The Influence of Service Quality and Product Quality on Member Satisfaction of Koperasi Simpan Pinjam CU Karya Bersama

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A B S T R A C T
This study analyzes the effect of service quality and product quality on member satisfaction at Koperasi Simpan Pinjam CU Karya Bersama with a quantitative research type. This study used multiple linear regression analysis with a population of 213 active members in the loan product data of KoperasiSimpanPinjam CU Karya Bersama and a sample of 140 respondents. The data collection method used was a questionnaire. The results show that the regression equation Y = 4.871 + 0.319 X1 + 0089 X2 + e The independent variables of service quality and product quality simultaneously influence the satisfaction of members of Koperasi Simpan Pinjam CU Karya Bersama. Service quality and product quality variables affect member satisfaction, with a value of 36.3. While the remaining 63.7% (100%-36.3) = 63.7% are other variables not mentioned in this study, such as corporate image, promotion, and motivation.

INTRODUCTION

According to Azizah (2022) cooperatives are legal entities formed on the principle of kinship, the purpose of cooperatives is to prosper their members. Cooperatives can be referred to as a group of people who voluntarily fight for the improvement of the community's economic welfare. Khuswati & Relita (2019) state that savings and loan cooperatives have the goal of making their members prosperous, while cooperative operations are related to service delivery, and contribute to building Indonesia's economic order in order to create a just and prosperous society. Cooperative member service satisfaction is an added value to savings and loan cooperatives to increase economic turnover and increase members. However, this depends on product quality and service quality provided by cooperative management to members.

According to Rizqi (2021) product quality and service quality are closely related to member satisfaction. Service quality encourages members to establish stronger bonds with cooperatives. Product quality is defined as the condition of an item based on an assessment of conformity with a predetermined measuring standard.Fadhila L.H., (2019) said that if members get good service and products, members will feel satisfied with the cooperative. The better the quality of service and product quality provided, the higher the satisfaction of cooperative members. Each member has a different assessment of the quality of service, to meet the expectations of members, the management must focus more on efforts to fulfill the needs and desires of the members.

The CU (Credit Union) Karya Bersama Savings and Loans Cooperative is a business entity owned by people in a unifying bond, who have an agreement to save their money so that joint capital is created to be loaned among fellow members and/or prospective members with interest that is appropriate for productive and well-being goals. The survival of cooperatives is very much determined by gaining the trust of members so that cooperatives are always required to be trusted by the public.

LITERATURE REVIEW

Quality Service

Service quality according to Rizqi (2021) can be defined as the difference between the expectations and reality of members for the services they have received. Service quality is a performance offered by management/employees to customers. Furthermore, Kotler & Keller (2016) said that service quality can provide a strong impetus to customers to form good relationships with business entities.Kotler & Keller (2016) service quality indicators are:

a. Physical Evidence
b. Responsive
c. Assurance
d. Empathy
e. Reliability

Product Quality

Product quality is anything that can be presented to the market for purchase, use, attention, or consumption that can satisfy a need or want (Kotler

& Armstrong, 2014). Product quality, according to Kusuma et al. (2014), is anything that can be given to consumers to attract interest, use, demand, or consumption that can meet consumer needs. According to Rizqi (2021), product quality is the capacity of a product to carry out its functions and performance in such a way as to satisfy customers. The following are the indices of product quality cited by Khuzaini (2008):

a. Initial deposit
b. Administration
c. Flower
d. Security
e. convenience
f. Deposit balance

Member Satisfaction

Zulkarnain, et al. (2020) define satisfaction as a person's emotion of joy or disappointment resulting from a comparison between their impressions of a performance or the results of a product and their expectations. Customer satisfaction, according to Irawan (2012), is the consumer's reaction to the gap between expected performance and actual performance of the product as experienced after use. Consumers in using the products and services offered will produce a certain level.

