# The Influence of Location, Credit Interest Rates, and Quality of Service on the Satisfaction of Cooperative Members in Credit on Cooperativa Esperanca Timor Oan (CEVTO) in Dili, Timor Leste

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## ABSTRACT

All service companies, especially bank financial institutions and non-bank financial institutions, have an important role in moving the wheels of a country's economy. Therefore, in order for the state's goal of improving people's living standards to be achieved, the country concerned needs monetary stability. Timor-Leste is a newly independent country, so it really needs the presence of bank financial institutions and non-bank financial institutions in increasing economic growth. The existence of cooperatives really helps the community through collecting funds and allocating funds so that they can help the community in carrying out business activities, through earning funds from bank financial institutions are very important for the existence of bank financial institutions in helping to improve people's living standards.

Location selection decisions can be seen from the first three aspects, because location selection is a permanent and long-term impact, whether the location has been purchased or just rented. Both locations can influence future business growth so that the location chosen must be able to experience economic growth so that the business can survive. Service quality is also an issue that needs to be considered apart from location and credit interest rates. Service quality is one measure of the satisfaction of cooperative members This cooperative was founded with the aim of helping improve the standard of living of cooperative members. Credit disbursed is based on general assembly decisions and the credit interest rate charged is determined based on a joint decision, both the founders and members of the cooperative. Efforts to increase cooperative profits are expected to fulfill one of the cooperative's objectives, namely to improve the welfare of members and maintain the survival of the cooperative. Savings and loan cooperatives, whose members are cooperative customers, carry out main activities to provide various financial benefits to their members by providing loans through an easy process and low interest, so that cooperative members will feel satisfied.

## 1. INTRODUCTION
### 1.1. Background of the problem

The economic growth of a nation requires a pattern of regulating and processing available economic resources in a directed and integrated manner and utilized to improve the welfare of society. Economic institutions work together to manage and mobilize all economic potential so that it is optimally empowered and successful. All service companies, especially bank financial institutions and non-bank financial institutions, have an important role in moving the wheels of a country's economy. Therefore, in order for the state's goal of improving people's living standards to be achieved, the country concerned needs monetary stability.

The country of Timor-Leste is a newly independent country, so it really needs the presence of bank

financial institutions and non-bank financial institutions in increasing economic growth. The existence of cooperatives really helps the community through collecting funds and allocating funds so that they can help the community in carrying out provisions of the cooperative itself, taking into account several influencing factors. Factors that influence interest rates generally consist of competition, desired profit targets, government policies and other provisions. The number of items given on the balance sheet (assets side) is the largest number on the cooperative's balance sheet. Therefore, these postal figures show that one of the largest cooperative revenues comes from disbursed credit.

Service quality is also an issue that needs to be considered apart from location and credit interest rates. Service quality is one measure of the satisfaction of cooperative members. Because cooperative members as product users usually tend to become customers who think that the cooperative will provide the best quality of service and be able to meet service needs. This indicates that the quality of a cooperative's services will influence the decisions of cooperative members which are manifested in their attitude to always use the cooperative's services in order to obtain satisfaction with their needs. The non-bank financial institution, namely, *Coperativa Esperanca Verde Timor Oan* (CEVTO), is one of the non-bank financial institutions in the form of a cooperative and operates in the capital, Dili. In an effort to generate profits, this cooperative collects funds from its members and distributes the collected funds back to the cooperative members.

This cooperative was founded with the aim of helping improve the standard of living of cooperative members. Credit disbursed is based on general assembly decisions and the credit interest rate charged is determined based on a joint decision, both the founders and members of the cooperative. Efforts to increase cooperative profits are expected to fulfill one of the cooperative's objectives, namely to improve the welfare of members and maintain the survival of the cooperative. Savings and loan cooperatives, whose members are cooperative customers, carry out main activities to provide various financial benefits to their members by providing loans through an easy process and low interest, so that cooperative members will feel satisfied, Nasution (2013: 10). Satisfaction is a person's feelings regarding the use of a particular product. Cooperative members are satisfied with the service provided by the cooperative because the service is very good and friendly, apart from that because the service is very satisfying, therefore

customers will not move to another product or place, Kasmir (2006: 27). To maintain customer satisfaction and maintain good relationships, it is also necessary to pay attention to things that can maintain the relationship between the institution and customers. One of them is location, choosing a good location is an important decision, meaning a location that is easily accessible to consumers and close to busy centers is the right location for a business.

The hope of cooperative members is to get good service, from the services they consume, or expect quality service, with good work productivity. Because customers as product users will usually tend to be those they consider to have the best service quality and are able to meet their service needs. On the other hand, companies that are prepared to have poor service quality and are unable to meet consumer needs will be abandoned. Based on the background of the problem above, the researcher is interested in taking the title, namely "The Influence of Location, Credit Interest Rates, and Service Quality on Cooperative Member Satisfaction in Credit", at Cooperativa Esperanca Verde Timor oan (CEVTO), Dili Timor -Leste.

1.1. Formulation of the problem Based on the background description above, the problem can be formulated as follows:
1. Does location affect cooperative member satisfaction?
2. Does the credit interest rate affect the satisfaction of cooperative members?
3. Does service quality influence cooperative member satisfaction?

1.2. Research purposes Based on the problem formulation above, there are several objectives to be achieved in this research, including: 1. To find out and analyze the influence of location on cooperative member satisfaction. 2. To determine and analyze the effect of credit interest rates on cooperative member satisfaction. 3. To determine and analyze the influence of service quality on cooperative member satisfaction.

1.3. Benefits of research It is hoped that the results of this research will provide benefits to parties in need, including: 1. For Cooperatives As input for cooperatives, especially Coperativa Esperanca Verde Timor Oan (CEVTO), to pay attention to location, credit interest rates and service quality in the hope of increasing cooperative member satisfaction in using credit. 2. For Academics As reference material for the University, especially the library section so that it can be used by students who will carry out

research in the future, on similar research topics. 3. For Researchers As material for comparing the theories obtained during college with the actual situation in the field.

## 2. THEORETICAL BASIS
### 2.1. Definition and Reasoning of Concepts
### 2.1.1. Location

Definition Location is a distribution channel, namely the route used to move products from producers to consumers. Location is a decision made by a company regarding where its operations and staff will be located, Lupiyoadi (2006: 42). According to Swastha (2001), location (Place) shows the various activities carried out by the company to make its products obtainable and available to consumers. Paul (2000) in Nugroho and Paramita (2009) argues that a good location guarantees the availability of fast access and can attract a large number of consumers and is strong enough to change consumer shopping and purchasing patterns. Fajriyah (2013) Location is the location of the bank which influences consumer behavior in saving decisions because there is an element of proximity and easy transportation.

Tjiptono (2004: 41) Location is a place where a company carries out work activities which determine decisions because location is closely related to the potential market of a company or cooperative." Kotler (2008: 51) one of the keys to success is location starting with having a community, this decision really depends on the potential for economic growth, stability, competition, political climate and so on. Swastha (2002: 24) Location is the place where a business or business activity is carried out. Important factors in developing a business are the location of the location in the urban area, the method of reaching it and the travel time from the location to the destination. Good location factors are relative for each different type of business. Lupiyoadi (2009: 42) relates to where the company must be headquartered and carry out its operational activities. In this case there are 3 types of interactions that influence location, namely: 1. Consumers come to service buyers (companies) In situations like this, location is very important. Companies should choose a place that is close to consumers so that it is easy to reach, in other words, a strategic location. 2. Service buyers come to consumers

In this case, location is not too important, but what must be considered is that the delivery of services must remain of high quality. 1. Service buyers and consumers do not meet directly. Service providers or service providers and consumers interact through certain means such as telephone, internet and mail. In this case, location is not very important as long as

communication between the two parties is carried out well From several expert theories above, the researcher concludes that the location is the place where the company carries out its operational activities, and is easily accessible to the public so that it can make it easier for customers to carry out transactions according to customer needs.

