

# The Effect of Service Quality on Customer Satisfaction at Securities Companies

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## ARTICLE INFO

### Article history :

Received : 21 October 2023

Revised : 22 October 2023

Accepted : 24 October 2023

### Keywords:

Service Quality Dimension;

Servqual Approach;

Service Quality;

Customer Satisfaction;

Security Company;

## ABSTRACT

*This research aims to investigate the influence of service quality on customer satisfaction in the context of securities companies using the SERVQUAL approach. Securities companies have a crucial role in the financial markets, and customer satisfaction is a vital indicator in maintaining and increasing their market share. The SERVQUAL approach is used as a framework for measuring service quality by identifying five main dimensions: tangibles, reliability, responsiveness, assurance, and empathy. The research methodology involves surveying customers of randomly selected securities firms. The data collected is then analyzed using relevant statistical methods to test the relationship between service quality variables and customer satisfaction. In addition, this study also considers demographic factors and customer experience as possible control variables influencing results. It is hoped that the results of this research will provide a better understanding of how aspects of service quality, such as speed in responding to customer questions, the accuracy of information provided, and the level of empathy of securities company staff, influence the level of customer satisfaction. These results are expected to help securities firms improve their service strategies, increase customer retention, and gain a competitive advantage in an increasingly competitive marketplace. This research is expected to provide valuable information for company executive securities, financial industry practitioners, and other researchers who are interested in understanding the dynamics of the relationship between service quality and customer satisfaction in the context of securities companies. Apart from that, this research can also be a basis for further research that explores other factors that influence customer satisfaction and effective strategies to increase it*

## 1. INTRODUCTION

In the era of globalization and rapid change, the service industry, especially securities companies, is one sector that continues to transform and develop. Securities companies have an important role in supporting financial market activities, providing investment services, and managing customers' financial assets. In this increasingly competitive environment, securities firms are faced with pressure to not only maintain but also increase their market share. Customer satisfaction is the key to achieving this goal.

Customer satisfaction is not just about meeting customer expectations, but also about exceeding them. In the context of a securities company, satisfied customers will not only remain loyal clients but also have the potential to provide positive references and contribute to business growth. Therefore, it is important to understand the factors that influence customer satisfaction in the context of securities companies.

One framework that has been proven effective in analyzing service quality is the SERVQUAL approach. Several SERVQUAL dimensions such as; tangibles, reliability, responsiveness, assurance, and empathy, are analyzed simultaneously for customer satisfaction using Structural Equation Modeling analysis measurements (Balinado et al., 2021). These dimensions provide a comprehensive view of those aspects influencing customer perceptions of service quality.

This research aims to investigate the influence of service quality on customer satisfaction at securities companies using the SERVQUAL approach. The author identifies how each dimension of service quality contributes to the level of customer satisfaction. In addition, this research will also consider control variables, such as demographic factors and customer experience, which may influence the relationship between service quality and customer satisfaction.

Research on the effect of service quality on customer satisfaction using the SERVQUAL approach, especially in the financial services industry, has been carried out by previous researchers. Research on this theme was conducted, among others, by Awan, Bukhari, and Iqbal (2011), Tan, Chew, and Hamid (2016), Yilman, Ari, and Gurbuz (2018), Pakurar, et. al., (2019) and Fida, et. al., (2020), where all research objects were carried out in the banking sector. The object of this research is the financial services sector related to the capital market, namely securities companies. Meanwhile, the tool used for data measurement analysis is Structural Equation Modeling (SEM).

The author hopes that the results of this research can provide valuable information for securities companies in developing better and more effective service strategies. Apart from that, this research can also contribute to the literature on service quality and customer satisfaction in the context of the service industry, especially securities companies. With a better understanding of the factors that influence customer satisfaction, securities companies can increase their competitiveness and better meet customer expectations, which will ultimately have a positive impact on their business growth.

## 2. LITERATURE STUDY

### The Service Quality

Service quality has received a lot of attention from both academics and practitioners (Negi, 2009). Understanding consumer needs and expectations for the products or services offered and maintaining the quality of the services offered is a necessity that must be given top priority in business competition by a company. In line with this, Tjiptono, (2017) explains that service quality is an effort to fulfill consumer needs and desires and the accuracy of delivery to balance consumer expectations.

