

Effect of Islamic Banking Service Quality (Ibsq) Customer Loyalty In Islamic Bank Bri Banyuwangi

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Abstract: *Islamic Banking Service Quality (IBSQ) is the service quality standards applied by BRI Syariah with the aim of providing quality services to the satisfaction of customers is directly proportional to customer loyalty, is expected to better its quality of services provided, it can increase in third party funds , Bank BRI Syariah IBSQ Banyuwangi has run since its inception in 2010, but has not been able to create a high loyalty to its customers. The purpose of this study was to determine the responses of informants on the implementation of Islamic Banking Service Quality, customer loyalty and IBSQ influence on customer loyalty in BRI Syariah Banyuwangi. The method used in this study was descriptive. Data collection technique was interview and literature study. Study results showed that the influence of Islamic Banking Service Quality (IBSQ) on customer loyalty in Bank BRI Syariah Banyuwangi is optimal, it can even prikaku positive change, which affects the progress of Bank BRI Syariah Banyuwangi. That phenomenon is the phenomenon of genuine relationships (loyalty exceptional customers) to Bank BRI Syariah Banyuwangi, which not only make the customer not to be tempted other products from competitors and convey a sense of satisfaction to others, either in the form of a story (word of mouth), or giving recommendations. But there is also a mass phenomenon in the customers of Bank BRI Syariah Banyuwangi to volunteer to be a voluntary marketing of Bank BRI Syariah Banyuwangi, without being asked and got a salary of Bank BRI Syariah Banyuwangi. By not only refer to people nearby, but also in others they do not know, to use the services of Bank BRI Syariah Banyuwangi.*

Keywords: *Effect, Bank BRI Syariah, Islamic Banking Service Quality.*

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I. Introduction

1.1 Background

Banks are financial intermediary having a principal activities to collect funds from the public in the form of deposits which then distribute the funds to other communities in the form of loans. This is in accordance with the provisions of the Act (UU) No.10 of 1998 on Banking, indicating that the bank is an entity that collects funds from the public in the form of savings and channel them to the public in the form of credit or other forms in order improve the standard of living of the people. The general term to describe the activities of the bank is "borrows short and lends long", ie obtain funds from bank deposits to short-term loan with a longer term. Banks that carry on business using Islamic principles called Islamic Bank. Bank Syariah difference with conventional banks according Triandaru and Santoso (2009) is the Islamic Banking system does not use interest but sharing system. The presence of Islamic Bank would further strengthen the role of the banking industry in the development of Indonesia's economy and maintaining national financial stability, thus the need for the development of Islamic banking for Bank Syariah create a strong and healthy and highly competitive.

In the banking industry, Bank Indonesia (BI) or now that has been taken over by the Otoritas Jasa Keuangan (OJK) is the institutions that govern the operations of Islamic Banking in Indonesia. As a regulator, the OJK has a policy to promote the establishment of a competitive Islamic banking industry that meet the precautionary principle and the principle of sharia. The Indonesian government has been laying the legal basis of Islamic Banking operations through Law No. 7 of 1992 which regulates banks which can operate with a profit-sharing system. It is then set back to the Government Regulation (PP) 72 of 1992 on Bank Sharing Based Principles, Article 5, which explains that the bank principled for the results required to have Sharia Supervisory Board whose function is to supervise the banking system of the practice of usury.

The concept of Islamic banking is regulated in Law No. 21 of 2008 on Islamic Banking, Article 1 paragraph 7, which reads Bank Syariah bank is conducting its business activities based on Islamic principles. Besides regulations concerning Islamic banking products and businesses regulated by Bank Indonesia as the regulator and the National Sharia Board Fatwa Indonesian Ulema Council (DSN-MUI). Islamic Banking was considered more reliable in the face when a crisis occurs. With a system of revenue sharing, then when bank profits are low, then the bank can share the results according to the profit in the can. It is not like a conventional bank when the bank is obliged to give the appropriate rate or a predetermined interest.

