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# Impact of Service Quality and Product Innovation on Public Satisfaction and Trust

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ABSTRACT: Efforts to exploit the potential of the village for tourism purposes are increasing. One of the potentials that can be developed in rural areas in Banyuwangi Regency is the application of the Smart Kampung System. The purpose of this study was to determine the effect of service quality and product innovation on community satisfaction and trust in the Village Government with the Smart Kampung system in Banyuwangi. The population of this study is the entire population in 189 villages in Banyuwangi Regency with a total of 1,549,412 inhabitants. The sample was determined based on Roscoe's opinion, with a total sample of 378 respondents. The analysis technique used is the Structural Equation Model (SEM) using WarpPLS 5.0. The results of data analysis indicate that the service quality variable, Smart Kampung innovation has a significant effect on community satisfaction. The service quality and innovation of Smart Kampung have a significant effect on public trust. Community satisfaction has a significant effect on public trust in Banyuwangi Regency.

**Keywords** -service quality; product innovation; satisfaction; public trust.

## I. INTRODUCTION

The implementation of public services is carried out by government officials in various service sectors. Through Law Number 25 of 2009 concerning Public Services and Government Regulation Number 96 of 2012 concerning Implementation of Law Number 25 of 2009 concerning Public Services, mandates all government institutions, both at the central and regional levels, to conduct community satisfaction surveys as a measure of the success of service delivery. The two legal products explicitly state that public satisfaction is a measure for assessing the quality of public services. Along with technological advances and community demands in terms of service, public service delivery units are required to meet the expectations of the community in providing services (https://ppid.kemhan.go.id/2020). Therefore, in PP No. 96 of 2012 states that public services must receive serious attention and handling by all apparatus, because it is a task and function inherent in every ministry/institutional apparatus in particular, which incidentally is the front line public service providers. The level of quality of public service performance has a broad impact in various lives, especially to achieve the level of community welfare as well as a reference for ministries/institutions to evaluate the implementation of public services as well as a tool to improve the performance of public services, with efforts to improve.

One of the efforts that must be made in improving public services is to conduct a community satisfaction survey to service users by measuring the satisfaction of service users. Given that public service units are very diverse, to obtain the Community Satisfaction Index, a uniform survey method is needed as regulated in the Minister of Administrative and Bureaucratic Reform Regulation Number 14 of 2017 concerning Guidelines for Compiling a Community Satisfaction Survey for Public Service Providers.

Increasing a satisfaction for both consumers and the community, cannot be separated from what is called service quality, according to Hayat (2017) service is the provision of basic rights to citizens or the community in accordance with their needs and interests regulated by legislation. Service means serving the people being served. If you serve, then the truth is to provide professional and proportional service/devotion. The form and manner of service are also part of the meaning that cannot be separated from the service itself. Service means serving seriously to the people being served to fulfill their needs and interests in order to provide satisfaction and benefit.

Quality has many different definitions and varies from conventional to more strategic (Sinambela, 2014). The conventional definition of quality usually describes the direct characteristics of a product, such as: performance, reliability, ease of use, aesthetics, and so on. As for the strategic definition, it is stated that quality

is everything that is able to meet the desires or needs of customers (Qomariah, 2016). According to Hayat (2017) the quality of public services is the core of a service performance. Service performance is an important point in the implementation of public services. The quality of public services is an indicator of the success of the public services provided. The quality of good public services is a barometer that the services provided are in accordance with the provisions of the applicable legislation. This also indicates the quality of human resources that are good, professional and responsible and competent(Mu'ah et al., 2020).