On the other hand, Parasuraman et al. (1985), defines service quality as a reflection of consumer evaluation perceptions of the service received at a certain time. This is in line with the definition of service quality according to Kotler (2019) service quality is a form of consumer assessment of the level of service received and the expected level of service. If the service received or felt is by expectations or hopes, then the quality of service is perceived as good and satisfying.

To ensure good service quality, companies must pay attention to factors supporting service quality as explained by Parasuraman et al. (1988), in the SERVQUAL approach, there are five dimensions of service quality, namely tangibles, reliability, responsiveness, assurance, and empathy. These five dimensions can be explained as follows:

#### Tangibles

According to Parasuraman et al. (1988), tangible physical facilities as physical evidence which includes the appearance of physical facilities, work equipment, personal appearance, and communication materials. This is reinforced by Torabi & Belanger (2021) who indicate tangibles as physical facilities or something tangible which can be in the form of equipment used, personnel or staff, and communication devices. This includes the physical facilities of the service that will be felt by customers to assess the quality of the service.

According to Pakurar, et. al., (2019), physical or tangible evidence is the ability of a company or service provider to show its existence to outside parties, which includes physical appearance, equipment, employees, mechanics, communication media, and technology needed in the service aspect.

#### Reliability

In the SERVQUAL approach, Parasuraman et al. (1988), defines reliability or reliability. The dimension of reliability is the ability to provide services accurately and reliably as promised. It is further said that reliability is considered as one of the fundamental factors of service quality which significantly influences customer satisfaction (Zhang et al., 2019). In line with the above, according to Rashid et al.

(2019), reliability is dependability or consistency of performance, which is an obligation for service providers to provide services on time.

On the other hand, service provider companies must provide services accurately from the start because in this way reliability can reflect the capacity to provide the promised service which is complemented by service accuracy (Ananda & Devesh, 2017).

### **Responsiveness**

Responsiveness measures the extent to which the organization or service provider company is ready and able to provide services quickly and responsively to customer requests. Speed and ability to respond to customer needs are the main focus in this dimension (Parasuraman et al. 1988).

Alertness is the behavior of employees in an organization to act on time and convey information according to consumer needs. If the quality of service meets or can exceed customer expectations, then the customer will feel satisfied, and the ability to perform the promised service reliably and accurately is also part of alertness (Shokouhyar et al., 2020).

### **Assurance**

Assurance is closely related to the level of trust and security felt by customers in the ability of service provider staff or personnel to provide services. Staff skills, knowledge, and ability to meet customer needs are part of this dimension (Parasuraman et al. 1988). Guarantee can also be defined as a polite attitude possessed by service provider staff and having extensive knowledge so that with their capacity they can build trust in customers (Torabi & Bélanger, 2021).

In line with the above, Ananda & Devesh (2017), stated that guarantees including competence, politeness, credibility, and security are the knowledge and politeness of employees and their ability to inspire customer trust and also their self-confidence.

### **Empathy**

Furthermore, in the SERVQUAL approach, Parasuraman et al. (1988), suggest that empathy involves efforts to understand customers' feelings and needs and provide services that accommodate and respond to their emotions and desires. This dimension focuses on the ability to feel and respond mindfully. Customers need to feel that they are being prioritized by the company providing the service. Empathy means caring or providing personal attention, by being able to provide services to customers (Torabi & Bélanger, 2021).

According to Goleman (2012), in a book entitled Emotional Intelligence, he states that the basic meaning of empathy is the ability that a person has to understand the emotions felt by other people. Goleman also notes that there are several deeper levels of understanding, defining, and reacting to concerns and needs that underlie reactions and other emotional responses.

### **Customer Satisfaction**

Customer satisfaction is one of the main and very important goals for a service provider company in making customers feel happy and satisfied with the services offered. Satisfaction itself is defined as the level of a person's feelings arising from comparing the performance perceived as a result against their expectations or expectations. If performance fails to meet expectations, customers will be dissatisfied and vice versa, if performance meets expectations, customers will be satisfied. Apart from that, if performance exceeds expectations, customers will be very satisfied or happy. So the level of satisfaction is a function of perceived performance and expectations (Kotler, 2018).