Such satisfaction lies in the relationship between customer expectations and perceived performance. The customer is not satisfied if the performance falls well short of their expectations. Customer satisfaction depends on whether the performance meets or surpasses expectations Rangkuti, (2016). If the performance exceeds expectations, the customer will be extremely satisfied, happy, and joyful. Indicators of member satisfaction according to Kotler (2014) are:

a. Complaint and suggestion system
b. Analysis of lost members
c. Member survey
d. Shadow Buyer

According to Yosananingtyas & Ardianto (2021), the research's coefficient is positive, indicating a positive correlation between cooperative members' happiness and the quality of the services provided. Therefore, member satisfaction increases with service quality and vice versa. The following formulation of the hypothesis can be made based on the description given above:

H1: *Service quality has an impact on cooperative members' satisfaction.*

Mariana, et al. (2023) states that at the KSPPS Khairu Ummah Puraseda Branch, product quality has a significant effect on member satisfaction. That is, member satisfaction increases along with the increase in product quality. For members of cooperatives, product quality is crucial. The following formulation of the hypothesis can be made based on the description given above:

H2: *Product quality has an impact on cooperative members' satisfaction.*

Rizqi (2021) defines service quality as the discrepancy between reality and members' expectations for the service obtained. By contrasting members' opinions of the services they have received, service quality can be determined. The following formulation of the hypothesis can be made based on the description given above:

H3: *Service and product quality have an impact on member satisfaction simultaneously*
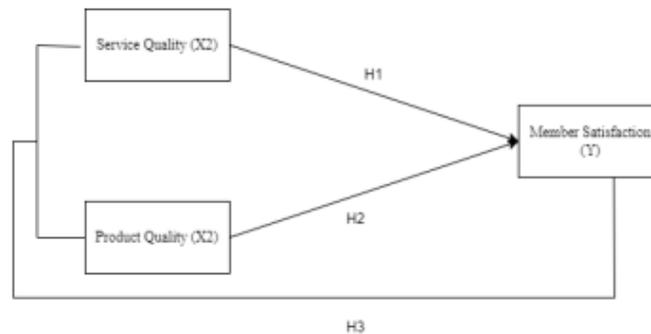
Source: Data processed by researchers (2023)

Figure 1. Conceptual Framework

METHODOLOGY

This study used a quantitative approach to its investigation. Ramadhan (2021) defines quantitative research as a methodical analysis of a phenomenon by data collection and measurement utilizing statistical, mathematical, or reconstructive techniques. The primary data used in this study are those collected directly from respondents. A questionnaire with a 4-point Likert scale that was delivered to respondents served as the method for gathering data for this investigation. According to the statistics on savings and loans, the population in this study consists of 213 active members of koperasi simpan pinjam CU Karya Bersama. The sample used in this study was 140 using the Slovin formula, a total population of 213 with an error rate of 5%.

RESEARCH RESULT

Validity Test

Validity test was taken by 140 respondents to find the value of r table. r table is obtained from the formula df = n-2, so df = 140-2 = 138, with a level of (α) = 5% or 0.05, then r table has a value of 0.164. The following data validity test results:

Tabel 1. Validity Test

Variable	Statement	Rcount Value	Rcount Table	Explanation
Serive Quality (X1)	X1-1	0.666	0.164	Valid
	X1-2	0.647	0.164	Valid
	X1-3	0.665	0.164	Valid
	X1-4	0.689	0.164	Valid
	X1-5	0.661	0.164	Valid
	X1-6	0.596	0.164	Valid
	X1-7	0.571	0.164	Valid
	X1-8	0.522	0.164	Valid
	X1-9	0.513	0.164	Valid
	X1-10	0.447	0.164	Valid
Product Quality (X2)	X2_1	0.555	0.164	Valid
	X2_2	0.559	0.164	Valid
	X2_3	0.668	0.164	Valid
	X2_4	0.68	0.164	Valid
	X2_5	0.691	0.164	Valid
	X2_6	0.31	0.164	Valid
Member Satisfaction (Y)	Y_!	0.72	0.164	Valid
	Y-2	0.706	0.164	Valid
	Y-3	0.720	0.164	Valid
	Y-4	0.729	0.164	Valid
	Y-5	0.631	0.164	Valid

Source: Data processed by researchers (2023)

The results of the validity test of 21 question items and 140 respondents with an error level of 5% or 0.05, it can be concluded that all question items from each variable are valid, as evidenced by the results at the r count > 0.164.

Reliability Test

The reliability of the research instrument items is examined using this reliability test. If a variable can deliver a Cronbach's Alpha value greater than 0.60, it is deemed dependable. This table shows the findings of a reliability test.