Indonesia is 87 per cent Muslim population is a huge market for the development of Islamic banking industry. Based on data from the OJK, Islamic Banks operating in Indonesia in 2014 amounted to 11 banks and 23 Islamic business units with a total of about 2997 outlets scattered throughout Indonesia. Based on data from the OJK, the total assets of Islamic banks and Islamic business units has increased from year to year. Below is the total assets from 2008 to the end of 2014:

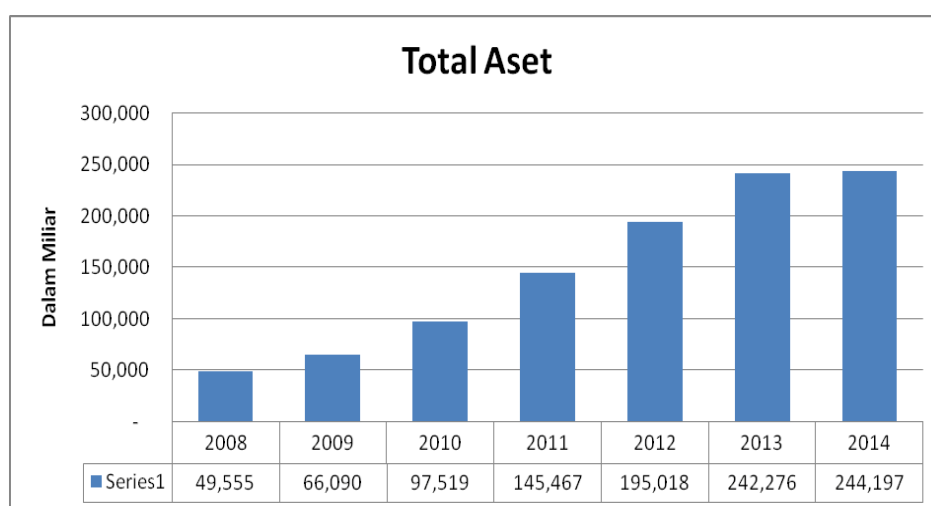


Figure 1 Growth of Islamic Banks Assets ranging from 2008 to 2014

BRI Syariah presence in the Islamic banking industry in Indonesia can provide the best services to meet the needs of its customers. With storage products and Sharia-compliant financing, BRI Syariah-based financial institution as an attempt to provide a quality service to achieve customer loyalty. Therefore, Bank BRI Syariah Banyuwangi run Islamic Banking Service Quality (IBSQ) divided into five main dimensions, namely Reliability, Customer Relationship Bank, Tangibles, Syariah Issues, and the Rates and Charges. Later a large amount of expectation on the application of Bank BRI Syariah IBSQ in Banyuwangi will be able to sustain the loyalty of the customers of Bank BRI Syariah Banyuwangi. Based on observations made by the authors showed initial fact, that the Bank BRI Syariah Banyuwangi in providing the service is still not capable of principled IBSQ optimally. They became interesting and challenged authors to conduct a study of the influence IBSQ Customer Loyalty in Bank BRI Syariah Banyuwangi with the title of the study: The influence of Islamic Banking Service Quality (IBSQ) Customer Loyalty in Bank BRI Syariah Banyuwangi.

1.2 Formulation of the problem

Based on the explanation of the background and understanding of the above, the formulation of the problem of this study is the influence of Islamic Banking Service Quality (IBSQ) on customer loyalty in Bank BRI Syariah Banyuwangi?

1.3 Purpose and Use Study

Objective assessment to provide direction for the author to carry out activities that in the process of study authors do not get out of its intended purpose. In accordance with the formulation of the problems mentioned above, the purpose of this study is to analyze and mengkolaborasi and describe the influence of Islamic Banking Service Quality (IBSQ) on customer loyalty in BRI Syariah Banyuwangi. While the usefulness of this study is to contribute to innovation in the field of improvement of sharia banking services, particularly in the application of the concept of Islamic Banking Service Quality (IBSQ).