In other words, customer satisfaction is an indicator that reflects the good or bad experience of using a product or service, compared to the value expected by the user (Abd et al., 2019).

According to Engel, et.al. (in Tjiptono, 2008:38) Customer satisfaction is a post-purchase evaluation where the alternative chosen at least provides the same results (outcomes) or exceeds customer expectations, while dissatisfaction arises if the results obtained do not meet customer expectations.

## RELATIONSHIP BETWEEN VARIABLES

### Tangibles Relationship with Service Quality

The tangibles dimension refers to the physical aspects of the services provided by the company, including physical facilities, equipment, and the appearance of personnel. In the influence of service quality on customer satisfaction in securities companies, the tangible dimension plays an important role in creating an initial impression and influencing customer perceptions of the service they receive.

The tangibles aspect includes physical evidence, which includes the appearance of physical facilities, work equipment, personal appearance, and communication materials (Parasuraman et al. 1988) that the company can use as evidence and can convince customers that the service provider can provide quality services. Khuong & Uyen, (2014) stated that the tangibles dimension can shape customer perceptions of service quality which influences customer satisfaction.

The availability of physical facilities for securities companies in the form of offices equipped with galleries, meeting rooms, and private rooms along with supporting equipment facilities to be able to access various financial instruments, market research, and analysis, portfolio management, security, and privacy, as well as reliable stock trading platforms, can create a perception even an experience that satisfies its customers.

Based on the matters above, a hypothesis (H1) is proposed: Tangibles can measure positively and significantly towards Service Quality.

### The Relationship between Reliability and Service Quality

The reliability dimension is one of the main aspects that has important implications in understanding how service quality impacts customer satisfaction in the context of securities companies. Reliability refers to a securities company's ability to provide services consistently, reliably, and by the commitments given to customers. This is what was stated by Torabi & Belanger, (2021), who stated that reliability includes the company's ability to provide services as promised, accurately, reliably, and consistently, which is one of the service factors that plays an important role and has a close relationship to customer satisfaction. The assessment of this aspect is abstract because it concerns customer perceptions of the service they experience. According to Khuong & Uyen, (2014), reliability is an important factor that influences service quality and influences customer satisfaction.

Reliability, in this case, the reputation of a securities company, which is supported by competent professional staff in the fields of capital markets and money markets, accompanied by good communication skills, is a reliability that a securities company must have which can be used as a consideration to what extent customers can rely on the service. that has been promised by the service provider (Munusamy et al. 2010).

Based on the things above, a hypothesis is proposed; (H2): Reliability can measure positively and significantly towards Service Quality.

### The Relationship between Responsiveness and Service Quality

The Responsiveness dimension is an important element in playing a central role in understanding the impact of service quality on customer satisfaction in securities companies. Responsiveness reflects a securities company's ability to respond quickly and effectively to customer needs, questions, or requests. Responsiveness includes being responsive to customer needs and being quick in providing services (Clemes, Gan, Kao, and Choong. 2008), where responsiveness in service quality is a link between the ability and willingness of service providers to provide fast and appropriate services (Torabi & B elanger, 2021).

The ability and readiness of professional staff from securities companies to respond to clients' needs for the latest financial information and predictions based on financial analysis quickly and accurately at all times, will have an impact on client satisfaction.

Based on the things above, a hypothesis is proposed; (H3): Responsiveness can measure positively and significantly towards Service Quality.

### **Relationship between assurance and service quality**

Assurance is one of the main factors in service quality which has a direct impact on customer satisfaction (Johnson & Karlay, 2018). Guarantees can also result from skills and the ability to convey trust to customers (Rashid & Nurunnabi, 2020). To achieve this guarantee dimension, employees must be given training on how to serve consumers well (Tahanisaz, 2020).

Training activities in the fields of investment management, securities brokerage, underwriting, portfolio management, business ethics, and communication skills for professional staff are mandatory for securities companies, this can create confidence in customers that employees will carry out their duties professionally and ethically, encouraging the possibility of good dialogue activities (Johnson & Karlay, 2018).

Based on the things above, a hypothesis is proposed; (H4): Assurance can measure positively and significantly towards Service Quality.

