

The Influence of Service Quality, Product Quality, and Customer Value on Customer Satisfaction and Customer Loyalty in the Menokwari-Sorong Diocese Credit Union, West Papua Province

Lewi Ibori¹, Sri Iswati², Erna Setijaningrum³, Yetty Dwi Lestari⁴, Elisabeth Supriharyanti⁵

Abstract

The purpose of this research is to investigate the impact of Service Quality, Product Quality, and Customer Value on Customer Satisfaction and Customer Value on Customer Satisfaction and Customer Loyalty in the Manokwari-Sorong Diocese Credit Union, West Papua and Southwest Papua Provinces. This research focuses on the corporate banking sector with Credit Unions as the research subject. The data used in this research comes from primary data obtained through the use of questionnaires and other sources. The questionnaire uses a Likert scale with participation from 360 customers. Data analysis in this research was carried out using Structural Equation Modeling (SEM) with the AMOS version 6 program to test hypotheses. In contrast, SPSS 18 software was used to measure construct validity and test data reliability. The research results show service quality has a significant impact on customer satisfaction at the Manokwari-Sorong Diocese Credit Union, West Papua and Southwest Papua Provinces, so hypothesis 1 is accepted. Service quality does not have a significant impact on customer loyalty at the Manokwari-Sorong Diocese Credit Union, West Papua and Southwest Papua Provinces, so hypothesis 2 is rejected. Product quality has a significant effect on customer satisfaction at the Manokwari-Sorong Diocese Credit Union, West Papua and Southwest Papua Provinces, so hypothesis 3 is accepted. Product quality has a significant impact on customer loyalty at the Manokwari-Sorong Diocese Credit Union, West Papua and Southwest Papua Provinces, so hypothesis 4 is accepted. Customer value has a significant effect on customer satisfaction at the Manokwari-Sorong Diocese Credit Union, West Papua and Southwest Papua Provinces, so hypothesis 5 is accepted. Customer value does not have a significant impact on customer loyalty at the Manokwari-Sorong Diocese Credit Union, West Papua Province, so hypothesis 6 is rejected. Customer satisfaction has a significant effect on customer loyalty in the Manokwari-Sorong Diocese Credit Union, West Papua and Southwest Papua Provinces, so hypothesis 7 is accepted.

Keywords: *Service Quality, Product Quality, Customer Value, Customer Satisfaction, Customer Loyalty.*

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INTRODUCTION

This is in accordance with the findings mentioned by Sanka (2012:34), which states that there is a positive and significant relationship between various aspects of service quality and customer satisfaction. In the context of the Credit Union of the Manokwari-Sorong Diocese of West Papua and Southwest Papua, quality service has a significant positive influence on the level of customer satisfaction.

These findings are consistent with the views expressed by Haksever et al. (2000:45), who stated that superior service quality also results in higher customer loyalty, more significant market share, and higher rates of return for investors, and lower costs. Lower, and a lower level of sensitivity to price competition. Thus, increasing customer satisfaction with service quality can be associated with better levels of customer loyalty and financial results. The results of this research also show that service quality has a positive and significant influence on loyalty at the Manokwari-Sorong Diocese Credit Union, West Papua and Southwest Papua.

The factor that influences the level of customer satisfaction is product quality. Customers buy products with the aim of solving their problems, and they evaluate products based on the benefits or advantages they receive.

Product quality can be measured by the extent to which the product meets overall customer expectations. The level of customer satisfaction with product quality will influence the level of customer satisfaction with the product. This also applies to banking deposits, where product quality has a direct impact on the level of customer satisfaction, and the level of customer satisfaction has an immediate effect on positive behavioural intentions (Afshar et al., 2011: 6). Therefore, it can be concluded that product quality has a positive impact on customer satisfaction.

Previous research shows that consumers who feel satisfied with the products they buy tend to repurchase the same products (Dharmmestha, 2013). Furthermore, Mabruroh (2010) revealed that consumers who are satisfied with the use of the product will most likely become loyal customers. Good product quality is believed to be able to create customer satisfaction, maintain that satisfaction, and encourage customers to remain faithful (Hardiawan and Mahdi, 2005:37). Therefore, it can be concluded that product quality has a positive and significant impact on customer loyalty.

