

The Effect of Service Quality, Personal Selling, and Complaint Handling on Customer Retention of Sharia Bank Customers with Customer Satisfaction as Intervening Variable

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Abstract: Customer retention is an important element of any banking strategy in today's increasingly competitive environment. The purpose of this study is to examine and explain the effect of service quality, personal selling, and complaint handling on customer retention in Islamic bank customers in Indonesia with customer satisfaction as an intervening variable. The population of this study was Islamic bank customers in Indonesia with sampling using a purposive sampling technique, the number of samples used in this study was 107 respondents. The data analysis technique used is SEM-PLS using Warp PLS version 7.0 as a data processing tool. The results of this study indicate that service quality, personal selling, and complaint handling have a significant positive effect on customer satisfaction. Customer satisfaction itself has a significant positive effect on customer retention, while the three independent variables have no significant effect directly on customer retention. Different results when service quality, personal selling, and complaint handling have a significant positive effect on customer retention after being mediated by customer satisfaction variables.

Keywords: *Service Quality, Personal Selling Complaint Handling, Customer Satisfaction, and Customer Retention.*

Introduction

The current increase in the number of banks has the potential to encourage businesses in the banking sector to become more competitive and increase efficiency and bank soundness (Widyastuti & Armanto, 2013). With this increase, every company that provides banking services makes more efforts to improve products and services to be able to keep up with the changing needs and desires of customers. Changes in customer needs and desires are influenced by several factors, such as the development of the economy, technology, and mindset (Sondakh, 2015). Islamic banks which are one of the financial institutions in the banking sector industry in Indonesia must always be more aware of the development of customer needs and desires in order to compete with conventional banks. In its journey, Islamic banks continue to experience development, one of which can be seen from the number of customers who use Islamic banking services. Figure 1 shows the development of Islamic bank customers in Indonesia at BUS and UUS for the 2016-2021 period.

Based on Figure 1, the number of Islamic bank customers continues to increase from year to year. However, compared to the market share of conventional banks, the Islamic financial market share itself is only 6.5% of the total national banking market share (IDXChannel.com, 2021). Seeing the growth of the market share of Islamic banks in Indonesia is still low, Islamic banks themselves need to develop appropriate marketing strategies to deal with this. This is a strategy that is usually carried out on a large scale by Islamic banks in finding new customers. This will increase costs or be inefficient, but if Islamic banks try to maintain market share by focusing on retaining customers who are already more profitable

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(Kotler, 2002). According to (Tjiptono, 2011) the main goal of every business is to create and retain customers.

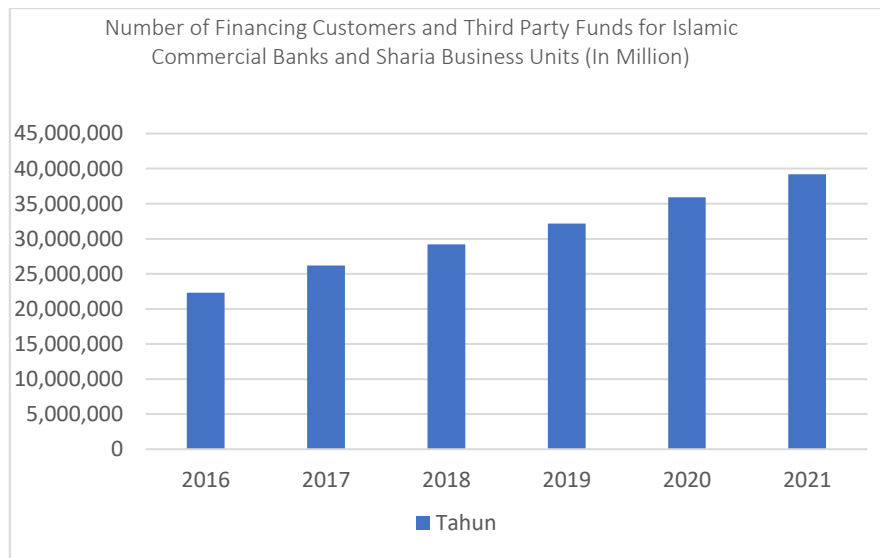


Figure 1. Total of Sharia Bank Customers in 2016-2021
Source: OJK.