2.1.1.1. Factors That Influence Location Decisions Private (2002: 28) The following are several factors that must be considered in choosing a location, including: 1. Population density Population density is an indicator of the potential for success and success of a business in a business market. However, this is not yet the final measure in determining the success of a business. 2. Income If population density is not linear with people's purchasing power, then it means that the location is not suitable as a place or shopping center. 3. Number of businesses Sometimes the location chosen is a shopping center or trade center. The number of businesses in a location can also influence the business that will be established. 4. Place There are several types of places that can be chosen for a business or business location. These places include shopping malls, business centers, housing, and so on. 5. Employee access The distance between the business and business access also needs to be considered. If the business is very far from where the employee lives, it will be counter-productive for an employee. 6. Competition Consideration of the level of business competition is also necessary. If the location is already saturated with businesses offering similar products, it could be that the location is not strategic to determine as a business location.

2.1.2. Definition of Credit Interest Rate The definition of interest rate is the price for using money or it can also be seen as rent for using money for a certain period of time. Or the price of borrowing money to use its purchasing power and is usually expressed in percent (%). Interest can be interpreted as compensation for services provided by a bank or cooperative based on conventional principles to customers who buy or sell their products. Interest can also be interpreted as the price that must be paid to customers (who have savings) which must be paid by customers to banks or cooperatives (customers who obtain loans).

Sunariyah (2004: 80) The credit interest rate is the price of the loan. The interest rate is expressed as a percentage of the principal per unit of time. Interest is a measure of the price of resources used by debtors that must be paid to creditors. The credit interest rate is the amount of interest that can be charged to borrowers or the selling price that must be paid by

borrower customers at Kasmir Bank (2004: 197). Karl and Fair (2001: 635) Interest rate is the interest payment on savings from a loan in the form of a percentage of the loan obtained from the amount of interest given each year divided by the loan amount. Determining the interest rate must take into account the level of inflation that occurs. Fisher in Mankiw (2003) states that the nominal interest rate will change for two reasons, namely because the real interest rate changes or because the inflation rate changes so that the nominal interest rate is the sum of the real interest rate plus the inflation rate. Nopirin (1992: 176) The function of the economic interest rate is the allocation of production factors to produce goods and services that are used now and in the future. Ruchmat and Maya (2003: 67) Interest rate is the price or amount of money that must be sacrificed to get something you want. Kasmir (2008: 121) Cooperative interest is defined as remuneration for services provided by banks based on principles to customers who buy or sell their products. From the theories of the experts above, the researchers concluded that credit interest rates can be interpreted as remuneration for services provided by customers to the bank with interest that has been determined by the bank, in accordance with the agreement between the two parties.

2.1.1.1. Factors That Influence Interest Rates In order to maximize profits, bank management must be clever in determining the size of the interest rate. Kasmir (2008: 137), the main factors that influence the size of the interest rate determination are as follows: 1. Funding Requirements If a bank or cooperative lacks funds, while loan applications increase, what the bank does to ensure that these funds are met quickly is to increase the deposit interest rate. However, an increase in deposit interest rates will also increase loan interest rates. 2. Desired profit target This is because the profit target will be one of the components in determining the size of the loan interest rate. 3. Quality Guarantee The quality of the collateral is also used for loan interest. The more liquid the collateral (easily liquidated) provided, the lower the credit interest charged and vice versa. 4. Government Policy In determining both loan interest and deposit interest, banks or cooperatives must not exceed the limits set by the government. 5. Time Period

The longer the term of the loan, the higher the interest, this is due to the greater risk of default in the future and vice versa, if the loan is short term, the interest is relatively low. 1. Company Reputation The company's reputation greatly determines interest rates, especially for bona fide loan interest. A company that will obtain credit really determines the

interest rate that will be charged later, because usually bona fide companies have a relatively small risk of bad credit in the future. 2. Competition In winning savings funds, apart from the most important promotional factors, banks must pay attention to their competitors.

2.1.2.2. Function of Credit Interest Rates The function of credit interest rates according to Sunariyah (2004:81) is as follows: 1. As an attraction for savers who have more funds to invest. 2. Interest rates can be used as monetary means to control the supply and demand for money circulating in an economy. Soedrajad (2000:24) states that the rise and fall of market interest rates is a result of the amount of funds available. Apart from that, it is also a result of the adjustment process of increasing foreign interest rates which also has an influence on domestic interest rates.

2.1.2.3. Determining Factors of Interest Rates Edward and Khan (1985) "said that the determining factors for credit interest rates are divided into two factors consisting of: 1. Internal factors which include customer income, the amount of money that can circulate and exploitation of inflation. 2. External Factors are the sum of the sum of foreign interest factors and the level of expectations for changes in foreign currency exchange rates. Kari and Fair (2001: 635) "Interest rate is the interest payment on savings from a loan in the form of a percentage of the loan obtained from the amount of interest given each year divided by the loan amount" Lipsey, Ragan and Couranl (1997: 471) "Interest rates can be divided into 2 types, namely": 1. The nominal interest rate is the ratio between the amount of money paid back and the amount of money borrowed. 2. Real interest rate is the difference between the nominal interest rate and the inflation rate.

2.1.3. Definition of Service Quality Service quality is an extraordinary application to be assessed by customers so that they can gain trust from customers who save money or do credit at the bank. Rochim (2004: 50) believes that customer satisfaction is a desire that can be achieved. Employees provide good service so that a dream can be achieved. If the customer is satisfied with the service the employee provides, the customer will definitely feel happy with the service. Tjiptono (2007) service quality is a dynamic condition related to service products, people, processes and environments that meet or exceed expectations. Meanwhile, Stanto (2001) states that service is an activity that can be defined separately, which is essentially intangible, which is the fulfillment of needs, and does not have to be tied to the sale of other products or services." Services are

actions or deeds that can be offered by one party to another party, which are basically intangible (not physically tangible) and do not produce anything. Service production can be related to physical products or not.

Kotler (2009) defines service as any action or activity that can be offered by a party to another party, which is basically intangible and does not result in any ownership. Lovelock in Tjiptono (2007) stated that service quality is the level of good and bad conditions of the service provided by a service company in order to satisfy consumers by providing or delivering services that exceed consumer expectations. Parasuraman (1998: 88) states that service quality is the expected level of excellence and control over this level of excellence to fulfill consumer desires. Deming in Tjiptono (2007) defines service quality according to context, customer perception and customer needs and desires. Service quality can also be interpreted as an effort to meet consumer needs and desires as well as accuracy or delivery in keeping with consumer expectations. Mauludin (2010: 67) stated that service quality is how far the difference is between reality and the expectations of customers or consumers that they receive or obtain. Kotler (2012: 49) states that service quality is the overall characteristics and characteristics of a product or service that influence its ability to satisfy stated or implied needs. Berry (2006: 181) believes that the success of financial institutions in providing quality equipment can be determined by the service quality approach that has been developed by the resource persons. The definition of service is any action or activity that can be offered by one party to another party, which is basically intangible and does not result in or is not linked to a physical product. Service is employee behavior in order to meet customer needs and desires and achieve customer satisfaction. From the experts' theories above, the researchers concluded that service quality is one measure of consumer satisfaction, companies are required to make management efforts to improve service quality. One of the customer's hopes is to get good service from the services they consume, or customers expect quality service, with good work productivity.

2.1.3.1. Factors That Influence Service Quality Parasuraman (1998: 88) to evaluate the quality of services generally uses 5 influencing factors, namely as follows: a. Reliability (reliability) An ability to provide promised services reliably and accurately. In a broad sense, reliability means that a company delivers on its promises about provision, problem solving, and price. This reliability can also be interpreted as the ability to provide promised services promptly, accurately and satisfactorily. This means that employees provide service that meets customer expectations. Sitinjak, et al. (2004: 9) reliability is a dimension that measures a company's reliability in providing services to customers. Compared to the other four dimensions of service quality, this dimension is considered very important in various service industries. b. Responsiveness (responsiveness) An awareness and desire to build customers and provide services quickly. This dimension emphasizes attention and accuracy when dealing with customer requests, questions and complaints. Responsiveness can also be interpreted as the desire of employees to help responsive customers which is shown by the motivation of employees in solving problems faced by customers in using services.

