
ANALYSIS OF THE INFLUENCE OF MEMBER'S COMMITMENT AND SATISFACTION ON LOYALTY OF COOPERATIVE MEMBERS

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Abstract

Members' loyalty is a very important thing in the business of cooperatives, for the development and progress of cooperatives in the future. High members' commitment and satisfaction in cooperatives greatly influence the attitude of members to use the products and services offered by cooperatives to make members more loyal. The study aims to determine the effect of a members' commitment and satisfaction on the members' loyalty. The population of this study was members of the KSP Dharma Dhita cooperative in Sanur, which numbered 172 people. The number of samples taken was 120 members, with a simple random sampling method. Data collectors are carried out through interviews, observation, literature, and questionnaires. The data analysis technique used is multiple linear regression. The research findings state that partially members' commitment and satisfaction have a positive and significant effect on the members' loyalty of KSP Dharma Dhita cooperative in Sanur. Simultaneously members' commitment and satisfaction have a significant positive effect on the members' loyalty of KSP Dharma Dhita in Sanur. To increase member's loyalty, members need to be aware of themselves to have high commitment and satisfaction for cooperatives to create prosperity for cooperatives, cooperative members and society in general.

Keywords: Member's Loyalty, Member's Commitment, Member's Satisfaction

1. INTRODUCTION

Generally, cooperatives are jointly controlled by all members, where each member has the same voting rights in every decision taken by the cooperative. The profit-sharing of cooperatives (commonly called the residual results of operations or SHU) is usually calculated based on the share of the member in the cooperative, for example by dividing the shares based on the number of purchases or sales made by the members. Law No. 25 of 1992 concerning cooperatives states the participation of cooperative members in business activities organized by cooperatives. Their participation and commitment are needed to advance the cooperative business. However, cooperatives not only require member commitment, but they also need loyalty because members not only act as members but also as cooperative customers (Maghfiroh, 2016). The cooperative has several advantages when it can maintain the loyalty of its members and customers. The rewards of loyalty are long-term, the longer the loyalty of a member, the greater the profits that can be obtained by the cooperative (Silaban, 2015).

According to (Budi Setiawan & Ukudi, 2007), the formation of customer or member loyalty requires time and process that is not fast, through a learning process and based on the results of the experience of consumers or members themselves from purchases or consistent participation all the time. Loyalty is a combination of intellectual and emotional percentages, between the customer and the company. If what is obtained is in line with expectations, then the buying or participation process continues to repeat. Customers or members who have a higher average purchase means it

can be said to be more loyal than customers or members who have a lower average purchase (Poniman, 2016). At present, customer and member loyalty is a critical factor in conducting business in a very competitive market including banking institutions and cooperatives (Yacob, Ali, Baptist, Nadzir, & Morshidi, 2016). There are two factors used as guidelines for cooperative members, namely the services received and their expectations about the services to be provided. When members decide to transact in any form to the cooperative they already have expectations about what kind of services will be obtained based on their experience, communication from the mouth of the mouth they have heard and other information that has been received (Ekawati, Rusdarti, & Hadi, 2014).

Because member loyalty plays a very important role in the survival of cooperatives, cooperatives must continuously maintain and enhance the loyalty of their members, build good relationships with members, be able to better understand the needs of members, to create commitment and satisfaction of members towards cooperatives (Maghfiroh, 2016). Commitment is a strong desire or desire to maintain and continue relationships that are considered important and valuable in the long term (Laila & Triyonowati, 2017). Organizational commitment is generally defined as employee interest and one's relationship with the organization (Mahayasa, Sintaasih, & Putra, 2018). According to (Puspitawardani, 2014), customer commitment is a long-standing desire in customers to maintain a valuable relationship or a relationship that provides benefits (valued relationship), that customers will have a strong or high commitment if the relationship is considered important. According to Tolentino (2013), commitment refers to one's dedication to a person, job or organization that is reflected in one's intention to persevere in action.

