

Analysis of The Effect of Reliability, Privacy and Security, Website Design, Customer Service and Support, and Satisfaction towards Loyalty of Livin' by Mandiri users in Medan



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ABSTRACT: Along with the rapid development of technology coupled with the Covid-19 pandemic, the internet has become an important necessity and has made mobile banking such as Bank Mandiri mobile banking (Livin' by Mandiri) increasingly popular because of its efficiency. This research is conducted with the aim of knowing the effect of Reliability, Privacy and Security, Website Design, Customer Service and Support, and Satisfaction on Loyalty of Livin' by Mandiri users in Medan. With the results of the analysis of the research that has been done. The results of this study are expected to be a reference for Bank Mandiri to consider the existing variables as the main key to getting customer loyalty. This is a causal research that used quantitative as a research method with data processing using AMOS 22.0. Collecting data through questionnaires by collecting 125 respondents from Mandiri mobile banking users in Medan. Results of this research shows that reliability, privacy and security, website design, and customer service and support have no significant effect towards loyalty; reliability, privacy and security, and website design have no significant effect towards satisfaction. While customer service and support has significant effect towards satisfaction; and satisfaction have significant effect towards loyalty.

KEYWORDS: Reliability, Privacy and Security, Website Design, Customer Service and Support, dan Satisfaction Loyalty

I. INTRODUCTION

Along with the rapid development of technology and the high flow of globalization, there is a tremendous impact on all people in the world where there can be rapid exchange of information both domestically and between countries. One of the visible positive impacts of this technological development is the internet. The internet and technology have become one of the most indispensable basic needs for every human being, coupled with the Covid-19 pandemic which has made technology more advanced and necessary for everyday life. Every person and organization need technology in all aspects of their life, whether in carrying out daily activities such as studying, working, running a business, social life, or in banking transactions in everyday life. The Covid-19 pandemic has also made many advances and changes in the field of technology, one of which is making mobile banking such as Livin' by Mandiri increasingly popular because of its efficiency. Bank Mandiri is one of the largest banks in Indonesia which is certainly faced with the challenges of developing information technology. Bank Mandiri strives to be the best bank in Indonesia and as an effort to win the competition, Bank Mandiri continues to innovate, adapt to the environment and keep abreast of developments in this digitalization era. The latest innovation in technology launched by Bank Mandiri at the end of 2021 is a mobile banking called Livin' by Mandiri with a yellow logo. The newest Livin' by Mandiri is a mobile banking banking service that integrates all of a customer's financial transaction needs, starting from the need to open new accounts online, payment transactions, connecting with the marketplace ecosystem to investments like a branch service in the palm of your hand, and most importantly, the latest mobile banking. These are equipped with new features that can fulfill almost all financial transaction matters for Bank Mandiri customers. Therefore, it is necessary for Bank Mandiri to be able to continue to survive and be even better in conditions of increasingly fierce competition with competitors. This is of course intended so that users can still choose to use Livin' by Mandiri from Bank Mandiri compared to other bank mobile banking. Therefore, this research was conducted to examine the effect of reliability, privacy and security, website design, customer service and support, and satisfaction on customer loyalty of Livin' by Mandiri users.

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II. LITERATURE REVIEW

A. Customer Loyalty

Customer Loyalty is a commitment to repurchase or promote an item or service that has been consumed (Kotler dan Keller, 2016). Shankar dan Jebarajakirthy (2018) defines loyalty in the context of e-banking as the tendency of customers to frequently visit the bank's website, regularly utilize e-banking services and spread positive word of mouth about the e-banking to others.

B. Customer Satisfaction

Customer Satisfaction is someone's feeling that describes a feeling of satisfaction or disappointment from comparing the performance or product results that are felt related to their expectations (Kotler dan Keller, 2016). Bernarto et al. (2019) states that customer satisfaction is customer satisfaction with a company's services and the belief that the services provided are the best.

C. Service Quality

Service quality according to Kotler dan Keller (2016) are the features and characteristics of a product or service to satisfy customers. According to Pramuditha et al. (2021), service quality is the quality or ability of a company to fulfill and facilitate services to consumers so that the company can meet and satisfy the service needs that consumers want.

D. Reliability

Reliability is the ability to deliver exactly what has been promised (Raza dan Umer, 2020). According to Pra muditha et al. (2021), reliability is the customer's perception of the reliability of the site and the accuracy of service promises.

