

Influence of Quality of Service, Bank's Reputation, Complaint Handling and Competence on Customer Satisfaction in Increasing Customer Loyalty in Boyolali Bank of Central Java Indonesia

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ABSTRACT

This study aims to analyze Effect of Service Quality, Reputation Bank, Complaint Handling And Competence Of Customer Satisfaction In Increasing Customer Loyalty in Boyolali Bank of Central Java. The analysis techniques used in this study were test instrument, path analysis, correlation coefficient, partial test (t), simultaneous test (F) and the coefficient of determination test. Based on the test results generated in this study are as follows: 1) Variables of Bank Reputation Service Quality and Competence had positive and significant impact on satisfaction, while Complaints Handling Variable was significantly and negatively related to satisfaction. 2) Variables of Handling Complaints, Competence and Satisfaction had positive and significant impact on loyalty, meanwhile the Bank's reputation variable had significant negative effect on loyalty. 3) simultaneous test results (Test F) in the second equation produced the value of $F = 61.799$ 0.000 with significance < 0.05 . 4) total R^2 value of 0.917 , could be interpreted Customer Loyalty Boyolali Bank of Central Java was explained by the variables of quality of service, reputation of the Bank, handling complaints, competence and customer satisfaction at 91.7% and the remaining 8.3% described other variables outside the study model. 5) The results of path analysis showed that the variables of service quality and reputation of the bank was smaller than the direct effect of indirect influence. As for the handling of complaints and competence variables influence the direct result was greater than the indirect effect.

KEYWORDS : *Quality of Service, Reputation Bank, Complaint Handling, Competency, Customer Satisfaction, Customer Loyalty*

INTRODUCTION

Background

Organizations in services are one of the many emerging and developing organizations in Indonesia. Health service is a business based on trust which demands banks to optimize services for the customers. It's to maintain customer satisfaction, meaning customers are satisfied when their requirements are met, satisfied by the services provided by Boyolali Bank of Central Java. Good services will essentially create satisfaction for parties who receive the services. Basically, satisfaction is something personal. Every individual experience different level of satisfaction based on his/her value system. This is due to individual difference. An individual's satisfaction has an important role to achieve a bank's goal. Boyolali Bank of Central Java as a service provider organization in its working area should improve the quality of the services for the public because the quality is determined by the public. One of the ways to improve quality of service is by fulfilling customers' expectations. The satisfaction of people who require quality of service can be discovered by comparing the views on received services and expected services. On the other hand, people's expectation is made based on experience and information.

Boyolali Bank of Central Java isn't optimal in marketing services and there are many problems in the bank, as shows by the many customers who complain about the services, quality of service in the bank which hasn't met customers' expectation, low and unattractive bank reputation, very low customer satisfaction in Boyolali Bank of Central Java, so customer loyalty is considered inadequate, so improvement is required.

Literature Review

1. Customer Loyalty

Oliver (2007:76) defines customer loyalty as a deep commitment which is formed to purchase again or use again products or services consistently in the future, although there are situational influences and other marketing efforts which potentially cause switching behavior. Dharmesta (2009:99), defines public loyalty as follows: "Brand Loyalty is : (1) the biased (i.e. non random), (2) behavioral responses (i.e. purchase), (3) expressed over time, (4) by some decision making unit, (5) with respect to one or more alternative brands out of set such brands and is (6) a function of psychological (e.i. decision making evaluative) processes

2. Quality of Service

Quality of Service is “Quality customer service is the assessment of the merits or feature of a product or service”. Defined as customers’ assessment on benefits or uniqueness of a product (Zeithaml, 2008:89). Zeithaml and Bitner (2008:112), suggests that service consists of five dimensions: Reliability, Responsiveness, Assurance, tangibles, and Empathy. Reliability is the ability to perform the promised services correctly and certainly. While responsive is the ability to help customers and give fast services. Assurance is a dimension which emphasizes the ability of the service providers to raise customers’ trust and confidence that the service providers, especially the employees, are able to meet the customers’ requirements. While tangible dimension is physical appearance of services providers such as buildings, equipment layout, interior and exterior, and physical appearance of service providers’ personnel. The fourth dimension, empathy, is service providers’ ability to give personal attention to customers. Based on the above, it’s concluded that service quality has several indicators, i.e.:

- a. Ability to perform the promised services
- b. Willingness to help customers
- c. Knowledge and politeness
- d. Care for customers
- e. Appearance of physical facilities

3. Bank’s Reputation

a. Definition

According to Tjiptono (2009:65), bank’s reputation is part of Corporate Image, whereas Corporate Image is part of the concept of total quality of service. While according to Margaretha (2004:78) bank’s reputation is one of the most important factors of characteristics of a bank which can for customers’ confidence to the brand.

