the results showing the value of  $r_{count} > r_{Table}$  with a significant level of 0.05, greater than 0.196. It is concluded that the indicators of each research variable are declared valid, and the indicators are the right measuring tools.

**Reliability Test**

Data is considered reliable when the measurement results of respondents' answers remain consistent from time to time. The variable is considered reliable when the Cronbach's Alpha value is > from the limit value of 0.60.

Table 6.  
Reliability Test

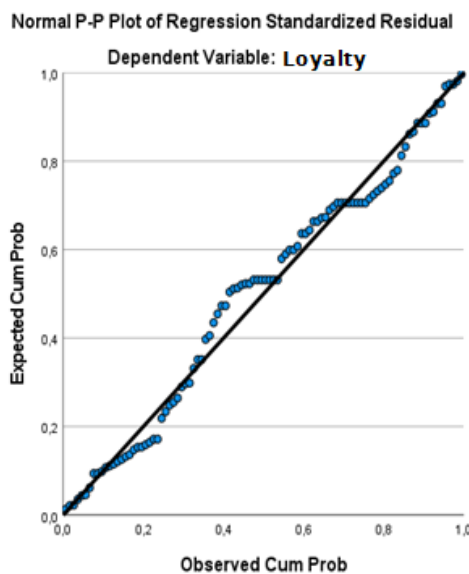
Variable	Cronbach's Alpha	Remark
Loyalty	0,834	Reliable
Service Quality	0,862	Reliable
Satisfaction	0,791	Reliable

Source: Processed data with SPSS version 26, 2021.

Cronbach's Alpha reliability test of the three variables in the table above obtained a value greater than 0.06, maening the three variables are considered to meet the reliability.

**Classic assumption test**

**Normality test**



Source: Processed data with SPSS version 26, 2021.

Figure 1.

Normal P-Plot Normality Test

A study is considered normally distributing when plotting the points following a diagonal line depicts the actual data. According to the Normal P-Plot image, the plotting points are on a diagonal line, meaning the study is normally distributing.

**Multicollinearity Test**

Detecting the presence or absence of multicollinearity through the result of *Variance Inflation Factor* (VIF) below or < 10.00 and a tolerance value above or > 0.100 is considered not to have multicollinearity.

Table 7.  
Multicollinearity Test

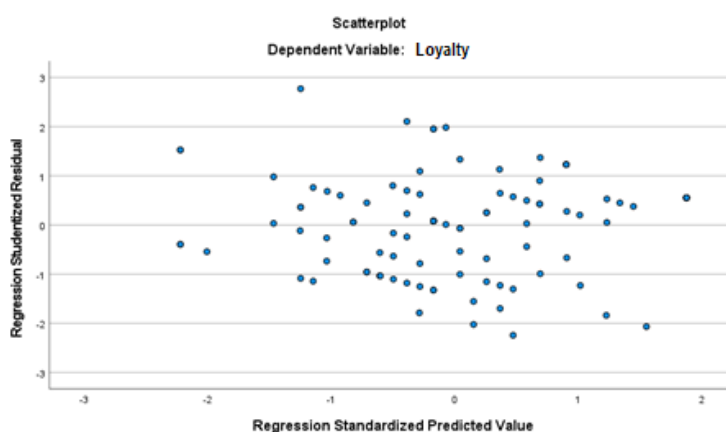
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Service quality	,767	1,303
	Satisfaction	,767	1,303

a. Dependent Variable: Loyalty

Source: Processed data with SPSS version 26, 2021.

The two variables in the table above show a tolerance value of  $0.767 > 0.1$  while VIF shows a result of  $1.303 < 10$ , meaning that there is no multicollinearity.

**Heteroscedasticity Test**



Source: Processed data with SPSS version 26, 2021.

Figure 2.

Heteroscedasticity Test Scatterplot

The absence of heteroscedasticity over the irregular pattern depicts an unclear pattern, a wavy, widening, or narrowing pattern and the points are spreading out on the *scatterplot* image. The results of the *scatterplot* depict an unclear pattern, spread out, with irregular dots. So, it is concluded that there is no  $r_{Tabel}$ .

