The Influences of Mobile Banking Service Quality and Digital Marketing on Bank BNI Kantor Branch Utama Manado Customer Satisfaction Mediated by Digital Mindset

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Abstract: This study aims to see how the Quality of Mobile Banking and Digital Marketing Services affects Customer Satisfaction mediated by Digital Mindset. The development of technology in the era of the industrial revolution 4.0 is currently growing as a supporting facility used in human activities. Bank BNI seeks to build an identity as BNI is digital which is implemented by activating and using BNI Mobile Banking. However, BNI KCU Manado customers do not fully understand and master the features provided and offers marketed in the BNI Mobile Banking application. The analysis methods used are Convergent Validity Test, Reability Test, Structural Model and Path Analysis. The results showed that partially the Quality of Service to the Digital Mindset, Digital Marketing to the Digital Mindset, Service Quality to Customer Satisfaction.

Key words: Service Quality, Digital Marketing, Digital Mindset, Customer Satisfaction.

INTRODUCTION

Digital transformation is a consequence of the era of disruption or better known as the Industrial Era 4.0, so that there is a change in business models, overhauling the existing business ecosystem into a new ecosystem that is more innovative, complex and dynamic. In the conventional banking business, digital transformation has meant making significant improvements in procedures, ways of working, organizational structures and business models, in order to be more flexible in dealing with changes. The following data on IT investment in various industries for 10 years shows an increase in investment almost every year, a significant increase occurred in 2012 and continued to grow until 2017.

Figure 1. IT Investment in Various Industries

Source: Kappelman et al., MIS Quarterly Executive (2018)

The process of change that occurs needs to be supported by the right transformation strategy, in order to provide competitiveness and more value to the company's business. A strong impact will be felt as a result of changes in the way customers make transactions. Distribution channels such as internet banking, mobile banking, chatbots, artificial intelligence and social media applications are increasingly being used. If the digital strategy is implemented appropriately according to customer demands and needs, it is hoped that there will be an increase in customer loyalty (Winasis, 2020).

The influx of non-bank competitors such as Gojek which is a transportation business but now provides financial services and Alibaba which provides Alipay to make payments. Fintech companies are growing rapidly because they provide convenience for users to meet their needs in one Super App application and are supported by the number of users who actively use fintech applications to help live their daily lives such as transportation, food, sending goods, paying bills and even having features for investing and insurance.
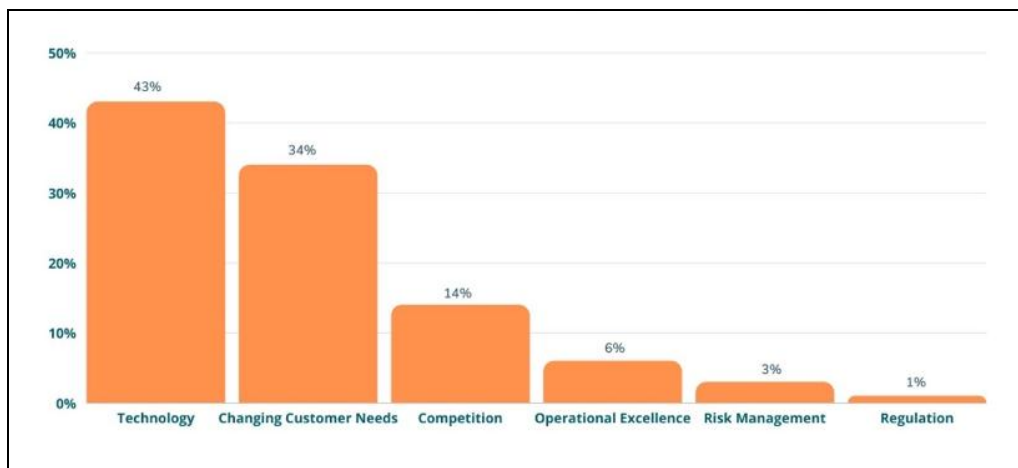

Figure 2. Drivers of Banking Business Transformation

Source: PWC, 2018 Indonesia Banking Survey; n = 65 top management at 49 banks

From the chart above, it shows that the main driver of banking business transformation is technology, followed by the other top three, namely changes in customer needs and competition. Digital transformation is carried out by banks to be able to keep pace with various new innovations developed by fintech and digital banks that develop influenceive and efficient financial services, especially in terms of transactions and account opening.