A product is considered to have high value in the eyes of customers if it is able to provide quality, benefits and minimal sacrifice. The better the value provided to customers by the company, the higher the level of customer satisfaction with the product. Therefore, the higher the value provided to customers by the company, the higher the level of customer satisfaction with the product. Thus, the value provided to customers has a positive and significant influence on the level of customer satisfaction, in accordance with Munisi's findings in Hidayat (2009:6). Thus, it can be concluded that customer value has a positive impact on customer satisfaction.

This research shows that value for customers has a positive and significant impact on customer loyalty. This means that the better the value the company provides to customers, the higher the level of customer loyalty to the product or service. This value is intended to provide benefits to customers, and the level of benefits received by customers will significantly influence the success of a business.

If the customer's perception after making a transaction matches their expectations, then the customer will feel satisfied and tend to complete another transaction. On the other hand, if the customer's perception matches their expectations, the customer may feel satisfied and will not make another transaction.

This also has important implications in creating customer loyalty to save their money in cooperatives. A high level of satisfaction can increase customer loyalty, reduce customer

turnover, reduce customer sensitivity to changes in interest rates, reduce marketing costs, reduce operational costs arising from growth in the number of customers, increase the effectiveness of advertising campaigns, and improve business reputation. Other research conducted in the automotive industry in India by Afshar et al. (2011:7) also shows that satisfied customers tend to be more likely to be loyal to a brand or product.

Based on the provisions contained in Article 44 of Law no. 25 of 1992 concerning cooperatives and its explanation, it is regulated that cooperatives have the authority to collect funds and channel them through savings and loan business activities. Cooperatives can collect funds and distribute them to cooperative members involved in this activity, which can include cooperative members involved and prospective members who meet the requirements. This regulation is a solid legal basis that gives cooperatives the authority to carry out lending and fund deposit business activities, and cooperatives can collect and allocate funds to cooperative members involved in the fund lending and deposit business activities, either solely or as part of the cooperative, from various cooperative business activities. Cooperatives play a crucial role in improving the welfare of cooperative members and contributing to improving the welfare of society as a whole, especially among those who are still in underdeveloped economic conditions. The idea of establishing a credit union began with the initiative of a group of individuals who were concerned about marginalized communities. Credit unions are considered as a means of human development through community-based economic empowerment by facilitating savings and loan activities. A credit union is a business institution that is owned by members, supervised by members and whose purpose is for the benefit of members. Therefore, credit unions as business entities must develop according to the needs of members who continue to develop along with the times. The goal of this growth is to improve services to members and ensure that the credit union remains relevant and stays caught up in adapting to developments in society.

As a result of these findings, it can be formulated that customer satisfaction has a positive effect on customer loyalty, and this is the basis for the problem formulation in this research:

1. Does service quality influence customer satisfaction at the Mandokwari-Soron Diocese of West Papua and Southwest Papua Credit Union?
2. Does service quality influence customer loyalty of the Manokwari- Sorong Diocese of West Papua and Southwest Papua Credit Union customers?
3. Does product quality influence customer satisfaction at the Manokwari- Sorong Diocese of West Papua and Southwest Papua Credit Union?
4. Does product quality influence customer loyalty at the Manokwari- Sorong Diocese of West Papua and Southwest Papua Credit Union?
5. Does customer value influence customer satisfaction at the Manokwari-Sorong Diocese of West Papua and Southwest Papua Credit Union?
6. Does customer value influence customer loyalty at the Manokwari- Sorong Diocese of West Papua and Southwest Papua Credit Union?
7. Does customer satisfaction influence customer loyalty at the Manokwari-Sorong Diocese of West Papua and Southwest Papua Credit Union?