Sitinjak et al. (2004: 10) responsiveness is a dimension of service quality that is related to the company's ability and behavior in instilling a sense of trust and confidence in customers. Based on research, there are four aspects of this dimension, namely: friendliness, competence, credibility, and security. a. Empathy (empathy) In the form of personal care and attention given to customers. The essence of the empathy dimension is to show customers through the services provided that customers are special, and their needs can be understood. b. Responsible (tangible) Physical appearance is the ability of a company to show its existence to external parties. This dimension is in the form of the appearance of physical facilities, equipment, employees, installed materials, and communication facilities that support the provision of a service. This dimension describes the physical form and services that consumers or customers will receive.

The appearance and ability of physical advice and services must be reliable. c. Insurance (Guarantee) Confidence is a guarantee to customers including the ability, politeness and trustworthy nature of the staff, free from danger or risk, doubt, employee behavior is expected to foster trust and the company is expected to foster a sense of security for its customers. Kasmir (2005: 18) states that in the basics of service there are several things that must be paid attention to so that the service is safe, comfortable and enjoyable, including having an energetic appearance, being confident, being polite, polite, greeting gently, being agile, convincing customers, having a social spirit.

2.1.4. Definition of Cooperative Member Satisfaction The word satisfaction comes from the Latin "satis" which means good enough, adequate and "facio" (to do or make). Satisfaction can be interpreted as an effort to fulfill something that is adequate. Kotler el.Al (1996: 24) said that satisfaction is the level of a

person's feelings after comparing the performance (results) he feels compared to his expectations.

Kotler (2006) states that satisfaction is the extent to which the performance provided by a product is commensurate with the buyer's expectations. Umar (2003) states "everyone knows what (satisfaction) is until asked to give definition then it seems, no one knows" that satisfaction is defined as a post-purchase evaluation, where the perception of the performance of the chosen alternative product or service meets or exceeds expectations before purchase. If the perception of performance cannot meet expectations, then what will happen is dissatisfaction. Supranto (2006) satisfaction is the performance of an item that is at least the same as what was expected. Setyawan and Susila in Entrepreneur (2004: 31) state that satisfaction is a specific evaluation of the overall service provided by service buyers, so that customer satisfaction can only be assessed based on the experiences they have had during the service delivery process. Gerson (2002: 24) customer satisfaction is the customer's perception that expectations have been met or exceeded. According to Tjiptono (2008), customer satisfaction is defined as an evaluation that provides results where the experience felt is at least as good or in line with what was expected. Kasmir (2006: 27) states that satisfaction is a person's feelings regarding the use of a particular product.

Customers are satisfied with the service provided by the cooperative because the service is very good and friendly, apart from that because the service is very satisfying, therefore customers will not move to another product or place.

2.1.4.1. Factors That Influence Cooperative Member Satisfaction In determining customer satisfaction, there are 5 factors that financial institutions must pay attention to, Kasmir (2006: 27), including the following: 1. Quality of service or services That is, customers will feel satisfied if they receive good service or in accordance with their expectations. 2. Emotions Customers will feel proud and gain confidence that other people will admire them if they use products from certain companies that tend to have a higher level of satisfaction. 3. Credit interest rates Customers will feel satisfied with the use of products from a financial institution, if the credit interest rate charged is small or in accordance with the amount of the loan obtained. 4. Cost Customers will feel satisfied if they do not need to incur additional costs or do not need to waste time getting credit products from certain financial institutions.

2.1. Previous Research Previous research is research conducted by previous researchers with the same variables as current researchers, for more details see the following table:

**Table 2.1. Previous Research**

| Name Title Researcher | Study Previous Eq Difference | Equality Variables | Difference Variables | Research Result |
|---|---|---|---|---|
| Maria Izaura Madalena (2013) | The Influence of Credit Interest Rates and Service Quality on Customer Satisfaction Case study on BNCTL Bank, Sucural De Suai. Timor Leste | Variable credit interest rates, service quality and customer satisfaction | Location variables and research objects | That the variables of credit interest rates and service quality have a positive and significant influence on customer satisfaction, where the variable T value is x16.218. And the calculated value for variable x2 is 8.495. |
| Ifik Sofiyanto (2011) | The Influence of Location, Interest Rates and Service Quality on Home | Location variables, credit interest rates and, service quality on Ownership Credit Customer Satisfaction (empirical study at PT Bank Tabungan Negara (Persero) Semarang branch) | Location variables and research objects customer satisfaction in credit | Location variables, credit interest rates and service quality have a positive and significant influence on customer satisfaction with an R value of 79.5% |

2.1. Theoretical Thinking Framework Supramono Haryanto (2003: 99) states that the theoretical framework is the basis for explaining or illustrating the researcher's line of thinking related to the variables under study. Thus, the rationale for this research is put forward as follows:

**Figure 2.1 Theoretical Thinking Framework**
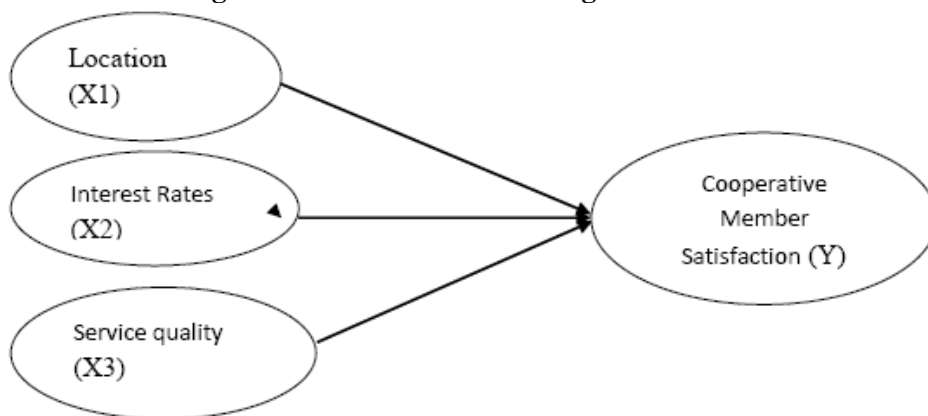


Information: 1. Location (X1) influences cooperative member satisfaction (Y). 2. The credit interest rate (X2) influences cooperative member satisfaction (Y) 3. Service Quality (X3) influences Cooperative Member Satisfaction (Y)

2.1. Research Hypothesis Ghozali (2006: 69) Hypothesis is a temporary answer to a problem that is conjectural in nature from research. Hypotheses can be proven or disproven after being supported by facts from field research results. So the hypothesis of this research is as follows: H1: If the location of a Cooperative can be reached by Cooperative Members, then cooperative members will be more satisfied. H2: If the credit interest rate charged is small, then Cooperative members will feel more satisfied. H3: If the service provided is of high quality, then the Cooperative Member will feel more satisfied.

## 3. RESEARCH METHODOLOGY.
3.1. Types of research Sugiyono (2004: 7) type of survey research is a type of research carried out on large and small populations but the data studied is data from samples, so this type of research is a survey, where this research is carried out by making direct observations in the field.

3.2. Population and Sample
3.2.1. Population Sugiyono (2007: 57) Population is the totality of all objects or subjects that have qualities so that they are researched and conclusions are drawn. So the population in this study is the total number of cooperative members at Coperativa Esperanca Verde Timor Oan (CEVTO) Dili, Timor – Leste, totaling 50 people.

3.2.2. Sample Sugiyono (2007: 64) The sample is part of the population, the samples in this study were all members of the cooperative, at Coperativa Esperanca Verde Timor Oan (CEVTO) Dili, Timor-Leste as many as 50 people, using census sampling techniques, where all members the population is sampled.