According to Kotler and Keller, (2006:51) “Reputation is a complex perception of the bank’s customers on an attribute that is based on the inherent therein“. Reputation is a complex perception of customers regarding the bank based on attributes attached to it. Customers will assess the attributes by seeing, listening and feeling, and the result of the activities will be compared with information previously obtained from other customers to be the basis in evaluating the bank.

b. Factors Influencing Bank’s Reputation

Reputation achieved by companies in markets is the foundation for strong relationships. Bank’s reputation in turn depends on three factors (Kotler and Keller, 2006:50), which are:

- 1) Corporate expertise is how far companies seem to be able to make and sell products or perform services.
- 2) Corporate trustworthiness is how far companies seem to be motivated to be honest, dependant on sensitive to customers’ requirements.
- 3) Corporate attractiveness is how far companies seem favorable, attractive, prestigious, and dynamic.

Companies still consider customers’ best interests and are happy to cooperate. Confidence is also the main determinant of a company’s credibility and relationship with other companies

4. Complaint Handling

a. Definition

One of the reasons of the switching of customers from one bank to another bank is because customers aren’t satisfied with the way the bank solves problems or handles problems. “Dealing with customer complaints over the way services are provided by a bank” (Tronvoll, 2007:108). When customers aren’t satisfied with what they receive or when they find problems, customers may respond by switching to another service provider, voicing problems (trying to solve problems by filing complaints) or being loyal (remaining with the service providers and hoping that something better will happen in the future. (Hirschman, 2002:57).

b. Factors Influencing Complain Handling

- 1) Dissatisfaction

Customer dissatisfaction as customer response to evaluation of perceived incompatibility between initial expectation before purchase and perceived product actual performance after using the product.

- 2) Attitude to Complaint Filing

As customers know the mechanism and rules of filing complaints, the correct place to file complaints, and customers’ rights and with the assumption that experience yields positive result,

customers will have positive attitude when filing complaints. However, reluctance or unwillingness to complain influence customers' decisions whether to file complaint or not.

3) Perception that the Complaints will Succeed

Perception of the chance of the complaints succeeding is described as impression later when filing complaints, their complaints will be accepted by the companies.

4) Confidence

Confidence is defined as the mental process within someone to think that s/he is able to do something.

5. Competence

Harmon (2006:65) states "competence is a set of values, behaviors, policies, and dynamic management structure used by people in working effectively with systematically involve consumers, stakeholder and society".

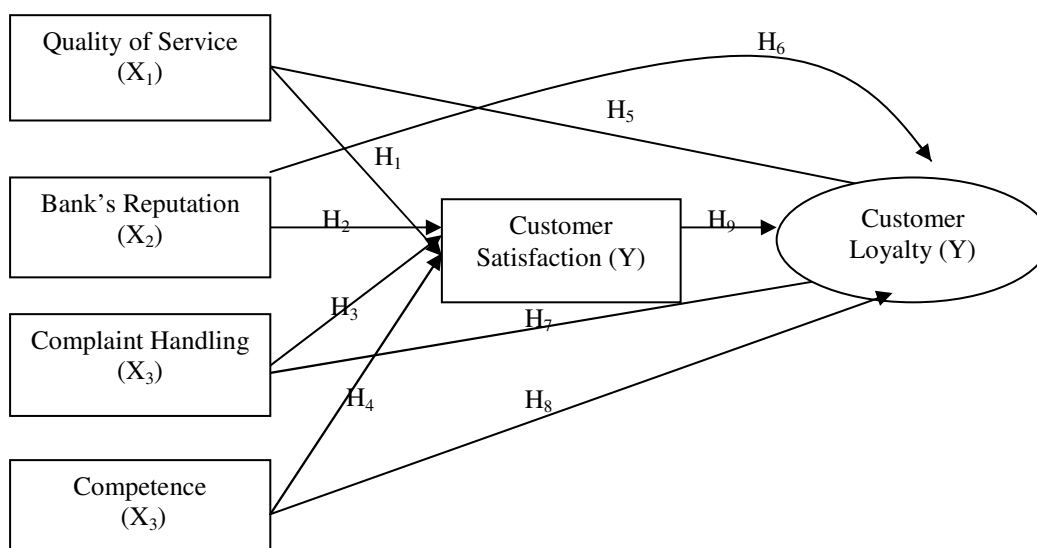
Competence or ability of a trait (inherent or learned) which allows someone to do something mentally or physically. Competence is related to an individual's ability, therefore the effectiveness of management in organization will succeed if it's able to recognize individual's differences in it.