E. Privacy and Security

According to Muturi et al., 2013 (in Haq dan Iwan, 2020), Privacy and Security is the extent to which e-banking users can confidently share personal information on the e-banking platform. According to Pramuditha et al. (2021), privacy and security explains the extent to which a company's website has adequate security features to protect customer information and facilitate safe transactions.

F. Website Design

Website Design is the appeal of the design of a graphic display form that is directly related to the user developed for visitors (Maiyaki dan Mokhtar, 2016). According to Pramuditha et al. (2021), website design is the customer's perception of the extent to which the website design is visually attractive and well designed.

G. Customer Service and Support

Customer service and support according to Haq dan Awan (2020) is the speed of response that is given toward s every customer's complaint during or after a service experience. According to Kim et al. (2016) customer service and support is the way company provides assistance to customers when responding to customer needs or complaints

III. HYPOTHESIS

H₁: Reliability has significant effect towards loyalty.

H₂: Privacy and security has significant effect towards loyalty.

H₃: Website design has significant effect towards loyalty

H₄: Customer service and support has significant effect towards loyalty.

H₅: Reliability has significant effect towards satisfaction.

H₆: Privacy and security has significant effect towards satisfaction.

H₇: Website design has significant effect towards satisfaction.

H₈: Customer service and support has significant effect towards satisfaction.

H₉: Satisfaction has significant effect towards loyalty.

IV. RESEARCH METHODOLOGY

This study is using quantitative approach with the population of Bank Mandiri mobile banking (Livin' by Mandiri) users in Medan, Indonesia with the age range of 18-60 years old that have used Livin' by Mandiri apps for minimum two times in the last six months. The sampling method used is non-probability sampling and snowball sampling using questionnaire as the main tool for collecting the responses. The number of responded collected are 125 respondents.

Research model for this study shown as below:

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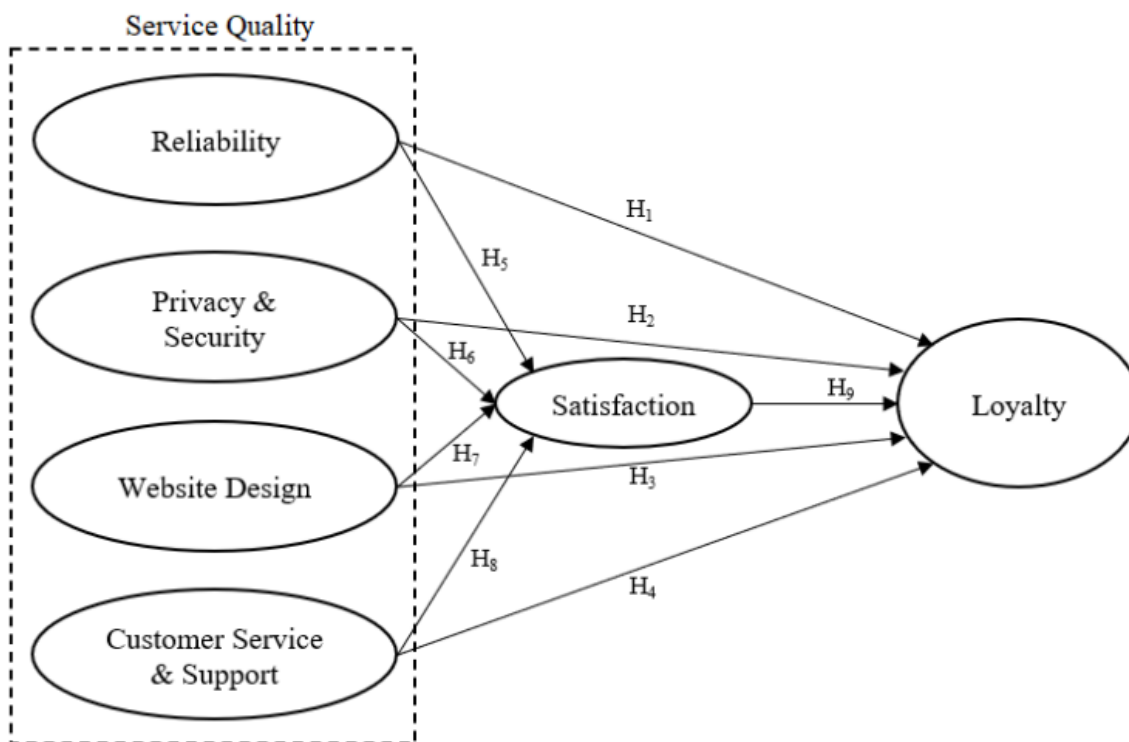


Image 1. Research Model

V. FINDINGS AND DISCUSSION

In this study, the relationships between the variables were tested using the Structural Equation Model (SEM). AMOS 22.0 is the statistical analysis tool used in this research to answer the research formulation.

