

ABSTRACT

In recent years, the development of electronic commerce and smartphone users has made the banking sector have to make an alternative in giving their customer a more convenient way in conducting banking transactions. To keep up with the competition, PT. Bank Negara Indonesia (Persero) Tbk. created SMS banking, now BNI SMS banking transactions have been upgraded to a much simpler format. *BNI SMS Banking Menu* is an SMS-jacket application for Smartphone Platform. This study has developed a scale to facilitate an empirical study to measure the service quality offered by BNI SMS banking services.

This study examines the relationship between *e-service quality*, *customer cost*, *customer value* and *product usage*. This study is using a quantitative descriptive study. The researcher is using questionnaire as the data collection technique. The population sample is 100. The data sources of this study were BNI SMS banking application users of BNI branches in Bogor. Data analysis used is Partial Least Square-Path Modeling and processed by using SmartPLS 2.0 software.

The result showed that the T-value of e-service quality and customer value is 6.3326, T-value of customer cost and customer value is 5.4322, and e-service quality and customer cost has positive correlation with customer value as much as 78% (R Square = 0.7837), T-value of e-service quality and product usage is 3.5877, T-value of customer cost and product usage is 4.3692, T-value of customer value and product usage is 3.0494, and e-service quality, customer cost and customer value has positive correlation with product usage as much as 84% (R Square = 0.8414). This shows that *e-service quality* has positive significant effect to *customer value*, *customer cost* has positive significant effect to *customer value*, *e-service quality* has positive significant effect to *product usage*, *customer cost* has positive significant effect to *product usage* and *customer value* has positive significant effect to *product usage*.

According to the total effects of each construct on customer value, e-service quality (6.8551) places greater importance than customer cost (5.9338). While on product usage, the total effects of each construct can be ranked as follows: customer cost (5.9052), e-service quality (5.2993), and customer value (3.1147).

Keywords: *BNI SMS Banking, e-service quality, customer cost, customer value, product usage*