6. Customer Satisfaction

The word satisfaction has long been a critical concept in the world of marketing and in researches it's always related to purchasing behavior. Generally is customers are satisfied with the products or services they get, they will purchase again what they get and maybe increase the quantity of the purchase (Solvang, 2007:89). Satisfied customers will tell other people about the experience. However, dissatisfaction will make the customers switch to other brands and will create negative information in the future. (Liu and Wu, 2007:32).

Customer satisfaction is one of banks' goals today. Similarly with bank because service industry is a product which relies on the skills of the human resources, services provided by the employees will influence customers in selecting which bank they work with. To anticipate fierce competition in service industry, Banks must provide services which meet customers' requirements and satisfaction. Therefore, a processing of quality of service offered to meet customer satisfaction is required. Quality of service which is managed well yields good result to fulfill customers' requirements. Customers' have the freedom to assess whether the services offered by banks give them the expected satisfaction or not. If the services they experience aren't satisfying, it's feared that they will tell other people, so it badly impacts the development of the banks.

Conceptual Framework



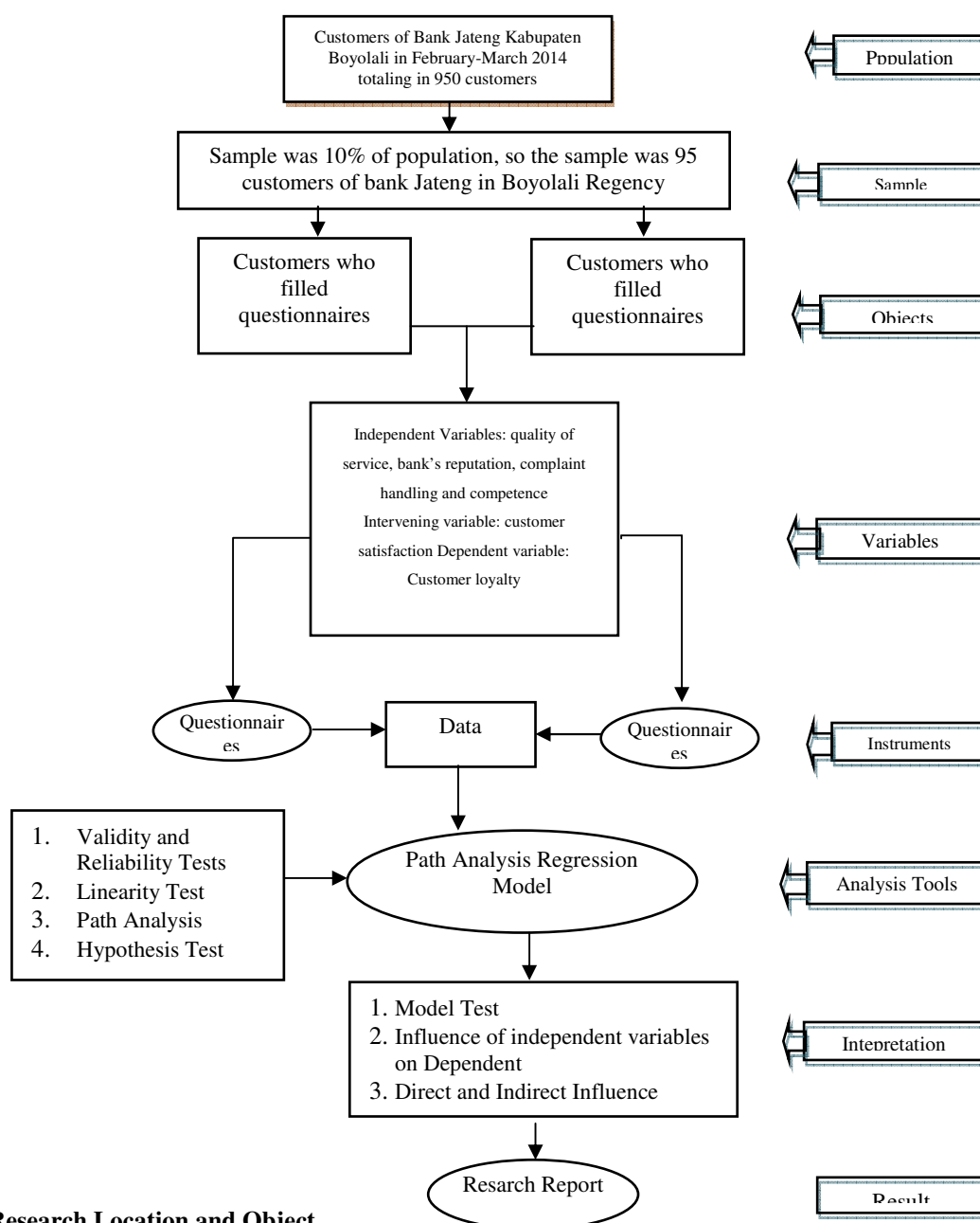
Source: Fornell (2002), Selnes (2003), Margaretha (2004), Cronin and Taylor (2005), Andreassen and Lindestad (2008).