A. Respondent Characteristic by Gender

	Gender	Frequency	Percent	Cumulative Percentage
Valid	Male	54	43,2%	43,2%
	Female	71	56,8%	100%
	Total	125	100%	

B. Respondent Characteristic by Age

	Age	Frequency	Percent	Cumulative
Valid	18-30	106	84,8%	84,8%
	31-40	15	12%	96,8%
	41-50	4	3,2%	100%
	Total	125	100%	

C. Descriptive Statistic

Variable	Indicator	Description	Mean	Std. Deviation
Reliability	X1	Livin' by Mandiri provides services exactly as promised	4.21	0.699
	X2	Livin' by Mandiri always provides timely service	4.22	0.831
	X3	By using Livin' by Mandiri, I can retrieve transaction details in	4.15	0.934
	X4	The information provided through Livin' by Mandiri is accurate	4.14	0.886
Privacy and Security	X5	My personal information is well protected on the Livin' by	4.18	0.865
	X6	My financial information is well protected on the Livin' by	4.18	0.890
	X7	Transactions through Livin' by Mandiri are safe	4.17	0.859
Website Design	X8	The Livin' by Mandiri application is regularly updated	4.18	0.925
	X9	The Livin' by Mandiri application is well organized	4.14	0.978
	X10	The Livin' by Mandiri application includes interesting	4.16	0.954
	X11	The Livin' by Mandiri application is easy to use	4.21	0.806
Customer Service and Support	X12	Customer service personnel have good knowledge of Livin' by	4.17	0.830
	X13	The customer service staff is always willing to help me with	4.14	0.936
	X14	My questions regarding Livin' by Mandiri were answered	4.28	0.858
	X15	The Livin' by Mandiri customer service team always puts the	4.15	0.824
	X16	Livin' by Mandiri customer care team can be accessed anytime	4.13	0.803

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Satisfaction	Y1	In general, I am happy with Livin' by Mandiri services	4.14	0.840
	Y2	I am very satisfied with Livin' by Mandiri services	4.21	0.826
	Y3	I am happy with the quality of Livin' by Mandiri	4.14	0.855
	Y4	I am pleased with the convenience of using Livin' by Mandiri	4.21	0.796
	Y5	I am satisfied with all products and services of Livin' by Mandiri	4.16	0.919
Loyalty	Y6	I would recommend Livin' by Mandiri to others	4.22	0.781
	Y7	I prefer Livin' by Mandiri over other bank's mobile banking	4.14	0.904
	Y8	I want to say positive things about Livin' by Mandiri to others	4.06	0.965
	Y9	I intended to continue using Livin' by Mandiri	4.29	0.801

Based on table above, all of the standard deviation for the indicators are below 2.0 which means that responses given by the respondent are homogeneous.

D. Confirmatory Factor Analysis Exogeneous Construct

Factor Loading of CFA Exogenous must greater than 0.40 to be perceived as valid in forming constructs and can be used to build models

