

SERVICE QUALITY AND CUSTOMER PERCEIVED VALUE AS PREDICTORS OF COOPERATIVE MEMBERS SATISFACTION

ABSTRACT

This study aimed to identify the aspects of Service Quality and Customer Perceived Value that significantly predict cooperative Member Satisfaction, thereby providing insights into enhancing member retention and loyalty within cooperatives. A quantitative, non-experimental correlational methodology was employed, surveying 361 cooperative members in Kapalong, Davao del Norte. Systematic random sampling was used to ensure representativeness. Data were analyzed using mean scores, Pearson's Correlation Coefficient, and Multiple Regression Analysis. The findings indicated that respondents exhibited significantly high levels of Service Quality, Customer Perceived Value, and Member Satisfaction. A significant correlation was found between Customer Perceived Value and Member Satisfaction. Key domains of Customer Perceived Value, including emotional value, functional value (price), social value, functional value (installations), functional value (professionalism), and functional value (service quality), were identified as predictors of Member Satisfaction. This research confirms the principles of value-percept theory and the Expectancy-Disconfirmation Paradigm (EDP), contributing to the understanding of how perceived value influences member satisfaction in cooperative settings. The results underscore the importance of these factors in strategic planning and service improvement initiatives within cooperatives.

Keywords: Service Quality, Customer Perceived Value, Member Satisfaction, Cooperative

UNDER PEER REVIEW

INTRODUCTION

“Cooperative bank is owned and controlled by its members, who are often also its customers. Cooperative banks operate on the principles of cooperation and mutual assistance, with the goal of providing financial services to their members while promoting the economic and social well-being of the communities they serve” (Suresh et. al., 2023). “Cooperative banks are pivotal institutions in the financial sector, particularly in urban and rural areas, where they play a vital role in fostering financial inclusion and economic growth” (Nayak, 2012). “Moreover, in recent times, the cooperative industry has faced challenges that have decreased customer confidence. Restoring mutual trust and ensuring customer satisfaction is now crucial, requiring practical solutions to the problems brought on by different crises” (Damberg et. al., 2022). “Consequently, there are factors that affect customer satisfaction particularly in the cooperative sector like the quality of service offered by the establishment as well as the behavior showed by the employees, the price for the service considering the competitors around, the value received from every purchase of the product or avilment of any financial services. If not properly dealt these can lead to customer turn-over.

“Customer satisfaction is defined as a person’s feeling of pleasure or disappointment which resulted from comparing a product’s perceived performance or outcome against his/ her expectations” (Kotler and Keller, 2012). “A customer who is pleased with the good or service would be happy” (Tandon, 2021). “Consumer happiness results from customer satisfaction that exceeds expectations” (Mikulic et al., 2021). “Customer satisfaction is crucial for the management of an organizations because it is likely that a high level of

customer satisfaction leads to increases in patronage among current customers and aids customer recruitment by enhancing an organization's market reputation" (Augustyn & Ho, 1998).

"Most organizations in the majority of industries pay particular attention to customer satisfaction" (Khattack&Rehman, 2010). "Researchers have shown that service quality, customer perceived value, and satisfaction are crucial factors for companies to gain a competitive advantage"(Zeithaml and al, 1996). "Service quality helps a service organization gain competitiveness as it is one of the significant factors of satisfying customers" (Raza et al., 2020). "A number of past researchers have reported the interconnection between service quality and customer satisfaction, indication that greater degree of service quality is more likely to induce greater degree of customer satisfaction" (Pooya et al., 2020). "Quality management programs revealed that the ability of service providers to properly implement service quality in executing jobs may have a significant impact on individual attitude and behavior, especially customer satisfaction" (Ismail et al., 2013). Adi and Basuki (2019) showed that "service quality is one predictor that positively affects a company's customer satisfaction, which is similarly stated" by Wilson (2020). "Service quality is essentially an originator of customer happiness beyond cultural differences, and the quality of the service is what ultimately makes the client happy service" (Macieira et al., 2020). "Management can use customer satisfaction with the products or services supplied as input to enhance and increase the quality of services offered. Customers' happiness with the goods or services they receive can be utilized as input from management to raise the standard of services delivered" (Ilyas et al., 2020).