Literature Review and Service Quality Hypothesis (Service Quality)

The explanation of the concept of service quality according to Parasuraman (2001) is very relevant and important in managing customer service. In the context of RATER, each element contributes to creating a satisfying customer experience. I will emphasize these elements:

1. **Responsiveness (Caring):** An organization's ability to respond quickly and efficiently to customer needs and requests is critical. This creates a sense of being valued and prioritized which can increase customer satisfaction.
2. **Assurance (Confidence):** Providing confidence to customers is the essence of customer trust. This includes providing evidence and guarantees that the services provided are of high quality, so that customers feel comfortable and confident in choosing the service.
3. **Tangibility (Assurance):** This aspect includes everything that customers can see and feel, including the physical appearance of the facility, personnel, and communications. This can create a strong first impression and provide reassurance.
4. **Empathy (Empathy):** The ability to understand and feel the customer's needs and feelings is very important. This involves listening well, understanding the customer's perspective, and providing emotional support when needed.
5. **Reliability (Reliability):** Reliability is a key factor. Customers want reliable and consistent service. This includes delivering on promises made and providing reliable service at all times.

Applying this concept in practice is the key to creating a good customer experience, increasing customer loyalty, and building a positive reputation for the organization. By understanding each element of RATER, organizations can improve the quality of their services and better address customer needs and expectations.

Product Quality

Products can be described as objects that exist on the market, which are available to be noticed, owned, used, or consumed with the intention of fulfilling desires or needs (Kotler and Keller, 2008: 143). Product quality refers to the ability of a particular product to fulfill its functions, including the level of durability, reliability, accuracy, ease of use, repair service, and other valuable characteristics (Kotler and Keller, 2008: 144). Consumers tend to be more interested in products that offer different standards of quality, performance and innovation than similar products.

Customer Value

The term "value" is used in a variety of different contexts. According to Woodruff (2005:297), Customer Value can be explained as the preferences and assessments felt by customers regarding product and service attributes, the performance of these attributes, as well as the effect or achievement of consumer goals and intentions. Woodruff also formulated Customer Value as customers' perceptions of the results or consequences they expect from using a product or service. Customer Value can be understood as the customer's view of the characteristics of the product, its performance, and the extent to which the product meets their expectations.

On the other hand, customer value can also be interpreted as the difference between the benefits obtained by customers from owning and using a product and the costs they incur to obtain that product (Kotler and Keller, 2008: 137). In other words, customer value is the result of comparing what customers receive with what they pay to get the product or service.

Customer Satisfaction

Customer satisfaction is the feeling of pleasure or disappointment experienced by individuals after they compare the performance of a product or outcome with the expectations they previously had. If the product performance or results do not meet expectations, customers will feel dissatisfied or disappointed. Customers' assessments of product performance are influenced by various factors, especially the

type of loyalty relationship they have with a particular brand. Customers tend to have more positive perceptions of products that are associated with brands that they perceive positively (Kotler and Keller, 2008: 138).

According to Howard & Sheth (1969) as explained in Tjiptono (2005:349), customer satisfaction is the result of a rational evaluation regarding the extent to which the results obtained after purchasing are appropriate or not in accordance with the sacrifices they make. On the other hand, Swan et al., (1980) also as explained in Tjiptono (2005:349), define customer satisfaction as a conscious assessment or evaluation based on thoughts regarding the extent to which product performance is considered good or bad, as well as the extent to which the product is whether or not appropriate to the customer's consumption goals or experience.

Customer Loyalty

According to Tjiptono (2005:386), customer loyalty can be defined as a relationship where customers show loyalty to a particular brand or company, which results in them tending to choose to buy the same product again, even when there are many other alternatives available.

This definition illustrates that customer loyalty is the result of customer loyalty that arises voluntarily and continuously towards a company or product, without any pressure or coercion, and usually lasts for a long period of time.