Organizational innovation can be defined as new ways of organizing work, and carried out within an organization to encourage and promote competitive advantage. The essence of organizational innovation is the need to improve or change a product, process or service (Sutarno, 2012). Innovation has a meaning that is not only limited to building and updating but can also be defined broadly, utilizing new ideas to create products, processes, and services (Sinambela, 2014). According to Hamel, innovation is defined as a transition from traditional management principles, processes and practices or a shift from the old organizational form and has a significant influence on the way management is run (Ancok, 2012). While Fontana (2011) describes innovation as economic success due to the introduction of new ways or new combinations of old ways of transforming inputs into outputs (technology) that result in large or drastic changes in the comparison between the use values prepared by consumers for the benefits of a product. (goods/services) and prices set by producers.

Supranto (2011) defines satisfaction as the level of a person's feelings after comparing the performance or results he feels with his expectations. The level of satisfaction is a function of the difference between perceived performance and expectations. If the performance is below expectations, the customer will be very disappointed. If the performance matches expectations, the customer will be very satisfied. Meanwhile, if the performance exceeds expectations, the customer will be very satisfied, customer expectations can be formed by past experiences. Satisfied customers will be loyal longer, less sensitive to price and give good comments. Satisfaction or dissatisfaction is the conclusion of the interaction between expectations and experiences after using the services or services provided. Efforts to achieve total customer satisfaction are not easy, according to Kotler and Keller (2016) stating that total customer satisfaction is impossible to achieve, even if only temporarily. Customer/community satisfaction is an emotional response to experiences related to certain purchased products/services (Tjiptono, 2012). If performance is below expectations, the customer is dissatisfied. If the performance meets the expectations, the customer is satisfied. If performance exceeds expectations, the customer is very satisfied or happy (Kotler, 2011). Community satisfaction is the conclusion of the interaction after using the services or services that have been provided and then comparing the performance that has been given to the expected performance.

Trust depends on several interpersonal and inter-organizational factors such as competence, integrity, honesty and kindness. According to Kotler and Keller (2012) trust is a company's willingness to depend on business partners. Building trust can be difficult in online situations, companies impose stricter rules on their online business partners than any other partner. Business buyers worry that they will not get the right quality product or service delivered to the right place at the right time, and vice versa. According to Mowen and Minor (2012) consumer trust means that all knowledge possessed by consumers and all conclusions made by consumers regarding objects, attributes and benefits. According to Siagian and Cahyono (2014) trust is a belief from one party regarding the intentions and behavior of the other party, thus consumer trust is defined as a consumer's expectation that the service provider can be trusted or relied on in fulfilling its promises. According to Gunawan (2013) trust is defined as a form of attitude that shows feelings of liking and persisting to use a product or brand. Trust will arise from the minds of consumers if the product purchased is able to provide the benefits or value that consumers want in a product. According to Andromeda (2015) consumer confidence in online shopping websites lies in the popularity of the online shopping website itself, the better a website, consumers will be more confident and trust in the reliability of the website. Aribowo and Nugroho (2013) argue that the trust of certain parties to the other parties concerned in conducting transactional relationships is based on a belief that the person they trust will fulfill all their obligations properly as expected. According to Firdayanti (2012) consumer trust is a perception from the consumer's point of view of the reliability of the seller in the experience and the fulfillment of consumer expectations and satisfaction.

Based on the service marketing theory regarding public services above, which states that there are factors that have an impact on increasing trust, but based on previous research there are research results that have no effect or there is a research gap, while the results of research conducted by Ashari (2019) state that service innovation has an effect not significant to public trust. Service quality has a significant effect on public trust. Community satisfaction has a significant effect on public trust. Furthermore, research was conducted by Aspiyah (2020). The results of this study indicate that the service quality variable has a positive and significant effect on patient satisfaction at the Genteng Regional General Hospital, Banyuwangi Regency. The service product innovation variable has a positive but not significant effect on patient satisfaction at the Genteng Regional General Hospital, Banyuwangi Regency. The service quality variable has a positive but not significant effect on patient trust at the Genteng Regional General Hospital, Banyuwangi Regency. The service product