PT Bank Negara Indonesia (Persero) Tbk or commonly known as Bank BNI is a bank that has gone digital with the theme in 2019, namely "BNI Is Digital" – "in line and in rhythm with continuing to develop and innovate to create digital products to provide comfort and convenience for customers, so that no one is not served because BNI is Digital". The go digital strategy has become the main focus since the Covid-19 pandemic has put pressure on BNI to be ready for digitalization both in terms of processes, business processes to various banking products. Bank BNI is trying to build an identity as BNI that is digital which is implemented by activating and using BNI Mobile Banking. Regarding the phenomenon of using mobile banking, basically BNI Mobile Banking or commonly called m-banking is a free application that can be downloaded by smartphone users that provides the most features of banking transaction services that can be obtained through one application only. Bank BNI as the owner of the application, always updates the appearance and features that can be accessed according to the development of customer needs.

Bank BNI Main Branch Office (KCU) Manado is currently carrying out a strategy to increase the use of BNI Mobile Banking digital services to be able to achieve sustainability and make Bank BNI a transactional banking in its competition with mushrooming fintech and provide new innovations to Bank BNI always update the mobile banking application according to the convenience of baby boomers generation customers, adding the latest features and designs that can be liked by generations Y and Z, so that Bank BNI expects BNI mobile banking to be easy to use and provide user convenience. Not only convenience, BNI mobile banking also guarantees customer security with

double verification, namely users use passwords for logins and passwords for transactions. Based on previous research from the statement proposed by Gummesson and Lovelock (2004), it shows that the elements of service quality consist of speed, security, accuracy, and trust. The mobile banking application offers a variety of complete features in meeting transaction needs and provides many payment services.

According to Kotler (2017) in his book entitled Marketing 4.0 Moving from Traditional to Digital. Marketing 4.0 is a marketing approach that combines online and offline interactions between companies and consumers, combining style with substance in forming a brand that will ultimately complement machine to machine relationships with human touch to increase customer engagement. Mallat et al. (2004) stated that mobile banking services are shown to provide convenience, security, accuracy, and trust to customers in conducting banking transactions and are a form of service aimed at increasing customer satisfaction with the services provided by the bank. With digital services that are increasingly solutive for customer needs, they indirectly build their digital mindset. With an increasingly digital world, people must adapt to the digital innovations developed. A digital mindset needs to be owned by every individual in order to use digital products or commonly called 'digital literacy'.

Customer satisfaction is the level of a person's feelings after comparing the performance of the product (or results) that he feels with his expectations. If the performance is below expectations, customers will be dissatisfied. If the performance is as expected, customers will be satisfied. If the performance exceeds expectations, customers will be very satisfied, happy or happy (Thamrin, 2012). Customer satisfaction tends to be objective depending on people's ability to use a digital service.

BNI Mobile Banking is useful for facilitating daily transactions, nowadays most payments are made cashless and BNI Mobile Banking provides many features. However, there are still many assumptions that the technology provided by BNI Mobile Banking is difficult to understand or considers it necessary to learn the features provided and assumes that it is easier to make conventional transactions, namely by paying cash and saving money at home and comparing the ease of use of mobile services with peers. Through this, this research is directed to analyze the influence of BNI Mobile Banking and Digital Marketing service quality on customer satisfaction of Bank BNI KCU Manado mediated by Digital Mindset.

LITERATURE REVIEWS

Marketing

According to Kotler and Keller (2016), marketing is identifying and meeting human and social needs. One of the good and brief definitions of marketing is to meet needs in a profitable way. Marketing is the process by which a company creates value for customers and builds strong customer relationships to capture value from customers in return (Kotler and Armstrong, 2016).