3.3. Operational Definition of Variables Table 3.1 Operational Definition of Variables

| Variables | Defenition | Indicator | Scale | Dimension |
|---|---|---|---|---|
| Location (X1) | Location is the place where a business or business activity is carried out. Important factors in developing a business are the location of the location in urban areas, the method of reaching it and the travel time from the location to the destination, Private (2002: 28) | 1. population density 2. Number of businesses 3. Employee access points 4. Competitive | Ordinal | 1 – 5 |
| Credit interest rates (X2) | Credit interest is defined as remuneration for services provided by banks based on principles to customers who buy or sell their products, Kasmir (2008: 121). | 1. Funding requirements 2. Profit targets 3. Policy 4. Quality guarantee 1.Kebutuhan dana 2. Target laba 3. Kebijakan 4.Kualitas jaminan | Ordinal | 1 – 5 |

| Service Quality(X3) | Service quality is the expected level of excellence and control over that level of excellence to fulfill consumer desires, Parasuraman (1998: 88) | 1. Reliability 2. Responsiveness 3. Empathy 4. Guarantee | Ordinal | 1 – 5 |
|---|---|---|---|---|
| Cooperative member satisfaction (Y) | Satisfaction is a person's feelings regarding the use of a particular product, Kasmir (2006: 27) | 1. Quality of service 2. Emotions 3. Credit interest rates 4. Cost | Ordinal | 1 – 5 |

### 3.4. Data Types and Sources

3.4.1. Data Type The types of data used include: 1. Qualitative Data Sugiyono (2004:13) qualitative data is data in the form of words of explanation or elaboration, in this research the data is in the form of questionnaire numbers with a certain assessment range which will be used as alternative answers for respondents. 2. Quantative Data Sugiyono (2004: 13) quantitative data is data in the form of numbers.

3.4.2. Data source 1. Primary Data Supranto (2003: 20), primary data is data obtained directly from research sources, without intermediary media. 2. Secondary Data Supranto (2003: 21) is data obtained from various library materials, in the form of books, journals and other documents that are related to the study material

3.5. Data collection technique 1. Observation Observation technique (Observation) is a data collection technique by making direct observations on research objects in cooperatives. 2. Interview An interview is a data collection technique that is carried out face to face directly with the director or operational manager, with the aim of obtaining data and viewing cooperative documents which will then provide more accurate answers. 3. Questionnaire A questionnaire is a list of questions containing questions intended to obtain data in the form of answers from respondents, this technique is the main method to help collect data. 4. Documentation Documentation is collecting data by looking at notes or documents in the cooperative.

3.6. Data Quality Test The analysis technique shows how to manage and discuss what has been obtained. The analysis technique used to answer research questions is quantitative using analytical tools, validity and reliability tests. 1. Validity Test Ghozali (2006:142), validity tests are used to measure whether a questionnaire is valid or not. A questionnaire is said to be valid if the questions in the questionnaire are able to reveal something that the questionnaire will measure. An instrument is said to be valid if it has a Corrected Total Item Correlation value

greater than or equal to 0.30. 2. Reliability Test Ghozali (2006: 140) Reliability shows the consistency and stability of a score (measurement scale). Reliability includes two main things, namely the stability of the measure, the internal consistency of the measure. In this research, reliability testing will use the alpha coefficient, if the Cronbach's alpha value is equal to or > 0.60 then it is said to be reliable.

3.7. Classic assumption test Santoso (2000: 129), this classic assumption aims to test whether in the regression model, the dependent variable and independent variables have a normal distribution or not. 1. Normality Test To find out that in the regression model the disturbing or residual variables have a normal distribution, while the normality test uses a test that will be supported by histogram and normal probability graphic analysis. This normality test is to see the histrogen or normal probability. 2. Heteroscedasticity Test Santoso (2000: 83) states that if there is a deviation from this assumption, it means that there is an inequality of variance from the residuals of one observation to another in the regression model. The consequence of heteroscedasticity is that the estimator obtained is inefficient, both in small and large samples. To detect indications of heteroscedasticity is through a Scatter Plot graph. Where if there is a certain pattern such as the points forming a certain regular pattern, then identifying the points spread above and below zero on the Y axis, then heteroscedasticity does not occur.

Multicollinearity Test Santoso (2000: 37) in a good regression model, there should be no correlation between the independent variables. A regression model that contains multicollinearity will cause the standard error of estimation to tend to increase as the independent variables increase. The rules used in decision making are: 1. If the tolerance and VIF values are close to 1, then there is no multicollinearity problem. 2. If the tolerance and VIF values are far from 1, then there is a multicollinearity problem. 2.

Autocorrelation Test Santoso (2000: 42) states that the autocorrelation test is between members of an observation series which are arranged according to time sequence, such as time series data, the sequence of data space, or correlations that arise on their own. Whether there is a correlation is detected using the Durbin Watson test. The measure used to indicate whether there is autocorrelation is if the Durbin Watson statistical value is between -2 and +2, then the data does not have autocorrelation.

## 3.6. Data analysis technique

3.6.1. Multiple Linear Regression Analysis In this research, the analysis technique used is multiple linear regression analysis and hypothesis testing, so the regression equation is as follows: $Y = a + \beta1.X1 + \beta2.X2 + \beta3.X3 + e$ Information: Y = Cooperative Member Satisfaction (Dependent Variable) a = Constant b1 = Regression coefficient related to location (X1) b2 = Regression coefficient related to interest rates credit (X2) b3 = Regression coefficient related to service quality (X3) e = Error 1.6.2. Hypothesis test To test the hypothesis that has been proposed or to test the significance of the estimates of the variables raised in this research, testing was carried out using the T test and f test, Gujarati (1995: 259). 1. Partial significant test (t test) of the Location variable (X1) on Cooperative Member Satisfaction (Y) The T test is used to determine the significance of the regression coefficient obtained. The T value (calculated) obtained will be compared with the T value (table) at a degree of confidence = 95%.

**Figure 01 Location Significant Test (X1) on Cooperative Member Satisfaction (Y)**
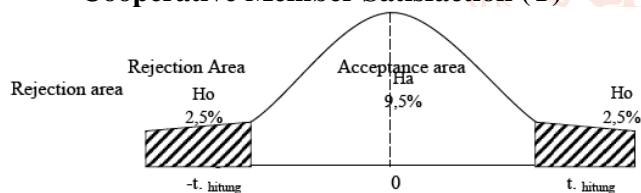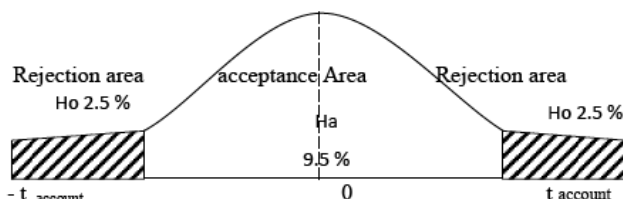


Hypothesis:

If T (count) ≤ T (table), then Ho is accepted and Ha is rejected, meaning there is no influence of location on the satisfaction of Cooperative Members. 2. If T (count) ≥T (table), then Ho is rejected and Ha is accepted, then there is an influence of location on the satisfaction of Cooperative Members. 1. Significant Test of the Variable Credit Interest Rate (X2) on Cooperative Member Satisfaction (Y)

Hypothesis:

1. If t count ≤ t table, then Ho is accepted and Ha is rejected, meaning there is no influence of the credit interest rate on the satisfaction of Cooperative Members.

2. If t count ≥ table, then Ho is rejected and Ha is accepted, then there is an influence of the credit interest rate on the satisfaction of Cooperative Members.

Significant Test of Service Quality Variables (X3) on Cooperative Member



Hypothesis Conclusion; 1. If t count ≤ t table, then Ho is accepted and Ha is rejected, meaning there is no influence of service quality on the satisfaction of Cooperative Members. 2. If t count ≥ table, then Ho is rejected and Ha is accepted, then there is an influence of service quality on satisfaction of Cooperative Members. 1. Determinant Coefficient (R) The coefficient of determination (R2) is used to measure how far a particular model is able to explain the dependent variables, with the requirement that the value of the coefficient of determination be between zero and one. A small R2 value means that the ability of an independent variable to explain a dependent variable is very limited. The coefficient of determination used in the research is adjusted R square.

## 4. RESULTS AND DISCUSSION

4.1. General Description of Research Objects This research was conducted at Cooperativa Esperanca verde Timor Oan, located in Raicotu, Aldeia Terra Santa, Suco Madohi, Comoro.