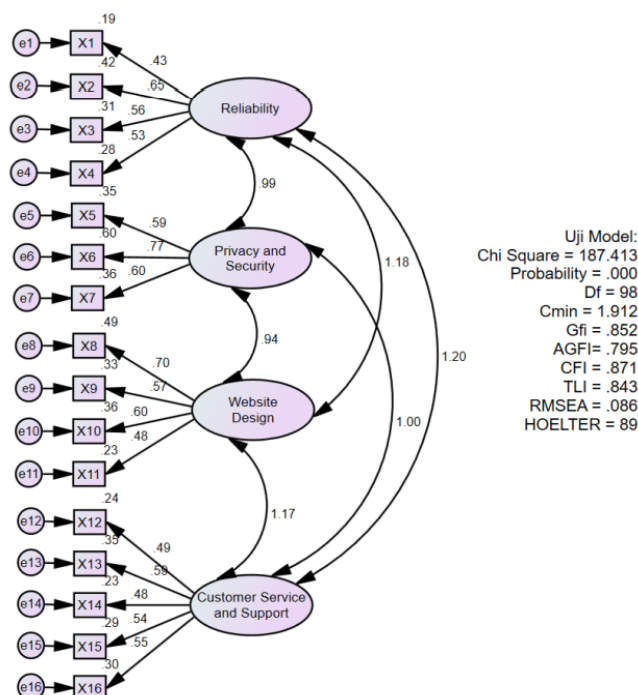


Image 2. Confirmatory Factor Analysis Exogeneous Construct

Construct	Indicator	Factor Loadings	Critical Value	Results
Reliability	X1	0.433	> 0.40	Valid
	X2	0.559	> 0.40	Valid
	X3	0.559	> 0.40	Valid
	X4	0.531	> 0.40	Valid
Privacy and Security	X5	0.594	> 0.40	Valid
	X6	0.771	> 0.40	Valid
	X7	0.603	> 0.40	Valid
Website Design	X8	0.699	> 0.40	Valid
	X9	0.571	> 0.40	Valid
	X10	0.601	> 0.40	Valid
	X11	0.481	> 0.40	Valid
Customer Service and Support	X12	0.490	> 0.40	Valid
	X13	0.591	> 0.40	Valid
	X14	0.482	> 0.40	Valid
	X15	0.541	> 0.40	Valid
	X16	0.552	> 0.40	Valid

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E. Confirmatory Factor Analysis Endogeneous Construct

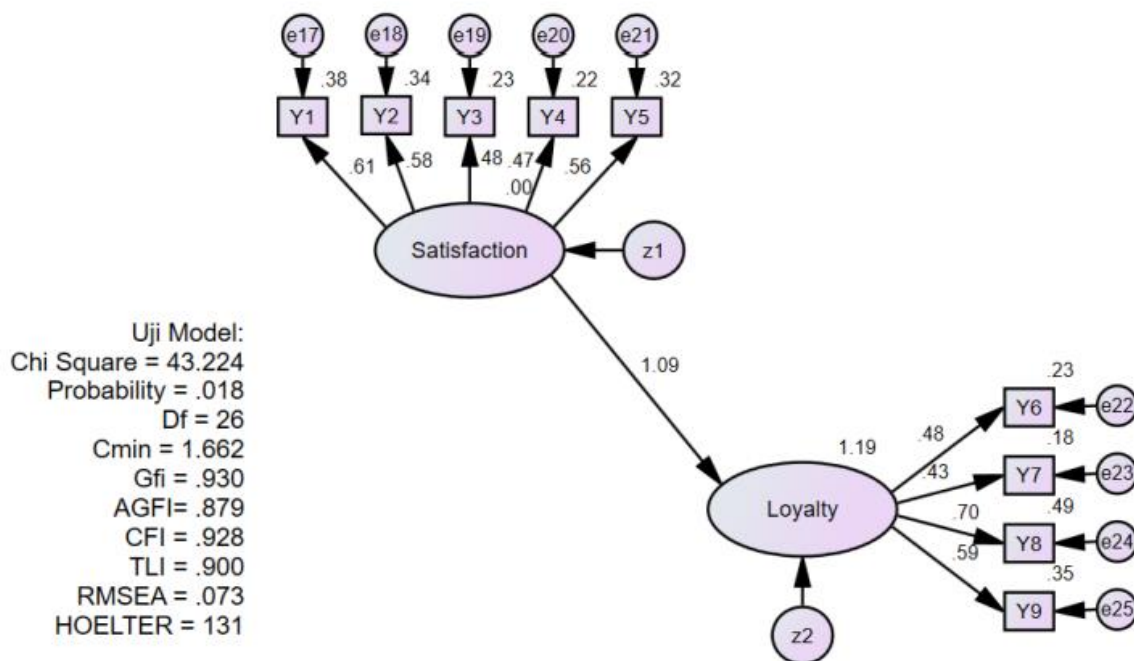


Image 3. Confirmatory Factor Analysis Endogeneous Construct

Construct	Indicato	Factor Loadings	Critical Value	Results
Satisfaction	Y1	0.614	> 0.40	Valid
	Y2	0.580	> 0.40	Valid
	Y3	0.481	> 0.40	Valid
	Y4	0.473	> 0.40	Valid
	Y5	0.563	> 0.40	Valid
Loyalty	Y6	0.476	> 0.40	Valid
	Y7	0.428	> 0.40	Valid
	Y8	0.697	> 0.40	Valid
	Y9	0.590	> 0.40	Valid

Factor Loading of CFA Endogenous shows value greater than 0.40 which means these indicators are applicable to building structures and can be used to create models.