Customer retention is a form of loyalty that is measured by the buying behavior of a customer, as evidenced by the high frequency of customer purchases of the product or service (Alfiana, 2019). A comprehensive definition of customer retention according to (Boohene et al., 2013) customer retention is customer preferences, identification, commitment, trust, willingness to recommend, and intention to repurchase. Page et al., Payne & Frow in Simbolon (2011) from the results of their research suggests that customer retention is able to generate real financial benefits for the company. The same thing was stated by Dawkins & Reicheld in Simbolon, (2011) in his research that an increase in the retention rate of 5% can affect an increase in the net present value of 25% to 85%. In addition, customer retention is an important part to assess a company's performance which is usually assessed by financial measures. In research conducted by Gengeswari et al., (2013) The results show that customer retention has an impact on the performance of non-financial companies as assessed by customer satisfaction.

Based on research conducted by (Boohene et al., 2013), believes that there are several factors that influence customer retention, namely customer satisfaction, customer commitment, customer trust, service quality, and switching barriers. Each of these five factors has a positive and significant effect on customer retention of commercial banks in Ghana. Therefore, the need for certain strategies are implemented by the company so that customer retention remains high.

Study Chan (2018) stated that sponsorship, personal selling, and pricing strategy have a positive and significant impact on customer retention. In addition, research conducted by (Kartikawati et al., 2020) that other factors that create customer retention, namely customer incentives, trust, and complaint handling, indicate that each factor has an influence on customer retention. By looking at the various factors that have an influence on customer retention, this study focuses more on the factors of service quality, personal selling, complaint handling, and customer satisfaction in creating customer retention for Islamic bank customers in Indonesia.

Japarianto (2018) states that customers who feel the service quality of the company is good, it will affect customer retention at the company. This shows that service quality has a significant effect on customer retention (Hardjanti. & Amalia, 2014; Boohene et al., 2013; Lay et al., 2018).

If the customer feels that the personal seller or salesperson from the company is capable and can fulfill the wishes of the customer, then the customer will buy products from that company (Tumbelaka & Loindong, 2014). The findings of research conducted by (Chan, 2018) show that personal selling has a direct or indirect effect on customer retention.

Complaint handling that is effectively carried out by the company will lead to customer satisfaction (Shams et al., 2020). Research (Kartikawati et al., 2020) shows that complaint handling has a positive and significant effect on customer retention of BMT Amanah Ummah customers in Kartasura, the results of the same study were also conducted by (Mahmoud et al., 2018) that conflict handling has a significant effect on customer retention in the cellular telecommunications industry.

Research by Odunlami (2015) shows that customer satisfaction independently has an effect of 71.7% on customer retention. Darzi & Bhat (2018) show that satisfaction has a positive and significant effect on customer retention (Boohene et al., 2013; Mahmoud et al., 2018; Lay et al., 2018).

Literature Review

Customer Retention

According to Japariato (2018), customer retention is a strategy to maintain long-term relationships with customers. Customer retention can be seen as a mirror image of customer defection, where a high retention rate has the same impact as a low defection rate (Tjiptono, 2015). Comprehensively the definition of customer retention according to (Boohene et al., 2013) customer retention is customer preference, identification, commitment, trust, willingness to recommend, and intention to repurchase. Liking, identification, commitment, and trust are constructs that build emotional and cognitive retention, while willingness to recommend and intention to repurchase are behavioral intentions. Thus, customer retention is closely related to repurchase behavior. There are many theories and practices that marketing is more centered on the art of attracting new customers than retaining existing ones (Setyono, 2008).

Service Quality

According to Saghier & Nathan (2013), service quality is defined as an attitude on the results of the comparison of customer service quality expectations with the perceived performance of a company by customers. Meanwhile, according to Agyapong (2011), service quality is the customer's perception of how the services provided are in accordance with customer expectations. Expectations and customer perceptions are the two main things in seeing a service quality. Customers themselves will consider the performance of service quality to be low when the perception in the field is usually considered good but does not match the customer's expectations when the customer has tried the service, while the customer will consider the service quality performance to be high when the customer feels the service is in accordance with their expectations (Japariato, 2018). Service quality must start from customer needs and end with customer satisfaction and positive perceptions of service quality (P Kotler & Keller, 2012).

Personal Selling

According to Grewal and Levy (2010), personal selling is a two-way communication between buyers and sellers designed to influence buying decisions by buyers. According to Tumbelaka dan Loindong, (2014), Personal selling is an oral presentation in conversation with one or more buyers. Meanwhile, according to Kotler and Armstrong (2016), the definition of personal selling is a presentation made by the company's sales force with the aim of attracting customers.

Complaint Handling

Complaint handling is how customers respond to and evaluate responses from service providers, and service/recovery failures (Nikbin et al., 2010). According to Karatepe & Ekiz (2010), complaint handling is how service providers can meet or exceed the expectations of customers who complain by providing the best service and resolving their complaints from customers who tend to be negatively aimed at the company. Fornell (2003) in (Budiarti, 2017) With proper complaint handling, the company can turn dissatisfied customers into customers who have high loyalty.