II. Review of Literature

2.1 Bank Syariah

Another term often used for the designation Islamic Bank is Bank Syariah. Academically do have a different sense. But technically to mention Islamic Bank and Islamic banks have the same understanding. According to the Encyclopedia of Islam, the Islamic Bank or Bank Syariah or Islamic Bank is a financial institution which engages in providing credit and services in payment traffic and circulation of money that operation adapted to the principles of Islamic law. Based on the formula above, means the Bank Islam or Sharia Bank is a bank that manner of operation is based on ordinances bermuamalat in Islam, which refers ketentuanketentun the Qur'an and Hadith.

While understanding muamalat are the provisions that govern the relationship between humans, both personal and relationship between individuals and society. Tenets covers the field of buying and selling activities, interest receivable, mortgage, transfer of debt, for profit, in trade, guarantees, partnerships, leasing and labor. Meanwhile, according to Malay Hasibuan banks based on sharia principles are Bank Umum Syariah (BUS) or Bank Perkreditan Rakyat Syariah (BPRS) which operates in accordance with the principles of Islamic law, or in other words the banks that the procedure of the operation based on a Fatwa Dewan Syariah Nasional Fatwa Majelis Ulama Indonesia (DSN-MUI).

In the procedures for its implementation to avoid practices that are feared to contain elements of usury to be filled with investment activities on the basis of the results of perdagangan. Bank financing based on Islamic principles stipulated in Law No. 7 of 1992 as amended by Law No. 10 of 1998, against a background of belief in Islam is an alternative to the banks with their specialization on Islamic principles. In the normal course of business the Bank Syariah away from activities that contain elements of gambling, gharar, and usury. In addition, to optimize kulaitas Islamic banking services should adopt the concept of Islamic Banking Service Quality (IBSQ). Where the concept IBSQ, including the understanding of service (service), the dimensions of service quality, service quality Islamic.

2.2 Customer Loyalty (Customer Loyalty)

Loyalty or faithfulness is defined as a strongly held commitment to purchase or subscribe to a particular product or service again in the future even though there is the influence of circumstances and marketing efforts that could potentially lead to changes in behavior (Kotler and Keller, 2007: 175). Meanwhile, according to Griffin (2002: 5), Customer loyalty is a behavior exhibited by regular purchases, based padaunit decision. According to Brown (in Hasan 2009: 92), consumer loyalty based on the pattern of purchase can be divided into four (4) categories, namely loyalty inseparable (Undivided loyalty), loyalty separated (divided loyalty), loyalty unstable (unstable loyalty), and without loyalty (no loyalty).

2.3 Customer Satisfaction (Customer Satisfaction)

According to Kotler (2005) generally defines customer satisfaction as feeling happy or disappointed someone who has emerged after comparing the performance (yield) of products thought to the performance (results) is expected. If the performance was below expectations, consumers will not be satisfied. If performance meets expectations, the consumer will be satisfied. If performance exceeds expectations, consumers are very satisfied or happy. Consumers who are satisfied tend to give you a good reference to the products or services to others. According Supranto (2001) says that the aspect of consumer satisfaction is the responsiveness of service (responsiveness of service), transaction speed (speed of transaction), the presence service (availability of service), professionalism (professionalism), overall satisfaction with the service or services (over all satisfaction with service). The Lupiyoadi (2001) mentions five key factors to consider in relation to customer satisfaction, among others, product quality, service quality, emotional, prices and costs.

2.4 Consumer Confidence (Trust)

Trust is an important thing for a commitment or a promise, and commitment can only be realized if one day mean. Confidence or trust is an important factor that can overcome the crisis and difficulties between business partners it is also an important asset in developing long-term relationships between organizations. An organization must be able to identify the factors which can establish that trust in order to create, manage, maintain, sustain and enhance the level of relationship with the consumer (Aydin and Ozer, 2005).

D. Study Results and Discussion

Based on study results and discussions have taken place, the effectiveness of the implementation of Islamic Banking Service Quality (IBSQ) on customer loyalty in Bank BRI Syariah Banyuwangi, discovered the phenomenon that is specific and can also be said to be special, because the author has not found similar phenomena in other locations and literature.

