An Analysis of Customer Satisfaction Levels in Islamic Banks Based on Marketing Mix as a Measurement Tool

Budiyono[1], Muhammad Tho'in*[2], Dewi Muliasari[3], Serly Andini Restu Putri[4]

1, 2 & 3 - Institut Teknologi Bisnis AAS Indonesia, Surakarta, Indonesia

1-budiyono_bk@yahoo.co.id, 2-thoinsyakira@yahoo.com, 3-dewimuliasari27@gmail.com

Abstract: This research aims to determine the level of customer satisfaction, priority customer categories at BNI Syariah Bank in Surakarta based on the marketing mix and to find out whether there is a difference between the level of satisfaction and the level of importance received by priority customers based on customer categories. This research is a quantitative descriptive research. The population of this research is all priority customers at BNI Syariah Bank in Surakarta, amounting to 352, while the sample in this study was 78 samples which were taken using simple random sampling technique. The analysis of the research data is loaded through Importance-Performance Analysis, where the variables are measured by an ordinal scale. To determine the level of depth of analysis that has been carried out, the categories of the answers are contained in one diagram, in the form of a Cartesian diagram which informs what is experienced in the form of the performance of the marketing attributes. There are 7 (seven) variables used in this study which are measured using a Likert scale. The results of the research that have been conducted show that customers have been satisfied with the marketing mix attributes in the form of products, places, promotions, people, processes and attributes in the form of physical evidence at BNI Syariah Bank in Surakarta, but these customers are not satisfied with the marketing mix attribute in the form of price. , because until now, Islamic banks are known to be more expensive than conventional banks. There is no difference between the level of satisfaction and the level of interest received by priority customers based on customer categories.

Keywords: *customer satisfaction, marketing mix, priority customers, Islamic banks,*

1. Introduction

Satisfaction is always synonymous with companies engaged in the service sector rather than the product field. Quality service is something that companies must provide to their consumers so that consumers feel satisfied with the service, especially in the 4.0 era towards the 5.0 era, which is growing rapidly and is not limited to time and space. This demand is inevitable for every company that wants to dominate or win market competition and even wants to survive in the long term or be sustainable. One of the companies that is very important to pay attention to this prime and quality service is banking [1]; [2]; [3].

Satisfaction in the life level of an organization or company is a concept that is generally used as a tool to check and measure performance in the company [4]; [5]; [6]. Associated with this statement is known to explain and as a measure of satisfaction. By using this approach it can be assumed that every consumer before consuming a product or service company has had expectations, then whether these expectations can be fulfilled or not after the consumer can be confirmed [7]. Therefore, this approach to customer satisfaction can be seen from two sides. The first side, that satisfaction is defined as a result and the second side, satisfaction is defined as a process [8].

As an instrument, an organization or company can make an interest or the suitability of service performance as a parameter and standard of satisfaction that has been felt by consumers. This satisfaction situation can be shown through a Cartesian diagram, where the diagram illustrates the

existence of 4 quadrants [9], namely:

a. Quadrant A, shows a situation where the service elements in the company are very important and meaningful to consumers, but the company has not been able to meet these expectations.

b. Quadrant B, shows a situation where the main service elements of the company have been implemented and can be fulfilled properly.

c. Quadrant C, shows a situation where the service elements that are considered less important by the customer, are not carried out properly by the company.

d. Quadrant D, shows a situation where service elements are considered less important by customers, but the company has been and continues to run it very well.

The position or situation between the company's interests and the company's performance as described above is used as a diagnosis in order to maintain customer or consumer satisfaction. If the company's performance can fulfill its true wants and interests, this condition shows the company's ability to fulfill the various wants and interests of its customers. Regarding the paradigm of retaining customers, it is generally agreed that retaining existing customers is much more difficult when compared to bringing in new customers. Thus, banks must make various efforts to retain their existing customers. Customers who remain are customers who are loyal to the bank, but customer loyalty can be created and maintained if the bank can provide customer satisfaction as they expect. Therefore, banking companies that exist and survive are banks that base their competitiveness only on optimal customer service and satisfaction [10].

It is so important to treat customers as best as possible through quality services for banking institutions [11; [12]; [13]. The paradigm in building the organization (banking institution) that is applied must be able to adopt from the existing modern organizational pyramid paradigm, where customers must always receive primary service and attention, replacing the owners of these institutions as in the old organizational paradigm [14]; [15]; [16]. In this case, banking financial institutions have an agreement that the customer status is for life [17]. Banks are able to identify with certainty these customers whose hope is that they will always be able to provide benefits to the institution at all times (potential customers). Thus, the products offered by the bank must contain services in addition to the core products they have for the products they produce. This means that the concept of bank products that have been developed will not be successful if it is not accompanied by additional services that are increasingly satisfying for its customers. This strategy is in line with the strategy proposed by Kolter and Keller regarding the product level, where the product initially emphasizes its function, in subsequent development, it pays more attention to aspects of needs, both present and future needs [14].

