
The Effect Of Service Quality And Promotion On Customer Satisfaction At The Revolving Fund Management Institution Of Micro, Small And Medium Enterprise Cooperatives Head Office In South Jakarta

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ABSTRACT

This study aims to determine the effect of service quality and promotion on customer satisfaction at the Revolving Fund Management Institution of Micro, Small and Medium Enterprises Cooperatives Head Office in South Jakarta. The method used is explanatory research with analysis techniques using statistical analysis with regression testing, correlation, determination and hypothesis testing. The results of this study show that service quality has a significant effect on customer satisfaction of 43.9%, the hypothesis test obtained $t_{count} > t_{table}$ or $(5.784 > 1.652)$. Promotion has a significant effect on customer satisfaction of 43.8%, the hypothesis test obtained $t_{count} > t_{table}$ or $(5.756 > 1.652)$. Service quality and promotion simultaneously have a significant effect on customer satisfaction with the regression equation $Y = 4.939 + 0.340X_1 + 0.419X_2$ and a contribution of 58.2%, the hypothesis test obtained $F_{count} > F_{table}$ or $(67.545 > 3.04)$.

Keywords: Service Quality, Promotion, Customer Satisfaction.

INTRODUCTION

1. Background of the problem

The Revolving Fund Management Institution for Micro, Small and Medium Enterprises Cooperatives (LPDB-KUMKM) is a non-bank financial institution under the coordination of the Ministry of Cooperatives and SMEs. This institution is mandated by the Ministry of Cooperatives and SMEs to distribute and manage APBN funds specifically intended for cooperatives and micro, small and medium enterprises.

As for partners who have collaborated with LPDB-KUMKM, there are 25,295 with funds that have been distributed amounting to Rp. 16.6 trillion. The proposals that have been received by LPDB-KUMKM are 26,251, the outstanding loan is Rp. 4.93 trillion and the Satisfaction index is 84,830. All of this can be implemented with good service quality to support the above aspects.

Service quality is the level of excellence expected and its control over the level of excellence to meet Customer desires According to Tjiptono (2017:59). If the service received by the partner is not good, then the quality of the service is said to be less than good, that there is still a gap between the expectations held by the customer and the customer's perception of the quality of service provided by LPDB-KUMKM. Service can be said to be of quality if the service provided by the company can provide satisfaction to customers or clients.

A company must know how to effectively and efficiently serve its partners, so that every partner served can feel friendly, fast, precise, comfortable service and so on. When the company can serve its partners well and satisfied, then automatically the partner's interest in buying will also increase, when the partner's interest increases then there is a possibility for the partner to make a decision. Regarding customer satisfaction, the author conducted a pre-survey activity to 30 customers with various customer respondent response conditions, some gave good enough responses (Yes) and some gave bad responses (No) with the following data:

Table 1. LPDB-KUMKM Customer Satisfaction Pre-Survey

No	SatisfactionCustomer	Yes	No	Amount
1	QualityService			
	The quality of service provided is very much in line with LPDB-KUMKM customer expectations.	12	18	30
2	Factor WorkEmployee			
	LPDB-KUMKM employees have worked according to customer expectations	14	16	30
3	AccuracyTime			
	The employee service time is fast and good and keeps customers coming back.	7	23	30

Source: Results of pre-survey questionnaire data processing (2024)

Based on the pre-survey conducted, the lowest answer on the "Timeliness" indicator can be seen from 30 pre-survey respondents who answered no as many as 23 and the rest answered yes 7 people. It can be seen that the service provided to customers is not in accordance with what customers expect that the timeliness of service is not appropriate. This is a problem factor that needs to be fixed in the future.

The phenomenon of customer dissatisfaction based on the pre-survey above, the author suspects as a result of the quality of service that is still not good. Service quality is one of the main factors in forming Customer Satisfaction, Maximum service quality can directly provide maximum partner expectations. Through good service quality, partners can automatically fulfill all forms of demand for products or services offered to partners. From the customer survey there is a phenomenon that partner reviews of the quality of LPDB-KUMKM service. consumers are disappointed with the quality of service that does not provide solutions to their problems, then it can prove that the service provided by LPDB-KUMKM is not in accordance with what partners expect.

