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Interest Rate, Service Quality and Customer Satisfaction in Majesty Golden Raya Rural Credit Bank Company

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Abstract: This research aims to analyze effects of interest rate on customer satisfaction, effects of service quality on customer satisfaction and effects of interest rate and service quality on customer satisfaction in Majesty Golden Raya Rural Credit Bank. This research used causality descriptive research design by using primary data as its source of data. These research respondents are customers in Majesty Golden Raya Rural Credit Bank. There are 128 active customers in credit transaction as the research samples. Data collection technique used questionnaire. Data analysis used descriptive analysis method to describe the research variables. This research also tested data quality, regression equation test and research hypotheses testing. Results prove that interest rate affects significantly on customer satisfaction. Service quality affects significantly on customer satisfaction. Interest rate and service quality affect significantly on customer satisfaction. This research conclusion is that interest rate and service quality affect on banking customer satisfaction and to improve customer satisfaction, it is necessary to improve employee product knowledge and soft skills.

Keywords: interest rate, service quality, and customer satisfaction

1. Introduction

Rural Credit Bank is a banking financial institution receiving any savings only in the forms of time deposit, savings and or other similar forms and distributing the funds as the Rural Credit Bank business. Majesty Golden Raya Rural Credit Bank always provides high interest rate and improves its service in a sustainable manner to achieve Indonesian society prosperity. The service given by the company to the customers is seen by below the Minimum Service Standard. Based on the phenomena found in Majesty Golden Raya Rural Credit Bank Batam City, there are different interest rate levels given by Majesty Golden Raya Rural Credit Bank based on types of credit ranging from 9 – 19 % per years.

Table 1 - Basic Interest Rate of Credit (%)

Basic Interest Rate of Credit (%)				
Credit	Credit	Credit	Consumption Credit	
Corporate	Investment	KMK	KPR	Non KPR
10,75	12,00	18,30	9,75	11,50

Source: Data by secondary

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Majesty Golden Raya Rural Credit Bank in order to improve the service quality for the sake of achieving better customer satisfaction, it must be able to face any challenges to meet increasing modern customer needs and technology advances that have affected on customer behavioral changes on national banking world, mainly in desired values by bank customers. Tumangkeng, (2013), studied on the effects of Credit interest rate and service quality. Results of the research stated that interest rate of credit / savings affects significantly on the customer satisfaction. Saving interest is fund cost that must be spent by customers. When there is high level of interest rate of credit then automatically, customers will choose other banks offering low interest rate of credit; and the other way around, for deposit savings, people will prefer to save their money at bank since customers will obtain high interest rate. In this case, in fact, interest rate has important effects on customer satisfaction.

Prisanti, et.al (2017), this research also indicates that BRIeService Quality eBanking affects significantly on eCustomer Satisfaction. There are also significant effects of eTrust and eCustomer Satisfaction. Aprianto (2016) This research result expressed that service affects significantly on satisfaction. Rohana and Dewi, (2017) The research results stated that all of dependent variables consisting of employee service, interest rate perception and speed of pension credit disbursement affect significantly and positively on customer satisfaction

Mandang Cristo, David P. E Saerang, Frederik G. Worang (2017) studied also on The Influence Of Price, Service Quality, And Physical Environment On Customer Satisfaction (Case Study Markobar Cafe Manado). The research results stated that price, service quality, and physical environment affect significantly on customer satisfaction.

Prisanti, et.al, (2017) studied on the effects of e-service qualityand e-trust on e-customer satisfactionas well as its implication on e-customer loyalty. These research results also stated that BRI e-service quality e-Banking BRI affect significantly on e-customer satisfaction. There are also significant effects of e-trust and e-customer satisfaction. E-service qualitydirectly affects insignificantly on e-customer loyaltyof customers as users of e-banking BRI in BRI KCP Lawang. E-trust affects significantly on e-customer loyalty.There are also significant effects of e-customer satisfactionone-customer loyalty.

2. Research Method

This study uses causality research design between interest rates and service quality to the level of customer satisfaction.

Table 2 Operational Variable

Variables	Definition of Variables	Indicators	Scale
Interest Rate Level (X_1)	Interest rate level is the price of use of money or also seen as use of money for certain period of time. Interest can also mean as recompense given by bank based on conventional principles to the customer who sell or buy their products.	1. Needs of fund 2. Competition 3. Government policies 4. desired profit target 5. period of time 6. quality of assurance 7. company reputation 8. competitive products 9. good relations 10. third party assurance	Likert Scale
Service quality (X2)	Service quality is defined as a thing related to fulfillment of customer expectation, in which the service is said to be qualified if the company can provide any products or service based on their customer needs and expectation.	1. Tangible (physical evidences) 2. Reliability 3. Responsiveness 4. Assurance 5. Empathy	Likert Scale
Customer Satisfaction (Y)	Customer satisfaction is an evaluation of customers, in which selected alternative creates at least the same or outcome or more than customer expectation.	1. complaining and recommendation systems 2. Ghost shopping 3. Lost customer analysis 4. customer satisfaction survey	Likert Scale

Source: (Kasmir, 2014)**,** (Hardiyansyah, 2011)**,** (S. Kaihatu et al., 2015)**,** (Tjiptono, 2008)

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Population in this research is overall customers in PT BPR Majesty Golden Raya that are actively making credit transactions; there are 120 customers as the population. Sample collection technique in this research usesnon-probability sampling and full sampling technique, namely sample determination technique in which all populations are used as the samples.