### **The relationship between empathy and service quality**

The empathy dimension plays an important role in understanding how service quality contributes to customer satisfaction in the context of securities companies. Empathy reflects a securities company's ability to understand, feel, and respond to the needs and desires of its customers. The empathy dimension of quality includes employee attention and concern for all customers, including establishing good communication relationships, personal attention, and understanding customer needs (Wikhamn, 2019). Empathy towards customers refers to maximum service quality from employees which in turn has an impact on increasing customer satisfaction (Shoaib et al. 2018). Without empathy towards customers, it will lead to feelings of dissatisfaction with the quality of services provided,

Based on the things above, a hypothesis is proposed; (H5): Empathy can measure positively and significantly towards service quality.

### **The relationship between Service Quality and Customer Satisfaction**

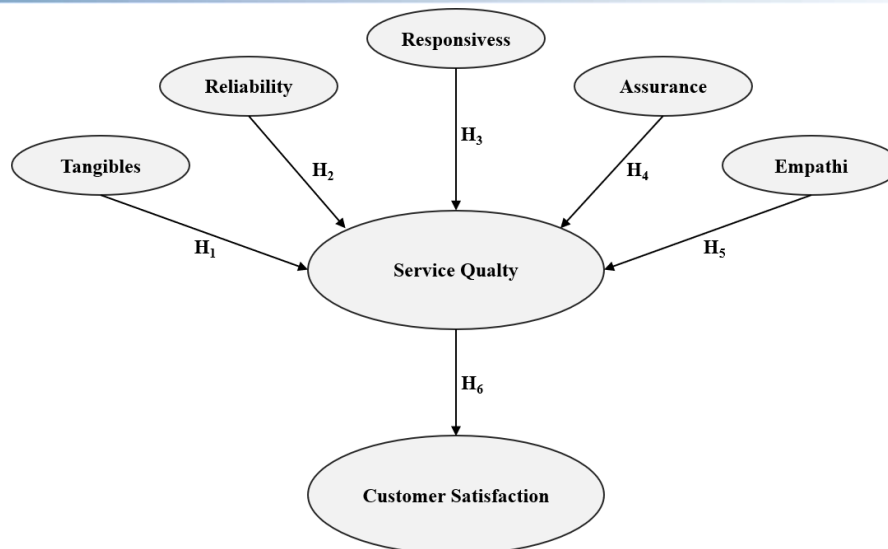
Service quality is one of the main determining factors for customer satisfaction, where customers directly and actively play a key role in assessing and measuring service quality (Johnson & Karlay, 2018). The better the service quality, the more positive impact it will have on customer satisfaction. so there will be fewer complaints from customers about the quality of customer service (Yanuar et al., 2021).

In general, service providers always try to ensure the quality of their services to remain competitive, this is done to be able to retain existing customers and attract new customers which ultimately has an impact on their customers as a key strategy (Nunkoo et al., 2019).

Based on the things above, a hypothesis is proposed; (H6): Overall service quality has a significant influence on Customer Satisfaction.

### **Research Model**

To make it easier to understand the research objectives, Figure 1. Presents the theoretical framework of the research model which shows the relationship between service quality in terms of the variables tangibles, reliability, responsiveness, assurance, and empathy with customer satisfaction at securities companies.



Figures1. Research Model

### 3. METHOD

This This research uses a SERVQUAL-type questionnaire to determine the relationship between service quality and customer satisfaction at securities companies in Jakarta. The SERVQUAL type questionnaire is a tool used to measure service quality using the gap concept and 5 dimensions of service quality variables, namely tangibles, reliability, responsiveness, assurance, and empathy (Kalaja et al., 2016). The measurement scale uses a 4-point Likert scale (1 = strongly disagree, 2 = disagree, 3 = agree, 4 = strongly agree).

The population in this study were customers from securities companies in Jakarta with characteristics of male and female, aged over 17-40 years, 41-60 years, and over 60 years. Transactions (frequency) in securities company galleries are at least 2-7 times, and above 8 times a month.