Research Model

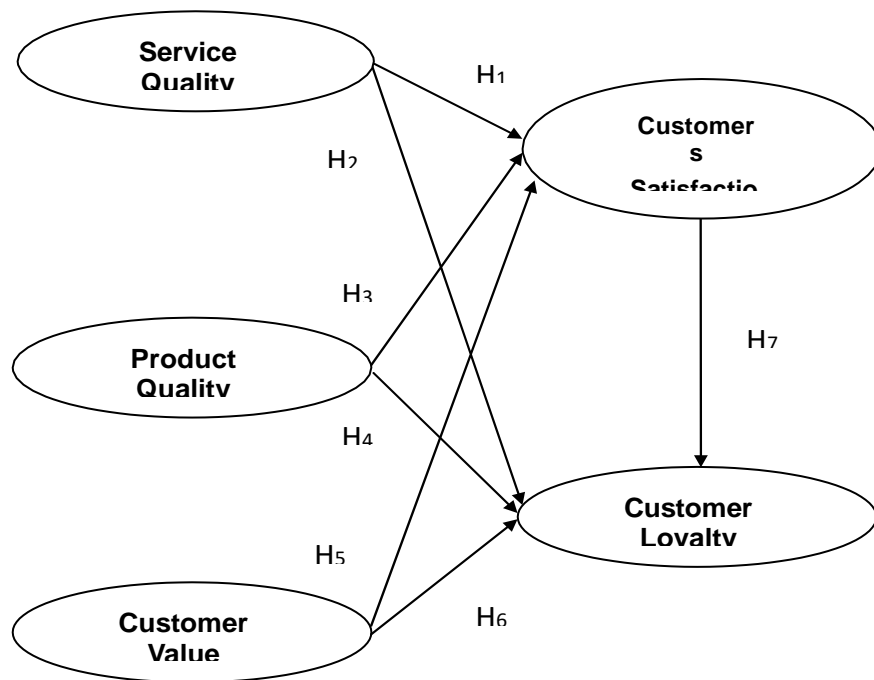


Figure 1. Research Model

METHODS

Population, Sample, and Sample Technique

In this research, the focus group is customers who have savings and loans at the Manokwari-Sorong Diocese Credit Union, West Papua and Southwest Papua. To determine the research sample, a probability sampling method was used using a purposive selection technique, namely selecting samples based on specific

considerations or criteria. The criteria used are customers who have at least 2 transactions (savings and loans) and have been customers for at least 6 months at the Manokwari- Sorong Diocese Credit Union, West Papua and Southwest Papua.

Determining the number of samples in this research was carried out by referring to the method of determining the number of samples from the Credit Union population by level error of 10%. Based on data from year to year, the number of customers who have savings and loans at the Credit Union of the Manokwari-Sorong Diocese of West Papua and Southwest Papua is 19,419 customers.

By using the method mentioned above, the number of samples used in this research was 360 respondents (Sugiono, 2011:71). This means that from a population of 19,419 customers, the research will involve 360 customers as samples to be taken for analysis.

Data Analysis Method

Inferential statistical analysis is a method used to analyze and interpret data with the aim of drawing more general conclusions or supporting or rejecting research hypotheses. This analysis is used to evaluate the propositions that have been explained in the research using the sample data obtained.

In this research, the inferential statistical technique applied is Structural Equation Modeling (SEM). SEM is a statistical technique that is used to describe the complex relationships between variables in a model. SEM is suitable for use when the causal relationships tested in research are complex and involve variables that influence each other, such as in the case of customer loyalty, which can be affected by several factors at once.

The choice of SEM in this research is a reasonable consideration because this method is able to simultaneously explain the relationship between various complex variables in the research model. Thus, SEM allows researchers to analyze and interpret data more comprehensively in the context of complex causal relationships such as those proposed in this study.

Validity and Reliability Analysis

Satisfactory validity and reliability testing results are a positive indication in this research. Good validity shows that the questions in the questionnaire actually measure what is intended to be researched. In contrast, good reliability shows that the questionnaire is consistent and reliable in measuring the same variables.

With good validity, this research can be more confident that the questionnaire in this research measures what it is intended to measure. Good reliability is also important because it indicates that the measurements in this research are consistent and can rely on the results obtained from the instrument.

Results that strengthen the reliability of the findings and conclusions in this study. However, it also ensures that the results of the path analysis and goodness-of-fit testing of the SEM model are in accordance with the objectives of this research and support the hypotheses proposed in this research. In this way, this research can make solid conclusions and produce valuable insights in the context of the credit union of the Manokwari-Sorong diocese of West Papua and Southwest Papua.

With these results, the questionnaire that has been designed and used in this research meets the validity and validity requirements reliability. This means that the data collected through questionnaires can be considered accurate and reliable for use in further analysis in order to test research hypotheses.