Member satisfaction is a response from cooperative members on meeting all their needs (Poniman, 2016). (Kotler & Keller, 2009:219) states satisfaction is the level of feeling happy or disappointed someone after comparing the performance or results he feels compared to his expectations. Tjiptono (2012:109) states that member satisfaction has characteristics including vision and commitment, member alignment, member will, member information, employee empowerment, and product improvement. Factors that influence member satisfaction consist of product and service quality, sales activities, services, cooperative values.

KSP Dharma Dhita is a cooperative engaged in savings and loans. Having many members with high loyalty is expected by KSP Dharma Dhita for the progress of the cooperative in the future. From preliminary observational data, it is known that the number of members from 2014-2018 has not been stable, but shows a tendency that members are less loyal. The loyalty of members can be seen from the tendency of decreasing the desire of members to use loan, savings and deposit products offered by cooperatives each year, so that cooperative profits also decline. The phenomenon in the field shows that cooperative members are satisfied but have low loyalty. Like wise with the commitment of members showing the same thing. Member satisfaction and commitment can be seen from the attitude of members who still want to establish long-term relationships, but it is not matched by the high level of loyalty of members of the Dharma Dhita KSP in Sanur.

II. LITERATURE REVIEW

Members' Loyalty

Kandampully and Suhartanto (2000) states that loyalty to members can be measured by their behavior and attitudes. In the behavior of members can be known to repurchase the goods and services that have been bought, while to find out his attitude by giving recommendations to others to make purchases. According to (Ekawati et al., 2014), there are two factors used as a guideline

for members, namely: services received and expectations about the services to be provided. When members decide to transact in any form at the cooperative they already have expectations about what kind of services will be obtained based on their experience, communication from the mouth-to-mouth they have heard, other information that has ever been received and influenced by their needs. Factors that can affect loyalty (Pranata, 2017) are satisfaction, quality of products and services offered, good and positive product image, and the size of the obstacles to move. According to Semual (2012), measuring customer loyalty uses indicators of loyalty to one company, making purchases regularly or repeatedly, recommending company products to others, recommending company services to others, not interested in switching to another company.

Members' Commitment

Commitment as a construct is the basis for explaining the relationship between individuals and organizations (Nketia, 2016). According to Tjiptono (2012:109) commitment is a strong desire or desire to maintain and continue relationships that are considered important long-term value. Commitment is a sense of mutual trust between parties who have a relationship, both implicitly and implicitly, that their relationship will continue and keep each other to keep their promises maintained (Puspitawardani, 2014). According to (Setiawan & Ukudi, 2007), indicators of member commitment are feeling proud to be a customer or member, a feeling of belonging to the company, the attention of the customer or member to the company's long-term success, (4) the attitude of the customer or member as a loyal supporter of the company.

Members' Satisfaction

Satisfaction is the level of feeling happy or disappointed someone after comparing the performance or results he feels compared to expectations (Kotler & Keller, 2009:177). (Poniman, 2016) states that member satisfaction is a member response to the evaluation of perceived dissatisfaction between previous expectations and product performance after its use. According to (Yacob et al., 2016), satisfaction refers to feelings or attitudes towards a product or service after use. Satisfaction and service quality are often combined because they act as perceptions and expectations. Member satisfaction is determined by defining perceptions of quality, expectations, and preferences. According to (Rantha & Silaban, 2015), member satisfaction can be measured with fast and accurate/reliable service indicators/safety in transactions, modern equipment, affordable costs, equipment and service appearance, complete and consistent service, good filing system.