The number of samples was determined based on the theory of Hair et al. (2022) which states that the number of samples used in the Structural Equation Modeling (SEM) analysis method in sampling is adjusted to the questions or statements that will be used in the research questionnaire, with the formula (nx 5-10 times), n = number of questionnaire statements, namely as many as 120 respondents.

### 4. RESULTS AND DISCUSSION

#### Pretest

In this study, there were 24 statements, where each influence dimension (tangibles, reliability, responsiveness, assurance, and empathy) had 4 statements, while for assessment measurements of customer satisfaction assessment statements were also used.

The primary data analysis stages in this research refer to the KMO and MSA values with the condition > 0.50 according to (Hair et al., 2021). Pretest results 30 respondents, get results KMO test 0.603-0.741 and MSA test 0.547-0.788, which indicated 24 statements met the requirements and could be used in research. Meanwhile, for reliability testing, it refers to Cronbach's Alpha with a value > 0.6 to be accepted according to (Hair et al., 2021), where based on the processing results, all existing statement indicators produce values of 0.620-0.853 (greater than the set limit value), this is indicated that all indicators in this research are reliable and can be used for further analysis.

#### Demographic Analysis

As a result of distributing questionnaires to 120 respondents, the results showed that men were more dominant, namely 82.50%, and women 17.50%. Respondents dominated customers aged 41-60 years, namely 54.17%, followed by customers aged over 60 years amounted to 33.33% and those aged over 17-40 years amounted to 12.50%. Frequency transactions at least 2-7 times per month dominate, namely 60.83% compared to customers who transact on 8 times a month.

## Outer Model Analysis

**Table 1.** Construct Validity and Reliability

| Variables              | Dimensions     | Indicators | Convergent Validity |       | Internal Consistency Reliability |                       |
|------------------------|----------------|------------|---------------------|-------|----------------------------------|-----------------------|
|                        |                |            | Loading Factor      | AVE   | Cronbach's Alpha                 | Composite Reliability |
| Service Quality        | Tangibles      | FY1        | 0.813               | 0.700 | 0.795                            | 0.872                 |
|                        |                | FY2        | 0.881               |       |                                  |                       |
|                        |                | TA3        | 0.843               |       |                                  |                       |
|                        |                | FY4        | 0.790               |       |                                  |                       |
|                        | Reliability    | RE1        | 0.834               | 0.693 | 0.853                            | 0.865                 |
|                        |                | RE2        | 0.781               |       |                                  |                       |
|                        |                | RE3        | 0.822               |       |                                  |                       |
|                        |                | RE4        | 0.723               |       |                                  |                       |
|                        | Responsiveness | RS1        | 0.752               | 0.658 | 0.756                            | 0.859                 |
|                        |                | RS2        | 0.810               |       |                                  |                       |
|                        |                | RS3        | 0.833               |       |                                  |                       |
|                        |                | RS4        | 0.772               |       |                                  |                       |
|                        | Assurance      | AS1        | 0.776               | 0.660 | 0.746                            | 0.760                 |
|                        |                | AS2        | 0.880               |       |                                  |                       |
|                        |                | AS3        | 0.778               |       |                                  |                       |
|                        |                | AS4        | 0.845               |       |                                  |                       |
| Empathy                | EM1            | 0.882      | 0.610               | 0.806 | 0.896                            |                       |
|                        | EM2            | 0.866      |                     |       |                                  |                       |
|                        | EM3            | 0.850      |                     |       |                                  |                       |
|                        | EM4            | 0.846      |                     |       |                                  |                       |
| Customers Satisfaction | CS1            | 0.866      | 0.708               | 0.863 | 0.864                            |                       |
|                        | CS2            | 0.850      |                     |       |                                  |                       |
|                        | CS3            | 0.846      |                     |       |                                  |                       |
|                        | CS4            | 0.805      |                     |       |                                  |                       |

Source: Author's Processed Results (2023)

The convergent validity test of the measurements in this study had 24 reflective indicators, resulting in 22 indicators having a loading factor  $> 0.7$ , namely (0.723-0.882) and an AVE value  $> 0.5$ , namely (0.610 - 0.700), while the other 2 indicators were TA2 and AS4 did not meet the minimum requirements so they were removed. The internal consistency reliability test showed that all reflective latent (construct) variables had a Composite Reliability value  $> 0.70$ , namely (0.760-0.896).