Customer Satisfaction

Satisfaction is an individual reaction to the experience of the product used, satisfaction can be seen from the indicators of usability, effectiveness, efficiency, and performance of a product (Wijayanti & Riza, 2017). Micu (2013) defines customer satisfaction as feelings of pleasure or disappointment that arise after comparing perceptions of the performance of a product and their expectations. Satisfaction itself is a function of perceptions of performance and expectations. According to Seyed Ghorban & Tahernejad (2012), Customer satisfaction is a measure between the expectations and customers of the product or service and the customer's real experience with the product or service.

Hypothesis Development

Influence of Service Quality on Customer Satisfaction

According to Saghier & Nathan (2013), service quality is defined as an attitude toward the results of the comparison of customer service quality expectations with the perceived performance of a company by customers. Srivastav & Mittal (2016) states that banks must provide high-quality services by responding to customer needs. Referring to research by Alia and Raza (2017), all dimensions of service quality have a positive and significant influence on customer satisfaction. This is in line with research conducted by (Srivastav & Mittal, 2016; Kamarudin & Kassim, 2020). When the bank provides good service quality, the customer will feel satisfied.

Influence of Personal Selling on Customer Satisfaction

Personal selling is an oral presentation in conversation with one or more buyers (Tumbelaka & Loindong, 2014). If the customer feels that the person selling from the company is capable and can fulfill the wishes of the customer, after that the customer will buy the product from that company (Onainor, 2019). Research (Tumbelaka & Loindong, 2014) shows that there is a significant influence of personal selling on customer satisfaction.

Influence of Complaint Handling on Customer Satisfaction

Complaint handling is how customers respond to and evaluate responses from service providers, and service failures/recovery (Nikbin et al., 2010). Complaint handling that is effectively carried out by the company will lead to customer satisfaction (Shams et al., 2020). A study conducted by (Mahmoud et al., 2018; Shams et al., 2020) shows that there is a significant influence between complaint handling on customer satisfaction.

Influence of Customer Satisfaction on Customer Retention

Customer satisfaction is a measure between customer expectations of the product or service and the customer's real experience with the product or service. Customer satisfaction is an important factor in influencing customer retention, therefore customer satisfaction is considered an antecedent for customer retention (Mahmoud et al., 2018). Research (Oduunlami, 2015) shows that satisfaction has a significant effect on customer retention. This is also the same with research conducted by (Boohene et al., 2013; Darzi & Bhat, 2018) with different research backgrounds and samples.

Influence of Service Quality on Customer Retention

The relationship between service quality variables to customer retention is significant as research (Boohene et al., 2013). Empirical studies prove that there is a significant positive relationship between service quality and customer retention (Boohene et al., 2013). If service quality increases, customer retention will increase.

Influence of Personal Selling on Customer Retention

Study (Yang, 2015) which shows that a series of personal selling dimensions which are divided into several variables of attitude and personality of salespeople can directly or indirectly affect customer retention. Research (Chan, 2018) also shows that personal selling has a positive effect either directly or indirectly on customer retention. (Darzi & Bhat, 2018) his research showed that the personal capability (personal capability) of the salesperson which is an important factor in direct sales has a positive influence on customer retention.

Influence of Complaint Handling on Customer Retention

A study (Mahmoud et al., 2018) shows that when the company is able to handle customer complaints and successfully respond to them, customers will return to make repeat purchases. This study shows that complaint handling has a significant positive effect on customer retention. The same thing is also the same in research (Kartikawati et al., 2020) where complaint handling has a significant positive effect on customer retention.

Influences of Service Quality, Personal Selling, and Complaint Handling on Customer Retention Through Customer Satisfaction

Effect *service quality* in making purchasing decisions by customers seems to be largely influenced indirectly and mediated by *value* and *satisfaction* (Boohene et al., 2013). Research (Boohene et al., 2013) shows that when the relationship between *service quality* with *customer retention* is mediated by variable *customer satisfaction*, a significant value between *service quality* to *customer retention* is higher. A study (Chan, 2018) shows that personal selling has a direct and indirect effect on customer retention. A study (Mahmoud et al., 2018) shows that when the relationship between complaint handling and customer retention is mediated by the customer satisfaction variable, it still has a significant indirect relationship to customer retention.