4.1.1 Brief History of *COOPERATIVA VERDE TIMOR OAN* (CEVTO) *Cooperativa Esperanca Verde Timor Oan* (CEVTO) was founded on October 15 2013. Cooperativa Esperanca Verde Timor Oan (CEVTO) is a cooperative that operates in the savings and loan business sector and is one of the business units of the *Juventude Apoiu Dezenvolvimentu* Association, abbreviated as AJAD, which was initiated by Silvester Xavier Sufa Efi, A. Md. Lic.Eco., MPA, which was founded to help meet the needs of its respective members. Cooperativa *Esperanca Verde Timor Oan* (CEVTO) is located in Raicotu, Aldeia Terra Santa, Suco Madohi, Comoro, Dili, Timor-Leste. Cooperativa Esperanca Verde Timor Oan (CEVTO) has 15 members, with the provision that the initial funds as business capital consist of savings, namely Principal Deposits and Mandatory Deposits, with the provision that each founder must keep a principal deposit of $. 570 and

required deposits vary from $25.00 to $50.00. So the initial funds for establishing CEVTO were $ 10,500, (Ten Thousand and Five Hundred Dollars). These funds were obtained from deposits from the founders, which consisted of:

1. Ir. Evangelino M. Soares, Sebagai Presiden Koperasi
2. Ana Rosa Da Costa Guterres, A. Md, SE, Sebagai Manager Operasional
3. Elvira Maria Sugiarti sebagai Bendahara
4. Silvester Xavier Sufa A.Md, L.Eco, MPA
5. Imelda M. F. Quim, Lic.eco.,MM
6. Julius L. Kehy, ST
7. Ines Filomena Boavida
8. Justinho Mendes Pereira
9. Carlito Caero, Lic.eco.,MM
10. Rafael Beni Pinto S. Da. Silva
11. Maria Imaculada Dewi
12. Marcus Ulan Bere, Lic.Eco, MM
13. Domingos Nunes, Lic. Dir
14. Domingos Gomes, Lic.Eco
15. Dr. Elidio De Araujo, Lic.Eco., MM

Cooperativa Esperanca Verde Timor Oan (CVTO) opens opportunities for everyone who wants to become a cooperative member, with initial funds as a principal deposit of $ 100.00 to $ 200.00, with a principal deposit of $. 25.00/month, CEVTO provides credit with easy terms and very low interest, and now Cooperativa Verde Timor Oan has up to 50 members. 4.1.2. Vision and Mission of Cooperativa Verde Timor Oan (CEVTO) 1. Vision The realization of the life of members of Cooparativa Esperanca Verde Timor Oan (CEVTO), which is peaceful in brotherhood, kinship and a strong economic unity of members. 2. Mission a. Strengthening the *Cooperativa Verde Timor Oan* (CEVTO) business, so that it is able to provide services to members, developing in the long term into an advanced cooperative. b. Improving CEVTO services to members c. Building partnerships with members, both members and non-members, that are mutually beneficial. 1. Cooperative Structure The organizational structure is a systematic description of the duties, authority and responsibilities, as well as the working relationships of the parts and people involved in an organization to achieve the cooperative goals that have been implemented. If the organizational structure of a cooperative is successful, it tends to develop, adding resources and people, to develop the organizational structure. As long as the existing organizational structure is able to handle the existing work, the structure does not need to be changed. If tasks begin to develop, environmental conditions change and the existing structure begins to be overwhelmed, then structural changes need to be made. In general, there are several basics for preparing an organizational structure, namely based on product. Based on location, based on Process, based on customer and based on time. So the organizational structure used in Cooperativa CEVTO is generally a line organizational structure. The line type of organization is the oldest and simplest form or organizational structure created by Hendry Fayol. In this organizational structure, authority flows from the management (Board of Founders) to the leadership down to subordinates or workers. Meanwhile, responsibility flows from workers or subordinates to the leadership and even the Board of Founders as the highest leadership. This linear organizational structure is intended so that employees are directly responsible for an activity that has been determined in their respective fields. To obtain a clear picture of the composition or parts contained in this cooperative are as follows;



**COPERATIVA ESPERANSA VERDE TIMOR OAN**

secretary: Rua Jhn Paul II, Terra Santa, Raicotu, Comoro, Dili Timor Leste

Moble Contact: 77369718, 77248719, 77510777, 77409455
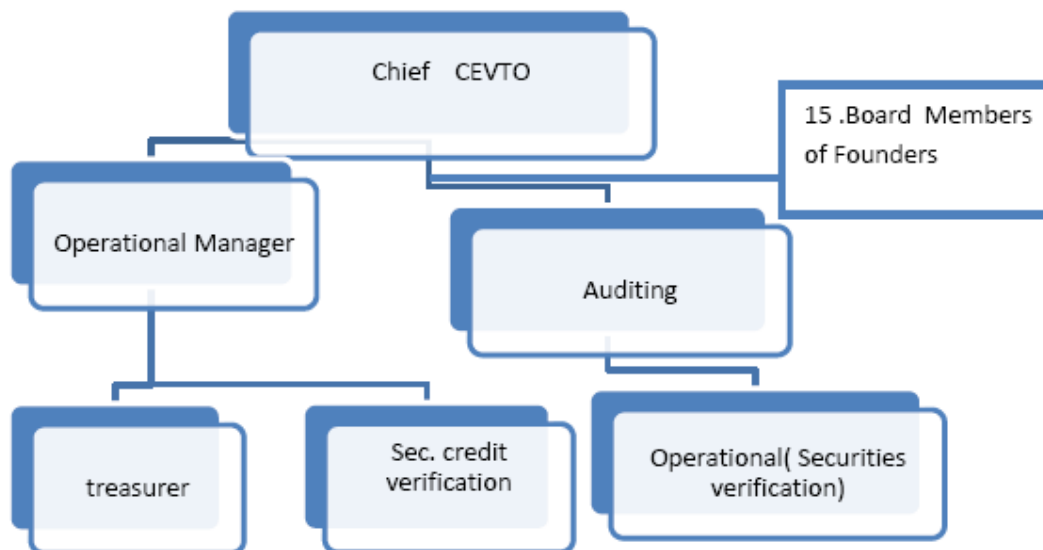
**Image Source: CEVTO Cooperativa Administration**

1. Duties and Responsibilities Cooperativa Esperanca Verde Timor Oan (CEVTO) is led by a President who is responsible to the CEVTO Management in carrying out its duties using a line system by dividing tasks at each level of authority which are delegated to a responsibility for the holder, as well as giving the authority to determine the activities or work that is carried out. has been charged to him, namely: 1. Chairman 2. Operations Manager 3. Auditing (Supervisory Body) 4. Treasurer 5. Credit Verification Section 6. Credit Collection Operational Section The duties and responsibilities of each section are: 1. Chairman of Cooperativa Esperanca Verde Timor Oan (CEVTO) a. Act directly as a superior in the cooperative to safeguard the development of cooperative business activities. b. Coordinate and actively consult with the CEVTO management, in the context of developing cooperative business activities. c. Has full responsibility as a leader in coaching and developing staff. d. Monitoring all implementation of activities that are operational in nature and require cost planning that is greater than financial expenditure. e. Carry out active consultations with business donors so that it runs in accordance with the direction and goals. f. Confidential letters can only be issued by the President of the Cooperative g. Report business activities quarterly and annually to the Board of Founders. 2. Operations Manager a. Create credit implementation plans and strategies. b. Carry out internal control over the flow of credit funds c. Monitoring the service process and credit payments. d. Conduct evaluations with the Board founders e. Know and record the flow of funds in and funds out of the cooperative. f. Make quarterly reports to the Cooperative Chairman and Board founders 2. Supervisory Body a. Supervise the credit service process b. Supervise the disbursement of funds, and audit the disbursement of credit funds. c. Provide recommendations for improving credit services. d. Report the results of credit services and credit payments every quarter at the Board member founders meeting. 3. Treasurer (Tesoreira) a. Save money well and securely. b. Pay credit that has been approved by the Operations Manager and President c. Receive credit deposits from cooperative customers. d. Record all transactions receiving and disbursing money in the cooperative e. Make progress reports on the storage, return and disbursement of cooperative funds, to the Operations Manager and President of the cooperative and then make it known to the Board Founders. f. Make quarterly reports and report them at management meetings. 4. Credit Verification Section a. Make verification and review of credit application requirements and documents in an actual, precise and fast manner. b. Ensure that all documents and requirements submitted by the customer are correct and actual. c. Physically check the collateral from credit customers. d. Guarantee that all documents and guarantees are correct. e. Recommend to the Operations Manager and President that all documents are valid and correct, and state their eligibility to obtain credit from the cooperative. 5. Credit Collection Operational Section a. Coordinate and work together with the Credit Document Verification Section to collect bad credit. b. Create credit collection schedule reports. c. Make a report on the results of bad credit collection, regarding the final results of the collection d. Coordinate with Tezoreira and the Operations Manager, and then inform the President. 1.2. Respondent Classification Based on the results of research at Cooperativa Esperanca Verde Timor Oan (CEVTO), 50 cooperative members were obtained as respondents. So it can be classified based on gender, age and education level.