**Table 2.** Fornell-Larcker Criterion

| Variables       | Tangibles | Reliability | Responsiveness | Assurance | Empathy | Service Quality |
|-----------------|-----------|-------------|----------------|-----------|---------|-----------------|
| Tangibles       | 0.833     |             |                |           |         |                 |
| Reliability     | 0.337     | 0.812       |                |           |         |                 |
| Responsiveness  | 0.380     | 0.416       | 0.781          |           |         |                 |
| Assurance       | 0.407     | 0.420       | 0.513          | 0.811     |         |                 |
| Empathy         | 0.570     | 0.339       | 0.376          | 0.451     | 0.836   |                 |
| Service Quality | 0.373     | 0.504       | 0.457          | 0.409     | 0.413   | 0.842           |

Source: Author's Processed Results (2023)

Table 3. Heterotrait-Monotrait Ratio (HTMT)

| Variables       | Tangibles | Reliability | Responsiveness | Assurance | Empathy | Service Quality |
|-----------------|-----------|-------------|----------------|-----------|---------|-----------------|
| Tangibles       |           |             |                |           |         |                 |
| Reliability     | 0.424     |             |                |           |         |                 |
| Responsiveness  | 0.437     | 0.542       |                |           |         |                 |
| Assurance       | 0.513     | 0.574       | 0.653          |           |         |                 |
| Empathy         | 0.708     | 0.426       | 0.479          | 0.536     |         |                 |
| Service Quality | 0.424     | 0.617       | 0.463          | 0.465     | 0.463   |                 |

Source: Author's Processed Results (2023)

On Fornell's measurements–Larckercriterion shows that all variables can meet the FLC criteria. Furthermore, for HTMT all variables in this study are by with criteria shows a value <0.9. So it can be concluded that all variables do not have multicollinearity.

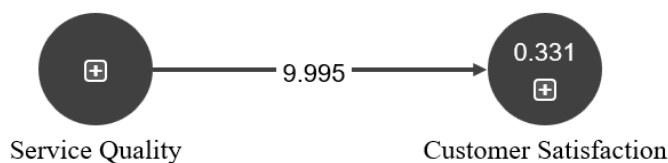
Table 4. Coefficient Determination

|                       | R-square adjusted |
|-----------------------|-------------------|
| Customer Satisfaction | 0.525             |

Source: Author's Processed Results (2023)

The value of the coefficient of determination (Adjusted R2) can explain the extent to which the variable is exogenous and explain endogenous variables. According to the data processing results of calculating the coefficient of determination (Adjusted R2), it is known that the variable that can be explained by the dependent variable is 52.5%.

**Inner Model Analysis**



Figures2. Hypothesis Test Results

Table 5. Direct Hypothesis Test Results

|   | Hypothesis | Original Sample | T Statistics | P Values | Description                                |
|---|------------|-----------------|--------------|----------|--|
| Tangibles ⊠ Service Quality             | H1         | 0.728           | 12,397       | 0,000    | The data supports it hypothesis (Accepted) |
| Reliability ⊠ Service Quality           | H2         | 0.751           | 14,005       | 0,000    | Data supports the hypothesis (Accepted)    |
| Responsiveness ⊠ Service Quality        | H3         | 0.758           | 13,562       | 0,000    | The data supports it hypothesis (Accepted) |
| Assurance ⊠ Service Quality             | H4         | 0.745           | 13,013       | 0,000    | Data supports the hypothesis (Accepted)    |
| Empathy ⊠ Service Quality               | H4         | 0.719           | 10,920       | 0,000    | Data supports the hypothesis (Accepted)    |
| Service Quality ⊠ Customer Satisfaction | H6         | 0.576           | 9,950        | 0,000    | Data supports the hypothesis (Accepted)    |

Source: Author's Processed Results (2023)



Based on Table 6, it was obtained that 6 proposed hypotheses were accepted, where testing, Dimension Tangibles (TA) influenced Service Quality with T Statistics results of  $12,397 > 1.96$  and P Value  $0.000 < 0.05$  and the original sample value was positive. This means that H1: Tangibles have a positive and significant influence on Service Quality and can be accepted.