F. Reliability Test

Indicator	Construct Reliability	Critical	Results
Reliability	0.726	≥ 0.70	Reliable
Privacy and Security	0.794	≥ 0.70	Reliable
Website Design	0.781	≥ 0.70	Reliable
Customer Service and	0.761	≥ 0.70	Reliable
Satisfaction	0.777	≥ 0.70	Reliable
Loyalty	0.736	≥ 0.70	Reliable

Construct reliability value shows more than 0.70 which means indicators are reliable

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G. FULL STRUCTURAL EQUATION MODEL

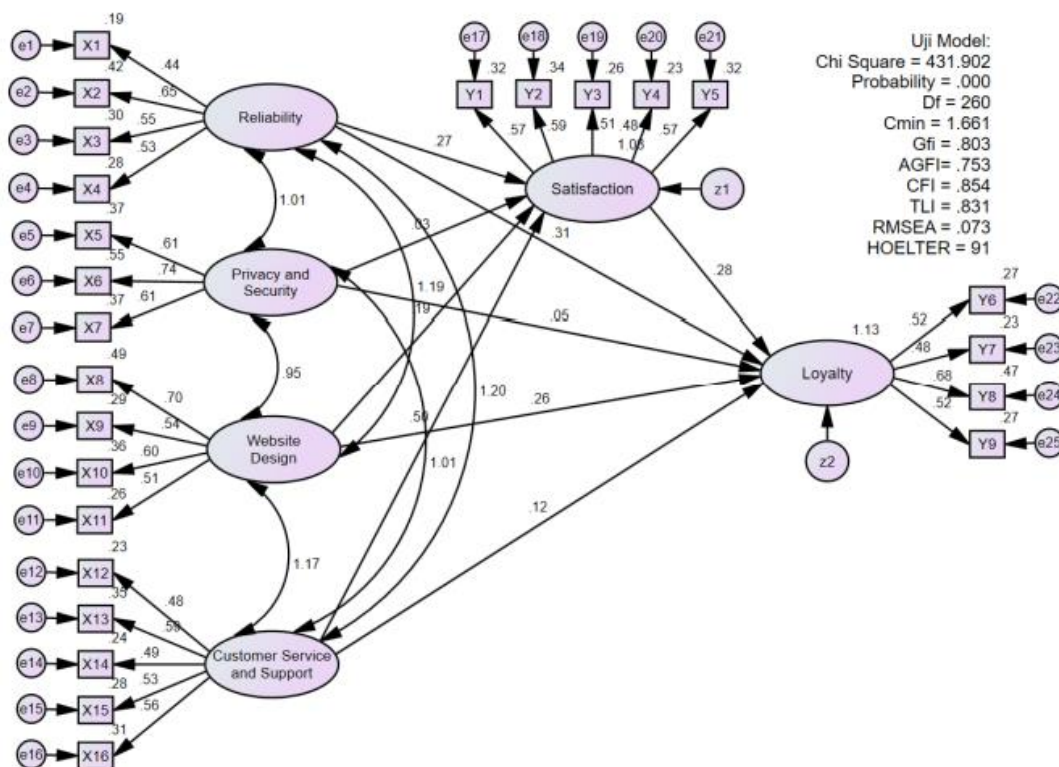


Image 4 . Full Structural Equation Model

The findings shows that all of the model suitability criteria (good fit or marginal fit) were met, allowing the structural model to be accepted. A good fit indicates that the model already has a good model fit, whereas a marginal fit indicates that the model conformance is within acceptable parameters

Goodness of Fit Index	Cut Off Value	Results of Analysis	Evaluasi Model
X2-Chi Square	> 0.05	431.902	Marginal fit
Significantly Probability	≥ 0,05	0.000	Marginal fit
RMSEA	≤ 0.08	0.73	Good fit
GFI	≥ 0,90	0.803	Marginal fit
AGFI	≥ 0,90	0.753	Marginal fit
CMIN/DF	< 2.00	1.661	Good fit
TLI	≥ 0,95	0.831	Marginal fit
CFI	≥ 0,95	0.854	Marginal fit