“On the other hand, one of the factors that affects customer satisfaction is thought to be perceived value. Studies have revealed that consumer satisfaction is significantly influenced by perceived value. Several previous studies also stated that there is a relationship between Perceived Value and Customer Satisfaction” (Slack, Singh, & Sharma, 2020). Wu et. al., (2016) explored “the relationship between patients’ perceived value and satisfaction in the field of medical tourism and found that, the higher the patients’ perceived value, the higher their satisfaction”. Eid, R. (2015) “explored the relationship between perceived value and satisfaction in the tourism industry. The study found that, when tourists obtained psychological and emotional satisfaction during the travel process or believe that their cost has received the corresponding service, their satisfaction will be significantly improved”. “Previous studies identified customer value as factor which has significantly influences on customer satisfaction and loyalty” (El-Adly, 2019). “The perceived worth is high when the advantages exceed the costs. The customers are satisfied with a product or service when they sense a high perceived value in the performance of the product or service. Delivering the highest value to customers is certainly essential for service organizations in today's competitive industry”(Abror et al., 2021). “Businesses that offer worthwhile goods and services enjoy a major competitive edge” (Ramya et al., 2019). This is attained by high-quality service, and the cost incurred should be balanced against the benefits received.

Related thereto, Oliver (1980), “developed the idea on the Expectancy-Disconfirmation Paradigm (EDP), which states that consumers have pre-purchase expectations regarding the expected performance of the goods and

services they acquire. The level of expectation then acts as a standard against which the product/services is evaluated. In other words, results are evaluated in comparison to expectations after the commodity or service is used. If the result is as expected, confirmation takes place. Disconfirmation happens when expectations and results don't match up. When expectations and perceptions differ positively or negatively, a consumer is either satisfied or dissatisfied. Therefore, when service performance exceeds the customer's initial expectations, there is a positive disconfirmation between expectations and perceptions that leads to satisfaction, whereas when service performance is as expected, there is a confirmation between expectations and performance that leads to satisfaction. On the other hand, when a customer's expectations are not met, there is a negative disconfirmation between expectations and perceptions, which results in discontent. For this reason, in order to meet customer satisfaction, personnel should maintain or exceed the quality of service or products being offered to customers. Therefore, when the product or service is of high quality and meet the customers' expectations they tend to be satisfied".

"Another model is the Equity Theory which posits that people compare their sacrifices and rewards that they receive during an exchange process" (Adams, 1963). "In line with this, several studies have adopted equity theory to understand the relationship between customers and companies" (Lim, 2020). "These studies argue that when customers feel that they are equitably treated during an exchange with the company, they feel satisfied. Equity theory suggests that when customers receive good quality of service, they are

more likely to show commitment to the company in different forms, such as repeat patronage” (Andreassen, 2000).

On a similar insight, according to the value-percept theory, satisfaction is an emotional reaction that is brought on by a cognitive evaluation process in which one's perceptions of an offer are compared to their values, needs, wants, or desires (Westbrook & Reilly). Comparable to the Expectancy/Disconfirmation paradigm, an increasing disparity between one's values and perceptions (value-perception) denotes an increasing degree of discontent. Quality is now determined by the customer and does not just mean adhering to a set of standards. A product's marketing success can often be inadequate to convey all of the benefits a service has to offer. The most important aspect is whether the product can be supplied in accordance with customer preferences and wants, enhancing customer value (cost-value). When consumers choose to adopt a product, high levels of satisfaction are reflected by high loyalty (Hasrat et. al., 2021).