Marketing Mix is a combination of variables or activities as the core of the marketing system itself, which variables can be controlled by marketing to influence the reactions of its consumers [18]; [19]; [20].

Bank BNI Syariah as one of the leading and leading government-owned banks issues excellent service products to its customers in the form of special services for superior customers with the name BNI Syariah priority, one of which is BNI Syariah Bank in Surakarta, where this priority Syariah BNI has the form of service above rates given to premium customers who have great potential in providing benefits to the bank. This customer segment is of course very important for the bank, because priority customer funds invested in the bank are classified as very large when compared to the customer segments below it. Thus, it is very important to always provide a level of satisfaction to customers in this class without neglecting customers in the lower segments, while at the same time making this part of the bank's strategy to increase higher profits.

The purpose of this study is to determine the level of customer satisfaction, priority customer categories at BNI Syariah Bank in Surakarta based on the marketing mix and to find out whether there is a difference between the level of satisfaction and the level of importance received by priority customers based on customer categories.

2. Research Method

This research is a quantitative descriptive research. The population of this research is all priority customers at BNI Syariah Bank Surakarta, amounting to 352, while the sample in this study was 78 samples obtained using the Slovin formula with an error tolerance limit of 10% n = N (1 + N e2). The sampling technique in this study used simple random sampling, where all priority customers have the same chance of being selected as the study sample [21]; [22].

The results of tabulation of data from questionnaires that have been carried out in this research data analysis are loaded through Importance-Performance Analysis (IPA Analysis). Therefore, this research variable was measured using an ordinal scale. The scale is categorized as good if the average or mean has a value of 3.5 - 4.5, while it is categorized as poor if the average or mean has a value of 1.5 - 2.5 [23]. To get the level of depth of analysis that has been carried out, the categories of the answers are contained in one diagram, in the form of a Cartesian diagram which informs what is experienced in the form of the performance of the marketing attributes.

The variables used in this study were 7 (seven) variables measured using a Likert scale, where these variables can be explained using the indicators below.

a. Product, in the form of loan ceiling requirements or minimum balance and priority card term;
b. Price, in the form of penalty fee waiver and various other service fees;
c. Place, in the form of easy access to various service spaces and facilities;
d. Promotion, in the form of sponsorship of various social activities and making priority magazines;
e. People, in the form of skills and friendliness of existing service officers;
f. Process, in the form of speed of service and simplicity of existing procedures; and
g. Physical Evidence, in the form of cleanliness, comfort, and the breadth of the service room.

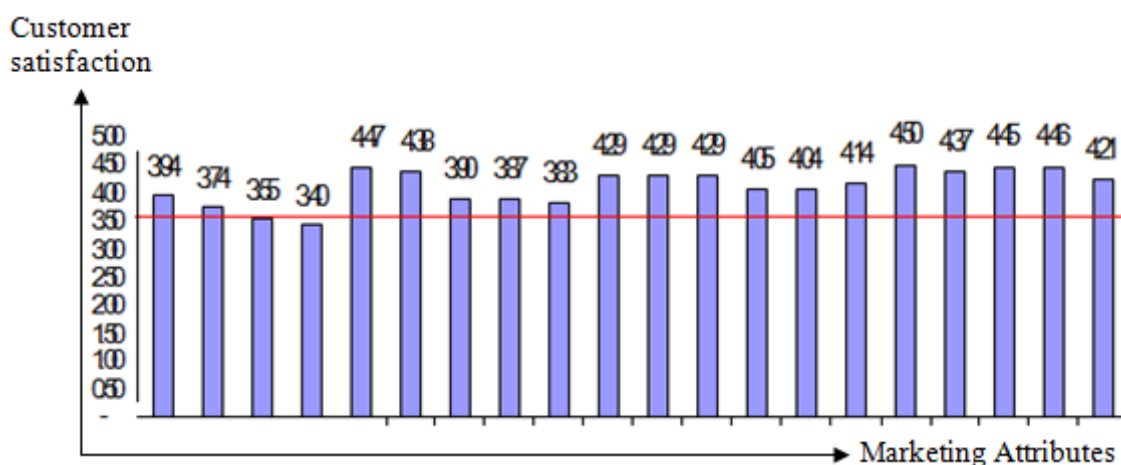## 3. Result

3.1. Customer Satisfaction Level

Figure 1. Level of Priority Customer Satisfaction Based on Marketing Mix

In the figure above the marketing attributes are in the form of a bar chart from the left in a row

