"EFFORTS TO INCREASE CUSTOMER LOYALTY OF BANK INDONESIAN SYARIAH OFFICE OF THE MAIN BRANCH OF BANDUNG BY INCREASING PERFORMANCE OF PHYSICAL EVIDENCE, PROCESS AND PEOPLE"

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Abstract

The service industry is one of the business sectors that has a competitive level of business competition. One service industry that faces high competition is the banking sector. The condition of banks in Indonesia is currently growing and shows an increasingly competitive level of competitiveness. Bank Syariah Indonesian is one of the companies engaged in the Indonesian banking sector. One of the main businesses of . Bank Syariah Indonesian is consumer lending. This study aims to determine the effect of physical evidence, process and people on the debtor loyalty of Bank Syariah Indonesian di Bandung both partially and simultaneously. The research method used is the explanatory method.. The data analysis technique used is multiple linear regression analysis. The results of the study show that physical evidence, process, people and debtor loyalty are included in the "Low" condition. Partially the evidence physical process, process, people have a positive and significant influence on customer loyalty. Simultaneously, physical evidence, process, and people influence customer loyalty. Suggestions for proposed improvements to the management of Bank Syariah Indonesian include improvements in terms of people by increasing the number of loan officers by first taking into account the cost and benefit aspects, providing special service space for retired customers, conducting product assessments regularly and disseminating information / updating credit provisions the latest.

Keywords: Physical Evidence, Process, People, Customer Loyalty

Introduction

The service industry is one of the business sectors that has a competitive level of business competition. The service sector of the economy underwent a period of almost revolutionary change. This growth in the service industry occurs because existing services are currently growing, followed by the growth of new types of services in line with demands and technological developments. These developments are ultimately able to put strong pressure on changes in regulations, especially in terms of the use of new technology which will directly have an impact on strengthening competition in the industry. This condition directly confronts business people with increasingly high business competition problems.

In the era of globalization, one of the company's foundations to remain able [1, 2]o\ survive is to have loyal customers. For this reason, companies are required to make creative, innovative and efficient efforts, so that they can be an option for many customers and are expected to be loyal to remain loyal and believe in the company. Today's consumers tend to be smarter, pickier, more demanding, learn well the products or services offered, have low levels of loyalty, care deeply about price, and seek the highest value. This is influenced by various factors, namely psychological factors and other external factors that direct consumers to choose and use the products or services they want. One of the service industries facing high competition is the banking sector. Banking conditions in Indonesia are currently growing and showing an increasingly competitive level of competitiveness [3-5].

Bank Syariah Indonesia is one of the companies engaged in the Indonesian banking sector. In the midst of turbulent economic conditions and challenges facing global risks as well as increasingly tight competition in the banking world, bank bjb makes efforts to remain competitive in a healthy manner in order to capture market share through the company's market share approach, while increasing intermediary function. Islamic Banks In an effort to realize this vision, one of the business strategies carried out by Bank Syariah Indonesias is optimizing company profits, especially in lending. In general, the consumer credit business is currently still the leading product for the banking industry, mainly because consumer credit has a low risk profile, but has a high level of profitability. Until now, consumer credit is the first pillar of Bank Syariah Indonesia as well as the biggest profit contributor for the company [6-9].

Bank Syariah Indonesia Bandung customers during the period 2018-2020 tend to experience a decline with an average decrease of 0.22%. This can indicate a decrease in customer loyalty Bank Syariah Indonesia Bank Syariah Indonesia Bandung. Thus, it is important to examine what factors affect customer loyalty Bank Syariah Indonesia Bandung Main Branch Office. [10] explained that when consumers repurchase products, consumers will judge the location where the company is located, how the buying or consumption process will occur, how the officers serve, the superiority of the products offered, interest rates, and how to use them. promotion. In such conditions, we can see how consumer attitudes are faced with many choices, all of which require consumers to be loyal to experienced companies that sell these products. According to [3]The marketing mix in banking companies which are companies in the field of banking services has 7P aspects in marketing, namely: Product, Price, Place, Promotion, People, Process, and Physical Evidence. Where every aspect of the marketing mix can affect consumer loyalty. [11, 12] that the physical support aspect of a product is very influential on the customer's decision to use the product because it helps to form the right feelings and reactions between the customer and the product so that in the end it will form customer loyalty [13, 14].

