

Service Failure of Non Banking Industry

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Abstract: *The Financial System has created an alternative and indirect way to investors (or funders) to channel funds to users of funds. This is an indirect fund transfer (indirect transfer) of funds to users of funds through financial companies. The purpose of this study is to find out how much influence perceived severity of service failure with trust and perceived severity of service failure with commitment at non banking industry in Indonesia . Sampling is done by simple random sampling. Initially in doing the screening by taking 10% of the sample amount is 30 respondents, to know perceived severity of service failure what is experienced by the customer. Then the samples were drawn to a minimum of 150 respondents. The data collected in the analysis by using Regression and Correlation by testing the hypothesis using the test instrument of Structural Equation Model (SEM) model. The result of this research is the influence of perceived severity of service failure at government bank where the most prominent influence is trust or customer trust.*

Keywords: *Commitment , perceived severity of service failure service failure, satisfaction, trust.*

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I. INTRODUCTION

One of the factors that fail or not the services provided by the bank, is loyalnya customers to the bank. Banks will become big and trust by the customers because many customers are positive values so as to provide a good reference to relatives and friends that the bank where he saves does not have a problem (Rao, Tiwari, 2008). Service failure can be interpreted as a wrong action on a service, which can occur both now and in the future (McCollough, 2000). To that end, all service providers try to provide good service quality in each of their activities, all brands try to minimize all service failures (Miller, Lewis and Spyrapopolus, 2000), which has an influence on customer satisfaction. The research problems below, they are:

1. Is there the relationship Service failure will affect the satisfaction?
2. Is there the relationship Service failure will affect the trust?
3. Is there the relationship Service failure will affect commitment?

II. LITERATURE REVIEW

In handling service failure issues, companies must apply rules that customers can know (Ross, 1999), can use word-of-mouth (Swanson and Kelly, 2001), and raise the level of service quality (Gronroos; 2000). Satisfaction is a feeling that arises to be able to respond to service and evaluate it, where the evaluation process raises a good expectation from customers about the service (Chen; 2007). Satisfaction can also mean anything positive from service providers in all aspects that the company provides affect the feelings of customers in a sustainable relationship. (Witaker, Leden, 2007). Trust as a concept is closely related to the wishes of customers or customers to entrust their services to a company for the future. The concept implies a good relationship to reduce harmony in complex human relationships. (Bruhn, M, 2003). Trust itself is not a habit, trust can be generated from a cooperative activity or from a business deal. Sometimes, trust becomes an essential element and the foundation for an intra personal relationship, necessary to maintain stability within an organization (Bertil Hulten, 2007). Commitment is one of the important variables to find out how strong the relationship between the customer and the company and in the world of marketing commitment is a stimulus to establish a better relationship with the customer. When commitment becomes more valuable than a relationship in communicating between customers and companies, then the company will benefit from the situation (Ndubisi; 2007). Based on some discussion process above, here is the hypothesis that there is:

H1: Feedback from Service failure will affect the satisfaction.

H2: The response from Service failure will affect the trust.

H3: Feedback from Service failure will affect commitment.

The method is done with the scenario research, or commonly known by making statements made as respondents experienced it, which aims to find the data variables of respondents by way of providing direction to the experience settings that have been dialamai by respondents so that the statements given not deviate far from the respondents experienced. This research is a survey to test the hypothesis about the influence between perceived severity of service failure to satisfaction with trus and commitment. Sampling is done by simple random sampling. Initially in doing the screening by taking 10% of the sample amount is 30 respondents, to know perceived severity of service failure what is experienced by the customer. Then the samples were drawn to a minimum of 150 respondents. The data collected in the analysis using correlation and regression by testing the hypothesis using the test instrument of Structural Equational Model (SEM) model. The purpose of this method is to make measurements more accurate and suitable with such a research model (Anderson and Gerbing, 1988 and Bagozzi (2004).