Hypotheses

Hypothesis (Sugiyono, 2001:89) can be defined as a temporary answer of a formulation of problem. From previous descriptions, the following hypotheses can be made:

- H₁ : Quality of service has significant influence on customer satisfaction in Boyolali Bank of Central Java.
- H₂ : Bank's reputation has significant influence on customer satisfaction in Boyolali Bank of Central Java.
- H₃ : Complaint handling has significant influence on customer satisfaction in Boyolali Bank of Central Java.
- H₄ : Competence has significant influence on customer satisfaction in Boyolali Bank of Central Java.
- H₅ : Quality of service has significant influence on customer loyalty in Boyolali Bank of Central Java.
- H₆ : Bank's reputation has significant influence on customer loyalty in Boyolali Bank of Central Java.
- H₇ : Complaint handling has significant influence on customer loyalty in Boyolali Bank of Central Java.
- H₈ : Competence has significant influence on customer loyalty in Boyolali Bank of Central Java.
- H₉ : Customer satisfaction has significant influence on customer loyalty in Boyolali Bank of Central Java.

METHODS



Research Location and Object
 a. Research Location

This study was conducted in a research location in Boyolali Bank of Central Java in Jl. Pandanaran Boyolali Indonesia

b. Research Object

The object of this study was customers of Boyolali Bank of Central Java Indonesia

Variables Used and Operational Definitions and Indicator of the Variables

1. Research Variables

There were 3 type of variables used in this study, i.e. independent variables (X), intervening variable (e) and dependent variable (Y). Independent variables consisted of quality of service (X_1), bank's reputation (X_2), complaint handling (X_3), competence (X_4) while intervening variable was customer satisfaction and dependent variable was customer loyalty (Y).

2. Operational Definitions of the Variables

a. Customer Loyalty

Indicators used included Boyolali Bank of Central Java being the first choice, customer continuing relation with Boyolali Bank of Central Java, customer's pride, customer recommending Boyolali Bank of Central Java to partners or relatives.

b. Quality of Service

Indicators used included employees' services, price, completeness, service assurance and physical condition.

c. Bank's Reputation

Indicators used included customer's trust to the Bank, Bank's advantages over its competitors, and Bank's competence.

d. Complaint Handling

Indicators used included Speed in handling complaints, Solving problems satisfactorily, ease of complaint filing procedure. (Kotler, 2001)

e. Competence

Indicators used included:

- 1) Planning
- 2) Formulating
- 3) Arranging
- 4) Estimating
- 5) Evaluating

f. Customer Satisfaction

Indicators used included overall satisfaction measured before and after, evaluation of service performance.