In addition to service quality, another thing that can affect customer satisfaction is promotion. Promotion is a one-way flow of information or persuasion created to direct a person or company to actions that include advertising, personal selling, sales promotion and public relations. So promotion is one of the important aspects in marketing management because with promotion, partners who were initially not interested in the product can change their minds to buy the product.

There are several promotions at LPDB-KUMKM Pancoran South Jakarta. One of the promotional media used by LPDB-KUMKM is by using social media marketing, which is a social media based on sharing photos or videos equipped with captions and hashtags. Captions are information about photos or videos that have been uploaded. While hashtags are a classification of themes or topics, where the more users upload, the more hashtags Prakoso (2014:67). Instagram has many features that support the development of LPDB-KUMKM's business as a form of promotion and sales of the product itself, for example uploading videos or photos of products being sold with interesting content so as to increase the interest of potential partners to cooperate.

Based on a survey conducted by LPDB-KUMKM, promotions have not been carried out properly. Good promotions can improve customer satisfaction and improve integrity.

One of the good promotions is using social media, as we know that in today's era social media is very influential on anything, we can see that one of the most popular social media is Instagram. Namely by creating content uploaded on reels and explaining how many times a week to upload reel content. That way it can promote LPDB-KUMKM to be even better

2. Formulation of the problem

- a. Is there an influence between service quality and customer satisfaction at the Revolving Fund Management Institution for Micro, Small and Medium Enterprises Cooperatives, Head Office in South Jakarta?
- b. Is there an influence between promotion and customer satisfaction at the Revolving Fund Management Institution for Micro, Small and Medium Enterprises Cooperatives, Head Office in South Jakarta?
- c. Is there a simultaneous influence between service quality and promotion on customer satisfaction at the Revolving Fund Management Institution for Micro, Small and Medium Enterprises Cooperatives, Head Office in South Jakarta?

3. Research purposes

- a. To determine the influence of service quality on customer satisfaction at the Revolving Fund Management Institution for Micro, Small and Medium Enterprises Cooperatives, Head Office in South Jakarta.
- b. To determine the influence of promotion on customer satisfaction at the Revolving Fund Management Institution for Micro, Small and Medium Enterprises Cooperatives, Head Office in South Jakarta.
- c. To determine the simultaneous influence between service quality and promotion on customer satisfaction at the Revolving Fund Management Institution for Micro, Small and Medium Enterprises Cooperatives, Head Office in South Jakarta.

LITERATURE REVIEW

1. Quality of Service

According to Kotler and Keller (2019:180) "Service quality is the overall features and characteristics of a product or service that influence its ability to satisfy stated or implied needs."

2. Promotion

According to Kotler & Armstrong (2017:41) stated that "Promotion is a variety of activities carried out by companies that highlight the special features of their products to persuade target customers to buy them."

3. Customer satisfaction

According to Kotler & Keller (2018) Customer satisfaction is the customer's response to a product or service that has met the customer's needs and expectations.

RESEARCH METHODS

1. Population

The population in this study was 100 respondents from the Revolving Fund Management Institution for Micro, Small and Medium Enterprises Cooperatives, Head Office in South Jakarta.

2. Sample

The sample in this study amounted to 100 respondents.

3. Types of research

The type of research used is associative, where the aim is to determine the influence between independent variables on dependent variables, both partially and simultaneously.

4. Data Analysis Methods

In analyzing the data, instrument tests, classical assumption tests, regression, coefficient

of determination and hypothesis tests were used.

RESEARCH RESULT

1. Descriptive Analysis

This test is used to determine the minimum score of the independent variable and dependent variable.

The results of the questionnaire distribution for the service quality variable can be concluded that the service quality that has the smallest weight is in statement 5 "LPDB-KUMKM employees are consistently polite to customers", which is in the "Assurances" dimension with the lowest average value of 2.49, this value on a scale range of 1.80 - 2.59 is categorized as not good.

Then for the promotion variable that has the smallest weight is in statement 3 "Customers are interested in using LPDB-KUMKM services because they are motivated by the information provided by sales", which is in the "Sales Promotion" dimension with the lowest average value of 3.06, this value on a scale range of 2.60 - 3.39 is categorized as less good.

Then, for the customer satisfaction variable that has the smallest weight is statement 5 "Customers will recommend LPDB-KUMKM to my colleagues because of the good service", which is in the "Availability to Recommend" dimension with the lowest average value of 2.82, this value on a scale range of 2.60 - 3.39 is categorized as less good.