innovation variable has a positive and significant effect on patient confidence in the Genteng Regional General Hospital, Banyuwangi Regency. The variable of patient satisfaction has a positive and significant effect on patient confidence in the Genteng Regional General Hospital, Banyuwangi Regency. Furthermore, research conducted by Kasinem (2020), the results of statistical tests can be concluded that Trust and Service Quality have a positive and negative influence on consumer satisfaction. The results of the independent variable ANOVA test which include Trust (X1) and Service Quality (X2) simultaneously have a positive and significant effect on customer satisfaction. From the results of the partial test, it is known that the regression coefficient value of the Service Quality variable (X2) has a negative effect on Customer Satisfaction (Y). Trust and Service Quality have a significant effect together on Customer Satisfaction.

Furthermore, research conducted by Maradita and Rusni (2020), the results of this study indicate that:

1). service quality has no significant effect on customer satisfaction. Hidayati (2014), found that: responsiveness, competence, courtesy and credibility directly affect a significant impact on community satisfaction, while real evidence, test power and ease of direct access have no significant effect on community satisfaction. Responsiveness and credibility variables directly have a significant effect on public trust, while real evidence, test power, competence, courtesy, ease of direct access have no significant effect on public trust. Community satisfaction directly has no significant effect on trust. Real evidence indirectly has a negative effect on trust through satisfaction, while testability, responsiveness, competence, courtesy, credibility and ease of access have positive indirect effects on public trust through satisfaction.

Based on the research that has been done previously, there are still gaps in the results of the research that show they are inconsistent, so it is hoped that this research can contribute to science related to the variables described. The object chosen in this study is the community in all villages in Banyuwangi Regency regarding smart cities through Banyuwangi smart villages which are regulated in Banyuwangi Regent Regulation Number 18 of 2016 concerning the integration of village/based work programs through smart villages. Smart Kampung is the concept of community development in a community to do something smart/smart/wise in overcoming various problems with the ability of available resources efficiently in an area inhabited by people who form their own community with a life order associated with local customs, and the norms that apply therein. The Smart City concept is implemented as Smart Kampung because it adapts to the demographic conditions of Banyuwangi which is dominated by rural areas with 189 villages and 28 sub-districts. The distance between the village and the city center in Banyuwangi is very far with travel time of up to three hours. Residents who need documents have to go to the sub-district office or the city center which is located quite far away, so it is not efficient. With Smart Kampung, the administration will gradually be completed in the village. Currently, all villages have implemented smart villages and are already connected to fiber optics.

During the Corona Virus Disease 19 (Covid19) pandemic, the handling program was integrated into Smart Kampung. Starting from isolation housing services for residents, monitoring migrants, to receiving social assistance. Through the Smart Kampung application, Banyuwangi Regency opens online reporting of social assistance for residents affected by the Covid19 pandemic. There is a feature in the reporting system whose links have been shared to various social media accounts of the Banyuwangi Regency Government. Residents affected by COVID-19 can report themselves or report other people who are considered worthy of assistance. For residents who report other people, there is a column for the name of the reporter and the telephone number of the reporter for verification. In this case, the basis is the Population Identification Number (NIK) and Family Card Number (KK) of residents crossed with Smart Kampung which has been inputted through a complete database for all beneficiaries. Then, residents only need to enter their NIK and KK to find out whether they are included in the list of beneficiaries or not. The data in the Smart Kampung system integrates all beneficiaries, from central, provincial to district programs. So that with this system, data collection becomes more accurate, and assistance for residents affected by the Covid-19 pandemic can be more accurately distributed, according to the recipient's data.