Presented in Figure 1 is the Conceptual Framework of the study. As the frameworks shows, the first independent variable is Service Quality by Parasuraman, et al., (1985) with indicators namely tangibility, reliability, responsiveness, assurance, empathy, and availability. Tangibles refers to the physical surrounding and appearance of employees; Reliability which measures the organization's ability to provide accurate and dependable service; Responsiveness refers to the willingness to help its customers in a

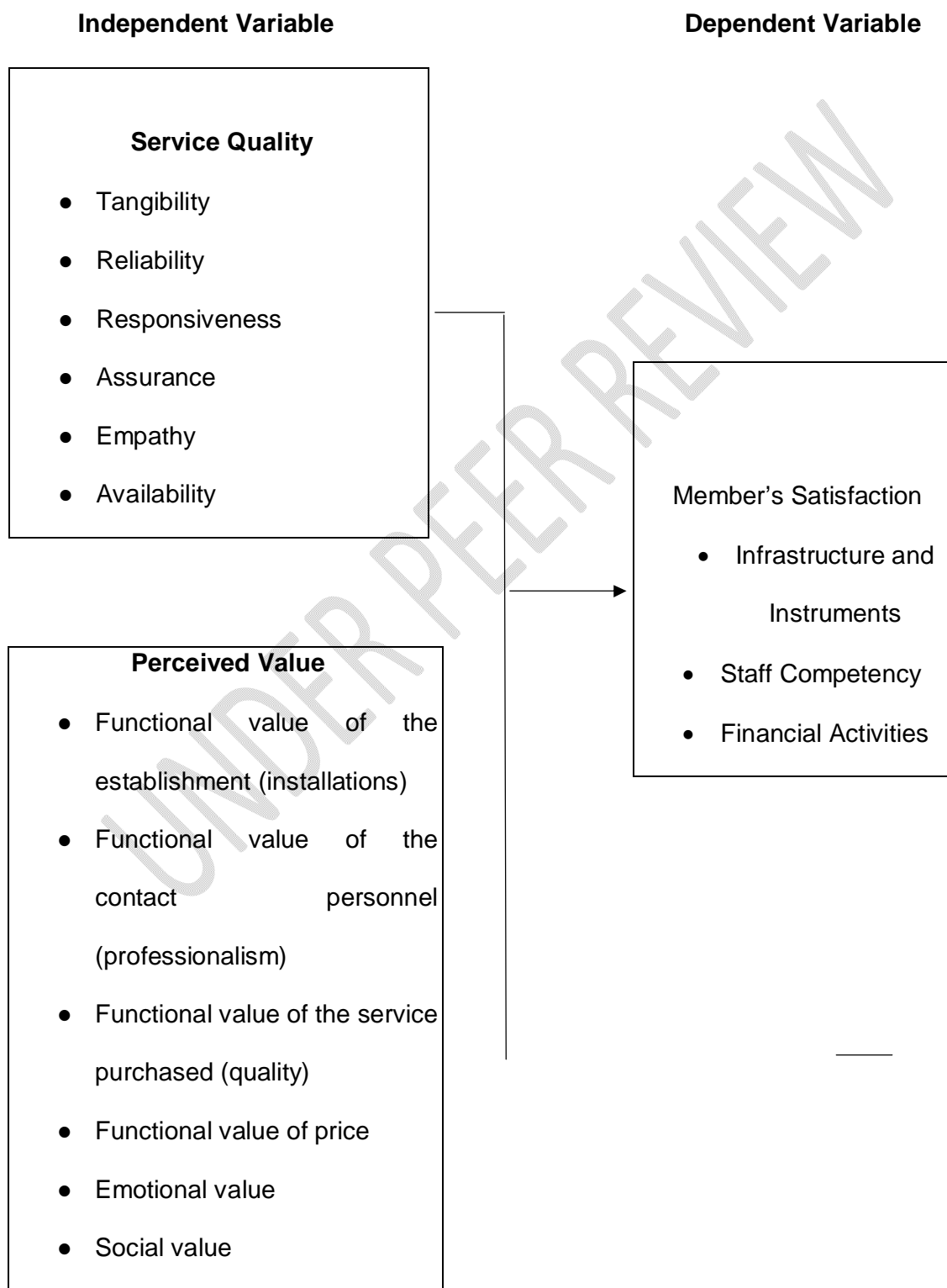


Figure 1. Conceptual Framework of the Study

prompt manner; Assurance which refers to the ability of employees to inspire trust and confidence; Empathy which measures the firm's caring and understanding to the needs of its customers; and Availability ensures that the service or information is available when expected.