Literature Review and Hypothesis
Marketing Mix

Marketing mix Marketing Mix is a tool for marketers that consists of various elements of a marketing program that need to be considered so that the implementation of the established marketing strategy and positioning can run successfully [15, 16]. The marketing mix, which is generally known for goods products, is different from the marketing mix for service products. In the marketing mix for service products, apart from the 4Ps, namely product, price, place, and promotion, there are also other elements, namely People. . The importance of Human Resources in marketing services is closely related to internal marketing. Process is a combination of all activities which generally consist of procedures, work schedules, mechanisms, and other routine matters, where services are produced and delivered to consumers., and Physical Evidence owned by the service provider which is shown to consumers as a value added proposal. Physical evidence is a tangible form that is offered to customers or potential customers

Customer Loyalty

Creating loyal customers is at the core of every business. Here's what marketing experts[6]) say. The only value your company can create is the value that comes from the customer it's all the value you have in the future. A business is said to be successful if it manages to acquire, retain, and grow customers. Customers are the only reason companies build factories, hire employees to schedule meetings, build fiber optic lines, or engage in any business activity." [17] states that "loyalty is defined as non random purchase expressed over time by some decision making unit". [18] explained that the concept of customer loyalty is more associated with behavior than with attitudes where loyalty is a customer's willingness to continue purchasing at a company in the long term and use the product or service repeatedly, and recommend it to friends and people. others voluntarily. Based on this definition, it can be seen that loyalty is more directed to a behavior, which is indicated by routine purchases, based on the decision-making unit[19-21]
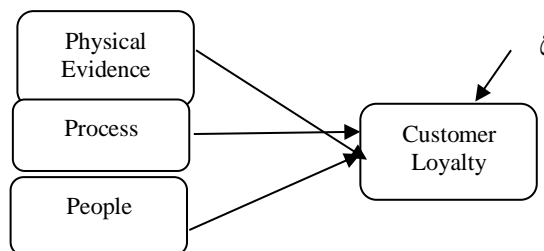
Framework and Hypothesis

Figure 2. Relationship Flow Framework between Latent Variables

Dimana

X_1 = Physical Evidence (variabel laten eksogen)
X_2 = Process (variabel laten eksogen)
X_2 = People (variabel laten eksogen)
Y   = Coustomer Loyalty (variabel laten endogen)
ζ = Residue factor

Hypothesis
1.   Physical evidence has a positive effect on the coustomer loyalty of Bank Syariah Indonesian the Bandung Main Branch Office
2.   Process has a positive effect on Bank Syariah Indonesian Main Branch Office Bandung

3.   People have a positive effect on coustomer loyalty Bank Syariah Indonesian Branch Office Bandung

4.   Physical evidence, process and people simultaneously affect the coustomer loyalty of the Bank Syariah Indonesian Main Branch Office Bandung.

Research Methodology

The object of research is Increasing Customer Loyalty Of Bank Syariah Indonesia Main Office Bandung Branch By Improving The Performance Of Physical Proof, Process And People, customer analysis unit, explanatory research method, descriptive, verification, multiple linear regression hypothesis testing, accidental sample distribution method. Explanatory Method (Survey Explanatory Method) is a research method with the aim of testing the hypothesis that has been formulated previously (testing research). In this method there is still a descriptive explanation, but the focus remains on explaining the relationships between variables (associative).

Research Finding and Argument

Coefficient of Determination

The coefficient of determination shows the simultaneous influence of the independent variable on the dependent variable, or how much the independent variable can explain the dependent variable.   *Table 1*

Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin Watson
					R Square Change	F Change	df1	Df2	Sig. F change	
1	.779	.607	.594	.33806	.607	48.829	3	95	.000	1.859

Knowing the magnitude of the variability of the dependent variable that can be explained by the independent variables. The value of R Square or the coefficient of determination is 0.607 or 60.7%. This figure means that 60.7% of Customer Loyalty (Y) that occurs can be explained by the Physical Evidence (X1), Process (X2) and People (X3) variables. While the remaining 39.3% (100%-60.7%) is explained by other causal factors.

Correlation Between Variables   *Table 2*

Correlation

		Y	X1	X2	X3
Pearson correlation	Y	1.000	.671	.524	.677
	X1	.671	1.000	.256	.625
	X2	.524	.256	1.000	.580
	X3	.677	.625	.580	1.000
Sig. (1-tailed)	Y		.000	.000	.000
	X1	.000		.005	.000
	X2	.000	.005		.000
	X3	.000	.000	.000	
N	Y	99	99	99	99
	X1	99	99	99	99
	X2	99	99	99	99
	X3	99	99	99	99

Table 2. provides information about the relationship between variables. The magnitude of the relationship between several variables is explained in the following points.

The correlation between the Physical evidence (X1) variable and customer loyalty (Y) is 0.671 or 67.1% with a sig value of 0.000 (<0.05). The positive correlation coefficient indicates that the relationship between the two variables is positive and significant. This means that if the physical evidence variable (X1) increases, the customer loyalty variable (Y) will also increase.