Dimension Reliability (RE) influences Service Quality with T Statistics results of  $14.005 > 1.96$  with a P-Value of  $0.000 < 0.05$  and a positive original sample value. That is, H2; Reliability has a positive and significant influence on acceptable Service Quality.

Dimension Responsiveness (RS) influences Service Quality with T Statistics results of  $13,562 > 1.96$  with a P-value of  $0.000 < 0.05$  and a positive original sample value. That is, H3; Responsiveness has a positive and significant influence on acceptable Service Quality.

Dimension Assurance (AS) influences Service Quality with T Statistics results of  $13.013 > 1.96$  with a P-value of  $0.000 < 0.05$  and a positive original sample value. That is, H4; Assurance has a positive and significant influence on acceptable Service Quality.

Dimension Empathy (EM) influences Service Quality with T Statistics results of  $10,920 > 1.96$  with a P-Value of  $0.000 < 0.05$  and a positive original sample value. That is, H5; Empathy has a positive and significant influence on acceptable Service Quality.

Service Quality (with 5 variable dimensions of tangibles, reliability, responsiveness, assurance, and empathy) influences Customer Satisfaction (CS) with T Statistics results of  $9,950 > 1.96$  with a P-Value of  $0.000 < 0.05$  and a positive original sample value. That is, H6; Overall Service Quality has a positive and significant influence on acceptable Customer Satisfaction.

## Discussion

The dimension of service quality that has the greatest impact on customer satisfaction at securities companies in Jakarta is the dimension of empathy. Empathy is the key to building strong relationships with customers in the securities firm industry. Customers are often looking for more than just a financial transaction, they want to feel valued, heard, and understood by the companies they choose. The empathy dimension creates a basis for customers to feel comfortable and trust the securities company. This is quite reasonable, where investment strategies and decisions taken by securities company customers are not always what is expected. Investment strategies and/or decisions that do not meet expectations, in general, position customers in circumstances of loss accompanied by immaterial feelings of discomfort or pressure. In conditions like this, customers need motivation and advice. Empathy accompanied by communication skills from securities company professionals will help customers to recover to normal. Henceforth, the experience of customers who feel accompanied in conditions that are materially and immaterially unfavorable well and sincerely as a service from a securities company will naturally give rise to satisfaction. Thus, the results of this research are in line with previous research which states that the empathy dimension contained in service quality can be a concern in communicative situations, which can understand customer needs, show friendly behavior, and take care of customer needs individually (Wikhamn, 2019).

The next influence that has a significant impact on customer satisfaction at securities companies is dimension reliability. Reliability is one of the dimensions of service quality which is very important in maintaining and strengthening relationships with customers in the securities company industry. Customers who make investments or financial transactions often rely heavily on the reliability of securities companies in carrying out their operations. Lack of reliability in carrying out transactions, inaccurate information, or non-compliance with company promises can destroy customer trust and reduce their satisfaction. Capital market investors usually are customers of securities companies who are very dependent on the availability of information relevant and accurate as well as a capable tool in making investment decisions. Reliability of securities company professional staff in the form of ownership minimum licenses for Securities Broker Representatives (WPE) and Investment Management Representatives (WMI) is a necessity that must be fulfilled. Another reliability is the ability to provide the latest market data information, company financial reports, and relevant market analysis and produce recommendations supported by accurate fundamental and/or technical research and analysis. Reliability in the form of thoroughness and accuracy and

execution order transaction trading from securities company professional staff is a factor that greatly influences customer satisfaction. Thus, the results of this research are in line with previous research which states that reliability is considered one of the fundamental factors of service quality which can significantly influence customer satisfaction (Zhang et al., 2019).

Third, the dimension of responsiveness of service quality also has a significant impact on customer satisfaction. Responsiveness is one of the main dimensions that enables securities companies to build strong relationships with their customers. In the fast-changing financial world, customers often need information or quick action to deal with urgent situations. A company's ability to respond quickly can be a determining factor in customer satisfaction. This is reflected in the responsiveness of securities company professionals in carrying out trading instructions carefully and carefully, providing investment recommendations by investment regulations and ethics, and providing relevant, accurate, and fast information. This is in line with the results of previous research which stated that readiness. In terms of service quality, there is a relationship between the ability and willingness of service providers to provide fast and appropriate services (Torabi & Bélanger, 2021).