Table 2. Reliability Test

Variable	Cronbach's Alpha	Explanation
Service Quality (X1)	0,800	Reliabel
Product Quality (X2)	0,697	Reliabel
Member Satisfaction (Y)	0,742	Reliabel

Source: Data processed by researchers (2023)

Normality Test

You can use the PP chart to determine the shape of the data distribution. Plot. The dispersion of the data (points) on the diagonal axis of the graph will reveal whether the data in the PP Plot graph are regularly distributed or not.

Figure 2. PP Plot Graph
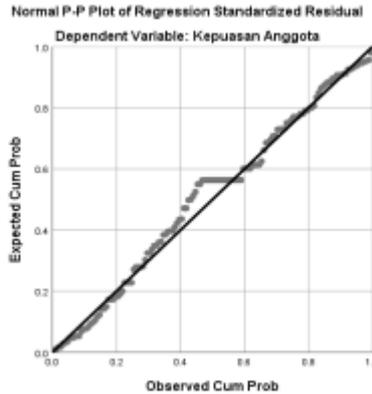
Source: Data processed by researchers (2023)

If the data (points) in the above figure are distributed around the diagonal line in the same direction as the diagonal line, then the regression model can be said to satisfy the assumption of normality.

Multicollinearity Test

To determine whether a regression model identifies a correlation between independent variables, apply the multicollinearity test. The regression model has a multicollinearity issue if there is correlation.

Table 3. Multicollinearity Test

| Model	Collinearity Statistic	
	Tolerance	VIF
(Constant)		
Serive Quality	0.615	1.625
Product Quality	0.615	1.625
a. Dependent Variable: Member Satisfaction		

Source: Data processed by researchers (2023)

The table above shows that the variable service quality and product quality in Tolerance shows the number 0.615 (value above 0.1 and close to 1). The VIF value of each variable has a value of 1,625 (VIF number is not greater than 10 and close to 10). It can be concluded that the regression model does not have multicollinearity problems between service quality and product quality variables.

Heteroscedasticity Test

The heteroscedasticity test is important for determining whether the regression test contains one residual observation and an inequality of variance. The regression coefficient of variance may be at its lowest if the model exhibits heteroscedasticity symptoms.

Figure 3. Heteroscedasticity Test
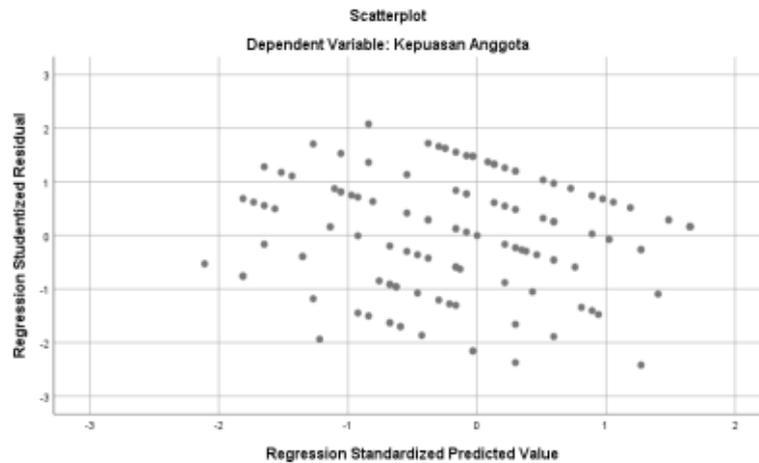
Source: Data processed by researchers (2023)

Multiple Linear Analysis

Multiple linear regression is a regression model to test the relationship between 2 independent variables namely service quality and product quality with one dependent variable member satisfaction.

Table 4. Multiple Linear Analysis

Coefficients		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.871	1.518		3.209	.002
	Serive Quality	.319	.050	.547	6.337	.000
	Product Quality	.089	.081	.095	1.102	.273
a. Dependent Variable: Member Satisfaction						

Source: Data processed by researchers (2023)

The equation of multiple regression can be explained as follows:

$$Y = 4.871 + 0.319\, X1 + 0.089\, x2 + e$$

The constant 4,871 in the equation above can be understood as meaning that the value for member satisfaction is 4,871 if the quality of the service and the product is zero or stays the same. The service quality variable's regression coefficient is 0.319.

This implies that member satisfaction will rise by 0.319 points for every 1% improvement in service quality. Product quality has a regression coefficient

of 0.089, which indicates that member satisfaction will rise by 0.089 if the quality of the product increases by 1%.