- 1) Completeness of equipments
- 2) Service

Population and Sample

Population is the entire research subjects. Population research is performed when someone wants to study all elements in the research area. (Arikunto, 2001:89). The population in this study is customers in Boyolali Bank of Central Java Boyolali regency, with total 950 customers from February to March 2014. Sample is part of the population which can represent the entire population. According to Arikunto (2001:120), if total subjects (population) is less than 100 samples, the entire population should be taken as research sample, if the sample is more than 100, then it can be determined based on percentage, e.g. 10%-20% or 20% - 30%, depending the researchers' ability. The sample in this study was 10% of the population, which was 95 customers from February to March 2014 in Boyolali Bank of Central Java.

RESULT AND DISCUSSION

Research and Analysis

1. Testing of Research Instruments

a. Validity Test

- 1) Validity of question items for Quality of Service variable (X_1)

Table 1. Correlation of Question Items with Quality of Service Variable

Question Item	r_{item}	r_{table}	Description
X1.1	0,340	0,199	Valid
X1.2	0,458	0,199	Valid
X1.3	0,448	0,199	Valid
X1.4	0,605	0,199	Valid
X1.5	0,408	0,199	Valid

Source : Processed data, 2014

2) Validity of question items for Bank's Reputaton variable (X_2)

Table 2. Correlation of Question Items with Bank's Reputation Variable

Question Item	r_{item}	r_{table}	Description
X2.1	0,679	0,199	Valid
X2.2	0,584	0,199	Valid
X2.3	0,438	0,199	Valid
X2.4	0,795	0,199	Valid
X2.5	0,464	0,199	Valid

Source : Processed data, 2014

3) Validity of question items for Complaint Handling variable (X_3)

Table 3. Correlation of Question Items with Complaint Handling Variable

Question Item	r_{item}	r_{table}	Description
X3.1	0,477	0,199	Valid
X3.2	0,426	0,199	Valid
X3.3	0,498	0,199	Valid
X3.4	0,553	0,199	Valid
X3.5	0,552	0,199	Valid

4) Validity of question items for Competence variable (X_4)

Table 4. Correlation of Question Items with Competence Variable

Question Item	r_{item}	r_{table}	Description
X4.1	0,646	0,199	Valid
X4.2	0,710	0,199	Valid
X4.3	0,636	0,199	Valid
X4.4	0,797	0,199	Valid
X4.5	0,615	0,199	Valid

Source : Processed data, 2014

5) Validity of question items for Customer Satisfaction variable (X_5)

Table 5. Correlation of Question Items with Customer Satisfaction Variable

Question Item	r_{item}	r_{table}	Description
X5.1	0,580	0,199	Valid
X5.2	0,620	0,199	Valid
X5.3	0,620	0,199	Valid
X5.4	0,802	0,199	Valid
X5.5	0,640	0,199	Valid

Source : Processed data, 2014

6) Validity of question items for Customer Loyalty variable (Y)

Table 6. Correlation of Question Items with Customer Loyalty Variable

Question Item	r _{item}	r _{table}	Description
Y.1	0,627	0,199	Valid
Y.2	0,700	0,199	Valid
Y.3	0,755	0,199	Valid
Y.4	0,763	0,199	Valid
Y.5	0,751	0,199	Valid

Source : Processed data, 2014

b. Reliability Test

Instrument reliability test aims to discover the instrument confidence index of independent variables. The result of reliability test is presented in the table below:

Table 7. The Result of Reliability Test

Variable	Alpha Cronbach	Criteria	Description
Quality of Service	0,690	<i>Alpha Cronbach</i> > 0,60 then it's reliable	Reliable
Bank's Reputation	0,801		Reliable
Complaint Handling	0,730		Reliable
Competence	0,860		Reliable
Customer Satisfaction	0,841		Reliable
Customer Loyalty	0,881		Reliable

Source : Processed data, 2014

2. Linearity Test

Table 8. The Result of Linearity Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,038 ^a	,001	-,055	1,56658807

The result of linearity test shows the value of R² is 0,001 with total sample 91, the value of c² count = 91 x 0,001 = 0,091 while the value of c² table is 112,40. The value of c² count < c² table so it's concluded that the correct model is linear model.