During the current Covid-19 pandemic, there are several social assistance programs from the central and regional governments for affected communities. Through the Smart Kampung application, the distribution of social assistance can run well and smoothly, because Smart Kampung already has a population database including data on the poor, through the Poverty Emergency Unit (UGD) feature. During the Covid-19 pandemic, not all of them received social assistance from the central government, because the data held by the Central Government had not been or were not updated. For this purpose, Banyuwangi has opened online reporting of social assistance for residents affected by the Covid-19 pandemic. This reporting system is used to accommodate residents who have not been registered in the social safety net scheme, either from the central, provincial or district governments. In addition, residents can check the recipients of social assistance from the center, province, and district which then online reporting is integrated in a Smart Kampung program initiated by the Banyuwangi Regency Government since 2016, Smart Kampung provides many conveniences in handling Covid-19, including in data collection. social assistance recipients. From the existing data, the assistance will be categorized as central, provincial, and district. This data integration will help the system to reject multiple

beneficiaries, because the input data is based on the NIK and KK Number. The actual number of social assistance recipients in the Smart Kampung application is presented in Table 1.

Table 1: Number of Realized Social Assistance Recipients Based on Data Inputted in Smart Villages for 2020-2021.

No	Type of Social Assistance	Realization Based On Data	Latest Data Accuracy	Number of Unregistered Recipients
1	BLT DD	100%	Already Optimal	0 %
2	Regional Budget	100%	Already Optimal	0 %
3	Central BLT	100%	Not Optimal	33,3 %
4	Pregnant & lactating mothers	100%	Not Optimal	20,05%
5	BPNPT	100%	Not Optimal	3%
6	ASN care	100%	Real Time	-
7	Provincial JPS	100%	Not Optimal	12,77%

Based on the social assistance data above, it can be seen that the realization of the social assistance channel has been realized 100% on target based on the recorded data, but the accuracy of the latest data on social assistance recipients is still not up-to-date so that the number of social assistance recipients that should increase or according to the latest data can receive of the assistance that has been given. In addition, it is also based on the use of the Smart Kampung application which refers to the Banyuwangi Regent Regulation Number 18 of 2016 concerning Integration of Village Based Work Programs through Smart Kampung and BanyuwangiRegent Regulation Number 26 of 2019 concerning Amendments to Banyuwangi Regent Regulation Number 60 of 2017 concerning the Implementation of the Masterplan Smart City Through Banyuwangi Smart KampungBanyuwangi Regent. Based on the explanation of the theory and previous research that has been done as well as the phenomena that occur, the purpose of this study is to determine the quality of service and product innovation on the satisfaction and trust of the community in the Village Government with the application of Smart Kampung in Banyuwangi Regency.

# II. RESEARCH METHODS

This research uses descriptive and quantitative research methods. According to Sugiyono (2013) descriptive method is a method for analyzing data by describing or describing the data that has been collected as it is without intending to make conclusions that apply to the public or generalizations. According to Sugiyono (2013) quantitative method is one type of research whose specifications are systematic, well-planned and clearly structured from the beginning to the making of research designs.

The population in this study were all rural communities in Banyuwangi Regency as many as 1,549,412 people as of June 2021 spread over 189 villages. The theoretical basis used to determine the number of samples to be used in this study is based on the theory according to Roscoe quoted by Sekaran (2010) which provides a general reference for determining sample size: sample sizes of more than 30 and less than 500 are appropriate for most studies. Referring to Roscoe's opinion and based on the considerations that have been put forward, the number of samples used in this study were 378 respondents. The sampling technique used in this study is non-probability sampling, namely the purposive sampling method. Purposive sampling is a sampling technique based on certain considerations, where the sample is obtained from a certain target group who is able to provide the desired information because they do have the information and they meet the criteria determined by the researcher (Sugiono, 2012). The considerations used in selecting respondents are based on the provisions that: 1) Respondents are residents of Banyuwangi who use the Smart Kampung application; 2) Respondents are recipients of assistance from the Banyuwangi Regency Government during the Covid 19 pandemic; 3) Each village in Banyuwangi Regency is given 2 Questionnaires.

The variables in this study consisted of exogenous variables (service quality and product innovation), intervening variables (community satisfaction) and endogenous variables (public trust). validity test and reliability test to determine the reliability and validity of the measuring instrument used. SEM analysis with Warp-PLS was used to test the research hypothesis.