The second independent variable by Sanchez et. al., (2006) is the Customer Perceived Value with the following indicators: Functional value of the establishment (installations) refers to the overall appearance of the office. Functional value contact personnel (professionalism) refer to the degree of professionalism showed by the employees. Functional value of the service purchased (quality) which is the utility derived from the perceived quality and expected performance of the product. Functional value price which refers to the utility derived from the product due to the reduction of its perceived short term and longer-term costs. Emotional value the perceived utility through the creation or perpetuation of feelings or affective states. Social value which is the utility derived from the product's ability to enhance social self-concept.

Further, the dependent variable of this study is member (customer) satisfaction (Jindal, 2023) which composed of three indicators namely: (1) Infrastructure and Instruments, (2) Staff Competency and Financial Activities. Infrastructure and instruments refer to the assets of the cooperative which

includes all the environment in which banking employees provide services to members. Staff competency refers to bank staff performance in maintaining better relationships with members. And lastly financial activities refer to activities offered by the cooperatives.

There are previous studies that tried to identify essential drivers of customer satisfaction (Zameer et al., 2014). However, those previous studies do not explain or highlight which underlying variables are considered the most influential and why one specific variable might have a bigger impact on customer satisfaction compared to another. There hasn't been much research on quality service, customer perceived value and customer satisfaction in cooperatives; prior studies on the subject concentrated on industries like banking. Studies on customer satisfaction in cooperatives tend to be rare, despite prior research emphasizing the value of excellent service and customer satisfaction.

Therefore, the purpose of the study was to examine how quality service, customer perceived value and customer satisfaction among members of the cooperative are related. Specifically, this sought answers to the following questions: first, to describe the level of service quality in terms of tangibility, reliability, responsiveness, assurance, empathy, and availability. Second, to determine the level of customer perceived value in terms of offunctional value of establishment, functional value of contact personnel, functional value of service purchased, functional value of price, emotional value and social value. Third, to describe the level of customer satisfaction in terms of infrastructure and instrument, staff competency and financial

activities. Fourth, to determine if there is a significant relationship between service quality and customer satisfaction and customer perceived value and customer satisfaction. And lastly to determine which domain of service quality and perceived value best predict members' satisfaction.

The contribution of this study was beneficial to the management, employees and members of the cooperative. The result of the research will provide insights for the management to consider strategic areas to improve the quality of service that will lead to customer satisfaction, and in order to build and sustain competitiveness and customer retention. This would help the cooperative reallocate their resources to provide better services and guide the organization to maintain a good and healthy relationship with the members. The study would become a tool for strengthening the cooperative's vision, mission and goal to continuously operate, dominate and serve their members. Moreover, the result of the study is incredibly beneficial to the cooperative financial institution particularly to the management of cooperatives to address issues as they compete and remain in the business. And lastly, to the future researchers by providing them with a solid basis of information and reliable evidence that they can use for the succeeding undertakings.

METHODS

This section consists of comprehensive discussion about the processes and methods that the researcher will adopt in conducting this research study. It outlines the research subject, instrument, research design

and procedures, and ethical considerations to elaborate the important details in the making of this research.

Research Respondent

The respondents of this study were the members of the multipurpose cooperative (medium category) in the municipality of Kapalong, Davao del Norte. The prospective respondents were 361 members with at least six (6) months onwards of stay as a member and has availed any financial services offered by the cooperative. Along the process, when the respondents felt uncomfortable answering the questionnaire, if they thought that some items were vague to understand or when they feel inadequate in their physical condition, they were given freedom to withdraw from their involvement in the study.