3. Path Analysis

a. The Result of Path Analysis of Equation 1

Table 9. The Result of Path Analysis of Equation 1

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,087	1,443		4,220	,000
	Kualitas Pelayanan	,188	,091	,195	2,077	,041
	Reputasi Bank	,176	,075	,220	2,356	,021
	Penanganan Komplain	-,205	,101	-,221	-2,023	,046
	Kompetensi	,528	,075	,667	7,072	,000

a. Dependent Variable: Kepuasan

From table 9, the following first regression equation can be made:

$$Y_1 = 0,195 X_1 + 0,220 X_2 - 0,221 X_3 + 0,667 X_4 + \epsilon$$

Sig (0,041)** (0,021)** (0,046)** (0,000)**

b. The Result of Path Analysis of Equation 2

Table 10. The Result of Path Analysis of Equation 2

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3,948	1,780		-2,218	,029
	Kualitas Pelayanan	-,012	,105	-,008	-,112	,911
	Reputasi Bank	-,214	,087	-,184	-2,456	,016
	Penanganan Komplain	,293	,117	,218	2,508	,014
	Kompetensi	,632	,105	,550	6,016	,000
	Kepuasan	,489	,119	,337	4,114	,000

a. Dependent Variable: Loyalitas

From table 10, the following second regression equation can be made:

$$Y_2 = -0,008 X_1 - 0,184 X_2 + 0,218 X_3 + 0,550 X_4 + 0,337 X_5 + e$$

Sig (0,911) (0,016)** (0,014)** (0,000)** (0,000)**

4. T-test

Table 11. The Result of t Test of Equation 1

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,087	1,443		4,220	,000
	Kualitas Pelayanan	,188	,091	,195	2,077	,041
	Reputasi Bank	,176	,075	,220	2,356	,021
	Penanganan Komplain	-,205	,101	-,221	-2,023	,046
	Kompetensi	,528	,075	,667	7,072	,000

a. Dependent Variable: Kepuasan

Table 12. The Result of t Test of Equation 2

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3,948	1,780		-2,218	,029
	Kualitas Pelayanan	-,012	,105	-,008	-,112	,911
	Reputasi Bank	-,214	,087	-,184	-2,456	,016
	Penanganan Komplain	,293	,117	,218	2,508	,014
	Kompetensi	,632	,105	,550	6,016	,000
	Kepuasan	,489	,119	,337	4,114	,000

a. Dependent Variable: Loyalitas

From table 11 and table 12, these conclusions can be drawn:

- a. Quality of service had significant influence on Customer Satisfaction in Boyolali Bank of Central Java, this is seen in significance value $0,041 < 0,05$.
 H_1 : Quality of service had significant influence on customer satisfaction in Boyolali Bank of Central Java, so Hypothesis 1 was proven.
- b. Bank's Reputation had significant influence on Customer Satisfaction in Boyolali Bank of Central Java, this is seen in significance value $0,021 < 0,05$.
 H_2 : Bank's Reputation had significant influence on customer satisfaction in Boyolali Bank of Central Java, so Hypothesis 2 was proven.
- c. Complaint Handling had significant influence on Customer Satisfaction in Boyolali Bank of Central Java, this is seen in significance value $0,046 < 0,05$.
 H_3 : Complaint Handling had significant influence on customer satisfaction in Boyolali Bank of Central Java, so Hypothesis 3 was proven

- d. Competence had significant influence on Customer Satisfaction in Boyolali Bank of Central Java, this is seen in significance value $0,000 < 0,05$.
- H₄ : Competence had significant influence on Customer Satisfaction in Boyolali Bank of Central Java, so Hypothesis 4 was proven.
- e. Quality of Service had insignificant influence on Customer Loyalty in Boyolali Bank of Central Java, this is seen in significance value $0,911 < 0,05$.
- H₅ : Quality of service had significant influence on customer loyalty in Boyolali Bank of Central Java. So, hypothesis 5 wasn't proven
- f. Bank's Reputation had significant influence on Customer Loyalty in Boyolali Bank of Central Java, this is seen in significance value $0,016 < 0,05$.
- H₆ : Bank's reputation had significant influence on customer loyalty in Boyolali Bank of Central Java. So, hypothesis 6 wasn't proven.
- g. Complaint Handling had significant influence on Customer Loyalty in Boyolali Bank of Central Java, this is seen in significance value $0,014 < 0,05$.
- H₇ : Complaint handling had significant influence on customer loyalty in Boyolali Bank of Central Java. So, hypothesis 7 was proven
- h. Competence had significant influence on Customer Loyalty in Boyolali Bank of Central Java, this is seen in significance value $0,000 < 0,05$.
- H₈ : Competence had significant influence on customer loyalty in Boyolali Bank of Central Java. So, hypothesis 8 was proven.
- i. Customer Satisfaction had significant influence on Customer Loyalty in Boyolali Bank of Central Java, this is seen in significance value $0,000 < 0,05$.
- H₉ : Customer satisfaction had significant influence on customer loyalty in Boyolali Bank of Central Java. So, hypothesis 9 was proven.