Dimensi tangibles of service quality are quite influential and significant customer satisfaction. The Tangibles dimension creates the first impression in forming customer perceptions about service quality. When customers enter a securities firm's office or interact with the firm physically or visually, elements such as the quality and amenities of the building, staff appearance, computer equipment, and comfort of the room can make a strong initial impression. Perfection in these aspects can increase customer confidence in the company and its services. Comfortable physical building facilities, stock trading hardware and software, and technical and fundamental analysis provided by securities companies are a must for the company. securities in serving its customers. The securities company's physical facilities include an office equipped with a gallery, meeting room, and private room along with supporting equipment for access to various financial instruments, market research, and analysis, portfolio management, security and privacy, as well as a reliable stock trading platform, can create a satisfactory perception and even experience for their customers. In other words, the results of this research are also in line with previous research which states that customers also experience pleasant conditions when making transactions regarding services produced by the company, meaning that customers feel satisfied with tangible services (Farooq et al., 2018).

No less important, the assurance dimension also has a positive and quite significant influence on service quality provided by securities companies. The assurance dimension creates a basis of trust for customers in securities companies. Customer satisfaction often depends on their confidence that a company will provide a high level of quality, safe, and reliable service. This feeling can influence customers to remain loyal clients and recommend the company to others. Previous research has confirmed that the assurance dimension has a significant influence on customer satisfaction in securities companies. When customers feel confident in a company's competence, integrity, and ability to meet their needs, they tend to be more satisfied. This creates a high level of trust which can result in long-term relationships with customers, this is also in line with research from Tahanisaz (2020).

In this research, all dimensions of service quality consisting of tangibles, reliability, responsiveness, assurance, and empathy from securities companies can increase customer satisfaction. The importance of service quality in creating and retaining customers has become a major focus in the securities firm industry. Previous research has shown that service quality plays a central role in influencing customer satisfaction in the securities company industry. Customers tend to be more satisfied when they feel they are treated well, receive responsive service, and have confidence that the company can manage their financial assets well. This means that the better security companies can pay attention to the quality of their services, the higher the level of satisfaction felt by customers will be, so that they can be more competitive retain their existing customers, and attract new customers, which in turn will have an impact on their customers. as a key strategy, which is also in line with previous research conducted by Nunkoo et al. (2019).

## 5. CONCLUSION

The This research has investigated the influence of service quality on customer satisfaction in the context of securities companies, using the SERVQUAL approach framework. We identified and

analyzed five main dimensions of service quality, namely tangibles, reliability, responsiveness, assurance, and empathy, and measured their impact on customer satisfaction. The results of this research provide a deeper understanding of how quality aspects of service influence customer perception and satisfaction in the securities company industry.

The main findings of this research reveal that all service quality dimensions tested, namely tangibles, reliability, responsiveness, assurance, and empathy, have a significant and positive influence on customer satisfaction in securities companies. This shows that customers care deeply about various aspects of their interactions with security companies, including physical appearance, the company's ability to respond to needs, confidence in the company's competence and integrity, empathy provided to customers, and reliability in service delivery.

The results of this research make a significant contribution to the understanding of service quality and customer satisfaction in the securities company industry. The practical implication of this research is that securities companies must pay serious attention to aspects of tangibles, reliability, responsiveness, assurance, and empathy in their efforts to maintain and improve relationships with customers. Providing good physical facilities, responding quickly to customer requests, ensuring staff competence and integrity, and showing empathy for customers are important steps in increasing customer satisfaction.

Apart from that, the results of this research also identify that the empathy dimension has a very strong impact on customer satisfaction in securities companies. Next, respectively, the dimensions of reliability, responsiveness, tangibles and finally the assurance dimension.

Based on the results of this research, we recommend that securities company managers in carrying out their company operations pay more attention to the empathy dimension. Empathy is the main key to building strong relationships with customers. Customers are often looking for more than just a financial transaction, they want to feel valued, heard, and understood by the companies they choose. The empathy dimension creates a basis for customers to feel comfortable and trust the securities company.

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