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The Impact of Customer Service Quality and Mobile Transactions in Increasing Customer Confidence at LPD Badung District

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A B S T R A C T

This study uses the Badung Regency Village Credit Institution as its focal point. The purpose of the study is to find out how consumer trust in the Village Credit Institution in Badung Regency is impacted by service quality and mobile transactions. quantitative multiple regression research method with SPSS Version 24 for data interpretation and an example of 93. Research Results: (1) Mobile transactions (X2) have a positive and significant effect on customer trust; (2) customer trust (Y) has a simultaneous positive and significant effect on quality of service and mobile transactions, so that they become one unit in the LPD in Badung Regency; and (3) customer trust (X1) has a favorable and noteworthy increasing impact on customer trust. Implications for Research According to this study, mobile transactions and factors pertaining to service quality have a significant impact on Badung Regency's Village Credit Institutions.

INTRODUCTION

In Indonesia, there are many financial institutions which of course manage public funds. In general, financial institutions can be divided into 2 types, namely bank and non-bank financial institutions. Kasmir stated that bank financial institutions are business entities that collect funds from the public in the form of savings and distribute them to the public in the form of credit or other forms. Like banks, non-bank financial institutions also function as collectors and distributors of funds to and from the community, with the aim of supporting the development of money and capital markets and assisting company capital. Meanwhile, according to Banking Law Number 10 of 1998, financial institutions are business entities that collect funds from the public in the form of savings and channel them back to the public in the form of credit or other means in order to improve the standard of living of many people.

The Village Credit Institution, a traditional village-owned enterprise (BUMDA), is one of the non-bank financial institutions in the Bali area. Serving as a platform for community wealth, the community Credit Institution performs its duties by working to raise the village's standard of living and by funding several village initiatives. Each traditional village should have an LPD in order to support village development by raising the hamlet's standard of living and enhancing its activities. The aim of establishing an LPD in each traditional village is based on the explanation of Regional Regulation No. 2/2998 and No. 8/2002 concerning Village Credit Institutions, is to support rural economic development through increasing the savings habits of village communities and providing credit for small-scale businesses, to eliminate forms of exploitation in credit relations, to create equal opportunities for business activities at the village level and to increase the level of monetization in rural areas.

In the current digital era, mobile applications have become an inseparable part of everyday life, including banking services. The ease of access, speed and convenience offered by mobile applications make them the first choice for many customers. However, even though it has been widely introduced, there are still several concerns regarding the security and reliability of transactions via mobile applications.

The Badung Regency Village Credit Institution (LPD) as a financial institution that aims to serve the community at the local level also cannot ignore the importance of technology in meeting customer needs. However, the challenges faced by the Badung Regency Village Credit Institution (LPD) may be different from those of large banks, especially regarding information technology resources and infrastructure.

In addition, with increasing competition in the banking sector, maintaining customer trust is crucial in maintaining and increasing the market share of Badung Regency Village Credit Institutions (LPD). Therefore, a deep understanding of customer needs, expectations and concerns regarding mobile applications can provide valuable insight for Village Credit Institutions (LPD) to develop more effective strategies in improving service quality and customer trust.

Research Objectives

Based on the problem identification and problem limitations that have been stated above, the author formulates the problem, namely:

1. To find out how service quality influences customer trust in LPD Badung Regency.
2. To find out how mobile transactions affect customer trust in LPD Badung Regency.
3. To ascertain the impact of mobile transactions and service quality on LPD Badung Regency customers' trust.

LITERATURE REVIEW

Human Resources Management

Ajabar, (2020:5) Human Resource Management is an activity that is attempted to trigger, improve, motivate and maintain good performance in an organization. According to (Ni Kadek & John, 2019:2) Human Resource Management is the process of delivering organizational goals through taking advantage of humans or people within it. Individuals or employees are managed so that they have good competencies and abilities needed to support their work.

Understanding Service Quality

Lewis & Booms in Tjiptono & Chandra (2011: 180) define service quality as the extent to which the level of service rendered can be realized in accordance with the expectations of the client. According to Tjiptono (2011: 157), a company's capacity to satisfy the demands and preferences of its clients while also meeting their expectations determines the quality of the services it provides. In cases where there are variables that affect service quality, such as perceived service (service received) and expected service (service expected).

Service Quality Indicators

Service quality indicators according to Kotler in Arni Purwani and Rahma Wahdiniwaty (2017: 65) are as follows 1) Reliability, 2) Responsiveness, 3) Assurances, 4) Empathy, 5) Tangibles

Understanding Mobile Transactions

Riswandi, Budi Agus's explanation of M-Banking (2005,83) Banks provide a cutting-edge service called M-Banking that enables customers to conduct financial transactions using a smartphone.

Mobile Transaction Terms

According to Rahardjo (2002) explains that there are several requirements for good mobile banking, including: 1) Easy to use application, 2) Service can be reached from anywhere, 3) Cheap, 4) Safe, 5) Reliable

Definition of Trust

According to Salim and Salim (1991:1573) trust is the truth of something that is believed in, belief in honesty, goodness, and so on to the party who is trusted about something.

Trust Indicators

Mayer, et al (1995) developed indicators of trust (Susanti and Hadi, 2013; Pramana and Rastini, 2016), as follows: 1) Ability, 2) Kindness, 3) Integrity.