III. FINDINGS

Analysis of data obtained from the test results against the hypothesis. The purpose of testing the hypothesis is to reject the null hypothesis (Ho) so that the alternative hypothesis (Ha) bias is accepted. This can be done by looking at the significance of each relationship. The fault tolerance limit (α) used is 5%. If $p < \alpha$ or $p < 0,05$ then there is significant influence between variable x to variable y. SPSS calculation results can be seen in the table below:

	β	t	Sig
Service failure satisfaction	0,234	3,652	0,000
Service failure trust	0,355	5,762	0,000
Service failure commitment	0,274	4,325	0,000

Hypothesis # 1

The first hypothesis examines the effect of service failure to satisfaction. The null hypothesis (Ho) and the alternative hypothesis (Ha) are arranged as follows:

Ho 1: There is no effect between service failure to satisfaction

Ha 1: There is an influence between service failure and satisfaction

The results show that the t value is 3.652 with $\beta = 0.234$ and the significant level of 0.000 means less than 0.05 ($p < 0.05$) then Ho 1 can be rejected and received. Ha 1 which means there is influence between perceived severity of service failure with satisfaction. Niali beta 0.234 means perceived severity of service failure gives sufficient influence to satisfaction.

Hypothesis # 2

The first hypothesis examines the effect of service failure to trust. The null hypothesis (Ho) and the alternative hypothesis (Ha) are arranged as follows:

Ho 1: There is no effect between service failure to trust

Ha 1: There is an influence between service failure and trsut

The results show that the t value is 3.652 with $\beta = 0.234$ and the significant level of 0.000 means less than 0.05 ($p < 0.05$) then Ho 1 can be rejected and accepted. Ha 1 tang means there is influence between service failure with trust. Niali beta 0,5000 means perceived severity of service failure gives a considerable influence to trust.

Hypothesis # 3

The first hypothesis examines the effect of perceived severity of service failure on commitment. The null hypothesis (Ho) and the alternative hypothesis (Ha) are arranged as follows:

Ho 1: There is no effect between service failure to commitment

Ha 1: There is an influence between service failure and commitment

The results show that the t value is 4.325 with $\beta = 0.274$ and the significant level of 0.000 means less than 0.05 ($p < 0.05$) then Ho 1 can be rejected and accepted. Ha 1 which means there is influence between perceived severity of service failure with commitment. Niali beta 0.274 means service failure gives a big influence on commitment

IV. CONCLUSION

Tests on the research problem show that perceived severity of service failure has influence to customer satisfaction, then perceived severity of service failure also have influence to customer trust, and service failure also have influence to commitment. This means that any failure of services provided by a domestic bank will satisfy customers 'satisfaction, trust and commitment affecting the customers' behavior on the bank in which they are saving. Likewise with word-of mouth, will be a powerful weapon for customers when service failure

often occurs in its customers. From the results of the above conclusions, then the results of this study should be used by the perpetrators of banking in raising business. The quality of service and the intensity of communication after the occurrence of service failure become the main indicator in the service in the banking world, therefore it is expected that the perpetrators of banking, especially the domestic banks further improve the quality of services and establish more relations, so as to improve the negative impression of its customers so that satisfaction, trust and customer commitment becomes high, and automatically the customer will be loyal to the bank where they save. In this study the problem studied is the response of perceived severity of service failure whether there is influence from bad services that the workers are given the bank against the interest to remain a customer of the bank. For research purposes, the researcher determines several criteria, such as:

1. Respondents in this study are the customers of large government banks living in the vicinity of West Jakarta.
2. Respondents come from middle-class societies with jobs such as, mahasiswa, private employees and civil servants.
3. The research results can not be generalized to the level of Indonesia, because each region has a different culture.

This study only examines how the response and influence between perceived severity of service failure with satisfaction, trust and commitment in the banking world with SPSS analysis tool. For further research it is suggested to do research on other service business field, so that the output of the research result becomes more varied, especially related to problem correction after service failure, and also the next researcher using another tool of analysis so that can know the other influence .

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