Data collection tool in this research uses Questionnaire. The form of questionnaires used by researchers is a form of closed structured questionnaire, meaning that in each item, there are available various alternative answers. The response of this statement is given a score referring to Likert Scale. Likert Scale is used to measure attitudes, opinions and perceptions of a person or group of people about social phenomena (Sugiyono, 2014).

Data analysis used by regresi linear berganda yang menguji suatu hubungan linear antara tingkat suku Bungan dan kualitas pelayanan dengan tingkat kepuasan nasabah. Uji Regresi Parsial (Uji–t) **un**tuk model regresi untuk mengetahui pengaruh secara parsial antara variabel tingkat suku Bungan dan kualitas pelayanan dengan tingkat kepuasan nasabah dengan tingkat signifikansi sebesar 5%. Uji Regresi Simultan (uji-F) untuk mengetahui variabel tingkat suku bunga dan kualitas pelayanan secara bersama berpengaruh signifikan terhadap kepuasan nasabah dengan tingkat signifikansi sebesar 5%

3. Results and Discussion

Profile of the respondents by Sex in this study stated that the dominated sex is male compared with female.

Table 3 Profile of Respondent Based on Sex

Sex	Frequency	Percent
Males	65	50,8
Females	63	49,2
Total	128	100,0

Source: SPSS 2 Data Processing Results

The results of this study concerning profile of the respondents based on education state that the respondents / customers are dominated by customers with undergraduate education (S1).

Table 4 Profile of Respondent Based onEducation

Education	Frequency	Percent
SMU/same level	20	15,6
D3	16	12,5
S1	49	38,3
S2	43	33,6
Total	**128**	**100,0**

Source: SPSS 2 Data Processing Results

The results of this study based on the duration of being the customers state that the duration of being the customers is dominated by more than 2 years; it can be explained by the table below.

Table 5 Profile of Respondent Based on Duration of Being Customers

Old Customer	Frequency	Percent
1 - 6 Months	10	7,8
7 - 12 Months	25	19,5
13 - 15 Months	16	12,5
16 - 24 Months	23	18,0
> 2 years	54	42,2
Total	128	100,0

$Y = \alpha + \beta 1X_1 + \beta 2X_2 + e$. The regression table can be explained and described as follow;

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Table 6 Regression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	25,989	2,007		12, 52	,000
X1_TOTAL	-,218	,043	-,418	-5,012	,000
X2_TOTAL	,480	,073	,548	6,564	,000

a. Dependent Variable: Y1_TOTAL
Source: SPSS 2 Data Processing Results

$$Y = 25,989 + (0,218X_1) + 0,480X_2$$

Based on the equation, the coefficient with more effects on the variables of interest rate and service quality on customer satisfaction is service quality variable.

Variable of interest rate level (X_2) is shown by value of $t_{arithmetic}$by 5,012 that is greater than t_{table}= 1,979 and significance value by 0,000 that is greater than 0,05 meaning that Ho is rejected and Ha is acceptable, thus, the interest rate level is stated to have significant effects on customer satisfaction.

Variable of service quality (X_1) is shown by value of $t_{arithmetic}$by 6,564 that is greater than t_{table}= 1,979 and significance value by 0,000 that is greater than 0,05 meaning that Ho is rejected and Ha is acceptable, thus, the service quality is stated to have significant effects on customer satisfaction.

Simultaneous test is a test that is used to determine and analyze the relation of both dependent and independent variables. The relation can be explained in the following table.

Table 7 F-test results (Simultaneous)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	437,592	2	218,796	24,631	,000[b]
	Residual	1110,377	125	8,883		
	Total	1547,969	127			

a. Dependent Variable: Customer Satisfaction
b. Predictors: (Constant), Service Quality, Interest Rate Level

Hypothesis testing with α = 5% is obtained the value of $F_{arithmetic}$= 24,631 and the value ofF_{table}= 3,069. So,$F_{arithmetic}$>F_{tabel}, and probability (sig) by 0,000 < 0,05. Then, simultaneously, variables of interest rate level and service quality simultaneously affect on the customer satisfaction.

4. Conclusion And Recommendation

Based on results of testing and discussion, it can conclude that interest rate level and Service quality has effects on customer satisfaction, this supports researches by Tumangkeng, (2013) and Wahyuni, (2017); Aprianto (2016); and Worang (2017). Studies show that in the banking industry improve service quality and customer satisfaction, it is necessary to improve employee employee product knowledge and soft skills.

Based on the conclusion, it can give recommendations that can be used for practical interests and further researches.

1. To improve customer satisfaction in order to have competitive ability with other rural credit banks, then, Rural Credit Bank of Rakyat Majesty Golden Raya must be able to improve its employee quality.
2. For further research, it is advisable to add other research objects so that there will be broader research objects. Broader research objects will lead to more robust study.

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