Based on the explanation in the above paragraph the hypothesis of the research is as follows:

- H₁: Service quality has a positive and significant effect on customer satisfaction of Islamic bank customers
- H₂: Personal selling has a positive and significant effect on customer satisfaction in Islamic banks
- H₃: Complaint handling has a positive and significant effect on customer satisfaction of Islamic bank customers
- H₄: Customer Satisfaction has a positive and significant effect on customer retention of Islamic bank customers
- H₅: Service quality has a positive and significant effect on customer retention of Islamic bank customers
- H₆: Personal Selling has a positive and significant effect on customer retention of Islamic bank customers
- H₇: Complaint Handling has a positive and significant effect on customer retention of Islamic bank customers
- H₈: Service quality, personal selling, and complaint handling have a positive and significant effect on customer retention through customer satisfaction of sharia bank customers

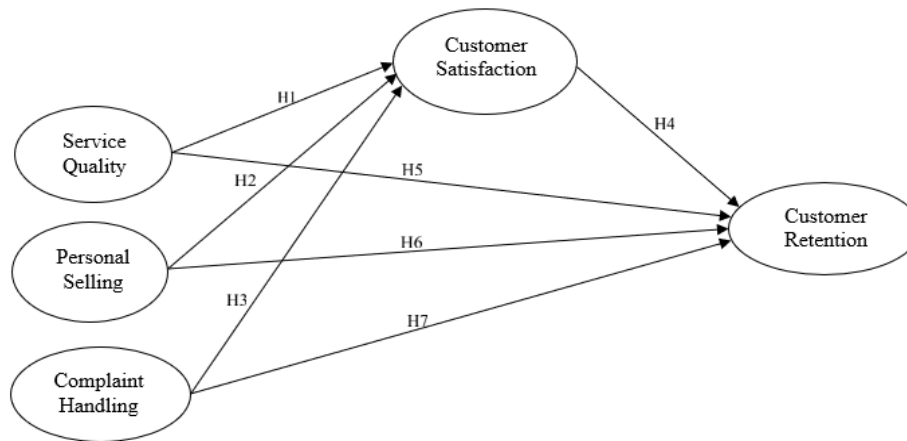


Figure 2. Framework Research

Research Method

This type of research is using quantitative research to determine the factors that influence customer retention at Islamic banks in Indonesia. Quantitative research is research that emphasizes more on numerical data (numbers) that are processed by statistical methods and will obtain the significance of group differences or the significance of the relationship between the variables studied (Badri, 2012). The data was obtained in this study by distributing online questionnaires through a google form containing a list of questions that will be distributed to respondents according to the criteria in this study. In addition, this study also uses secondary data obtained or collected from existing sources.

The population in this study is Indonesian residents who are customers of Islamic banks. The sampling technique used in this study is non-probability sampling. Meanwhile, the method of sampling is the purposive sampling method. Purposive sampling is a sampling technique with certain considerations (Siyoto & Sodik, 2015). In this study, the sample is limited to only Islamic bank customers who have used the services or products of Islamic banks for more than one year.

The technique for determining the number of samples in this study is to use the Cohen approach (1992) by considering statistical power and effect size when selecting the sample size. The following table describes the sample size of the SEM-PLS model with a significance of 1%, 5%, and 10% and a minimum R^2 of 0.10, 0.25, 0.50, and 0.75.

Table 1, it can be determined the minimum number of samples to be used in this study. The number of arrows hitting a construct in the research model is 10, the researcher expects a maximum significance of 0.05 (5%) and a minimum R^2 of 0.50. Then the minimum sample size that will be needed is 59 samples.

The customer retention variable was measured using the instrument from (Chan, 2018) with 5 question items, the service quality variable is measured using an instrument from (Rosyita, 2017) with 5 question items, and the personal selling variable was measured using the instrument of (Chan, 2018) with 5 question items, the complaint handling variable was measured using an instrument from (Mahmoud et al., 2018) with 5 question items, the customer satisfaction variable is measured using the instrument of (Janet Robinson, 2013) with 7 question items. All items use a 4-point Likert scale from "strongly disagree-strongly agree".

The data analysis technique in this study used Partial Least Square (PLS)-Structural Equation Model (SEM), using Warp PLS software version 7.0. The analysis of the Partial Least Square (PLS)-Structural Equation Model (SEM) model consists of two evaluations of the measurement model/outer model and the structural model/inner model. Test reliability and validity with Cronbach values, Average Variance Extracted (AVE), Composite Reliability, and factor loading values (Hair et al., 2014).