The respondents were selected using systematic random sampling. As cited by Mostafa, S.A., & Ahmad, I.A, (2017), systematic sampling either by itself or in combination with some other method, may be the most widely used method of sampling. Additionally, systematic sampling can provide implicit stratification, and hence produce better estimates, if the sampling frame is in some order (Cochran, 1977).

List 1 :Distribution of Respondents

Cooperative	Population	Sample
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A	363	36
B	3325	325
Total	3688	361

Materials and Instrument

The researcher employed an adapted and modified questionnaire as a survey tool to gather data for addressing particular issue. The instruments were subjected to internal and external validation to establish the validity of the questionnaires. The external validators had a mean score of 4.85 indicating a very high level.

The research questionnaires underwent pilot test to verify the reliability and credibility of its items. The reliability test for service quality was 0.957, indicating an excellent level. The perceived customer value yielded a rating of 0.966 which signifies an excellent level. Additionally, the customer satisfaction resulted to a score of 0.777, which shows an acceptable level.

The researcher used three adapted survey questionnaires as a survey guide for the collected data for this analysis. The questionnaire for service quality was adapted from Parasuraman et. al., (1985). While the questions for customer perceived value was based from Sanchez et. al (2006). Furthermore, the questions for customer satisfaction were based on Jindal, (2023). All items used a five-point Likert scale from 5 -Strongly Agree, 4-Agree, 3-Moderately Agree, 2-Disagree, and 1-Strongly Disagree.

The following parameter limits, with their corresponding descriptions, were applied to the level of service quality.

List 2: List of parameter limits, with their corresponding descriptions applied to the level of service quality

Range of Means	Descriptive Equivalent	Description
4.20 – 5.00	Very High	s indicates that the level of service quality is very much observed.
3.40 – 4.19	High	This indicates that the level of service quality is much observed.
2.60 – 3.39	Moderate	This indicates that the level of service quality is moderately observed.
1.80 – 2.59	Low	This indicates that the level of service quality is less observed.
1.00 – 1.79	Very Low	This indicates that the level of service quality is not observed.

To determine the response of the respondents, the following parameter limits, with their corresponding descriptions, were applied to the level of customer perceived value.

List 3 :Response of the respondents towards limits, with their corresponding descriptions, applied to the level of customer perceived value

Range of Means	Descriptive Equivalent	Description
4.20 – 5.00	Very High	This indicates that the level of customer perceived value is very much observed.
3.40 – 4.19	High	This indicates that the level of customer perceived value is much observed.

2.60 – 3.39	Moderate	This indicates that the level of customer perceived value is moderately observed.
1.80 – 2.59	Low	This indicates that the level of customer perceived value is less observed.
1.00 – 1.79	Very Low	This indicates that the level of customer perceived value is not observed.

The following parameter limits, with their corresponding descriptions, were applied to the level of members' satisfaction.

List 4 :List of parameter limits, with their corresponding descriptions applied to the level of members' satisfaction

Range of Means	Descriptive Equivalent	Description
4.20 – 5.00	Very High	This means that members satisfaction is very much observed.
3.40 – 4.19	High	This means that members satisfaction is much observed.
2.60 – 3.39	Moderate	This means that members satisfaction is moderately observed.
1.80 – 2.59	Low	This means that members satisfaction is less observed.
1.00 – 1.79	Very Low	This means that members satisfaction is not observed.

Design and Procedure

This study employed quantitative research using descriptive-correlational design with regression analysis in processing the data. This

assessed the statistical relationship between two variables with no influence from any extraneous variable and to established a link or influence of one variable from another variable. The statistical tools used in analyzing the gathered data were the following mean, standard deviation, pearson r and regression analysis.