(balance, time period, service fee, penalty fee, convenience, facilities, magazines, advertisements, sponsorships, skills, friendliness, attention, convenience, simplicity, speed, cleanliness, spacious room, freshness, cleanliness, convenience). A value of 350 and above indicates a state of good customer satisfaction, but vice versa if the value is below 350 indicates a state of customer dissatisfaction. From the situation described in the picture above, it is clear that the customer is not satisfied with the penalty fee only, while for the other attributes the customer is satisfied (indicated by a flat line). In this regard, the penalty fee will be charged to the customer by the bank, if the average balance of the priority customer is below the minimum stipulated by the bank.

3.2. Importance Level and Service Performance

Priority customers at BNI Syariah Bank in Surakarta, consist of three categories. The priority customer categories include: individual priority customers, priority loan customers, and priority partner customers. Of the three categories of priority customers have two sides to marketing attributes. Two sides are interests and service performance. If the performance of bank services provided to customers exceeds the level of importance, then this condition indicates that the bank has provided good and effective service to its customers. If the situation is the opposite, the bank must immediately introspect the services it provides and immediately improve the services provided to its customers.
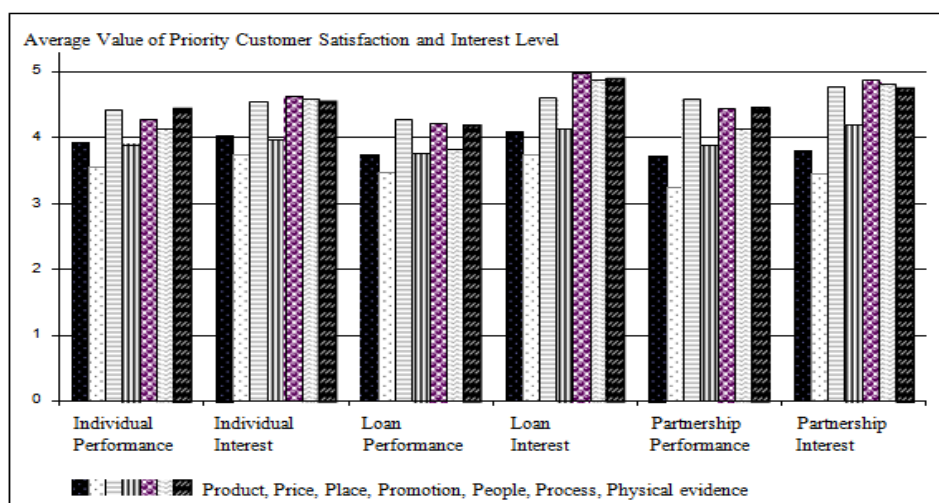

Figure 2. Service Performance and Priority Customer Interests

Based on the information in the picture above, the marketing mix attribute consists of seven attributes that indicate the performance and importance for the three priority customer categories. For the simplification of this analysis, it can be seen through the highest and lowest scores on one side and the difference between service performance and importance for each of these priority customer categories.

a. Individual Customers, looking at the level of individual importance on the existing marketing mix attributes, it can be seen that the two highest attributes are process and physical evidence, while the two lowest marketing mix attributes are price and promotion. If viewed from the performance side, the two highest marketing mix attributes are in the form of place and physical evidence, while the two lowest marketing mix attributes are price and promotion.

b. Loan Customers, in terms of importance, see the two highest marketing mix attributes for priority loan customers, namely in the form of people and physical evidence, while the two lowest marketing mix attributes are price and product. When viewed from the performance side,

the two highest marketing mix attributes are in the form of place and physical evidence, while the two lowest marketing mix attributes are price and promotion.