Table 1. Determination of samples size SEM-PLS

Maximum Number of Arrows at a Construct	Significance Level											
	1%				5%				10%			
	Minimum R2				Minimum R2				Minimum R2			
	0.10	0.20	0.50	0.75	0.10	0.25	0.50	0.75	0.10	0.25	0.50	0.70
2	158	75	47	38	110	52	33	26	88	41	26	21
3	176	84	53	42	124	59	38	30	100	48	30	25
4	191	91	58	46	137	65	42	33	111	53	34	27
5	205	98	62	50	147	70	45	36	120	58	37	30
6	217	103	66	53	157	75	48	39	128	62	40	32
7	228	109	69	56	166	80	51	41	136	66	42	35
8	238	114	73	59	174	84	54	44	143	69	45	37
9	247	119	76	62	181	88	57	46	150	73	47	39
10	256	123	79	64	189	91	59	48	156	76	49	41

Table 2. Demographics of Respondents

Variable	Description	Amount	Percentage
Gender	Man	44	59%
	Woman	63	41%
Age	17-25 Years	72	67%
	26-35 Years	4	4%
	36-45 Years	9	8%
	> 45 Years	22	21%
Last education	High School/Equivalent	47	44%
	D3/S1	46	43%
	S2/S3	14	13%
	Other	0	0%
Work	Students	56	52%
	PNS/TNI/Polri	30	28%
	Housewife	1	1%
	Private employees	14	13%
	Self-employed	6	6%
	Other	0	0%
Income	<IDR1,000,000.00	44	41%
	IDR1.001,000.00-IDR 2,000,000.00	16	15%
	IDR2,001,000.00-IDR3,500,000,00	6	6%
	IDR3,501,000.00-IDR 5,000,000.00	10	9%
	>IDR 5,000,000.00	31	29%
Long Time Being a Customer	1 year	19	18%
	2 years	32	30%
	3 years	20	19%
	4 years	6	5%
	5 years	5	5%
	>5 Years	25	23%
Sharia Bank Name	Bank Syariah Indonesia	62	58%
	Bank Jabar Banten Syariah	33	31%
	Bank Pembangunan Daerah Syariah	5	5%
	BCA Syariah	5	4%
	Bank Muamalat	2	2%

Results and Discussion

Results

Respondents in this study were 107 Islamic bank customers. The characteristics of respondents in this study are quite varied with demographics spread across various regions of Indonesia (See Table 2). All

variable items in this study are reliable and valid with Cronbach values 0.70, Composite Reliability 0.70, AVE 0.50, and factor loading 0.60 except variable items SQ3, PS3, CH5, CS1, and CS2 discarded for not fulfilling. The results of this test are summarized in Table 3.

Table 3. Validity, Reliability, and AVE

Variables Items	Loading	Cronbach & Composite R	AVE		
<i>Service Quality (SQ)</i>					
SQ1	0.697	0.697 & 0.815	0.525		
SQ2	0.779				
SQ4	0.724				
SQ5	0.696				
<i>Personal Selling (PS)</i>					
PS1	0.708	0.725 & 0.829	0.548		
PS2	0.708				
PS4	0.777				
PS5	0.767				
<i>Complaint Handling (CH)</i>					
CH1	0.779	0.737 & 0.836	0.561		
CH2	0.687				
CH3	0.816				
CH4	0.708				
<i>Customer Satisfaction (CS)</i>					
CS3	0.697	0.779 & 0.850	0.533		
CS4	0.699				
CS5	0.693				
CS6	0.743				
CS7	0.811				
<i>Customer Retention (CR)</i>					
CR1	0.734			0.746 & 0.831	0.502
CR2	0.678				
CR3	0.680				
CR4	0.709				
CR5	0.718				

Table 4. R-Squared and Q-Squared

	R-squared	Q-Squared
Z	0.476	0.480
Y	0.649	0.654

Statistical test results show R² value (see Table 4) is 0.476 for Z (Customer Satisfaction) which means that customer satisfaction is influenced by the variables of service quality, personal selling, and complaint handling by 47.6%. For R² . values 0.649 for Y (Customer Retention), which means that customer retention is influenced by the variables of service quality, personal selling, complaint handling, and customer satisfaction by 64.9%. While the value of Q² greater than 0 (zero) indicates that the exogenous latent variable has predictive relevance to the affected endogenous latent variable.

Direct Relationship of Each Variable

Service quality can affect customer satisfaction where the path coefficient value = 0.198 and *P-Values* = 0.016 (see Table 5). The first hypothesis (H1) states that service quality has a positive and significant effect on customer satisfaction. Personal selling can affect customer satisfaction where the path coefficient value = 0.155 and *P-Values* = 0.049. The second hypothesis (H2) states that personal selling

has a positive and significant effect on customer satisfaction. Complaint handling can affect customer satisfaction where the path coefficient value = 0.437 and $P\text{-Values} < 0.001$. The third hypothesis (H3) states that complaint handling has a positive and significant effect on customer satisfaction. Customer satisfaction can affect customer retention where the path coefficient value = 0.735 and $P\text{-Values} < 0.001$. The fourth hypothesis (H4) states that customer satisfaction has a positive and significant effect on customer retention. Service quality that affects customer retention where the path coefficient value = 0.040 and $P\text{-Values} = 0.339$. The fifth hypothesis (H5) states that service quality has no significant effect on customer retention. Personal selling affects customer retention where the path coefficient = 0.012 and $P\text{-Values} = 0.451$. The sixth hypothesis (H6) states that personal selling has no significant effect on customer retention. Complaint handling affects customer retention where the path coefficient value = 0.073 and $P\text{-Values} = 0.221$. The seventh hypothesis (H7) states that complaint handling has no significant effect on customer retention.