SEM Assumption Test Results

The path analysis assumption test usually involves two essential tests, namely the normality test and the outlier test. The following is a further explanation of the two tests:

1. Normality Test

The normality test is carried out on each variable or indicator used in the path analysis model. The results of the univariate normality test are measured by looking at the skewness and kurtosis values of the data distribution for such variables. Data is generally distributed if skewness and kurtosis are within the range of + 2.58 or less. If the results of the univariate normality test show that the skewness and kurtosis for each variable are within the appropriate range (+2.58 or less), then the data for each variable is considered to be univariate normally distributed.

2. Test for Outliers

Multivariate outlier testing involves analyzing the overall covariance structure between variables in the dataset. One of the methods used for multivariate outlier testing is the Mahalanobis value. The Mahalanobis value measures how far an observation is from the centre (centroid) of a multivariate distribution in variable space. Data that has a high Mahalanobis value (far from the centroid) can be considered an outlier. The standard for determining whether data is an outlier usually uses the Chi-Square distribution. If the Mahalanobis value is greater than the critical Chi-Square value at the specified significance level (usually 0.001), then the data is considered an outlier.

Measurement Model

The measurement model (measurement model) research described has gone through a good validation process using AMOS 16 software. Several essential points that can be drawn from these results are:

1. RMSEA (Root Mean Square Error of Approximation)

An RMSEA value of 0.045 is a good indicator. RMSEA is one of the statistics used to measure the fit of a model to the data, and a value close to zero indicates that the model fits the data well.

2. P-Value

A p-value of 0.000 indicates that this measurement model has statistical significance. This means that the measurement model has a good fit with the data used for analysis.

3. Standard Loading

No indicator has a standard loading of less than 0.5, which is the threshold commonly used to assess the quality of indicators in measurement models. This shows that all hands in this model are strong in measuring the construct variables they represent.

With results reflecting an excellent fit to the data, statistical significance, and adequate standard loadings, this measurement model is suitable for use in further analysis. This is an essential step in ensuring that the models used in research have solid empirical validity.

Chi-Square is one of the statistics used in model fit testing, and its results can provide important information about the degree to which a proposed model fits the data. However, it is essential to remember that Chi-Square is not the only measure of model work to pay attention to. Some reasons why Chi-Square is not always the sole indicator in evaluating SEM models are:

1. Sensitivity to Sample Size

Chi-Square is very sensitive to sample size. The larger the sample size, the more likely it is that Chi-Square will produce large values and lead to rejection of the model, even if the

difference between the model and the actual data is relatively small. This can lead to the rejection of an otherwise sound model.

2. Alternative Goodness-of-Fit Measures

Several alternative goodness-of-fit measures are more informative in evaluating SEM models, such as RMSEA, CFI, TLI, and SRMR. These measures provide a more holistic perspective on the degree to which the model fits the data.

3. Use of Chi-Square P-Value

In some literature, the use of cut-off values $p > 0.05$, $p > 0.10$, or $p > 0.20$ for Chi-Square p-values has been noted as a rough guide in evaluating model fit. However, this guide is rough and needs to be used with caution.

Thus, while chi-square is an essential element in SEM model evaluation, it is also important to consider alternative goodness-of-fit measures and the research context when assessing model fit. In many cases, researchers consider multiple measures at once to gain a more comprehensive understanding of the extent to which the model fits the data.

The model error rate, such as RMSEA, is one important measure to assess the extent to which the model fits the data. An RMSEA value below 0.08 is a good indication that the model is functioning well in the sample. It measures the average model forecast error in the population. GFI and AGFI measure the extent to which this research model fits the data. Values between 0.8 and 0.9 indicate a fairly good fit. This is a non-statistical measure that measures the degree to which the research model satisfies the data. CMIN/DF is a Chi-Square statistic that has been adjusted to the degree of freedom of the model. Lower values indicate that this research model fits the data better. TLI (Tucker Lewis Index) and CFI (Comparative Fit Index) is a measure used to compare the model being tested with the baseline model. Values above 0.90 indicate that the research model fits the data.

Measurement Model

The following is an image of the measurement model obtained from data processing using the software AMOS 16. If there is an indicator that has Standard Loading < 0.5 (Ferdinand, 2006), then this indicator will be removed from the measurement model.