## III. RESULTS AND DISCUSSION

## Validity test

The validation test was measured using the loadings factor criteria with a value of more than 0.70 and the average variance extracted (AVE) with a value exceeding 0.70 for the convergent validity test and for the

discriminant validity test using the ratio of the roots of the AVE with the correlation between variables. The results of WarpPLS 5.0 are presented in Table 2. The results of statistical calculations using WarpPLS 5.0 are presented in Table 2, showing that each value in the cross-loading factor has reached a value above 0.7 with a p-value below 0.001. Thus the convergent validity test criteria have been met. The validity test is also determined by measuring discriminant validity by looking at the AVE value. This AVE value can be used to measure the validity of the latent variable component values and the results are more conservative than composite reliability. The AVE value for the measurement of validity is presented in Table 3. In Table 3, it can be seen that the AVE root value for the same variable is higher than the AVE root value for different variables. This shows that the discriminant validity test criteria have been met. Thus, the instrument used in this study has met all the provisions of the validity test.

Tabel 2. Combined Loadings and Cross-Loadings

	X1	X2	Z	Y		SE	P value
371 1 1					Type (a		
X1.1.1	0.755	-0.416	0.015	-0.252	Reflect	0.046	<0.001
X1.1.2	0.715	0.508	0.331	-0.768	Reflect	0.047	< 0.001
X1.1.3	0.760	0.063	0.179	0.128	Reflect	0.048	< 0.001
X1.1.4	0.792	-0.270	-0.045	0.389	Reflect	0.046	< 0.001
X1.1.5	0.758	-0.051	-0.018	0.101	Reflect	0.046	< 0.001
X1,2.1	0.768	0.547	0.303	0.357	Reflect	0.047	< 0.001
X1,2.2	0.581	1.223	-0.567	-0.613	Reflect	0.047	< 0.001
X1,2.3	0.692	0.910	0.053	-0.577	Reflect	0.047	< 0.001
X1,2.4	0.729	-0.422	-0.211	0.701	Reflect	0.046	< 0.001
X1.3.1	0.698	-0.190	0.881	0.362	Reflect	0.047	< 0.001
X1.3.2	0.752	0.245	0.055	-0.541	Reflect	0.046	< 0.001
X1.3.3	0.759	-0.095	-0.029	0.273	Reflect	0.046	< 0.001
X1.3.4	0.693	-0,099	0.678	-0.535	Reflect	0.047	< 0.001
X1,4.1	0.720	-0.298	-0.648	-0.350	Reflect	0.047	< 0.001
X1,4.2	0.713	-0.143	-0.829	0.077	Reflect	0.047	< 0.001
X1,4.3	0.697	-0.955	0.408	0.241	Reflect	0.047	< 0.001
X1,4.4	0.753	-0.564	0.572	-0.073	Reflect	0.046	< 0.001
x1.5.1	0.761	0.027	-0.414	-0.043	Reflect	0.046	< 0.001
x1.5.2	0.764	0.441	-0.631	0.790	Reflect	0.046	< 0.001
X2.1	-0.232	0.736	0.110	0.427	Reflect	0.046	< 0.001
X2.2	-0.160	0.737	0.023	-0,251	Reflect	0.046	< 0.001
X2.3	-0.368	0.765	0.724	-0.589	Reflect	0.046	< 0.001
X2.4	0.859	0.696	-0.983	0.762	Reflect	0.047	< 0.001
Z1	-0.359	-0.015	0.752	0.545	Reflect	0.046	< 0.001
Z2	-0.137	0.449	0.852	-0.207	Reflect	0.046	< 0.001
Z3	0.261	-0.144	0.741	0,148	Reflect	0.046	< 0.001
Z4	0.279	-0.381	0.695	-0.729	Reflect	0.047	< 0.001
Y1	-0.111	0.249	-0.726	0.748	Reflect	0.046	< 0.001
Y2	-0.056	0.309	-0.085	0.844	Reflect	0.046	< 0.001
Y3	0.524	-0.286	0.042	0.804	Reflect	0.046	< 0.001
Y4	-0.397	-0.295	0.793	0.734	Reflect	0.046	< 0.001