Quality of Service

According to Tjiptono (2017: 180) defines service quality or service quality as a measure of how well the level of service provided is able to match customer expectations. Meanwhile, according to Parasuraman in Purwani and Wahdiniwaty (2017: 65) stated that service quality is a comparison between the service felt (perception) of customers with the quality of service expected by customers.

Service Quality Indicators

Lovelock and Wirtz (2011) state that the use of advanced technology in service services will lead to a goal where employee productivity is one of the keys to profitability, and will specifically save employee time (speed up work time) in serving customers, and will increase the level of accuracy of service results. Lovelock revealed the quality of mobile banking services into four parts, namely:

1. Speed, namely the speed and convenience of customers in carrying out mobile banking services.

2. Security, which is a guarantee of confidentiality in every m-banking service.

3. Accuracy, namely accuracy and accuracy in obtaining information about mobile banking.

4. Trust, which is customer trust in the bank where mobile banking is carried out.

Digital Marketing

Sánchez-Franco et al., (2014) define digital marketing as the result of evolutionary marketing. The evolution occurred when companies used digital media channels for most marketing. Digital media channels can be overcome and allowed continuous, bidirectional, and private conversations between marketers and consumers.

Digital Marketing Indicators

Digital marketing marketing activities include branding that uses various web-based media such as blogs, websites, e-mails, adwords, or social networks (Sawlani, 2021). Digital marketing in this study is defined as a marketing strategy for mobile banking products implemented by Bank BNI KC Manado through internet media. The indicators of digital marketing in the opinion of According to Nasdini (2012: 32) are as follows:

1. Accessibility, which is the ability of users to access information and services provided by online advertising.

2. Interactivity, is a two-way level of communication that refers to the reciprocal ability of communication between advertisers and consumers, and responding to the inputs they receive.

3. Entertainment is the ability to advertise to provide fun or entertainment to consumers.

4. Credibility (trust), is how the level of trust of consumers of online advertising appears, or the extent to which advertisements provide information about them trustworthy, impartial, competent, credible and specific.

5. Irritation is a nuisance that occurs in online advertising, such as ad manipulation that leads to fraud or consumers' bad experiences of online advertising.

6. Informativeness, which is the ability of advertising to supply information to consumers by providing a true picture of a product so that it can provide economic benefits for consumers.

Digital Mindset

Learning new technology skills is essential for digital transformation. To create new opportunities, people need a digital mindset. Digital Mindset is a set of attitudes and behaviors that allow people to see how technology opens up new possibilities and charts a path to success and is dominated by smart technology. Developing a digital mindset requires effort. (Leonardi and Neeley 2022).

According to strategy consultants, a digital mindset is important to be able to digitize a business. However, the term digital mindset is often only used as a keyword, metaphor and is seen as a dimension and normatively positive. If it is interpreted as having a digital mindset, it is a person's ability to be able to learn and use new technology easily and quickly. Having a strong digital mindset is important to be able to adapt and be agile to the digital transformation that occurs (Solberg, 2020).

Customer Satisfaction

Kotler and Keller (2012) state satisfaction is the level of feeling where a person expresses the results of a comparison between the results of the work of the person's product / service received and what is expected. While dissatisfaction arises if the results obtained do not meet customer expectations. Satisfaction is the feeling of satisfaction obtained by consumers because they get value from service providers. This value comes from service products and systems (Daryanto, 2014).

Customer Satisfaction Indicators

According to al-Arif (2017), the main factors that determine satisfaction are include:

1. expectations

2. Perceived performance

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If the perceived performance exceeds the expectation, the customer will feel satisfied, but if the perceived performance is far below the expectation, the customer will feel dissatisfied.

The factors for measuring customer satisfaction are as follows:

1. Overall Customer Satisfaction (Overall Customer Statistics). The simplest way to measure customers is to directly ask customers how satisfied they are with a particular specific product or service.