c. Partnership Customers, in terms of interests, the two highest marketing mix attributes are in the form of people and processes, while the two lowest marketing mix attributes are price and product. When viewed from the performance side, the two highest marketing mix attributes are in the form of place and physical evidence, while the two lowest marketing mix attributes are products and processes.
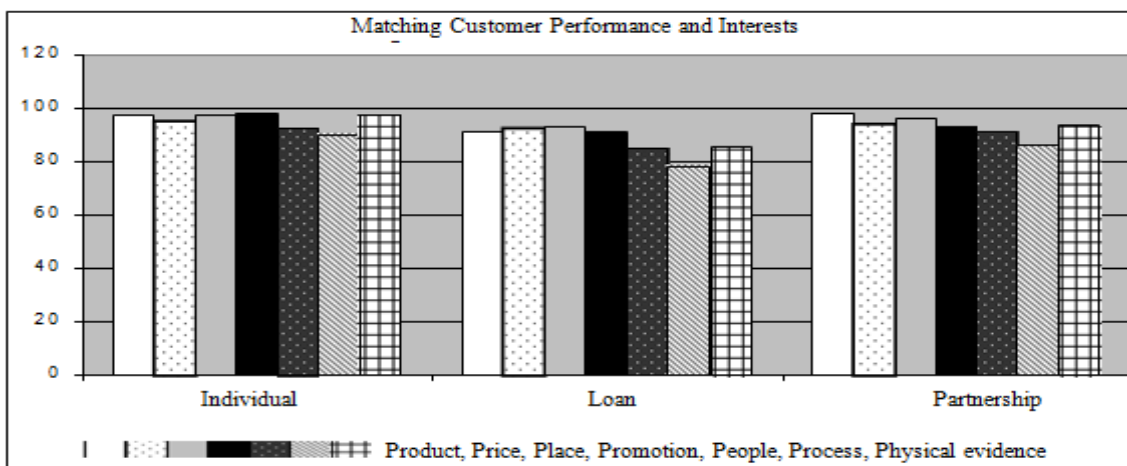

Figure 3. Satisfaction Level Curve and Priority Customer Interests

Based on the existing curve image, for the category of individual priority customers, the two highest marketing mixes are in the form of place and promotion, while the two lowest marketing mixes are processes and people. For the category of priority loan customers, the two highest marketing mixes are price and place, while the two lowest are in the form of process and physical evidence. For the category of priority partnerships customers, the two highest marketing mixes are in the form of products and places, while the two lowest are in the form of processes and people. In this case, the price attributes, promotion attributes, product attributes, and process attributes are attributes of the bank that must be considered again, where in this condition the priority customer has not felt that what is the customer's interest is fulfilled by the bank's performance.

Figure 4. Cartesian Diagram for Priority Customers of Individual Category

Based on the Cartesian diagram of priority customer for individual categories above, the following can be explained:

a. the marketing mix attribute in the form of a process becomes an attribute of the marketing mix that must always be considered in providing services to its customers;

b. the attributes of the marketing mix in the form of people, physical evidence, and places are attributes of the marketing mix that must always be maintained because the existing conditions have shown conformity;

c. marketing mix regulations in the form of product attributes, promotional attributes and price attributes are a low priority, because the level of importance is low towards priority customers themselves; and

d. a condition and circumstances that have been excessively experienced by priority customers are not obtained.

Figure 5. Cartesian Diagram for Priority Customers of Loan Categories

Based on the Cartesian diagram for priority customers for loan categories above, the following can be explained:

a. marketing mix attributes that must be prioritized and concentrated, namely the marketing mix attribute in the form of a process,

b. mix attributes that must be maintained are the attributes of the marketing mix in the form of attributes of people, attributes of physical evidence, and attributes of places because besides their very high importance, these attributes have also been fulfilled.

c. marketing mix guidelines with low priority, namely in the form of promotional attributes, product attributes, price attributes and;

d. no single attribute of the marketing mix that conditions or circumstances have been overestimated.

Figure 6. Cartesian Diagram of Priority Customers of Partnership Category

Based on the Cartesian diagram for priority customers of the partnership category above, the following can be explained:

a. marketing mix attribute that must be prioritized and concentrated, namely the marketing mix attribute in the form of a process;

b. marketing mix attributes that must be maintained, namely attributes of people, attributes of places, and attributes of physical evidence;

c. marketing mix attribute with low priority, namely promotion attribute, product attribute, and price attribute; and

d. there is no condition or state of the marketing attribute with excessive conditions.

4. Conclusion

The results of the research that have been conducted show that customers have been satisfied with the marketing mix attributes in the form of products, places, promotions, people, processes and attributes in the form of physical evidence at BNI Syariah Bank in Surakarta, but these customers are not satisfied with the marketing mix attribute in the form of price, because until now, Islamic banks are known to be more expensive than conventional banks. There is no difference between the level of satisfaction and the level of interest received by priority customers based on customer categories.

References

[1.] Munusamy, J., Chelliah, S., & Mun, H. W. (2010). Service quality delivery and its impact on customer satisfaction in the banking sector in Malaysia. International journal of innovation, management and technology, 1(4), 398.

