

ABSTRACT

The Effect of Service Quality, Product Quality, and Customer Value Toward Customer Satisfaction and Loyalty for Saving at Mandiri Bank in East Java

Bank is a trust industry or service working as intermediate between the overwhelming fund party and the lacking fund party. Besides collecting and distributing fund, bank can also has a function as innovation motivator in many economic activities in order to encourage economic growth and development to a more prosperous direction.

The objectives of this study is to measure customer level of satisfaction and loyalty toward banking service in East Java. This study is categorized as survey research with descriptive analysis method by taking sample from population and using questionnaire as the main data-collecting instrument. The population in this research is all customers of Mandiri Bank saving in East Java. The respondents are chosen by using probability sampling and systematic random sampling techniques. The research sample is chosen randomly for the first data whereas the following is using certain interval.

The results of analysis using Structural Equation Modeling (SEM) model are: (1) Service quality has positive and significant effect toward customer satisfaction. (2) Product quality has positive and significant effect toward customer satisfaction. (3) Customer value has positive and significant effect toward customer satisfaction. (4) Service quality has negative and nonsignificant effect toward customer loyalty. But, service quality has positive and significant indirect effect toward customer loyalty mediated by customer satisfaction. (5) Product quality has negative and nonsignificant effect toward customer loyalty. But, product quality has positive and significant indirect effect toward customer loyalty mediated by customer satisfaction. (6) Customer value has positive and significant effect toward customer loyalty. (7) Customer satisfaction has positive and significant effect to customer loyalty.

Key Words: service quality, product quality, customer value, customer satisfaction and customer loyalty