From the results of the measurement model in Running AMOS 16, the image below appears to have an RMSEA of 0.045, $p\text{-value}=0.000$, and there are no indicators that have standard loading < 0.5 (Ferdinand, 2006). So, this model is suitable as a measurement model for this research.

Table 1. Measurement Model Fit Test Results

No	Fit Test	Criteria Compatibility	Results	Information
1	Chi Statistics Square	Expected small, $p \geq 0.05$	Chi-square = 603,400 $p = 0.000$	Poor fit
2	RMSEA	$RMSEA \leq 0.08$	0.045	Good fit
3	GFI	$GFI \geq 0.90$	0.868	Marginal fit
4	AGFI	$AGFI \geq 0.90$	0.844	Marginal fit
5	CMIN/DF	$CMIN/DF \leq 2$	1,528	Good fit
6	TLI	$TLI \geq 0.90$	0.913	Good fit
7	CFI	$CFI \geq 0.90$	0.921	Good fit

Source: Processed by researchers

Chi-square statistics are used to test the fit between the model and the sample, and the smaller the χ value 2, the more the model gets. Chi-Square (χ^2) received with a cut-off

value of at least $p > 0.05$, perhaps $p > 0.10$ or $p > 0.20$, which means the model is getting better (Hair et al., 1998, p. 654). The table above shows the chi-square value from the goodness-of-fit test results showing poor results where the chi-square value is $0.000 < 0.05$, which means the model is not suitable for the sample used. However, the chi-square value is susceptible to sample size; the larger the sample size used, the greater the chi-square value will be. Therefore, it is recommended to ignore it and look at the size goodness of fit others (Ghozali, 2008). Tests based only on chi-square are rarely carried out (Santoso, 2007). According to Solimun (2005), if one or more parameters are fit, then the model is declared fit. This is also reinforced by the opinion of Haryono (2012), saying that Chi-Square cannot be used as the sole measure of overall model fit. One reason is that chi-square is sensitive to sample size. As the sample size increases, the value of chi-square will also increase and lead to rejection of the model even though the value of the difference between the sample covariance matrix and the model covariance matrix is minimal.

RMSEA (The Root Mean Square Error Approximation) can be used to compensate for Chi-Square statistics in large samples. The table shows good RMSEA values

where the RMSEA value is $0.045 \leq 0.08$. This means that the model error rate, when estimated in the population, is not too high.

GFI (Goodness of Fit Index) is a non-statistical measurement that has a value from 0 to 1. The table shows a GFI value of 0.868. is between $0.8 \leq \text{GFI} \leq 0.9$, so it is referred to as marginal fit.

These results indicate that the model tested can meet the required criteria. AGFI (Adjusted Goodness of Fit Index) is an expansion of the GFI, adjusted for the ratio of degrees of freedom of the model. The table shows the AGFI value of 0.844. This value is between $0.8 \leq \text{GFI} \leq 0.9$, so it is referred to as marginal fit. These results indicate that the model tested can meet the required criteria.

CMIN/DF is the chi-square statistic (χ^2) divided by the model DF, so it is called χ^2 relatively. The table shows a good CMIN/DF value where the CMIN/DF value is $1.528 \leq 2$. This result shows that the model tested has met the required criteria.

TLI (Tucker Lewis Index) is also referred to as NNFI (Non-normed Fit Index). TLI can also be used to compare a model being tested against a model baseline model. The table shows a good TLI value where the TLI value is $0.913 \geq 0.90$. These results indicate that the model tested meets the required criteria.

CFI (Comparative Fit Index) is acceptable at a value that is between 0 and 1. The table shows a good CFI value where the CFI value is $0.921 \geq 0.90$. These results indicate that the model tested meets the required criteria.