1. Classification of Respondents Based on Gender

**Table 01 Classification of Respondents Based on Gender**

| Gender | Frequency | Percentage (%) |
|--------|-----------|----------------|
| Male | 30 | 60% |
| Female | 20 | 40% |
| Total | 50 | 100% |

Source: Data from Cooperativa Esperanca Verde Timor Oan (CEVTO) members

Based on the results of research with respondents of 50 cooperative members at the Cooperativa Esperanca Verde Timor Oan (CEVTO), it can be explained that, the cooperative members are 30 men with a percentage of 60%, and 20 women with a percentage of 40. %. This shows that the respondents who answered the most of this research questionnaire were female respondents.

1. Classification of Respondents Based on Age

**Table 01 Classification of Respondents Based on Age**

| Age | Frequency | Percentage (%) |
|-----|-----------|----------------|
| 20-30 tahun | 10 | 20% |
| 31-40 tahun | 30 | 60% |
| > 45 tahun | 10 | 20% |
| Total | 50 | 100% |

Source: Data members *Cooperativa Esperanca Verde Timor Oan (CEVTO)*

Based on research results of 50 cooperative members at the Cooperativa Esperanca Verde Timor Oan (CEVTO), it can be explained that, there are 10 cooperative members aged 20-30 years with a percentage of 20%, members aged 31-40 years are as young as 30 people with a percentage of 60% and 10 members aged over 45 years with a percentage of 20%. This shows that the respondents who answered the research questionnaire the most were respondents aged 31 – 40 years.

1. Classification of Respondents Based on Education Level

**Table 03 Classification of Respondents Based on Education Level**

| Educational Level | Frequency | Percentage (%) |
|-------------------|-----------|----------------|
| Junir High School | 15 | 30 |
| Senior High School | 20 | 40 |
| Bachel or Degree | 9 | 18 |
| Master,s Degree | 5 | 10 |
| Doctoral degree | 1 | 2 |
| Total | 50 | 100% |

Source: members data *Cooperativa Esperanca Verde Timor Oan (CEVTO)*

Based on the results of research with respondents as many as 50 cooperative members at the *Cooperativa Esperanca Verde Timor Oan* (CEVTO), it can be explained that, 15 cooperative members have a junior high school education level with a percentage of 30%, with a percentage of 20 people with a high school education level. 40%, 9 people with a bachelor's degree with a percentage of 18%, and 5 people with a master's level of education with a percentage of 10% and 1 person with a doctoral degree with a percentage of 2%. This shows that the cooperative members who answered the research questionnaire the most were cooperative members who had a high school education level.

**1.1. Data Quality Test**

Data quality testing is used to determine the validity or invalidity of data and to determine the level of reliability of the instruments used, validity and reliability tests are carried out.

1. Validity and Reliability Test of Location Variables (X1)

| Item | Validity value | Validity Standard | Information |
|------|----------------|-------------------|-------------|
| X1.1 | 0.805 | 0.30 | Valid |
| X1.2 | 0.670 | 0.30 | Valid |
| X1.3 | 0.819 | 0.30 | Valid |
| X1.4 | 0.449 | 0.30 | Valid |

From the SPSS output display above, for the Location variable (X1) which consists of 4 indicator items tested, it shows that the four (4) items are all valid because the value has a corrected total item correlation > 0.30. Because an instrument is said to be valid if it has a corrected total item correlation value > 0.30, Ghozali (2001: 142).

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .844 | 4 |

From the SPSS output display, the Location variable (X1) with a level of reliability indicated by a Cronbach Alpha value of 0.844 or 84.4% is reliable. An instrument is said to be reliable if it has a Cronbach Alpha value > 0.60, Ghozali (2001: 142). Therefore, the instrument for measuring the Location variable (X1) is reliable in the very satisfactory reliability category.

1. Validity and Reliability Test of the Credit Interest Rate Variable (X2)

| Item | Validity Value | Validity Standard | Information |
|------|----------------|-------------------|-------------|
| X1.1 | 0.499 | 0.30 | Valid |
| X1.2 | 0.488 | 0.30 | Valid |
| X1.3 | 0.465 | 0.30 | Valid |
| X1.4 | 0.364 | 0.30 | Valid |

From the SPSS output display above, for the credit interest rate variable (X2) which consists of 4 indicator items tested, it shows that the four (4) items are all valid because the value has a corrected total item correlation > 0.30. Because an instrument is said to be valid if it has a value *corrected total item correlation* > 0.30, Ghozali (2001: 142).

### Reliability Statistics

| Cronbach's Alpha | N of Items |
|---|---|
| .664 | 4 |

From the SPSS output display, the variable credit interest rate (X2) with a level of reliability indicated by a Cronbach Alpha value of 0.664 or 66.4% is reliable. An instrument is said to be reliable if it has a Cronbach Alpha value > 0.60, Ghozali (2001: 142). Therefore, the instrument for measuring the credit interest rate variable (X2) is reliable in the satisfactory reliability category.

1. Validity and Reliability Test of Service Quality Variables (X3)

| Item | Validity Value | Validity Standard | Information |
|---|---|---|---|
| X3.1 | 0.600 | 0.30 | Valid |
| X3.2 | 0.918 | 0.30 | Valid |
| X3.3 | 0.946 | 0.30 | Valid |
| X3.4 | 0.946 | 0.30 | Valid |

From the SPSS output display above, for the waiter quality variable (X3) which consists of 4 indicator items tested, it shows that the four (4) items are all valid because the value has a corrected total item correlation > 0.30. Because an instrument is said to be valid if it has a value *corrected total item correlation* > 0.30, Ghozali (2001: 142).

### Reliability Statistics

| Cronbach's Alpha | N of Items |
|---|---|
| .932 | 4 |

From the SPSS output display, the variable Service Quality (X3) with a level of reliability indicated by a Cronbach Alpha value of 0.932 or 93.2% is reliable. An instrument is said to be reliable if it has a Cronbach Alpha value > 0.60, Ghozali (2001: 142). Therefore, the instrument for measuring the credit service quality variable (X3) is reliable in the very satisfactory reliability category.

1. Validity and Reliability Test of the Cooperative Member Satisfaction Variable (Y)

| Item | Validity Value | Validity Standard | Information |
|---|---|---|---|
| Y.1 | 0.663 | 0.30 | Valid |
| Y.2 | 0.822 | 0.30 | Valid |
| Y.3 | 0.676 | 0.30 | Valid |
| Y.4 | 0.840 | 0.30 | Valid |

From the SPSS output display above, for the cooperative member satisfaction variable (Y) which consists of 4 indicator items tested, it shows that the four (4) items are all valid because the value has a corrected total item correlation > 0.30. Because an instrument is said to be valid if it has a corrected total item correlation value > 0.30, Ghozali (2001: 142).