Where based on the results of studies Customer satisfaction tremendous effect on customer loyalty to the Bank BRI Syariah Banyuwangi. This shows that the higher the perceived customer satisfaction, the higher customer loyalty to the Bank BRI Syariah Banyuwangi. The results of this study indicate that to gain the loyalty of customers, customers of Bank BRI Syariah Banyuwangi must consider several factors that can affect customer loyalty. Factors that may affect the customer loyalty satisfaction, as a company engaged in the field of services, the satisfaction must take precedence. So to meet customer satisfaction as expected customers, Bank BRI Syariah Banyuwangi should provide excellent service one of them with a form of service-based Islamic Banking Service Quality (IBSQ), where services IBSQ considered by the manager of Islamic banking at home and abroad as a form of service superior service and enables. Based on the research application based services IBSQ impact on the customer satisfaction with Bank BRI Syariah Banyuwangi to the services provided by Bank BRI Syariah Banyuwangi.

On the other hand, shows that the conditions IBSQ based services performed by Bank BRI Syariah Banyuwangi impact on the higher level of customer confidence in the Bank BRI Syariah Banyuwangi. Social capital owned by the Bank BRI Syariah Banyuwangi, an extraordinary trust of customers. So that a phenomenon that occurs at Bank BRI Syariah Banyuwangi creates a relationship which the writer calls the real relationship (loyalty exceptional customers), which not only make the customer not to be tempted other products from competitors and convey a sense of satisfaction to others, either in the form of a story (word of mouth), or give recommendations. But there is also a mass phenomenon in the customers of Bank BRI Syariah Banyuwangi to volunteer to be a voluntary marketing of Bank BRI Syariah Banyuwangi, without being asked and got a salary of Bank BRI Syariah Banyuwangi. By not only refer to people nearby, but also in others they do not know, to use the services of Bank BRI Syariah Banyuwangi.

The pattern of the above, it becomes the new findings that are not available on previous research and reference in the world of marketing and banking. So these new findings could be an output of new, which has not revealed that satisfaction is happening to the maximum accepted by the customer will create volunteerism in the world of marketing and banking, as a customer satisfied are customers who feel they have the value of saying that the value is service quality, the satisfaction occurs when customers get quality service and trust.

Previous research and reference in the world of marketing and banking only discussed to the point of loyalty alone, as practiced by Madjid (2013), which proved that customer satisfaction has positive influence on customer confidence. Where according to Madjid (2013), the higher the level of customer confidence to the bank, the higher the rank of loyalty to the Bank. This is done by building consumer confidence in company products brand. Medium according to the concept of Lau and Lee (1999) showed that when consumers believe that a certain brand is able to deliver what they hope will bring the brand loyalty. This finding is supported by Aydin et al. (2005) who proved their loyalty influence consumer confidence in an extraordinary way. In this context serves as protector of the trust relationship that has been built in a way, among others: 1). Continue to work with existing partners, 2). Reject short-term alternative that seems interesting for the benefit of long-term relationships with existing partners, and 3). Viewing potential high-risk actions as the principle of caution on the belief that its partners will not behave opportunistically (Morgan and Hunt, 1994).

III. Cover

6.1 Conclusions

In this study it can be concluded that the influence of Islamic Banking Service Quality (IBSQ) on customer loyalty in Bank BRI Syariah Banyuwangi is optimal, it can even prikaku positive change, which affects the progress of Bank BRI Syariah Banyuwangi. That phenomenon is the phenomenon of genuine relationships (loyalty exceptional customers) to Bank BRI Syariah Banyuwangi, which not only make the customer not to be tempted other products from competitors and convey a sense of satisfaction to others, either in the form of a story (word of mouth), or giving recommendations. But there is also a mass phenomenon in the customers of Bank BRI Syariah Banyuwangi to volunteer to be a voluntary marketing of Bank BRI Syariah Banyuwangi, without being asked and got a salary of Bank BRI Syariah Banyuwangi. By not only refer to people nearby, but also in others they do not know, to use the services of Bank BRI Syariah Banyuwangi.

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