Table 5. Direct Relationship of Each Variable

Hypothesis	Path	Path coefficients	P values	Note.
H1	SQ→CS	0.198	0.016	Received
H2	PS→CS	0.155	0.049	Received
H3	CH→CS	0.437	<0.001	Received
H4	CS→CR	0.735	<0.001	Received
H5	SQ→CR	0.073	0.339	Rejected
H6	PS→CR	0.040	0.451	Rejected
H7	CH→CR	0.012	0.221	Rejected

Mediation Analysis

Test of the influence of mediation on the intervening variable, whether it can give a significant indirect effect, is done through the Sobel Significance Test formula (1982), to determine the extent to which the mediator can contribute to the total effect on the variable outcome (Sholihin & Ratmono, 2021). Where the indirect effect of the independent variable (X) on the dependent variable (Y) through mediation (Z) is tested by using the result of bootstrap (Hair et al, 2017).

Table 6. Mediation Test Result

Hypothesis	Path	Path coefficients	P values	Note.
H8	SQ→CS→CR	0.146	0.014	Received
	PS→CS→CR	0.114	0.044	Received
	CH→CS→CR	0.321	<0.001	Received

Service quality through customer satisfaction on customer retention is where the path coefficient value = 0.146 with $P\text{-Values} = 0.014 < 0.05$ (see Table 6). The eighth hypothesis (H8) states that service quality through customer satisfaction on customer retention has positive and significant results. Personal selling through customer satisfaction to customer retention is where the path coefficient value = 0.114 with $P\text{-Values} = 0.044 < 0.05$. The eighth hypothesis (H8) states that personal selling through customer satisfaction on customer retention has positive and significant results. Complaint handling through customer satisfaction to customer retention is where the path coefficient value = 0.321 with $P\text{-Values} = < 0.001 (< 0.05)$. The eighth hypothesis (H8) states that complaint handling through customer satisfaction on customer retention has positive and significant results.

Table 7. Total Effect

Path	Total effects	P values for total effects
SQ→CS	0.198	0.016
PS→CS	0.155	0.049
CH→CS	0.437	<0.001
CS→CR	0.735	<0.001
SQ→CR	0.219	0.009
PS→CR	0.154	0.050
CH→CR	0.333	<0.001

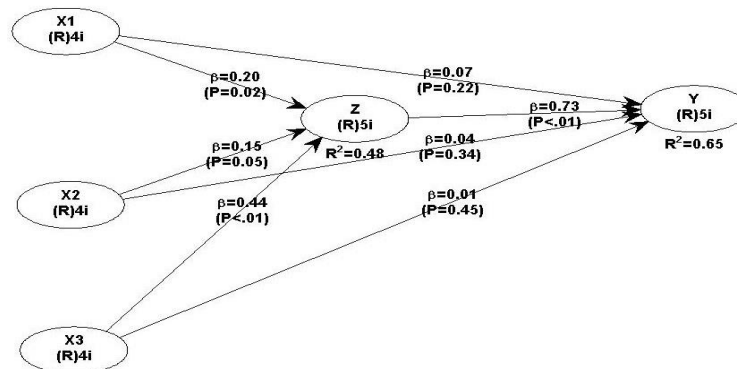


Figure 3. Test Results

The value of the total effect, namely the direct effect (service quality → customer retention) of 0.073 + the Indirect effect (service quality → customer satisfaction → customer retention) of 0.146 = 0.219. The value of the total effect, namely the direct effect (personal selling → customer retention) of 0.040 + indirect effect (personal selling → customer satisfaction → customer retention) of 0.114 = 0.154. The value of the total effect is the direct effect (complain handling → customer retention) of 0.012 + indirect effect (complaint handling → customer satisfaction → customer retention) of 0.321 = 0.333.