RESULT AND DISCUSSION

This section analyzes the data obtained from the cooperative members of Kapalong. The sequence of presentations on the specified topic is as follows: This study aims to examine the significant level of service quality and customer perceived value on customer satisfaction among members of the Cooperative. Additionally, to determine if there is a significant relationship between service quality and customer satisfaction and customer perceived value and customer satisfaction in these sectors. And lastly to determine which domain of service quality and perceived value best predict members' satisfaction in the cooperative.

Level of Service Quality

The mean score for Service Quality as shown in Table 1 was 4.56, indicating a very high level with a standard deviation of 0.38. These findings suggest that service quality is very much observed in the cooperatives as well as the employees in terms of tangibility, reliability, responsiveness, assurance, empathy and availability.

Table 1: Level of Service Quality

Indicators	Mean	SD	Descriptive Equivalent
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Tangibility	4.60	0.415	Very High
Reliability	4.51	0.504	Very High
Responsiveness	4.60	0.480	Very High
Assurance	4.58	0.448	Very High
Empathy	4.59	0.432	Very High
Availability	4.48	0.486	Very High
Overall	4.56	0.382	Very High

The mean score derived from the gathered data was sorted as follows: 4.60, indicating a very high level of tangibility and responsiveness; 4.59, suggests a very high level of empathy; 4.56, also suggest a very high level of assurance; 4.51, indicating a very high level of reliability; and 4.48, also indicating a very high level of availability. The highest mean score for tangibility demonstrates that cooperatives are committed to provide the best physical surrounding and appearance of employees. As cited by Gitonga (2023), for service delivery companies, tangibles are significant because they create a powerful, favorable, and motivating client association and experience through their proprietary assets. These results align with prior research (Albutra, 2022; Arasli et al. 2005; Haron et al. 2020; Kant and Jaiswal 2017). This indicates that the greater the physical appearance and employee outfits with smart equipment in providing service to consumers, the greater the propensity to satisfy customers of the cooperative. Another highest mean is responsiveness which suggest that employees are eager to help its customers in a prompt manner. The results corroborate that staff response can meet customer satisfaction, similar to earlier research (Baghla and Garai

2016; Collis and Hussey 2013; Fida et al. 2020; Sardana and Bajpai 2020; Vencataya et al. 2019; Parasuraman et al. 1988). For banking institutions to win their clients' loyalty, providing quick service is crucial. Enhanced promptness and quick customer responses lead to customer satisfaction. According to Sobari (2024), a company's ability to respond quickly can boost customer loyalty, foster trust, and enhance customers' opinions of the quality of its service.

Level of Customer Perceived Value

Reflected in Table 2 was the mean score for customer perceived value. The overall score was 4.49 with a very high descriptive equivalent and a standard deviation of 0.42. This indicate that the customer perceived value was very much observed by the cooperative.

Table 2: Level of Customer Perceived Value

Indicators	Mean	SD	Descriptive Equivalent
Functional Value (Installations)	4.49	0.465	Very High
Functional Value (Professionalism)	4.58	0.437	Very High
Functional Value (Service Quality)	4.50	0.479	Very High
Functional Value (Price)	4.50	0.506	Very High
Emotional Value	4.48	0.505	Very High
Social Value	4.36	0.567	Very High
Overall	4.49	0.424	Very High

The result was ranked in descending order: Functional value (Professionalism) garnered 4.58, indicating a very high level. The functional value (service quality) and functional value (price) was 4.50, denotes a very high level. The functional value (installations) was 4.49 also denotes a very high level. The emotional value was 4.48, indicating a very high level and finally, social value with 4.36, signifies a very high level. Indicator number 1 with the highest meanshows that professionalism plays a vital role in members satisfaction. Baque et. al., (2021), stated that employee's ability to empathize with the customers and their needs has become more important in the financial industry and affects the satisfaction of a customer. Moreover, Tatar (2020) stated that skilled employees enable efficiency in the workload from the managerial perspective since they are to a large extent self-going, thus being competent enough to make the right decisions.