2. Verification Analysis.

This analysis is intended to determine the influence of independent variables on dependent variables. The test results are as follows:

a. Multiple Linear Regression Analysis

This regression test is intended to determine changes in the dependent variable if the independent variable changes. The test results are as follows:

Table 2. Multiple Linear Regression Test Results

		Coefficients ^a			
		Unstandardized Coefficients	Standardized Coefficients		
Model		B	Std. Error	Beta	t
1	(Constant)	4.939	1.889		2.615
	Service Quality (X1)	.340	.059	.441	5.784
	Promotion (X2)	.419	.073	.438	5.756

a. Dependent Variable: Customer Satisfaction (Y)

Based on the test results in the table above, the regression equation $Y = 4.939 + 0.340X_1 + 0.419X_2$ is obtained. From the equation it is explained as follows:

- 1) The constant of 4.939 means that if there is no quality of service and promotion, then there is a customer satisfaction value of 4.939 points.
- 2) The service quality regression coefficient is 0.340, this figure is positive, meaning that for every 0.340 increase in service quality, customer satisfaction will also increase by 0.340 points.
- 3) The promotion regression coefficient is 0.419, this figure is positive, meaning that every time there is an increase in promotion of 0.419, customer satisfaction will also increase by 0.419 points.

b. Correlation Coefficient Analysis

The correlation coefficient analysis is intended to determine the level of strength of the relationship between the independent variable and the dependent variable, both partially and simultaneously. The test results are as follows:

Table 3. Results of Testing the Correlation Coefficient of Service Quality on Customer Satisfaction

Model	R	Model Summary ^b		
		R Square	Adjusted R Square	Std. Error of the Estimate
1	.663a	.439	.434	4.87987

a. Predictors: (Constant), Service Quality (X1)

b. Dependent Variable: Customer Satisfaction (Y)

Based on the test results, a correlation value of 0.663 was obtained, meaning that service quality has a strong relationship with customer satisfaction.

Table 4. Results of Testing the Correlation Coefficient of Promotion on Customer Satisfaction

Model	R	Model Summary ^b		
		R Square	Adjusted R Square	Std. Error of the Estimate
1	.662a	.438	.432	4.88592

a. Predictors: (Constant), Promotion (X2)

b. Dependent Variable: Customer Satisfaction (Y)

Based on the test results, a correlation value of 0.662 was obtained, meaning that promotion has a strong relationship with customer satisfaction.

Table 5. Results of simultaneous testing of correlation coefficients of service quality and promotion on customer satisfaction

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.763a	.582	.573	4.23476

a. Predictors: (Constant), Promotion (X2), Service Quality (X1)

Based on the test results, a correlation value of 0.763 was obtained, meaning that service quality and promotion simultaneously have a strong relationship with customer satisfaction.

c. Determination Coefficient Analysis

The determination coefficient analysis is intended to determine the percentage of influence of the independent variable on the dependent variable, both partially and simultaneously. The test results are as follows:

Table 6. Test Results of the Determination Coefficient of Service Quality on Customer Satisfaction

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.663a	.439	.434	4.87987

a. Predictors: (Constant), Service Quality (X1)

Based on the test results, a determination value of 0.439 was obtained, meaning that service quality has a 43.9% contribution to customer satisfaction.

Table 7. Results of Testing the Promotion Determination Coefficient on Customer Satisfaction

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.662a	.438	.432	4.88592

a. Predictors: (Constant), Promotion (X2)

Based on the test results, a determination value of 0.438 was obtained, meaning that promotion has a 43.8% contribution to customer satisfaction.

Table 8. Test Results of the Determination Coefficient of Service Quality and Promotion on Customer Satisfaction

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.763a	.582	.573	4.23476

a. Predictors: (Constant), Promotion (X2), Service Quality (X1)

Based on the test results, a determination value of 0.582 was obtained, meaning that service quality and promotion simultaneously have a contribution of 58.2% to customer satisfaction, while the remaining 41.8% is influenced by other factors.

d. Hypothesis Testing

Partial Hypothesis Test (t-Test)

Hypothesis testing with the t-test is used to determine which partial hypotheses are accepted.

First hypothesis: There is a significant influence of service quality on customer satisfaction.

Second hypothesis: There is a significant influence of service quality on customer satisfaction.

