

ABSTARCT

The Influences of Service Quality and Product Innovation on Satisfaction and Trust as well as Loyalty of Debtor Customers of Small Scale Credit of PT. Bank Jatim in Jember Regency

The study aimed to examine and analyze the influences of: service quality on customer satisfaction, service quality on customer trust, customer satisfaction on customer loyalty, service quality on customer loyalty, customer satisfaction on customer loyalty, product innovation on customer trust, product innovation on customer loyalty, and customer trust on customer loyalty borrowing small scale credit of PT. Bank Jatim in Jember Regency.

The population of the study was all customers borrowing small scale credit of PT. Bank Jatim in Jember Regency that have experienced with product innovation of PT. Bank Jatim. Customers in this study were all individuals borrowing small scale credit of PT Bank Jatim for the sake of investment in there small scale business. The sample size was 100 respondents. The sample was taken from branch office and supporting offices of PT. Bank Jatim in Jember Regency. A systematic random sampling with proportional allocation was used to determine the sample. The main instrument in this study is questionnaire. The analysis used to examine the hypothesis of the study is Structural Equation Modeling or SEM using AMOS (Analysis of Moment Structure) Version 5.0 software.

The results of the study show that the service quality influences significantly the customer satisfaction with a positive relationship direction; The service quality influences significantly the customer trust with a positive relationship direction; The customer satisfaction influences significantly the customer trust with a positive relationship direction; The service quality influences significantly the customer loyalty with a positive relationship direction; The product innovation influences significantly the customer trust with a positive relationship direction; The customer trust influences significantly the customer loyalty with a positive relationship direction.

This study found that the customer satisfaction influences not significantly the customer loyalty. However, through the customer trust, the indirect effect of the customer satisfaction on the customer loyalty is significant with a positive relationship direction; The product innovation does not significantly influence on customer loyalty. However, through the customer trust, the indirect effect of the product innovation on the customer loyalty is significant with a positive relationship direction.

Keywords: service quality, product innovation, customer satisfaction, customer trust, customer loyalty.