**Multiple Linear Regression Test**

Table 8.  
Multiple Linear Regression

Model		Unstandardized Coefficients		T	Sig.
		B	Std. Error		
1	(Constant)	3,793	1,819	2,085	,040
	Service quality	,316	,087	3,617	,000
	Satisfaction	,477	,144	3,303	,001

Source: Processed data with SPSS version 26, 2021.

In general, multiple linear regression is formulated with  $Y = a + b1.x1 + b2.x2$ . The test result produces the equation  $Y = 3.793 + 0.316 + 0.477$  with the explanation:

1. The a value of 3.793 is a constant or a condition when loyalty has not been influenced by service quality and satisfaction, if the independent variable does not exist then the loyalty variable does not change.
2. The value of b1 (regression coefficient value x1) is 0.316, service quality has a positive effect on loyalty, it is said that every increase in one unit of service quality affects loyalty by 0.316 that other variables are not examined in this study.
3. The value of b2 (regression coefficient value x2) is 0.477, satisfaction has a positive effect on loyalty, which means that every increase in one unit of satisfaction affects loyalty 0.477 that other variables are not examined in this study.



## Hypothesis Testing

### T Test

The requirement for this test is that it has a significant value  $< 0.05$ , the value of  $t_{\text{count}} > t_{\text{Table}}$  (when  $t_{\text{count}}$  is greater than  $t_{\text{Table}}$ , the variable is said to have an effect, while if it is smaller, the variable is said to be rejected).

Table 9.  
T test "Service Quality"

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,587	1,690		3,898	,000
	Service quality	,455	,080	,497	5,669	,000

a. Dependent Variable: LOYALTY

Source: Processed data with SPSS version 26, 2021.

The results of the T test (partial) show a significant value of service quality (X1) on loyalty (Y) with a significant  $0.000 < 0.05$  and  $t_{\text{count}}$  of  $5.669 > t_{\text{Table}}$  is 1.984. The first hypothesis is accepted because service quality affects loyalty. Omoregie et al. (2019), in his research, implies that service quality as a factor encouraging loyalty is proven to have a significant effect on loyalty. Meanwhile, in the banking industry, Cameran et al., in (Fida et al., 2020), in their research shows a relationship between the two variables where service quality plays an important role in increasing loyalty.

The continuous delivery of good service quality by BMT is an important determinant of the loyalty of BMT members. The service quality of BMT is considered to be able to increase the loyalty of BMT members, BMT members feel what they want and need can be fulfilled by BMT, so that members will always survive in the long term as members. So, it can be concluded that the service quality is able to increase the loyalty of members of "KSPPS BMT Mandiri Sejahtera East Java".

Table 10.  
"Satisfaction" T Test

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	7,373	1,617		4,559	,000
	Satisfaction	,729	,134	,481	5,438	,000

a. Dependent Variable: LOYALTY

Source: Data processed with SPSS version 26, 2021.

Furthermore, the second hypothesis T test shows a significant value of satisfaction (X2) on loyalty (Y) is  $0.000 < 0.05$  and  $t_{\text{count}}$  is  $5,438 > t_{\text{Table}}$  1,984; the second hypothesis is accepted because of the significant influence of satisfaction on loyalty. In line with the research of Tweneboah-Koduah & Farley, 2015 in (Omoregie et al., 2019), there is a significant positive relationship between satisfaction and customer loyalty because the bank's ability to provide guarantees for its services is the main determinant of satisfaction. The satisfaction of BMT members - in terms of services, facilities, or products "KSPPS BMT Mandiri Sejahtera East Java"- is considered to be able to increase the loyalty of BMT members. The increasing level of satisfaction of BMT members creates a better relationship between BMT and its members which eventually can make them loyal and trusty for a long time.