Table 9. Results of Hypothesis Testing of Service Quality and Promotion on Customer Satisfaction

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.939	1.889		2.615	.010
	Service Quality (X1)	.340	.059	.441	5.784	.000
	Promotion (X2)	.419	.073	.438	5.756	.000

a. Dependent Variable: Customer Satisfaction (Y)

Based on the test results in the table above, the service quality obtained a calculated t value > t table or (5.784 > 1.652), thus the first hypothesis proposed that there is a significant influence between service quality and customer satisfaction is accepted.

Then for the promotion variable, the calculated t value was obtained > t table or (5.756 > 1.652), thus the second hypothesis proposed that there is a significant influence between promotion and customer satisfaction is accepted.

Simultaneous Hypothesis Test (F Test)

Hypothesis testing with the F test is used to determine which simultaneous hypotheses are accepted.

The third hypothesis: There is a significant influence between service quality and promotion simultaneously on customer satisfaction.

Table 10. Results of Hypothesis Testing of Service Quality and Promotion on Customer Satisfaction

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2422.589	2	1211.295	67,545	.000b
	Residual	1739.521	97	17,933		
	Total	4162.110	99			

a. Dependent Variable: Customer Satisfaction (Y)

b. Predictors: (Constant), Promotion (X2), Service Quality (X1)

Based on the test results in the table above, the calculated F value was obtained $>$ F table or $(67.545 > 3.04)$, thus the third hypothesis proposed that there is a significant influence between service quality and promotion simultaneously on customer satisfaction is accepted.

DISCUSSION OF RESEARCH RESULTS

1. The Influence of Service Quality on Customer Satisfaction

Service quality has a significant effect on customer satisfaction with a correlation of 0.663 or has a strong relationship with a contribution of influence of 43.9%. Hypothesis testing obtained a calculated t value $>$ t table or $(5.784 > 1.652)$. Thus, the first hypothesis proposed that there is a significant effect between service quality and customer satisfaction is accepted.

2. The Effect of Promotion on Customer Satisfaction

Promotion has a significant effect on customer satisfaction with a correlation of 0.662 or has a strong relationship with a contribution of influence of 43.8%. Hypothesis testing obtained a calculated t value $>$ t table or $(5.756 > 1.652)$. Thus the second hypothesis proposed that there is a significant effect between promotion and customer satisfaction is accepted.

3. The Influence of Service Quality and Promotion on Customer Satisfaction

Service quality and promotion have a significant effect on customer satisfaction with the regression equation $Y = 4.939 + 0.340X_1 + 0.419X_2$, a correlation value of 0.763 or has a strong relationship with a contribution of 58.2% while the remaining 41.8% is influenced by other factors. Hypothesis testing obtained a calculated F value $>$ F table or $(67.545 > 3.04)$. Thus the third hypothesis proposed that there is a significant effect between service quality and promotion simultaneously on customer satisfaction is accepted.

CONCLUSION AND SUGGESTIONS

1. Conclusion

- Service quality has a significant effect on customer satisfaction with a contribution of 43.9%. Hypothesis testing obtained a calculated t value $>$ t table or $(5.784 > 1.652)$.
- Promotion has a significant effect on customer satisfaction with a contribution of 43.8%. Hypothesis testing obtained a calculated t value $>$ t table or $(5.756 > 1.652)$.
- Service quality and promotion simultaneously have a significant effect on customer satisfaction with a contribution of 58.2% while the remaining 41.8% is influenced by other factors. Hypothesis testing obtained a calculated F value $>$ F table or $(67.545 > 3.04)$.

2. Suggestion

- Regarding service quality, companies should train employees starting from politeness, because if the customer is disappointed then the customer will not want to come back again, likewise if the customer is satisfied with the service provided by the employees of the Revolving Fund Management Institution for Micro, Small and

Medium Enterprises Cooperatives then the customer will come back again and even recommend it to other colleagues.

- b. Regarding promotions, It is better to improve promotions and also conduct training sessions for sales, so that promotions can be improved and sales can achieve sales targets, so that promotions are carried out better and sales work better and improve.
- c. Regarding customer satisfaction, It is better to increase customer satisfaction through service so that, according to the author, we pay more attention to customer needs starting from the smallest things, because by doing so, we can increase customer satisfaction and customers will feel happy with the service provided, if customers are not satisfied, they will not return and cause losses to LPDB-KUMKM.

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