METHODOLOGY

Types of Research

This type of research is associative, according to Sugiyono (2009: 11) associative research is research that aims to determine the influence of the independent variable on the dependent variable and how close the influence or relationship is and to determine whether there is a correlation between the two variables.

Population and Sample

Population

A population is a collection of items or persons chosen by researchers to be examined and from which conclusions will be made because they share specific traits and characteristics (Sugiyono, 2010: 117). The number of Village Credit Institution Management in Bali's Badung Regency serves as the study's population. There are 122 Village Credit Institutions in Badung Regency, dispersed among 6 (six) Districts. The 122 LPD units that were still operational or in operation made up the study's population.

Sample

The sample is part of the total number of population members. Samples are taken if the population is large, while researchers do not have the ability to collect and study all information from the entire population, due to limited costs and time. Sampling was carried out using proportional random sampling, that is, each LPD had the same opportunity to become a research sample. The respondent in this study was the Chair of the LPD.

Determination of the sample size was calculated using the Slovin formula, namely 122 LPD units were obtained.

Data Collection Techniques

In this research, data collection techniques were used using the interview method, questionnaire method, and literature study.

1. Interview, Interview is a method of collecting data by means of questions and answers and face to face conducted by the interviewer with the interviewee to obtain the information needed in the research. In this study, a short pre-research interview was conducted to obtain initial information.
2. Questionnaires, questionnaires are a method of collecting data by asking questions to the subjects being studied with the intention that the subjects being studied can provide responses according to the researcher's

requests. In this research, a questionnaire method was used to obtain data on LPDs in Badung Regency, Bali.

3. Literature Study, this research uses literature study, namely collecting data obtained through book, internet and literature sources related to the problem being studied.

Data Analysis Techniques

In this study, the following methods of data analysis were employed: 1) Quantitative Analysis, 2) Validity Test, and 3) Reliability. 4) Using the Statistical Package for Social Science Software (SPSS Software) for Windows version 24, perform multiple linear regression analysis.

RESULT AND DISCUSSION

Analysis results based on background, theoretical basis, framework of thinking, research design and research methods and answering the hypothesis on the partial influence of each variable as follows:

Relationship Between Research Variables

1) With a significance value of 0.000, there is a substantial positive association between the Service Quality Control variable (X1) and Customer Trust (Y) of 0.655. Thus, in Badung Regency's Village Credit Institutions, there is a high and substantial association between the Service Quality variable and Customer Trust.
2) The Mobile Transaction variable (X2) has a significant positive relationship with Customer Trust of 0.575 with a significance value of 0.000. So, the Mobile Transaction variable (X2) has a moderate and significant correlation with Customer Trust in Village Credit Institutions in Badung Regency.

Analysis based on F Test/Research Model

53,594 is the computed F value, and 0.000b is the significance value. due to the significance value being less than or below 0.05. Respondents can thus accept the concept and model of the variables utilized by researchers, which include Service Quality (X1) and Mobile Transactions (X2) on Customer Trust (Y) in Village Credit Institutions in Badung Regency.

Analysis Results Based on the T Test/ Test of Influence Between Variables

The results of the analysis based on the results of data processing with the help of SPSS version 24 can be explained as follows:

1) With a t-count value of 6,498 and a significant level of 0.000, the Service Quality variable (X1) is smaller than or below 0.05. Thus, it can be concluded that in Credit Institutions Village in Badung Regency, Service Quality (X1) significantly and favourably affects Customer Trust.
2) Variable for Mobile Transactions (X2) With a significance threshold of 0.05, which is less than or equal to 0.05 and a tcount of 2.091, the significance value is 0.039 and the tcount is 2.091. Therefore, the Mobile

Transaction variable (X2) has a significant and positive impact on Trust for Village Credit Institution Customers in Badung Regency.

Influence of Analysis Results Based on the Regression Equation

1) The variable X1, also known as Service Quality (X1), has a Sig value of 0.000 and a coefficient value of 0.364 in a positive direction. With a significance level of 0.1, these findings show that variable X1, or service quality, has a positive and substantial impact on customer trust in village credit institutions in Badung Regency.
2) The coefficient value of the variable X2 or the Mobile Transaction variable is 0.286 with a positive direction and the Sig value is 0.000, meaning that the variable

Research Implications

The implications of this research can be a simulated contribution of 53.30 percent to Village Credit Institutions in Badung Regency, so there is no need to carry out further research.

CONCLUSIONS AND RECOMMENDATIONS

1) In Village Credit Institutions in Badung Regency, customer trust is positively and significantly impacted by service quality. This implies that an organization will provide excellent customer service in order to uphold their trust.
2) In Badung Regency, mobile transactions have a major and favorable impact on trust in village credit institutions. This implies that customer trust will rise in proportion to the effective utilization of mobile transaction services.
3) Service quality and mobile transactions simultaneously have a positive and significant effect on customer trust. This means that the more services and services provided, the more customer trust will increase.
4) The leadership should pay more attention to employee service quality factors so as to minimize customer discomfort in transactions, because in this research service quality has the least dominant influence compared to mobile transaction variables.
5) The leadership should also pay more attention to the mobile transaction factor because the services available on mobile applications must further improve their security features and transaction methods.
6) Suggestions for future researchers, it is recommended that further research examine other independent variables that influence purchasing decisions, because based on the determinant results, 47.30% of customer trust is influenced by variables other than service quality and mobile transactions.

FURTHER RESEARCH

Each study has limitations; thus, you can describe it here and briefly provide suggestions for further research.

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