Discussion

The Influence of Service Quality on Customer Satisfaction

The results of this study are in line with research (Srivastav & Mittal, 2016; Kamarudin & Kassim, 2020) service quality has a positive and significant effect on customer satisfaction. Islamic banks in Indonesia are generally able to provide quality services to customers in terms of reliability, responsiveness, empathy, and physical evidence. It can be seen that service quality can affect satisfaction for Islamic bank customers in Indonesia. Therefore, Islamic banking in Indonesia needs to maintain the quality of existing services and improve the quality of services in the future such as providing explanations for service failures that occur and quickly providing solutions, incorporating service excellence and service recovery as part of the company's business strategy, in terms of guarantees with provide unconditional service guarantees, in terms of responsiveness in resolving service failures quickly and accurately (Tjiptono, 2015).

The Influence of Personal Selling on Customer Satisfaction

The results of this study are in line with the research conducted (Tumbelaka & Loindong, 2014) shows that personal selling and servicescape have a joint influence on customer satisfaction. Separately, personal selling also has a positive and significant effect on customer satisfaction. This happens because two-way communication allows direct interaction between salespeople and customers and will at least create a positive assessment from customers, in addition to the personal selling process when customers

find solutions to the financial problems they face and the products they offer. offered according to the needs of the customer, it will give a sense of satisfaction to the customer.

The Influence of Complaint Handling on Customer Satisfaction

The results of this study are the same as those conducted by (Mahmoud et al., 2018; Shams et al., 2020) showing that the handling of complaints has a positive and significant effect on customer satisfaction. Effective complaint handling carried out by the company will lead to customer satisfaction. This reflects the complaint-handling services carried out by Islamic banks so far have been good in terms of customer satisfaction, for the future competitiveness of Islamic banking in Indonesia there need to be ways to improve complaint-handling services, namely paying more attention to handling complaints effectively, management involvement The top management in handling customer complaints also has a positive impact because customers prefer to deal with people who have the power to take decisions and take action to solve their problems, and companies must develop management information systems,(Tjiptono, 2015).

The Influence of Customer Satisfaction on Customer Retention

The results of this fourth hypothesis are the same as the research conducted by (Odunlami, 2015) shows that customer satisfaction is able to independently influence customer retention by 71.7%. The results of the same study were also stated by (Boohene et al., 2013; Mahmoud et al., 2018; Lay et al., 2018; Darzi & Bhat, 2018) customer satisfaction has a positive and significant effect on customer retention.

The explanation above shows that Islamic banking companies in Indonesia are able to provide a sense of satisfaction in terms of the products offered, and services that meet customer expectations which are reflected in their responses such as will continue to do banking transactions and will recommend Islamic banks to others. Customer satisfaction is one of the keys to retaining customers, so for Islamic banking companies in Indonesia, it is necessary to measure the level of customer satisfaction more deeply. This will help the company assess its current position against competitors and which sectors need improvement. Companies that are quick to respond to various changes to their customers will create customer retention by increasing sales and can increase customer loyalty (Esti et al., 2013).

The Influence of Service Quality on Customer Retention

Based on the results of testing the hypothesis above, it shows that the service quality variable has no effect on the customer retention variable of Islamic banks in Indonesia. This means that the service quality variable has not been able to independently influence customer retention of Islamic bank customers in Indonesia.

Assessment of service quality carried out by customers requires the intensity of transactions that are often carried out, because the minimal transaction intensity makes customers still unable to assess the quality of services available at Islamic banks. In addition, when the customer still has an account with a conventional bank, the customer will compare his assessment of the level of service quality provided by Islamic banks and conventional banks (Fatmawati & Handayani, 2015). So Islamic banks in Indonesia need to take steps to improve service quality in order to create a sense of satisfaction for customers, such as providing explanations for service failures that occur and quickly providing solutions, incorporating service excellence and service recovery as part of the company's business strategy, from in terms of guarantees by providing unconditional service guarantees, in terms of responsiveness in resolving service failures quickly and accurately, and providing superior customer service is realized by offering better services than competitors (Tjiptono, 2015).

The Influence of Personal Selling on Customer Retention

Based on the results of the hypothesis testing above, shows that the personal selling variable has no significant effect on the retention variable of Islamic bank customers in Indonesia. These findings are different from the findings in the study (Chan, 2018) that personal selling can have a positive and significant effect on customer retention. In addition to communication skills in personal selling,

salespeople need to understand the ethics of salespeople. Ethics and behavior of salespeople in communicating are the key to personal selling (Cambra-Fierro et al., 2014). The success factor of personal selling is also influenced by environmental factors, expectations from customers, technology, and various other external factors that affect cooperative relationships (Tanner et al., 2005).

Therefore, Islamic banking in Indonesia needs improvements to their sales force such as improving good communication skills supported by ethics and performance to grow customer value and instill trust so that customers are always involved in transaction activities (Tjiptono, 2015).