T Test (Partial)

The t test is used to determine if member satisfaction variables are affected jointly or independently by service and product quality variables. The study's t table value is 1.977 and was calculated using the formula df=n-23=140-3=137 with a significance level of 0.05.

Table 5. T Test

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.871	1.518		3.209	.002
	Service Quality	.319	.050	.547	6.337	.000
	Product Quality	.089	.081	.095	1.102	.273

a. Dependent Variable: Member Satisfaction

Source: Data processed by researchers (2023)

The t count value for the service quality variable is 6,337, with a significance level of 0.000. This demonstrates that the t count value above the t table value (6,337>1.977)1 and has a significance level of (0.000<0.05). indicating that H0 is rejected and H1 is approved, indicating that service quality has a partial impact on member satisfaction. The t value and significance for the product quality variable are 1.102 and 0.273, respectively. This illustrates how the computed t value exceeds the r table.This indicates that the calculated t value is smaller than t table (1,102>1.977) and a significance of 0.273<0.05, it can be said that H2 is rejected and H0 is accepted. This means that product quality has no partial effect on member satisfaction.

F Test (Simultaneous)

The f table value in this study is 3.06. This value is obtained from the quantifier Df (N1) = k-1 = 3-1=2 and for the denominator Df (N2) = n-k = 140-3 = 137. The value of k is the number of independent and dependent variables. The following are the results of testing using SPSS version 25:

Table 6. F Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	160.919	2	80.459	40.663	.000ᵇ
	Residual	271.081	137	1.979		
	Total	432.000	139			
a. Dependent Variable: Member satisfaction						
b. Predictors: (Constant), Product quality, Service Quality						

Source: Data processed by researchers (2023)

Based on the f test above, the calculated f value is 40,663 with a significance of 0.000. Because f count is greater than f table (40,663>3.06) with a significance value of 0.000<0.05 Then H3 is accepted and H0 is rejected. This means that the variables of service quality and product quality together have an influence on the satisfaction of members of koperasi simpan pinjam CU Karya Bersama.

Coefficient of Determination Test (R²)
To show the value of the coefficient of determination in the output of SPSS Version 25, it is expressed by the Adjusted R Square value in the model summary table.

Table 7. Coefficient of Determination Test (R²)

Mode 1	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.610ᵃ	.372	.363	1.407
a. Predictors: (Constant), Product Quality, Service Quality				

Source: Data processed by researchers (2023)

Based on the results of the table above, that the value of Adjust R Square is 36.3 indicating that the variable service quality and product quality can affect member satisfaction with a value of 36.3. While the remaining 63.7% (100% - 36.3) = 63.7% is explained by other variables not mentioned in this study.

DISCUSSION
The t test on the service quality variable produced a t value of 6,337 with a significance level of 0.000. This demonstrates that the t count value exceeds the t table value (6,337 > 1.977), and with a significance level of 0.000<0.05, it may be

concluded that H1 is accepted and H0 is rejected, indicating that service quality does, in fact, have some bearing on member satisfaction.

According to the results of the t-test for the product quality variable, the t-count value was 1.102 with a significance of 0.273. This shows that the calculated t value is greater than r table. This indicates that the calculated t value is smaller than t table (1,102>1.977) and a significance of 0.273 <0.05, it can be said that H2 is rejected and H0 is accepted. So it can be said that product quality has no partial effect on member satisfaction of koperasi simpan pinjam CU Karya Bersama.

CONCLUSIONS AND RECOMMENDATIONS

Based on the test results, we can infer that CU Karya Bersama koperasi simpan pinjam member satisfaction is influenced by both service and product quality. Member satisfaction is significantly impacted by the service quality variable's (X1) level of service quality. Additionally, the product quality variable (X2) shows that the degree of product quality has a negligible impact on cooperative members' happiness.

The happiness of members of koperasi simpan pinjam CU Karya Bersama is influenced by the variables of service quality and product quality when they are combined.According to the test results of the coefficient of determination, the size of the impact of product and service quality on member satisfaction of the koperasi simpan pinjam CU Karya Bersama is 36.3%. Other factors affect the remaining 63.7% of the percentage.

ADVANCED RESEARCH

In the data collection process, the respondents took a lot of time because the population in the koperasisimpanpinjam CU Karya Bersama was the elderly and not all respondents were willing to give time to fill out the questionnaire. In addition, the need for the addition of other variables such as corporate image, promotion, motivation and so on.

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