Structural Model

The structural model is used to explain the relationship between exogenous variables and indigenous variables, which can be described as follows:

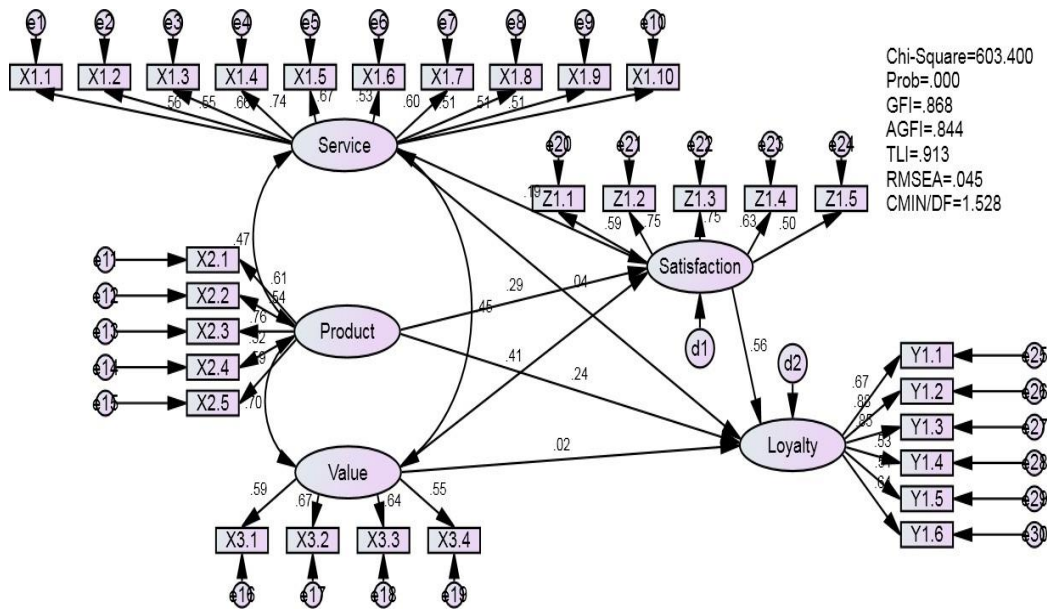


Figure 2. Structural Models

The structural model above shows that value marginal because of value p value 0.000, RMSEA value = 0.045. So there is no need to modify existing models.

Hypothesis Test

This section deals with the evaluation of parameters that show the causal relationship or influence of one latent variable on other latent variables. Hypothesis testing is carried out by looking at the CR value for each coefficient.

The CR value is significant if it is ≥ 1.96 and $P < 0.05$, which means the hypothesis can be accepted. If the CR value < 1.96 and $P > 0.05$ then it is not significant and the hypothesis is rejected.

Table 2. Evaluation of Structural Model Coefficients and Their Relationships with Research Hypothesis

		Estimate	SECR	P	Labels
Satisfaction <---	Service	.182	.074	2,454	.014
Satisfaction <---	Products	.264	.106	2,497	.013
Satisfaction <---	Value	.360	.111	3,239	.001
Loyalty <---	Satisfaction	.577	.121	4,774	***
Loyalty <---	Service	.041	.066	.623	.533
Loyalty <---	Products	.225	.098	2,293	.022
Loyalty <---	Value	.023	.102	.222	.825

Source: Processed by researchers

The magnitude of the influence between variables is determined by looking at the values estimate on each path. The greater the value estimate, shows that the influence is getting bigger between one variable and another variable.

1. H_1 : Service quality significant effect on customer satisfaction The value of the CR calculated variable service quality to customer satisfaction is 2.454 with a significant level of 0.014. The significant level of 0.014 indicates that it is still below

standard / level of significance namely <0.05 then it can be said that service quality significant effect on customer satisfaction.

2. H_2 : Product quality significant effect on customer satisfaction. The value of the CR calculated variable product quality to Customer Satisfaction is 2.497 with a significant level of 0.013. The significant level of 0.013 indicates that it is still below standard level of significance namely <0.05 then it can be said that product quality significant effect on customer satisfaction.

3. H_3 : Customer value significant effect on customer satisfaction. The value of the CR calculated variable Customer value to Customer Satisfaction is 3.239 with a significant level of 0.001. A significant level of 0.001 indicates that it is below standard level of significance namely <0.05 then it can be said that Customer value significant effect on customer satisfaction.