Table 3: Comparison of Roots of AVE and Correlation Between Variables

	Services	Innovation	Satisfaction	Trust
Services	0,7773	0,1305	0,0206	-0,0031
Innovation	0,0016	0,7106	-0,0148	-0,0086
Satisfaction	0,0002	0,0010	0,7560	-0,0066
Trust	0,0012	0,0030	-0,0060	0,7738

# **Reliability Test**

Reliability testing is carried out with the aim of ensuring that the research instrument used can provide a consistent measurement of the concept without any bias. The results of data processing using WarpPLS 5.0, for reliability testing are presented in Table 4. The basis used in the reliability test is the value of composite

reliability coefficients and Cronbach's alpha coefficients above 0.5. The results in Table 4 show that the questionnaire instrument in this study has met the requirements of the reliability test.

**Table 4. Reliability Test Results** 

Variable	Composite Reliability	Cronbach's alpha
Service Quality	0.948	0.942
Innovation	0.817	0.700
Satisfaction	0.846	0.757
Trust	0.864	0.769

### **Structural Model Testing**

The research model test was conducted to see the suitability of the model built in the study. A good research model will be able to describe the suitability of the relationship between the variables in the study. The use of WarpPLS 5.0 has provided calculation results that show the criteria used to assess whether the model is appropriate. The results of testing the research model are presented in Table 5.

**Table 5: Research Model Test** 

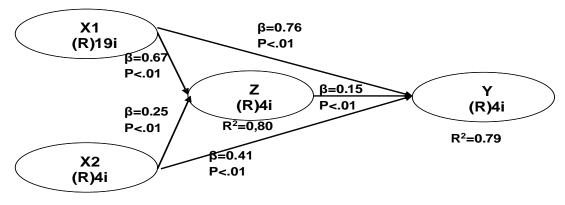
Information	Value	Ideal
Average path coefficient (APC)	P<0.001	<= 0,05
Average R-squared (ARS)	P<0.001	<= 0,05
Average adjusted R-squared (AARS)	P<0.001	<= 0,05
Average block VIF (AVIF)	1.017	<= 3,3
Average full collinearity VIF (AFVIF)	1.579	<= 3,3
TenenhausGoF (GoF)	0.665	besar
Sympson's paradox ratio (SPR)	1	1
R-squared contribution ratio (RSCR)	1	1
Statistical suppression ratio (SSR)	1	>= 0,7
Nonlinear bivariate causality direction ratio (NLBCDR)	1	>= 0,7

Based on the statistical calculations presented in Table 5, it can be seen that each value in the study has met the ideal criteria. The values of APC, ARS, and AVIF that meet the ideal criteria indicate that the overall research model is good. The fit of the model can also be calculated using the goodness of fit index. The goodness of fit index (GoF) is defined as the geometric mean or root of the average communality and the average R2 for all endogenous constructs. The GoF index shows the predictive power of the overall model. The GoF value has an interval between 0 to 1. A GoF value close to 1 indicates a good path model estimation. The GoF index for this research model is 0.665. Thus, the structural model that explains the relationship between the four variables has good predictive power.

# **Hypothesis Model**

Hypothesis testing is based on the results of the analysis of the PLS SEM model which contains all the variables supporting the hypothesis test. The PLS model with the addition of the community satisfaction variable as a mediating variable explains that the addition of the variable will provide an additional contribution as an explanation of public trust. The results of the hypothetical model are presented in Figure 1.