### Reliability Statistics

| Cronbach's Alpha | N of Items |
|---|---|
| .881 | 4 |

From the SPSS output display, the cooperative member satisfaction variable (Y) with a level of reliability indicated by a Cronbach Alpha value of 0.881 or 88.1% is reliable. An instrument is said to be reliable if it has a Cronbach Alpha value > 0.60, Ghozali (2001: 142). Therefore, the instrument for measuring the cooperative member satisfaction variable (Y) is reliable in the very satisfactory reliability category.
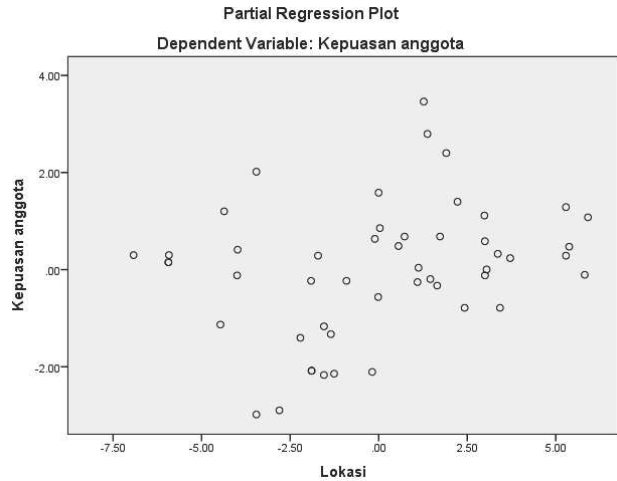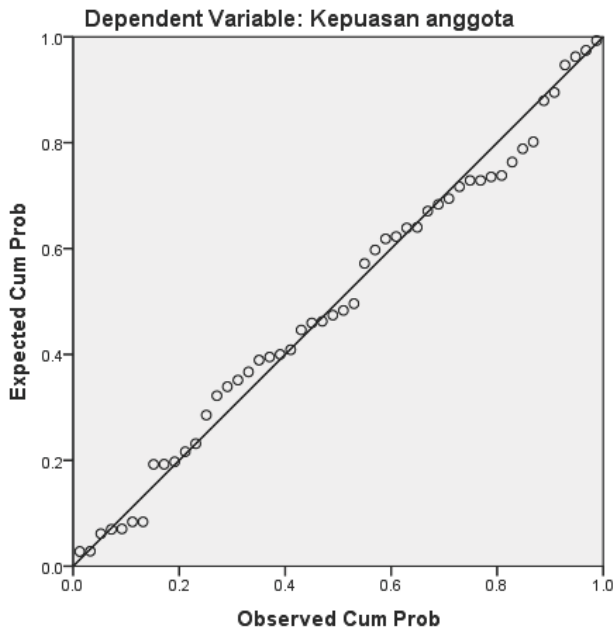
### 1.1. Classic assumption test

Classical assumption testing consists of the normality test, heteroscedasticity test, multicollinearity test and autocorrelation test.

### 1. Normality Test

This test is carried out to determine the normality of an instrument. For more clarity, you can see the Histogram and P-Plot image below:
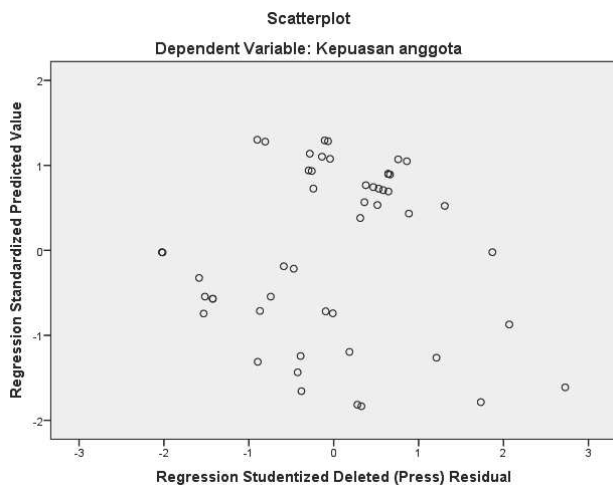


Histogram
Dependent Variable: Kepuasan anggota
Mean = 1.87E-16
Std. Dev. = 0.969
N = 50
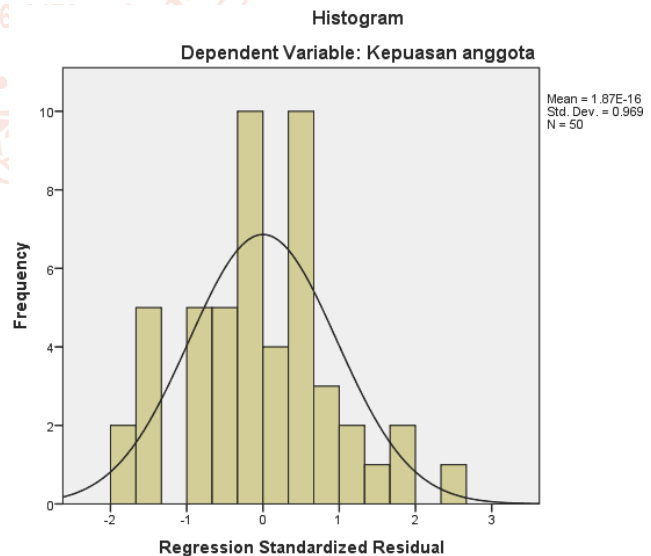
**Normal P-P Plot of Regression Standardized Residual**

Dependent Variable: Kepuasan anggota



Based on the graph above, it appears that the points follow the diagonal line or are in the same direction as the diagonal line so it can be concluded that the instruments provided are normal. Meanwhile, on the p-p plot graph, you can see the dots spreading around the diagonal line and this shows Normal Residuals.

## 1. Heteroscedasticity Test

The following graph provides an illustration of whether the regression model contains heteroscedasticity or not. From the scatterplot graph, it can be seen that the dots are spread following a diagonal line both above and below the number 0 on the Y axis. This can be concluded that there is heteroscedasticity in the regression model.

**Scatterplot**

Dependent Variable: Kepuasan anggota



**Partial Regression Plot**

Dependent Variable: Kepuasan anggota



## 1. Multikolonearitas Test

**Coefficientsª**

| Model | Collinearity Statistics | |
|---|---|---|
| | Tolerance | VIF |
| 1. Location | .423 | 2.367 |
| Credit interest rates | .802 | 1.247 |
| Service quality | .493 | 2.030 |
| a. Dependent Variable: Members Satisfaction | | |

2. Based on the table above, it can be concluded that the regression model in this study does not contain multicollinearity problems, because the VIF value of 2.367 is smaller than 10 and the Tolerance value of 0.423 is greater than 0.10. Thus, data taken based on the influence of location, credit interest rates and service quality on cooperative member satisfaction can provide different information for each independent variable.

3. Autocorrelation Test

**Model Summaryb**

| Model | Durbin-Watson |
|---|---|
| 1 | 2.142a |
| a. Predictors: (Constant), Quality of service, Credit interest rates, Location | |
| b. Dependent VariableMembers Satisfaction | |

The Durbin Watson statistical value of 2,142 is between -2 and +2, so the data in the research does not have an autocorrelation problem.

## 1.1. Data analysis
### Multiple Linear Regression Analysis

Multiple linear regression analysis was used to determine the magnitude of the influence of location, credit interest rates and service quality on cooperative member satisfaction at Cooperativa Esperanca Verde Timor Oan (CEVTO). Complete statistical calculations in multiple linear regression analysis in the following table:

**Coefficients<sup>a</sup>**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| 1(Constant) | .736 | 1.407 | | .523 | .603 |
| Location | .113 | .058 | .113 | 2.946 | .003 |
| Credit interest rates | .213 | .088 | .206 | 2.845 | .006 |
| Service quality | .866 | .052 | .885 | 16.518 | .000 |
| a. Dependent Variable: Members Satisfaction | | | | | |

Based on the multiple linear regression equation $y = \alpha + b1$. $a = 0.736$ is the average result of cooperative member satisfaction (Y), before being influenced by location variables, credit interest rates and Service quality has a fixed value of 0.736 $b1 = 0.113$ is the regression coefficient of location, meaning every change regarding location can increase cooperative member satisfaction of 0.113 or 11.3%, assuming that the tribal level Credit interest and service quality are constant. $b2 = 0.206$ is the regression coefficient of the credit interest rate, meaning any changes regarding the credit interest rate can be increasing member satisfaction by 0.206 or 20.6%, with the assumption that location and service quality are constant. $b3 = 0.885$ is the regression coefficient of service quality, meaning every changes regarding service quality can improve member satisfaction is 0.885 or 88.5%, assuming that Location and credit interest rates are constant.