Level of Customer Satisfaction

The overall mean score for member satisfaction yielded a score of 4.12, indicating a high level bearing a standard deviation of 0.382. This means that members are satisfied with the service they received from the cooperative with regards to infrastructure and instruments, staff competency and financial activities.

Table 3: Level of Member Satisfaction

Indicators	Mean	SD	Descriptive Equivalent
Infrastructure and Instruments	3.09	0.778	Moderate
Staff Competency	4.66	0.432	Very High

Financial Activities	4.62	0.448	Very High
Overall	4.12	0.382	High

The mean score for staff competency was 4.66, shows a very high level. On the other hand, financial activities were rated 4.62, indicating a very high level. Whereas, infrastructure and instruments yielded a score of 3.09, which signifies a moderate level. Highest mean demonstrates that the skills and personal attributes of an employee influence members satisfaction. Employees that have a positive attitude towards their work are often seen to reflect on customers and their satisfaction, because of employees being symbols of the company. Based on Baque et. al., (2021), employees that possess high competence and knowledge require less effort to solve difficult problems under pressure and simultaneously knowing how to act towards their customers by delivering a certain level of service to affect customer.

Significance of the Relationship between Service Quality and Customer Perceived Value to Member Satisfaction

Table 4 revealed the findings of the significant relationship between Service Quality and Customer Perceived Value to Member Satisfaction. The result shows a p-value of .001 which is lower than the significance level of 0.05, thus demonstrate that the null hypothesis was rejected. The r-value of 0.628 implied that there is a strong correlation between service quality and member satisfaction. Moreover, the r-squared of 0.3944 signifies that the service quality can explain 39.44% of the variation in member satisfaction. Furthermore, data implied a strong correlation between customer perceived

value and member satisfaction bearing a r-value of 0.687 and r-squared of 0.4720 with 47.20% variability.

Table 4: Relationship between Service Quality and Customer Perceived Value to Member Satisfaction

Independent Variables	Dependent Variable	r-value	r-squared	p-value	Decision
Service Quality	Member Satisfaction	0.628*	0.39438	<0.001	Reject Ho
Customer Perceived Value		0.687*	0.47197	<0.001	Reject Ho

*p<0.05

Regression Analysis on Service Quality and Customer Perceived Value as Predictors of Member Satisfaction

Presented in Table 5, the results for the analysis on service quality and customer perceived value to member satisfaction. The analysis shows a F-value of 161.277 and a p-value of 0.220 and 0.001. The value for service quality was above the significance level of 0.05 which signifies non-rejection of null hypothesis while for customer perceived value was below the significance level of 0.05, which signifies the rejection of null hypothesis. This means that only customer perceived value significantly predicts member satisfaction.

Table 5: Regression Analysis on Service Quality and Customer Perceived Value as Predictors of Member Satisfaction

Independent Variables	Unstandardized Coefficients		Standardized Coefficients Beta	t-value	p-value	Decision
	B	SE				
(constant)	1.252	0.175				
Service	0.100	0.081	0.100	1.228	0.220	Do not

Quality						Reject Ho
Customer Perceived Value	0.539	0.073	0.599*	7.356	<0.001	Reject Ho

Dependent Variable: Member Satisfaction

R-value = 0.688
R² = 0.474

F-value = 161.277
p-value <0.001

The R-value of 0.688 suggests that customer perceived value have a positive influence to member satisfaction. The r-squared value of 0.474 indicates that only 47.40% of customer perceived value can account the variation in member satisfaction. The variables' standardized beta coefficients are as follows: The service quality yielded a result of 0.100 while customer perceived value was 0.599.

Table 6 presents the calculated F-value of 57.856, and r-value of 0.704, and a p-value of 0.001. These results indicate a significant relationship of the domains of customer perceived value and member satisfaction.