Figure 1: Path Analysis Results



#### **Coefficient of Determination**

Variant analysis (R2) or determination test is to determine the influence of the independent variable on the dependent variable, the coefficient of determination of community satisfaction is 0.802. This means that the contribution of the model to explain the structural relationship of service quality and local government innovation to community satisfaction is 80.2% and the remaining 19.8% is explained by other variables not involved in the model. The value of the coefficient of determination of public trust is 0.794. This means that the contribution of the model to explain the structural relationship of service quality, local government innovation and community satisfaction with public trust is 79.4% and the remaining 20.6% is explained by other variables not involved in the model.

#### IV. DISCUSSION

# The Effect of Service Quality on Community Satisfaction

Based on the results of testing and data analysis, the results obtained which state that service quality has a significant effect on the satisfaction of rural communities using the Smart Kampung application in Banyuwangi Regency. This could be due to aspects related to service quality that have an impact on community satisfaction. Aspects of service quality include: physical evidence, reliability, responsiveness, assurance, empathy. Sukmawati (2011) says that service quality is the basis for service marketing, because the core product being marketed is a performance (quality), and it is performance that is purchased by customers, therefore the quality of service performance is the basis for service marketing. The focus of relationship marketing is to get and keep customers. That means treating them well, improving the company's core services through adding value, and most importantly providing the services that every individual desperately needs. This study has significant similarities with previous research conducted by Moenardy, et al. (2016); Huang (2017); Gong (2018); Suseno, and Muthohar (2018); Qomariah (2012); Ashari. (2019); Aspiyah, W. (2021); Sukmawati and Massie (2015); Maradita and Rusni, (2020); Rukmana, (2019); Elrado, (2014); Rahman, (2019).; Rahman, et al. (2021). Al Qohrie, (2020), shows that service quality has a positive and significant effect on satisfaction. The results of this study are contrary to research.

## The Effect of Product Innovation on Community Satisfaction

Based on the results of testing and data analysis, the results obtained which state that local government innovation has a significant effect on the satisfaction of rural communities in Banyuwangi Regency. This is due to aspects related to local government innovations that have had a positive impact on the satisfaction of rural communities in Banyuwangi Regency. Innovation has a meaning that is not only limited to building and updating but can also be defined broadly, utilizing new ideas to create products, processes, and services (Susanto. 2014). According to Hamel, innovation is defined as a transition from traditional management principles, processes and practices or a shift from the old forms of organisms that have a significant impact on the way a management is run. (Ancok. 2012). Meanwhile, in this study, there are significant similarities in results with previous research conducted by Ashari, (2019); Aspiyah, (2021); Afriyani, and Muhajirin, (2021). Rukmana, (2019), Al Hasin, (2017), Rahman, (2019), Sukarmen, et al. (2013), Rahman, et al (2021). Miati, (2019), shows that trust has a significant effect on customer satisfaction.

#### The Influence of Service Quality on Public Trust

Based on the results of testing and data analysis, the results obtained which state that service quality has a significant effect on the trust of rural communities in Banyuwangi Regency. This could be due to aspects related to service quality that have been able to create public trust. Aspects of service quality include: physical evidence, reliability, responsiveness, assurance and empathy. A company's ability to provide services to customers is one of the factors that determine the level of success of the quality provided by the company. According to Kotler and Keller (2009), quality is defined as the total features and characteristics of a product or service that depend on the ability to satisfy stated or implied needs. This is definitely a customer-centric definition. A company that satisfies most of its customers' needs over time is called a quality company, but we must distinguish between quality conformity and performance. In this study, there are significant similarities with previous research conducted by Ashari, (2019), Aspiyah, (2021), Sukmawati, and Massie, (2015), Elrado, (2014), Rusbandi (2016), Rahman, et al. (2021), Al Qohrie, (2020), show that the service quality variable has a positive and significant effect on trust.