H. HYPOTHESIS TESTING

Hipotesis				C.R.	P	Std. Estimate
H ₁	L	<---	R	1.182	0.237	0.308
H ₂	L	<---	PS	0.124	0.901	0.051
H ₃	L	<---	WD	1.021	0.307	0.256
H ₄	L	<---	CS	0.296	0.767	0.123
H ₅	S	<---	R	1.314	0.189	0.269
H ₆	S	<---	PS	0.057	0.954	0.025
H ₇	S	<---	WD	0.665	0.506	0.188
H ₈	S	<---	CS	2.255	0.024	0.503
H ₉	L	<---	S	2.415	0.026	0.280

The above table shows the C.R. value of Reliability (R), Privacy and Security (PS), Website Design (WD), Customer Service and Support (CS), Satisfaction (S), and Loyalty (L). The C.R. value for H₈ and H₉ are above 2.0 which means that the H8 and H9 shows significant effect between variables, while H₁, H₂, H₃, H₄, H₅, H₆ and H₇ did not shows significant effect between variables

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DISCUSSION

According to the findings of this study, Customer Service and Support has a significant effect towards Satisfaction with C.R. value of 2.255 and coefficient regression of 0.503, while Satisfaction has a significant effect towards Loyalty with C.R. value of 2.415 and coefficient regression of 0.280. Which means that the better Bank Mandiri's customer service and support is, the better the customer satisfaction is, and it leads to customer sharing experience towards word of mouth and it builds the customer loyalty towards Livin' by Mandiri. While for H_1 , H_2 , H_3 , H_4 , H_5 , H_6 and H_7 , it shows that those variables did not have significant effect between variables, which means that what can be provided by Bank Mandiri is similar with what can be provided by its competitors, hence, the effect is not significant. Those variables still needed to be maintain, but not the main focus for Bank Mandiri. In writer opinion, what Bank Mandiri can improved is to give a routine training for their staff to that their staff could give the best customer service to their customer, to maintain the reliability that they could provide, and to make sure that they maintain in keeping their customer's financial or personal data privacy. In the view of the results of study, a suggestion that writer could give to Bank Mandiri is to try to create a new feature in Livin' by Mandiri apps such as pop-up live chat that could allow customers to directly get in touch with Bank Mandiri's customer service within an apps.

CONCLUSIONS

This study provides evidence that the variables of customer service and support have a significant effect on satisfaction, and satisfaction has a significant effect on loyalty

The results of this study prove that the variable customer service and support has a significant effect on satisfaction, and the variable satisfaction has a significant effect on loyalty so that to increase satisfaction, Bank Mandiri must increase the variable customer service and support because customer service and support has a very important influence on increasing satisfaction. Then the satisfaction variable has a very important influence on loyalty so that to increase loyalty, Bank Mandiri must increase satisfaction. Managerial implications based on the theory that has been developed in this study can be explained as follows:

First, customer service and support is one of the elements that has influence in the process of increasing satisfaction. To increase satisfaction, Bank Mandiri can improve existing human resources to respond to questions given by customers that they cannot solve on their own, by providing training. on how to solve different types of problems for each customer, and the last thing that can be done by Bank Mandiri is to be able to summarize the questions that are often a problem for customers when they use Mandiri mobile banking, then make efforts to improve quality or ease of use mobile banking in order to minimize complaints from customers.

Second, satisfaction is one of the elements that has influence in the process of increasing loyalty. Therefore, to increase satisfaction, Bank Mandiri needs to maintain what has been done to make customers feel satisfied with the services provided, such as help center services and call centers that are actively helping. Bank Mandiri can also add various features such as chatbots that can serve customers 24 hours a day to respond to customer needs in the event of a disturbance or when a customer experiences problems when using Mandiri mobile banking.

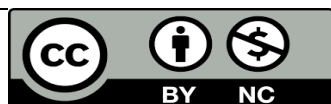
Third, the variables reliability, privacy and security, and website design have no significant effect on satisfaction. Then, the variables reliability, privacy and security, website design, and customer service and support have no significant effect on loyalty. This shows that Bank Mandiri must maintain these variables, especially the variables of reliability, privacy and security, and website design. Bank Mandiri needs to maintain reliability by always providing services exactly as promised, always providing services on time, being able to retrieve transaction details in accounts properly, and the information provided is always accurate. Then maintain privacy and security by ensuring that customers receive proper protection of their personal information and financial information, and ensure that transactions made using Bank Mandiri mobile banking are always safe. Furthermore, maintaining the website design variable by always ensuring that the application is updated, organized, has interactive features, and is designed in such a way that customers can find it easy to use.

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