Table 6: Regression Analysis on the Domains of Customer Perceived Value that Significantly Predict Member Satisfaction

Indicators	Unstandardized Coefficients		Standardized Coefficients Beta	t-value	p-value	Decision
	B	SE				
(constant)	1.337	0.162				
Functional Value (Installations)	0.124	0.052	0.151*	2.368	0.018	Reject Ho
Functional Value (Professionalism)	0.129	0.055	0.148*	2.349	0.019	Reject Ho
Functional Value (Service Quality)	-0.154	0.070	-0.193*	-2.193	0.029	Reject Ho

Functional Value (Price)	0.173	0.052	0.229*	3.300	0.001	Reject Ho
Emotional Value	0.199	0.054	0.264*	3.700	<0.001	Reject Ho
Social Value	0.152	0.036	0.226*	4.220	<0.001	Reject Ho

Dependent Variable: Member Satisfaction

R-value = 0.704

R² = 0.495

F-value = 57.856

p-value <0.001

The r-squared value of 0.495 implies that the domains of customer perceived value can account for 49.50% of the variation in member satisfaction. The standardized coefficients sorted from highest to lowest are as follows: emotional value (0.264), functional value (price) (0.229); social value (0.226); functional value (installations) (0.151), functional value (professionalism) (0.148), and functional value (service quality) (0.193). The domains of customer perceived value that significantly predicts member satisfaction are emotional value, functional value (price), social value, functional value (installations), functional value (professionalism), functional value (service quality). Additionally, as stated in the results of the standardized beta coefficient, emotional value employs a greater impact than other indicators. This means that members of the cooperative tend to be more satisfied when they are happy, hassle free and comfortable for the services they receive.

CONCLUSIONS AND RECOMMENDATIONS

Presented in this section are the conclusions and recommendations of the study.

Conclusion

The researcher's findings indicate that there is a very high level of service quality and customer perceived value which means that items included are very much observed and a high level of member satisfaction. The results found a significant correlation between customer perceived value and member satisfaction. Additionally, study had identified perceived customer value domains that significantly predict member satisfaction. These are emotional value, functional value (price), social value, functional value (installations), functional value (professionalism), functional value (service quality).

Ultimately, the results of this study give empirical support for the value-percept theory and the Expectancy-Disconfirmation Paradigm (EDP), which form the theoretical basis of this research.

Recommendations

In the preceding analysis, results, and potential implications, the researcher has formulated the following suggestions to improve the members satisfaction of the cooperatives in Kapalong.

Results revealed that availability in the service quality indicators had a lower mean score therefore it should be addressed. The cooperative should provide place for members orientation since before they will be accepted as members they will undergo orientation about history, the laws and policies of the cooperatives. They should provide area for customer service where

members complain could be accommodated without disturbing the operations. Most cooperatives offices are not that spacious enough to consider all the facilities which they can provide to the members. Therefore, the management should find ways to solve these problems so that it can be included in the strategic planning and allocate a budget.

On the other hand, social value in the area of customer perceived value had a lowest mean which demonstrate that member had the feeling of not being accepted. The component of social value reflects member perceptions about how they are approved, respected, and accepted by the management and co-members. Although members experience seems to meet their functional values (installations, professionalism, service quality and price) and emotional values, it failed to meet their social value expectations. This may be occurred by generational differences, since older generations are very sensitive compare to younger generations.

Moreover, it appeared that infrastructure and instruments in the field of member satisfaction had the lowest mean score. Given that cooperatives had limited resources due to limited source of capital, cooperatives still should improve services (online banking systems) for faster transactions with the members. They should provide 24/7 automated teller machines or point of sale (POS) to members for cash out services to compete with other financial institutions around the municipality. Aside from this, the management should provide other schemes that were accessible and convenient to the members in order to minimize members turn-over and to sustain the operation.

Finally, to the cooperative management to utilize the result of this study, take actions in the low-level areas, and include the necessary solutions in their strategic management, practices and budget.

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