From the T test hypothesis testing it is concluded that service quality and satisfaction each affects loyalty, with service quality considered dominantly influencing loyalty. This indicates that the service quality is considered more influential in increasing the loyalty of members of "KSPPS BMT Mandiri Sejahtera East Java".

**F-test**

Table 11.  
F test  
ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	213,676	2	106,838	23,149	,000 <sup>b</sup>
	Residual	447,684	97	4,615		
	Total	661,360	99			

a. Dependent Variable: Loyalty

b. Predictors: (Constant), Satisfaction, Quality of Service

Source: Data processed with SPSS version 26, 2021.

The result of the F test shows that the significant value of service quality and satisfaction with loyalty is  $0.000 < 0.05$  with  $F_{count}$  of  $23.149 > F_{Table}$   $3.09$ , it is said that the third hypothesis is accepted because loyalty is influenced by service quality and satisfaction. In line with Fida et al. (2020) revealed that respondents showed an average of "Agree" answers in five areas, namely, tangibility, responsiveness, reliability, assurance, and empathy. The result shows a significant relationship between the variables of service quality, satisfaction, and customer loyalty. Furthermore, Ofori et al., 2018 in (Omorieg et al., 2019), stated that service quality is a driver of customer satisfaction, which then creates customer loyalty. This indicates that service quality and satisfaction together affect the loyalty variable. When members feel that the quality of BMT services is not in line with expectations, members are not satisfied because their wants and needs cannot be met, the loyalty level of members will not last long. So, maintaining the loyalty of BMT members can be done by improving the quality of service and also being able to give the impression of satisfaction to members of "KSPPS BMT Mandiri Sejahtera East Java".

**Coefficient of Determination**

The coefficient of determination is seen through the R-square value as follows:

Table 12.  
Coefficient of Determination Test

Model Summary	
Model	R Square
1	,323

a. Predictors: (Constant), Satisfaction, Service Quality

Source: Processed data with SPSS version 26, 2021.

The coefficient of determination, commonly known as *R-square*, describes how well dependent data can be described by independent data. Because the *R-square* value spans from 0 to 1, it is deemed to be excellent if it is more than 0.5. The *R-square* value in this study is only 0.323, or 32.3 percent, indicating that the quality of service only explains 32.3% of the effect on BMT member loyalty, while the remaining 0.677, or 67.7%, is explained by the fact that other variables such as corporate image, product quality, and profit sharing are not examined in this study.

**V. CONCLUSION**

The multiple regression equation  $Y = 3.793 + 0.316x_1 + 0.477x_2$  is derived from the test result of  $Y = a + b_1x_1 + b_2x_2$ . The partial T-test findings reveal that the first and second hypotheses are accepted, indicating that service quality and satisfaction both influence BMT member loyalty, with service quality having a greater impact. This suggests that the "KSPPS BMT Mandiri Sejahtera East Java" members' loyalty is influenced more by the quality of service. Simultaneous testing confirms the third hypothesis, implying that service quality and satisfaction impact member loyalty simultaneously.

The R-square value in this study yields a value of 0.323, or 32.3 percent, indicating that the quality of service only explains 32.3 percent of the effect on BMT member loyalty, while the remaining 0.677, or 67.7% explains that other variables, such as corporate image, product quality, and profit sharing, are not examined in this study.

## Suggestion

Based on the discussion, the determinants of BMT members' long-term loyalty are not only dependent on the quality of BMT services and the level of satisfaction of BMT members, but also on other variables such as corporate image, product quality, and profit sharing.

The findings of this study are intended to be utilized as a basis for improvement by "KSPPS BMT Mandiri Sejahtera East Java" in order to examine increasing service quality performance and sustaining BMT member satisfaction, which will be used to retain BMT member loyalty.

As a consequence of this study, "KSPPS BMT Mandiri Sejahtera East Java" is intended to be utilized as an example by other BMTs for how to develop and sustain member loyalty. The results of the study may be utilized as a reference for new insights, and other variables and elements that promote member loyalty can be included, allowing the research to vary.

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