2. Dimensions of Customer Satisfaction. Identify customers to assess the company's products/services based on items such as speed of service, service facilities or friendliness of customer service staff.

3. Confirmations of Expectations. In this concept, satisfaction is not measured directly but is inferred based on the match/mismatch between customer expectations and the actual performance of the company's products.

4. Willingness to Recommend. The availability of customers to recommend products to their friends or family is an important measure to analyze and act on.

Research Methods

Types of Research

Research is a systematic, controlled, empirical, thorough and crisis investigation or effort into phenomena to find facts, new theories, hypotheses and truths using certain steps to find a scientific answer to a problem (Sujarweni, 2014). According to Sugiyono, (2015) Quantitative research is research by obtaining data in the form of numbers or qualitative data that is estimated.

Location and Object of Study

This research was conducted at PT. Bank Negara Indonesia, Tbk, Manado branch, which is the object of research, is BNI M-Banking user customers.

Data Collection Method

This research takes several steps in terms of its implementation. The first step begins with a problem that will be raised from various existing literature and also some information provided in the virtual world or the internet. Furthermore, problems of identification, formulation problems, and determining the purpose and benefits of the research are carried out. The next step is to compile a questionnaire that is distributed on the object of study. After the data is taken, data processing is carried out. After the results of the analysis are obtained, a discussion will begin which will produce conclusions and suggestions.

Primary Data

Primary data is data that comes from researchers for special purposes in dealing with their research problems (Maholtra, 2010). In this study, the primary data obtained by the authors were carried out by means of a survey. A survey is a study conducted by sampling one population and using a questionnaire as a data collection tool. The survey conducted in this study was by distributing online questionnaires.

Secondary Data

Data obtained from documentation or other sources of information that can support the object under study is in the form of reports or information from BNI Regional Office 11 which in this case is in charge of the Manado branch.

Population and Research Sample (qualitative: research informant)

Population

Population is a generalized area consisting of: objects / subjects that have certain quantities and characteristics that are determined by the researcher to be studied and then drawn conclusions

(Sugiyono 2015). The population of this study is BNI mobile banking users in BNI KCU Manado, which is 102,626 users.

Research Samples

According to Sugiyono (2015) samples are part of the number and characteristics possessed by the population. The sampling method in this study will use the non-probability sampling method. Non-probability sampling is a sampling technique that does not provide an equal opportunity for any element or member of a population to be selected as a sample. In determining the sample, researchers use the Slovin formula, namely:

$$ n = \frac{N}{1+Ne2} $$

Based on the calculation using the formula above, the sample of this research is 100 customers of BNI KCU Manado mobile banking users. This sampling is carried out using an incidental technique, as stated by Sugiyono (2016), that accidental sampling is the determination of samples based on chance, that is, anyone who accidentally meets the researcher can be used as a sample, if it is seen that the person who happens to be encountered is suitable as a data source.

Scale of Research Instruments

Research instruments are used to measure the value of the variables studied. Thus, the instruments to be used for research are based on the number of variables studied. Because research instruments will be used to make measurements with the aim of producing accurate quantitative data, each instrument must have a scale (Sugiyono, 2012). The measurement scale is an agreement that is used as a reference to determine the short length of the interval in the measuring instrument, so that the measuring instrument if used will produce quantitative data. and further determined the indicators to be measured. The indicators are then broken down into items of questions or statements. These items of questions or statements will later be used as questionnaires. meanwhile,

The answer to each instrument item that uses the Likert scale has a gradation from very positive to negative which can be a word. Where the smallest object is given the number one, then the second object is given the number two and the next (Sugiyono, 2008):

1. Strongly agree with being given a score (5)
2. Agree score (4)
3. Neutrals (3)
4. Disagree on being scored (2)
5. Strongly Disagree on being given a score (1)

Discussion

Influence of Service Quality on Digital Mindset

The quality of service variable has a significant influence on the Digital Mindset variable referring to the output obtained that the p-value of 0.003 is less than the significance level of 0.05. In addition, a coefficient value of 0.416 was obtained, which means that when the Service Quality variable increases by 1 unit, it will directly increase the Digital Mindset variable by 0.416. Digital mindset is a person's ability to be able to learn and use new technology easily and quickly, this is supported by the availability of BNI Mobile Banking services that help customers build a digital mindset through new features that meet the transactional needs of customers. According to Solberg 2020, having a strong digital mindset is important to be able to adapt and be agile to the digital transformation that occurs.