III. METHOD

Type of research used in this study is quantitative research with an associative approach. The population in this study were all members of the Dharma Dhita Sanur Denpasar Denpasar KSP Savings Cooperative as many as 172 people. The sample used in this study were 120 people with a simple random sampling technique. The data collection method uses the method of observation, interviews, and questionnaires. The independent variables studied were members' commitment (X1) with indicators (1) members' desire to cooperate in the long term with cooperatives, (2) members' desire to maintain good relations with cooperatives, (3) feelings of pride in being members, (4) feelings; members' satisfaction (X2) with indicators (1) trust, (2) enthusiasm in recommending cooperatives, (3) bonds or relationships between members; switching barrier (X3) with indicators (1) search costs of other cooperatives, (2) transaction costs, (3) habits of cooperative members. The dependent variable is members' loyalty (Y) with indicators (1) member commitment, (2) frequency of utilization or purchase, (3) disinterest in competitors, (4) discipline in paying deposits.

This research framework is developed from theory and supported by empirical research findings. Dastim (2017) states that member commitment has a significant effect on the loyalty of members or customers, meaning that the better the commitment owned by members or customers, the loyalty will increase. [Rentha & Silaban \(2015\)](#) states that satisfaction significantly influences customer loyalty. [Maghfiroh \(2016\)](#) states that member satisfaction has a positive and significant effect on the loyalty of cooperative members.

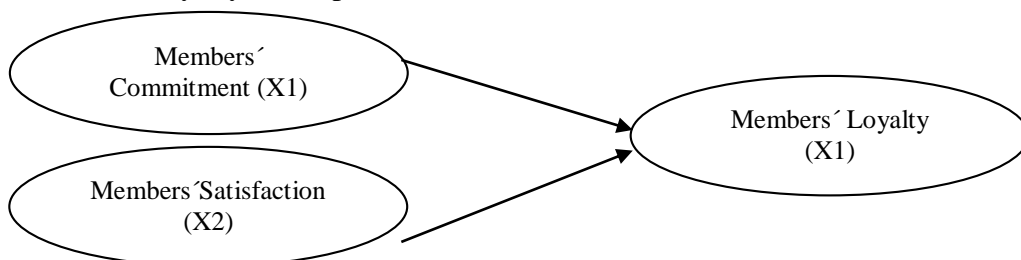


Figure 1. Research framework The research hypothesis can be formulated as follows:

H1: Members' commitment has a positive and significant effect on members' loyalty in Dharma Dhita KSP; H2: Members' satisfaction has a positive and significant effect on the members' loyalty of KSP Dharma Dhita; H3: Members' commitment and members' satisfaction have a positive and significant effect simultaneously on the members' loyalty of KSP Dharma Dhita. Data analysis techniques in this study used multiple linear regression analysis techniques.

IV. RESULTS AND DISCUSSION

Validity and reliability tests show that all indicator variables tested have a value Pearson Correlation greater than 0.30 and the Cronbach's Alpha value for each of these instruments is greater than 0.60 (Cronbach's Alpha > 0.60). This shows that all indicators contained in this study proved to be valid and reliable.

Table 4.1 The results of the calculation of Double Linear Regression analysis The Effect of Commitment and Satisfaction on the Members' Loyalty

Coefficients						
Model of		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8360	1473		5676	.000
	X1	.423	.077	.747	5525	.000
	X2	.103	.077	.480	3.335	.004

Source: Data processed, 2019

Based on Table 4:15 the following equation:

$$Y = a + b_1X_1 + b_2X_2 + e$$

$$Y = 8.360 + 0.423 (X_1) + 0.103 (X_2) + e$$

Based on the results of the linear regression equation above it can be concluded that the influence of the commitment variable (X₁) is 0.432 and satisfaction (X₂) is 0.103 to the member

loyalty variable (Y) is positive, meaning that if the commitment and satisfaction variables increase, member loyalty will increase. The value of t-commitment (X_1) = 5.525 and the level of sig = 0,000 ($\alpha < 0.05$) which means that partially commitment (X_1) has a significant effect on member loyalty. So H_1 which reads the commitment of members has a positive and significant effect on the loyalty of members in KSP Dharma Dhita can be accepted. The value of t-satisfaction (X_2) = 3.335 and the level of sig = 0.004 ($\alpha < 0.05$) which means that partial satisfaction (X_2) has a significant effect on member loyalty. So that H_2 which reads member satisfaction has a positive and significant effect on member loyalty at KSP Dharma Dhita in Sanur can be accepted.