The influence of complaint handling on customer retention

Based on the results of testing the hypothesis above, shows that the complaint handling variable has no significant effect on the retention variable of Islamic bank customers in Indonesia. The findings in this study are different from the findings in the study (Kartikawati et al., 2020) and (Mahmoud et al., 2018) that the handling of complaints directly has an influence on customer retention.

Every customer who is dissatisfied with the performance of the company's products or services will react with different actions. This will be a challenge for companies, especially companies engaged in services such as Islamic banks that cannot be separated from customer complaints. In addition, a deep understanding of the product (product knowledge) for employees of Islamic banks, especially so that there is no information gap for customers on products in Islamic banks.

To create satisfaction and increase customer retention, Islamic banks need to improve their complaint-handling services, such as paying more attention to handling complaints effectively because it provides an opportunity to turn a dissatisfied customer into a satisfied customer, company employees (especially front-line employees, who deal directly with customers) need to be trained and empowered again to be provided with an understanding of the products available in Islamic banks and make decisions in order to handle situations that can harm customers and the company, and companies must develop a management information system, in which the company can categorize every complaint submitted and learn from the mistakes that have been made (Tjiptono, 2015).

The Influences of Service Quality, Personal Selling, and Complaint Handling through Customer Satisfaction on Customer Retention

The eighth hypothesis (H8) states that service quality through customer satisfaction on customer retention has a positive and significant effect. The results of the eighth hypothesis are in line with research conducted by (Boohene et al., 2013) that service quality has a positive and significant effect through customer satisfaction on customer retention or has an indirect effect. When the satisfaction variable is entered as an intervening variable, it changes the value of the path coefficient and P-Values of the service quality variable which used to be the path coefficient value of 0.073 to 0.146, and the P-Values of 0.339 to 0.014.

This study shows the results of personal selling through customer satisfaction to customer retention where the path coefficient value = 0.114 with P-Values = 0.044. This shows that personal selling through customer satisfaction on customer retention has a positive and significant effect. The results of the eighth hypothesis are in line with the results of the research (Chan, 2018) that personal selling has an indirect effect on customer retention. When the customer satisfaction variable is entered as an intervening variable, it changes the path coefficient value and the P-Values of personal selling which used to be the path coefficient value of 0.040 to 0.114, and the P-Values of 0.451 to 0.044. Previously, in the sixth hypothesis, personal selling independently could not have a direct effect on customer retention, the personal selling variable itself did so when the customer satisfaction variable was present.

Based on the findings and explanations above, Islamic banking companies in Indonesia can create customer retention when the service from the salesperson is competent so that customers are satisfied with the performance of Islamic bank salespeople and create customer retention.

This study shows the results of complaint handling through customer satisfaction to customer retention where the path coefficient value = 0.321 with P-Values < 0.001 (<0.05). This shows that complaint handling through customer satisfaction on customer retention has a positive and significant effect. Results This eighth hypothesis is in line with the findings of (Mahmoud et al., 2018) that trust

and complaint handling indirectly affect customer retention through customer satisfaction. When the customer satisfaction variable is entered as an intervening variable, it changes the path coefficient value and the P-Values for handling complaints which used to be the path coefficient value of 0.012 to 0.321, and the P-Values of 0.221 to <0.001. In this study, it was found that the variable or construct of complaint handling was the strongest predictor in influencing the retention of Islamic bank customers compared to the other two predictors, namely service quality and personal sales.

Conclusions and Recommended

Based on the results of hypothesis testing, data analysis, and discussions that have been carried out by researchers, it is found that service quality, personal selling, and complaint handling have a positive and significant effect on customer satisfaction. However, service quality, personal selling, and complaint handling directly do not have a positive and significant effect on customer retention. For customer satisfaction to the customer, retention has a positive and significant effect. The results are different when service quality, personal selling, and complaint handling have a significant positive effect on customer retention after being mediated by the customer satisfaction variable. In other words, independent variables predict or influence customer retention more when customers are satisfied.

Based on the conclusions obtained in this study, the researchers provide suggestions to further researchers if interested in researching the same problem and suggestions for Islamic banking companies. For further researchers, it can improve the model in the next research. In addition, to find out the factors that affect customer retention more comprehensively, it is necessary to add other variables. Islamic banking companies must pay great attention to customer retention by increasing customer satisfaction through the provision of accurate and timely information about products and services to their customers. Companies must also ensure service quality by providing customers with fast, reliable, and error-free transactions on an ongoing basis. It is also very important to build and maintain relationships between company employees and customers by providing the best offers. Finally, how the company can handle complaints from customers quickly and responsibly.

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