[2.] Shanka, M. S. (2012). Bank service quality, customer satisfaction and loyalty in Ethiopian banking sector. Journal of Business Administration and Management Sciences Research, 1(1), 001-009.

[3.] Kaura, V., Prasad, C. S. D., & Sharma, S. (2015). Service quality, service convenience, price and fairness, customer loyalty, and the mediating role of customer satisfaction. International Journal of Bank Marketing.

[4.] Gupta, A., & Upadhyay, D. (2012). Impact of effectiveness of performance management system on employee satisfaction and commitment. International Journal of Managment, IT and Engineering, 2(7), 96-106.

[5.] Budihardjo, A. (2014). The relationship between job satisfaction, affective commitment, organizational learning climate and corporate performance. *GSTF Journal on Business*

Review (GBR), *2*(4).

[6.] Saeidi, S. P., Sofian, S., Saeidi, P., Saeidi, S. P., & Saaeidi, S. A. (2015). How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction. Journal of business research, 68(2), 341-350.

[7.] Oliver, R. L. (2014). Satisfaction: A behavioral perspective on the consumer: A behavioral perspective on the consumer. Routledge.

[8.] Vargo, S. L., Nagao, K., He, Y., & Morgan, F. W. (2007). Satisfiers, dissatisfiers, criticals, and neutrals: A review of their relative effects on customer (dis) satisfaction. Academy of Marketing Science Review, 2007, 1.

[9.] Waryono, S. P., & Par, M. M. (2017). Measurement of Visitor's Satisfaction Through Importance Performance Analysis (IPA) Method About Servicescape.

[10.] El Saghier, N., & Nathan, D. (2013). Service quality dimensions and customers' satisfactions of banks in Egypt. In *Proceedings of 20th international business research conference* (Vol. 13).

[11.] Kheng, L. L., Mahamad, O., & Ramayah, T. (2010). The impact of service quality on customer loyalty: A study of banks in Penang, Malaysia. *International journal of marketing studies*, *2*(2), 57.

[12.] Tho'in, M. (2017). Analysis Of Islamic Bank Customer's Satisfaction Using Importance Performance Analysis (IPA). *ADRI International Journal Of Marketing and Entrepreneurship*, *1*(1), 42-48.

[13.] Siddiqi, K. O. (2011). Interrelations between service quality attributes, customer satisfaction and customer loyalty in the retail banking sector in Bangladesh. *International journal of business and management*, *6*(3), 12.

[14.] Kotler, P., & Keller, Kevin, L. (2006). *Marketing Management*, 12 Edition, Pearson International Edition, Singapore.

[15.] Hole, Y., & Snehal, P. & Bhaskar, M. (2018). Service marketing and quality strategies. Periodicals of engineering and natural sciences,6 (1), 182-196.

[16.] Hole, Y., & Snehal, P. & Bhaskar, M. (2019). Porter's five forces model: gives you a competitive advantage. Journal of Advanced Research in Dynamical and Control System, 11 (4), 1436-1448.

[17.] Mohsan, F., Nawaz, M. M., Khan, M. S., Shaukat, Z., & Aslam, N. (2011). Impact of customer satisfaction on customer loyalty and intentions to switch: Evidence from banking sector of Pakistan. *International Journal of Business and Social Science*, *2*(16).

[18.] Lusch, R. F., & Vargo, S. L. (2014). *The service-dominant logic of marketing: Dialog, debate, and directions*. Routledge.

[19.] Sarwar, M. Z., Abbasi, K. S., & Pervaiz, S. (2012). The effect of customer trust on customer loyalty and customer retention: A moderating role of cause related marketing. *Global Journal of Management and Business Research*, *12*(6).

[20.] Sofjan, A. (2013). Strategic Management, Sustainable Competitive Advantages.

[21.] Pour, B. S., Nazari, K., & Emami, M. (2013). The effect of marketing mix in attracting customers: Case study of Saderat Bank in Kermanshah Province. African Journal of Business Management, 7(34), 3272.

[22.] Mohammad, H. I. (2015). 7PS marketing mix and retail bank customer satisfaction in northeast Nigeria. *British journal of marketing studies*, *3*(3), 71-88.

[23.] Kadilar, C., & Cingi, H. (2004). Ratio estimators in simple random sampling. *Applied mathematics and computation*, *151*(3), 893-902.

[24.] Gupta, S., & Shabbir, J. (2008). On improvement in estimating the population mean in simple random sampling. *Journal of Applied Statistics*, *35*(5), 559-566.

[25.] Fowler, J., Jarvis, P., & Chevannes, M. M. (2013). *Practical statistics for nursing and health care*. John Wiley & Sons.