5. F Test

Table 13. The Result of F Test

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	759,414	5	151,883	61,799	,000 ^a
	Residual	218,733	89	2,458		
	Total	978,147	94			

a. Predictors: (Constant), Kepuasan, Reputasi Bank, Kualitas Pelayanan, Penanganan Komplain, Kompetensi

b. Dependent Variable: Loyalitas

The result of simultaneous test (F Test) on the second equation shows the value of $F = 61,799$ with significance $0,000 < 0,05$. So, it's concluded that simultaneously independent variables influenced Loyalty.

6. Determination Coefficient (R²)

Total R² value of 0,917 meant Customer Loyalty in Boyolali Bank of Central Java could be explained by quality of service, Bank's reputation, complaint handling, competence and Customer satisfaction at 91,7% and the remaining 8,3% was explained by other variables outside of the research model.

7. Direct Influence and Indirect Influence and Total Influence

Path analysis calculates direct and indirect influences as well as total influence. The result of path analysis is as follows:

Table 15. Direct Influence, Indirect Influence and Total Influence

From Variable	Path Coefficient		Total Influence
	Direct Influence	Indirect Influence	
X ₁ to Y	=P ₅ =-0,008		
X ₂ to Y	=P ₆ =-0,184		
X ₃ to Y	=P ₇ =0,218		
X ₄ to Y	=P ₈ =0,550		
X ₁ through X ₅ to Y		= P ₁ x P ₉ =0,195 x 0,337 =0,064	= P ₅ +(P ₁ x P ₉) =-0,008+0,064 =0,056
X ₂ through X ₅ to Y		= P ₂ x P ₉ =0,220 x 0,337 =0,074	= P ₆ +(P ₂ x P ₉) =-0,184+0,074 =-0,110
X ₃ through X ₅ to Y		= P ₃ x P ₉ =-0,221 x 0,337 =-0,074	= P ₇ +(P ₃ x P ₉) =0,218-0,074 =0,144
X ₄ through X ₅ to Y		= P ₄ x P ₉ =0,667 x 0,337 =0,224	= P ₈ +(P ₄ x P ₉) =0,550+0,224 =0,774