4. H_4 : Customer satisfaction significant effect on customer loyalty. The value of the CR calculated variable customer satisfaction to customer loyalty is 4.774 with a significance level of 0.000. A significant level of 0.000 indicates that it is still below standard level of significance namely <0.05 then it can be said that Customer satisfaction significant effect on customer loyalty.

5. H_5 : Service quality significant effect on customer loyalty. The value of the CR calculated variable Service quality to customer loyalty is 0.623 with a significant level of 0.533. The significant level of 0.533 indicates that it is above the standard level of significance namely > 0.05 then it can be said that Service quality does not have a significant effect on customer loyalty.

6. H_6 : Product quality significant effect on customer loyalty. The value of the CR calculated variable Product quality significant effect on customer loyalty is 2.293 with a significant level of 0.022. A significant level of 0.022 indicates that it is still below the standard level of significance namely <0.05 then it can be said that Product quality significant effect on customer loyalty.

7. H_7 : Customer value significant effect on customer loyalty. The value of the CR calculated variable Customer value significant effect on customer loyalty is 0.222 with a significant level of 0.825. The significant level of 0.825 indicates that it is above the standard level of significance namely > 0.05 then it can be said that Customer value does not have a significant effect on customer loyalty.

Hypothesis test

This section deals with the evaluation of parameters that show the causal relationship or influence of one latent variable on other latent variables. Hypothesis testing is carried out by looking at the CR value for each coefficient. The CR value is significant if it is ≥ 1.96 and $P < 0.05$, which means the hypothesis can be accepted. If the CR value < 1.96 and $P > 0.05$ then it is not significant and the hypothesis is rejected.

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7. H_7 : Customer value significant effect on customer loyalty. The value of the CR calculated variable Customer value significant effect on customer loyalty is 0.222 with a significant level of 0.825. The significant level of 0.825 indicates that it is above the standard level of significance namely > 0.05 then it can be said that Customer value does not have a significant effect on customer loyalty.

CONCLUSION

Based on the results of data processing using AMOS, the following conclusions can be drawn:

- (1) The research results show that the variable service quality significant effect on the variables customer satisfaction Credit Union customers of the Manokwari-Sorong Diocese of West Papua and Southwest Papua.
- (2) The research results show that variables service quality does not have a significant effect on the variables customer loyalty Credit Union customers of the Manokwari-Sorong Diocese of West Papua and Southwest Papua.
- (3) The research results show that variable product quality significant effect on the variables customer satisfaction Credit Union customers of the Manokwari-Sorong Diocese of West Papua and Southwest Papua.
- (4) The research results show that variable product quality significant effect on the variables customer loyalty Credit Union customers of the Manokwari-Sorong Diocese of West Papua and Southwest Papua.
- (5) The research results show that variable customer value significant effect on the variables customer satisfaction Credit Union customers of the Manokwari-Sorong Diocese of West Papua and Southwest Papua.
- (6) The results of this study show that variables customer value does not have a significant effect on the variables customer loyalty Credit Union customers of the Manokwari-Sorong Diocese of West Papua and Southwest Papua.
- (7) The research results show that variable Customer satisfaction significant

effect on the variables customer loyalty Credit Union customers of the Manokwari-Sorong Diocese of West Papua and Southwest Papua.

SUGGESTION

(1) Efforts to improve the quality of services at credit unions include opening service operating hours in accordance with those determined, ease of procedures for opening savings, sending money or withdrawing savings, speed of employees in serving their customers, alacrity in serving customers, helping customers when there are problems in savings, guarantees for customers to get interest as promised, individual attention to customers.

(2) Considering that service quality and product quality have a significant impact on customer satisfaction, the management of the Credit Union of the Manokwari-Sorong Diocese of West Papua and Southwest Papua should pay attention to improving the quality of service and quality of the products they have in order to be able to encourage customer satisfaction which ultimately will be able to help increase the number of customers.

(3) Efforts to increase satisfaction at the Credit Union of the Manokwari-Sorong Diocese of West Papua and Southwest Papua include, among other things, providing comfort to customers in transactions, fulfilling their responsibilities towards customers, providing good service to their customers, carrying out work in accordance with specified standards, consistent service, employees provide honest explanations regarding matters related to savings.

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