**Determinant Coefficient**

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .967<sup>a</sup> | .935 | .931 | 1.35328 |
| a. Predictors: (Constant), Quality Service, Credit interest rates, Location | | | | |

From the results of the calculations above, it can be explained that the relationship between the variables Location, credit interest rate and service quality on the satisfaction of cooperative members is very strong at 0.967 or 96.7%, while the contribution of the variables Location, credit interest rate and service quality to the satisfaction of cooperative members is 0.931 or 93.1% while the remainder (100%-93.1%) = 6.9% is influenced by other variables outside the model.
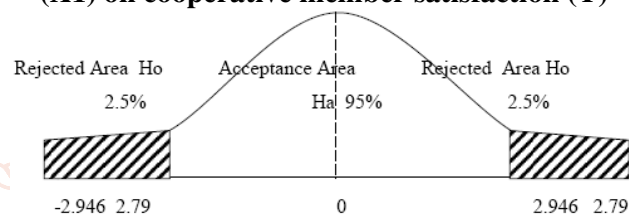
**Hypothesis test**

To test the hypothesis that has been proposed or to test the significance of the estimates of the variables raised in this research, testing was carried out using the T test and f test, Gujarati (1995: 259).

1. Partial significant test (T test) of the Location variable (X1) on Cooperative member satisfaction (Y)

The T test is used to determine the significance of the regression coefficient obtained. The T value (calculated) obtained will be compared with the T value (table) at a degree of confidence = 95% and an error level of 5%.

**Figure 01 Significant test of the location variable (X1) on cooperative member satisfaction (Y)**



Based on the results of hypothesis testing, it shows that the Tcount value is 2.946 compared to the Ttable value of 2.79, so the Tcount > Ttable or 2.946 > 2.79. This means that the Location variable (X1) has a positive and significant influence on cooperative member satisfaction (Y).

1. Variable Significance Test Credit interest rate (X2) on cooperative member satisfaction (Y)
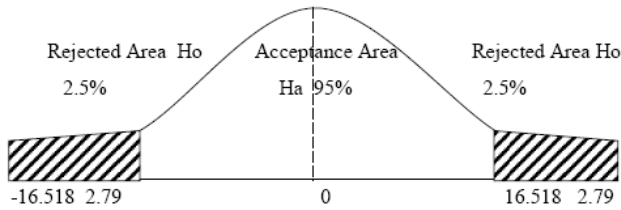
**Figure 02 Variable Significant Test Credit interest rate (X2) on cooperative member satisfaction (Y)**
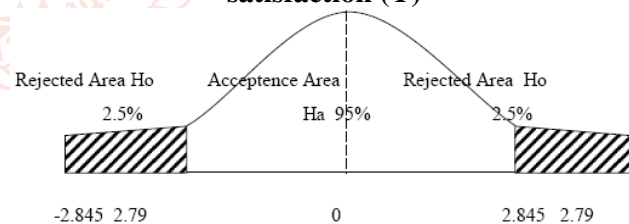


In the picture above, it shows that the Tcount value is 2.845 compared to the Ttable value of 2.79, so the Tcount > Ttable value or 2.845 > 2.79. This means that the credit interest rate variable (X2) has a positive and significant influence on cooperative member satisfaction (Y).

2. Significant test of service quality variables (X3) on cooperative member satisfaction (Y)

**Figure 02 Significant test of service quality variables (X3) on cooperative member satisfaction (Y)**



In the picture above, it shows that the Tcount value is 16,518 compared to the Ttable value of 2.79, so the Tcount > Ttable value or 16,518 > 2.79. This means that the service quality variable (X3) has a positive and significant influence on cooperative member satisfaction (Y).

**Research discussion**

In general, this research shows that the results of descriptive analysis show that the assessment conditions for the four (4) research variables are generally good. From these results it was further obtained that three independent variables, namely location, credit interest rate and service quality, had a positive and significant influence on the satisfaction of cooperative members at Cooperativa Esperanca Verde Timor Oan (CEVTO). The explanation of each variable is as follows:

1. **Testing hypothesis** I shows that there is a positive and significant influence of the location variable on the satisfaction of cooperative members at Cooperativa Esperanca Verde Timor Oan (CEVTO). These results show that the more strategic the location of a cooperative, the more satisfied the cooperative members feel. The results of this research support the research results of Ifik Sofiyanto (2011). This explains that the results at research locations with different location variables will provide added value to the satisfaction of cooperative members.

2. **Hypothesis II** testing shows that there is a positive and significant influence of the credit interest rate variable on cooperative member satisfaction. These results show that the higher the credit interest rate given, the member satisfaction at Koperativa Klibur Uniaun Creditu will decrease. The results of this research support the research results of Ifik Sofiyanto (2011) on Cooperativa Esperanca Verde Timor Oan (CEVTO). This explains that at different research locations the credit interest rate variable will provide added value to the satisfaction of cooperative members.

3. **Testing hypothesis III** shows that there is a positive and significant influence of service quality variables on cooperative member satisfaction. These results show that the better the service provided, the member satisfaction at Koperativa Klibur Uniaun Creditu will increase. The results of this research support the research results of Maria Izaura Madalena (2013) on Cooperativa Esperanca Verde Timor Oan (CEVTO). This explains that at different research locations service quality variables will provide added value to the satisfaction of cooperative members.

## 5. CLOSING

### 5.1. Conclusion

Based on the calculation results in Chapter four (IV) above, as the end of the discussion which concludes this thesis, the researcher draws the following conclusions:

1. Based on the multiple linear regression equation y = α + b1. a = 0.736 is the average result of cooperative member satisfaction (Y), before being influenced by location variables, credit interest rates and Service quality has a fixed value of 0.736 b1 = 0.113 is the regression coefficient of location, meaning every change regarding location can increase cooperative member satisfaction of 0.113 or 11.3%, assuming that the tribal level Credit interest and service quality are constant. b2 = 0.206 is the regression coefficient of the credit interest rate, meaning any changes regarding the credit interest rate can be increasing member satisfaction by 0.206 or 20.6%, with the assumption that location and service quality are constant. b3 = 0.885 is the regression coefficient of service quality, meaning every changes regarding service quality can improve member satisfaction is 0.885 or 88.5%, assuming that Location and credit interest rates are constant.

2. The relationship between the variables Location, credit interest rate and service quality on the satisfaction of cooperative members is very strong at 0.967 or 96.7%, while the contribution of the variables Location, credit interest rate and service quality to cooperative member satisfaction is 0.931 or 93.1% while the remainder ( 100%-93.1%) = 6.9% influenced by other variables outside the model.

### 5.2. Suggestions-Suggestions

Based on the calculation results in the previous chapters, researchers can make theoretical and applied implications as follows:

### 5.2.1. Theoretical Implications

1. The Tcount value is 2.946 compared to the Ttable value of 2.79, so the Tcount > Ttable value or

2.946 > 2.79. This means that the Location variable (X1) has a positive and significant influence on cooperative member satisfaction (Y).

2. The Tcount value is 2.845 compared to the Ttable value of 2.79, so the Tcount > Ttable value or 2.845 > 2.79. This means that the credit interest rate variable (X2) has a positive and significant influence on cooperative member satisfaction (Y).

3. The Tcount value is 16,518 compared to the Ttable value of 2.79, so the Tcount > Ttable value or 16,518 > 2.79. This means that the service quality variable (X3) has a positive and significant influence on cooperative member satisfaction (Y).

### 5.2.2. Applied Implications
Based on the results of research on the variables of credit provision and capital management on remaining business results, several research implications can be produced, namely:

1. The location variable (X1) has a positive and significant influence on cooperative member satisfaction (Y).
2. The credit interest rate variable (X2) has a positive and significant influence on cooperative member satisfaction (Y).
3. The service quality variable (X3) has a positive and significant influence on cooperative member satisfaction (Y).

### 5.3. Recommendation
Based on the research findings and implications above, researchers recommend:

**1. For Koperativa Esperanca Verde Timor Oan (CEVTO)**

A. *Coperativa Esperanca Verde Timor Oan* (CEVTO) needs to pay more attention to the location of the cooperative so that it can be reached easily, especially for cooperative members.

B. *Coperativa Esperanca Verde Timor Oan* (CEVTO) needs to pay attention to and maintain the credit interest rates set in the hope of increasing cooperative member satisfaction.

C. *Coperativa Esperanca Verde Timor Oan* (CEVTO), needs to further improve the quality of service, especially service for cooperative members.

**2. For future researchers**

a. In order to add research variables, it is not limited to the four variables examined in this research, namely location variables, credit interest rates, service quality and satisfaction of Cooperative members.

b. Expanding the research object, not only focusing on Koperativa Esperanca Verde Timor Oan (CEVTO).

c. Adding more research samples.

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