Table 4.2 F-Test Results in ANOVA Table
ANOVA

Model		Sum Squares	df	Mean Square	F	Sig.
1	Regression	233,875	2	116,937	33,534	.000 ^b
	Residual	407,992	117	3,487		
	Total	641,867	119			

Source: Data processed, 2019

Table 5.2 is the result of the F-Test, which is used to determine whether the coefficient of the independent variable commitment and satisfaction together has a real effect or simultaneously to the dependent variable, by looking at the significant value in the ANOVA table. From Table 5.2, the F value is 33.534 and the significance is below 0.05 which is 0.00. Then it can be concluded that there is a significant and simultaneous effect. So that H_3 which reads commitment of members and member satisfaction simultaneously positive effect on loyalty KSP members Dharma Dhita acceptable.

Table 4.3 Results of Multiple Correlation Analysis
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	DF1
1	.604 ^A	.354364		1,867		.364	2

Model Summary

Model	Change Statistics	
	DF2	Sig. F Change
	1117	.000

Source: Data processed, 2019

Results SPSS calculations in Table 5.3 correlation coefficient obtained for $R = 0.604$. Based on the criteria of strength and weakness of the relationship, the correlation coefficient of 0.604 lies between 0.601-0.800 which means there is a positive and strong correlation, this means that the influence of commitment (X_1), satisfaction (X_2), on member loyalty (Y) is positive and strong.

Table 4.4 Results of Determination Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.604 ^a	.364	.354	1,867

Source: Data processed, 2019

Table 5.4 in mind that the value of $R^2 = 36.4\%$, which means that 36.4% loyalty KSP members Dharma Dhita in Sanur influenced by variables commitment (X_1) and satisfaction (X_2), the remaining 63.6% are influenced by other variables not examined in this study.

Discussion

Based on the results of the t-commitment test value (X_1) = 5,525 and the level of sig = 0,000 which means that partially the commitment (X_1) has a positive and significant effect on member loyalty. If the commitment of members increases, the loyalty of KSP Dharma Dhita members also increases. The results of this study indicate the similarity of results and support several previous studies which stated that partially positive and significant influence on member loyalty (Silaban, 2015), the higher the commitment of members, the higher the loyalty of members (Puspitawardani, 2014) and (Dastim, 2017).

Based on the t-satisfaction test (X_2) = 3.335 and the level of sig = 0.004 which means that partial satisfaction (X_2) has a positive and significant effect on member loyalty. If member satisfaction increases, the loyalty of KSP Dharma Dhita members also increases. The results of this study support the results with several previous studies. States that satisfaction can affect positively (Ekawati et al., 2014) and significant (Silaban, 2015) on member loyalty (Maghfiroh & Rusdarti, 2016)

Based on the results of the test the value of f shows a value of 33.534 and a significance below 0.05 that is 0.00. It can be concluded that simultaneously there is a significant influence between member commitment and member satisfaction on the loyalty of KSP Dharma Dhita members can be accepted.

V. Conclusion

Member commitment and member satisfaction have positive and significant influence both partially and simultaneously on the loyalty of KSP Dharma Dhita members in Sanur. Cooperative members are expected to participate more and increase their commitment to advance the cooperative business. Cooperatives not only require member commitment, but also member loyalty, because members not only act as members but also as customers of the cooperative, for the progress and development of the business in the present and the future. If cooperatives are growing, they will benefit cooperatives and surrounding communities because cooperatives are at the same time a people's economic movement based on the principle of family welfare of members in particular and society in general and creating a developed, just and prosperous society.

The results of this study are expected to inspire other researchers to add other variables that affect member loyalty so that it can be known in more depth the factors that influence member loyalty, which can strengthen and weaken member loyalty such as service quality that can affect member attitudes, the image of cooperatives, members trust in cooperatives.

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