The correlation between the Process variable (X2) and customer loyalty (Y) is 0.524 or 52.4% with a sig value of 0.000 (<0.05). The positive correlation coefficient indicates that the relationship between the two variables is positive and significant. This means that if the Process variable (X2) increases, the Customer Loyalty variable (Y) will also increase.

The correlation between the People variable (X3) and customer loyalty (Y) is 0.677 or 67.7% with a sig value of 0.000 (<0.05). The positive correlation coefficient indicates that the relationship between the two variables is positive and significant. This means that if the People variable (X3) increases, the customer Loyalty variable (Y) will also increase.

Multiple Linear Regression Analysis Test

Before testing the multiple linear regression model, the author first tested the feasibility of the regression model using the ANOVA table as follows.

Table 3

Model	Sum of Square	df	Mean Square	F	Sig.
Regression	16.544	3	5.515	48.829	0.000
Residual	10.719	95	.113		
Total	27.273	98			

The ANOVA table above shows the magnitude of the probability or significance number of the regression model. In the ANOVA calculation that will be used to test the feasibility of the regression model, the provision of a good probability number to be used as a regression model is that it must be less than 0.05.

From the results of the ANOVA test in Table.4. above, it produces a probability value (sig) of 0.000. Because the probability number is 0.000 < 0.05, this regression model is feasible to use to predict customer loyalty variables. Based on this, the next step is to calculate the coefficients of the multiple linear regression model for each variable obtained in the following Coefficients table.

Table 4

Coefficients Variable

Model 1	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlation			Collinearity Statistics	
	B	Std. Error	Beta			Zero order	Partial	Part	Tolerance	VIF
Constant	.316	.234		1.347	.181					
X1	.455	.084	.454	5.425	.000	.671	.486	.349	.592	1.688
X2	.198	.058	.271	3.383	.001	.524	.328	.218	.645	1.550
X3	.219	.092	.237	2.386	.019	.677	.238	.154	.421	2.377

The Coefficients table describes the regression equation to find out the constants and coefficients for each research variable. Thus, based on Table 4. above, the regression equation formed is:

The above model can be explained as follows.

A constant of 0.316; it means that if the physical Evidence (X1), process (X2) and people (X3) variables are 0 (zero), then the customer loyalty index is 0.316.

The physical evidence variable regression coefficient (X1) is 0.455; This means that if the other independent variables (X2, and X3) have a fixed value and physical evidence (X1) is 1, 0.422. The coefficient is positive, meaning that the more physical evidence aspects increase, the customer loyalty will also increase.

The process variable regression coefficient (X2) is 0.198; This means that if the other independent variables (X1 and X3) are fixed and process (X2) is 1, then customer loyalty will increase by 0.198. The positive coefficient means that the more process aspects increase, the customer loyalty will also increase.

People variable regression coefficient (X3) is 0.219; This means that if the other independent variables (X1 and X2) are fixed and people (X3) are 1, 0.219. The coefficient is positive, meaning that the more the people aspect increases, the customer loyalty will also increase.

Partial regression coefficient testing is done through t test. The partial effect hypothesis test can be done through t test. The t-test was conducted to determine whether or not an independent variable partially affects the dependent variable. The hypothesis is formulated as follows:

Conclusion and Suggestion

Conclusion

Process variable has a positive and significant influence on Coustomer Loyalty of Bank Syariah Indonesia Bandung Main Branch Office

The People variable has a positive and significant influence on the Coustomer Loyalty of Bank Syariah Indonesia Bandung Main Branch Office

Physical Evidence, Process and People variables simultaneously have a significant influence on the Coustomer Loyalty of Bank Syariah Indonesia Bandung Main Branch Office

Suggestion

Coordinate with the Human Capital Division to increase the number of dedicated Bank Syariah Indonesia but first calculate the cost and benefit aspects.Rearrangement of the waiting room and division of areas, especially on the dates when the number of retired customers make a lot of transactions/come to the bank.

Provision of special service rooms for Bank Syariah Indonesia customers and endeavored to make the area easily accessible to Bank Syariah Indonesia customers. Increasing the quality and capacity of the information technology system as an example of increasing the bandwidth.

Division of credit administration officers based on credit segments so that officers can focus more on handling credit disbursement based on credit segments. Increasing the quality and capacity of information technology systems as an example of increasing bandwidth.

Providing supervision, coaching, as well as education and training to AO Bank Syariah Indonesia to be able to improve customer relationship management so that officers can better serve and respond to debtor complaints. Holding regular sharing sessions, the material discussed is transfer of knowledge or discussion of each type of bank products and services, as well as other types of credit.

Conduct regular product assessments and socialization in order to provide information/update the latest credit provisions.Providing education and training on Service Excellent specifically for dedicated AO Bank Syariah Indonesia which focuses on providing services to Bank Syariah Indonesia.

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