The Influence of Digital Marketing on Digital Mindset

The Digital Marketing variable has a significant influence on the Digital Mindset variable. Referring to the output obtained, the p-value of 0.007 is less than the significance level of 0.05. In addition, a

coefficient value of 0.363 was obtained, which means that when the Digital Marketing variable increases by 1 unit, it will directly increase the Digital Mindset variable by 0.363.

Kaufman and Horton (2014) point to digital marketing as a non-traditional marketing model that is the impact of digital transformation. Based on the results obtained, Digital Marketing has a significant influence on Digital Mindset, which means the transition from traditional marketing to digital marketing builds a Digital Mindset from customers who help in the face of digital transformation.

The Influence of Service Quality on Customer Satisfaction

The variable of service quality has a significant influence on the variable of Customer Satisfaction. Referring to the output obtained that the p-value of 0.001 is less than the significance level of 0.05. In addition, a coefficient value of 0.264 was obtained which means that when the Service Quality variable increases by 1 unit, it will immediately increase the Customer Satisfaction variable by 0.264.

The results of this study are supported by research conducted by (Aditya Rachman 2020) with the title Analysis of Service Quality in order to Increase Customer Satisfaction of Bank Rakyat (BRI) Belitung Banjarmasin Unit. The results showed that there was a significant influence of service quality on customer satisfaction of Bank Rakyat Indonesia (BRI) Belitung Unit. This research both obtained the results of service quality having a significant influence on customer satisfaction.

The Influence of Digital Marketing on Customer Satisfaction

The Digital Marketing variable has a significant influence on the Customer Satisfaction variable. Referring to the output obtained that the p-value of 0.001 is less than the significance level of 0.05. In addition, a coefficient value of 0.266 is obtained, which means that when the Digital Marketing variable increases by 1 unit, it will directly increase the Customer Satisfaction variable by 0.266. This result is the same as Sya'ban's research (2021), the relationship between digital marketing variables and customer satisfaction is included in the strong and unidirectional correlation criteria, namely if digital marketing is carried out the company is high, so the customer satisfaction is obtained by the company is also high.

The Influence of Digital Mindset on Customer Satisfaction

The Digital Mindset variable has a significant influence on the Customer Satisfaction variable. Based on the output obtained, the p-value of 0.000 is less than the significance level of 0.05. In addition, a coefficient value of 0.469 is obtained, which means that when the Digital Mindset variable increases by 1 unit, it will directly increase the Customer Satisfaction variable by 0.469. Financial literacy conducted by Remund (2010) in Ismanto et al. (2019), customers have knowledge and confidence about the features, benefits and risks, rights and obligations related to financial products and services, that is, the customer knows and is confident about the features, benefits and risks, rights and obligations in using financial products and services and has skills in Using financial products and services, customers are able and choose and use financial products and services that suit their needs. Digital mindset supports this where customer satisfaction is influenced by the digital mindset of customers to provide a perception of the quality of the digital services they use.

CONCLUSION

Research conducted on BNI Mobile Banking KCU Manado user customers in an effort to find out and analyze Customer Satisfaction, the following conclusions can be drawn:

1. The Service Quality variable has a significant Dinfluence on the Digital Mindset variable.
2. The Digital Marketing variable has a significant influence on the Digital Mindset variable.
3. The variable of service quality has a significant influence on the variable of Customer Satisfaction.
4. The Digital Marketing variable has a significant influence on the Customer Satisfaction variable.
5. The Digital Mindset variable has a significant influence on the Customer Satisfaction variable.

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