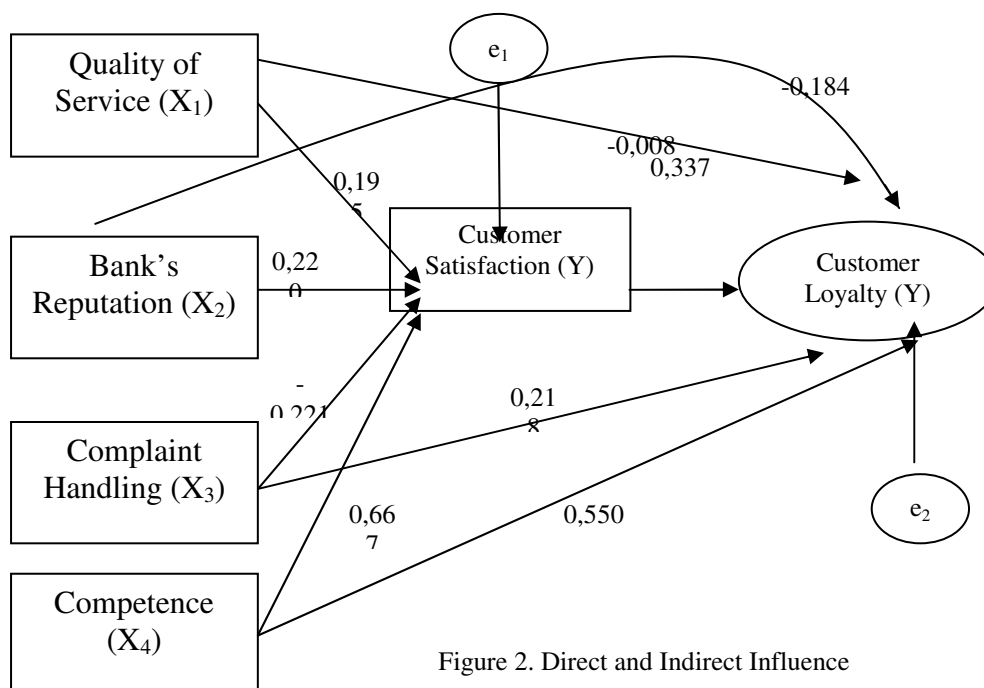


Figure 2. Direct and Indirect Influence

Implication

The result of path analysis showed that direct influence of quality of service variable on Customer Loyalty was bigger than indirect influence of quality of service and Bank's reputation through Customer satisfaction on Customer loyalty in Boyolali Bank of Central Java. This identifies that Customers in Boyolali Bank of Central Java required good quality of service to make Customers loyal to Boyolali Bank of Central Java. By considering factors which can improve quality of service such as friendliness, responsiveness to problems, correct solutions, speed in serving by Bank employees, the Customer loyalty in Boyolali Bank of Central Java would increase.

The result of path analysis showed that direct influence of bank's reputation variable on Customer Loyalty was bigger than indirect influence of quality of service and Bank's reputation through Customer satisfaction on Customer loyalty in Boyolali Bank of Central Java. This identifies that Customers in Boyolali Bank of Central Java required good reliable bank's reputation, so Customers were loyal to Boyolali Bank of Central Java. By considering factors which can improve bank's reputation such as customers' trust in the bank, the advantages of the bank compared to the competitors, and bank's competence, good reputation would improve Customer loyalty in Boyolali Bank of Central Java.

The result of path analysis showed that direct influence of complaint handling variable on Customer Loyalty was smaller than indirect influence of quality of service and Bank's reputation through Customer satisfaction on Customer loyalty in Boyolali Bank of Central Java. This identifies that Customers in Boyolali Bank of Central Java required customer satisfaction first if they want to increase customer loyalty. Improving satisfaction is by providing complete services and good services to all customers, so customer loyalty in Boyolali Bank of Central Java will improve optimally.

The result of path analysis showed that direct influence of competence variable on Customer Loyalty was bigger than competence variable on Customer Loyalty was bigger than indirect influence of quality of service and competence through Customer satisfaction on Customer loyalty in Boyolali Bank of Central Java. This identifies that Customers in Boyolali Bank of Central Java required good reliable competence, so customers were loyal to Boyolali Bank of Central Java. Efforts to improve competence was enabling employees of bank Jateng to plan, formulate and evaluate assignments well so that every customers could be served well, and adequate competence would increase Customer loyalty in Boyolali Bank of Central Java.

Conclusions

1. The result of t test concluded that:
 - a. The variables of Quality of Service, Bank's Reputation and Competence had positive and significant influence on Satisfaction, while Complaint Handling variable had negative and significant influence on Satisfaction. This showed in significant value of each variable $< 0,05$.
 - b. The variables on Complaint Handling, Competence and Satisfaction had positive and significant influence on Loyalty, while Bank's Reputation Variable had negative and significant on Loyalty. This showed in significant value of each variable $< 0,05$.
2. The result of simultaneous test (F Test) on the second equation discovered the value of $p F = 61,799$ with significance $0,000 < 0,05$. So, it's concluded that simultaneously independent variables influenced Loyalty.
3. Total R^2 value was 0,917, meaning Customer Loyalty in Boyolali Bank of Central Java was explained by quality of service, bank's reputation, complaint handling, competence and customer satisfaction variables at 91,7% and the remaining 8,3% was explained by other variables outside of the research model.
4. The result of path analysis showed that quality of service and bank's reputation variables had smaller direct influence than indirect influence. While complaint handling and competence variables had bigger direct influence than indirect influence.

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