## The Effect of Product Innovation on Public Trust

Based on the results of testing and data analysis, the results obtained which state that local government innovation has a significant effect on the trust of rural communities in Banyuwangi Regency. This could be due to aspects related to local government innovation that have been able to create the trust of rural communities in Banyuwangi Regency. In this case, if the village community in Banyuwangi Regency has good local

government innovation, of course it will create good public trust as well. The discussion of innovation in the public sector and bureaucracy is a change in the main task and changing the procedures for Regional Apparatus Organizations (OPD). Cohen and Eimicke define innovation in public organizations as part of public sector management innovation which means the development of new Standard Operational Procedures (SOP) policies by city government agencies in dealing with public policy problems (Nurmandi, 2014). This understanding observes the rapidly growing area of government bureaucracy, so that it must be responded to quickly in the form of changes in policies, main tasks and standard operating procedures as well as organizational culture. Thus, three important elements of innovation in public organizations, especially city government organizations are policies, new functions and tasks, SOPs and organizational culture that should be served. (Nurmandi. 2014). As for this study, there are significant similarities with previous research conducted by: Ashari (2019), Aspiyah (2021), Gunasti (2014), Al Hasin (2017), Rusbandi (2016), Rahman, et al. (2021), Al Hasin (2017), show that trust has a significantly greater effect on trust.

# The Effect of Community Satisfaction on Public Trust

Based on the results of testing and data analysis, the results obtained which state that community satisfaction has a significant effect on the trust of rural communities in Banyuwangi Regency. This could be due to aspects of community satisfaction related to the trust of the village community in Banyuwangi Regency. Aspects of community satisfaction are the suitability of expectations, interest in revisiting and recommending. In this case, after adjusting the service quality and satisfaction of rural communities in Banyuwangi Regency, people who are satisfied with the services of the Banyuwangi Regency Government will have a tendency to increase their trust. Satisfaction reflects a person's assessment of his perceived product performance (or outcome) in relation to expectations. According to Kotler (2009) that a person's feelings of pleasure or disappointment arise from comparing the perceived performance of the product (or outcome) against their expectations. According to Supranto (2006), satisfaction is defined as the level of one's feelings after comparing the perceived performance or results with their expectations. Ratnasingam and Phan (2003) state that trust is considered to be the keystone of strategic partnerships, and appears to be a mediating or intermediary element in seller-buyer relationships. Trust is also seen as a key element in building lasting relationships with customers and in maintaining a company's market share. Trust is the foundation of business (Heruwasto and Fatimah, 2011). As for this study, there are significant similarities with previous research conducted by Ashari (2019), Aspiyah (2021), Sukmawati and Massie (2015), Elrado (2014), Ardiyanto (2014), Rahman et al. (2021), Al Qohirie (2020), Qurroty (2014), Norhermaya and Soesanto (2016), show that there is a significant influence between satisfaction and trust.

# V. CONCLUSIONS AND SUGGESTIONS

Based on the research findings that have been described in Chapter IV, the conclusions in this study are as follows: 1) The test results prove that service quality has a positive and significant effect on community satisfaction; 2) The test results prove that local government innovation has a positive and significant effect on community satisfaction; 3) The test results prove the quality of service, has a positive and significant effect on public trust; 4) The test results prove that local government innovation has a positive and significant effect on public trust; 5) The test results prove that community satisfaction has a positive and significant effect on public trust;

Based on the conclusions obtained in this study, suggestions are proposed as a complement to the research results as follows: 1) The results of this study should be taken into consideration for the practical interests of managerial parties, especially those related to service quality and satisfaction with public trust to maintain and increasing public trust in the use of the Smart Kampung application, so that the Banyuwangi Regency government is able to fix and improve the form of services in the Smart Kampung application and direct services; 2) The results of this research are expected to be able to contribute to academics for the development of the concept of marketing theory in relation to public trust which really needs to be studied further in order to produce new concepts. By developing different models and variables such as the use of public trust with the type of direct service such as health services and licensing arrangements in Banyuwangi Regency or in other districts.

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