Customer Value, Satisfaction and Relational Marketing to Priority Customer Loyalty of XYZ Bank
(Case study at PT. Bank XYZ Main Branch Surabaya Cendana)

Achmad Daengs GS[1], Enny Istanti[2], Ruchan Sanusi[3]

1. Faculty of Economy and Business, Universitas 45 Surabaya, Indonesia
2. Faculty of Economy and Business, Universitas Bhayangkara Surabaya, Indonesia
3. Faculty of Economy and Business, Universitas Bhayangkara Surabaya, Indonesia

E-mail: adaengsgs@univ45sby.ac.id[1], ennyistanti@ubhara.ac.id[2], ruchan@ubhara.ac.id

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Abstract

Banking is a service industry that is very important in advancing the economy of a country. The purpose of this study is to determine whether there is an effect of variable customer value, satisfaction and relational marketing on customer loyalty Priority Bank XYZ Main Branch Office Surabaya Cendana. The data used in this study is primary data obtained by distributing questionnaires, using multiple linear regression analysis techniques. There is an influence between the independent variable and the dependent variable, as evidenced by a significant value of 6,328.10-26 <0.05. Partially, the customer value variable (X1) has a positive and significant effect on customer loyalty, the customer satisfaction variable (X2) has a positive and significant effect on customer loyalty and the relationship marketing variable (X3) has a positive and significant effect on customer loyalty. The most dominant variable is the relational marketing variable (X3) because the partial correlation value in the coefficients table is 62.29% greater than the partial correlation value of the other independent variables. customer value variables, customer satisfaction, and relationship marketing simultaneously have a significant effect on verified customer loyalty, customer value variables, customer satisfaction, and relationship marketing partially have a significant effect on proven customer loyalty and relationship marketing variables have a dominant influence on proven customer loyalty the truth.

Keywords: customer value, customer satisfaction, relationship marketing, customer loyalty

INTRODUCTION

Banking is a service industry that is very important in supporting development financing programs, both as a fund collector, as an investment and working capital financing institution and as an institution that facilitates the flow

of money from the community and towards the community, in this case the bank is a public financial intermediary (financial intermediary). and as a development tool (agent of development). In its operational activities, one of the sources of bank funds comes from the community which is collected in the form of savings.

Banks as financial institutions have a very large role in advancing the economy of a country. The activities of banking institutions as providers and distributors of funds will determine whether a country's economy is good or not. Almost all sectors related to financial activities always need bank services. In its development, banking services have progressed quite rapidly, new competitors have entered the market with various service offerings that are diverse and have their own charm. The increasingly fierce competition has encouraged the banking sector to undertake development efforts in the service sector.

The current marketing concept is moving towards a focus on building value-based relationship and network marketing. Applying a relationship marketing strategy focuses on retaining existing customers and forming long-term relationships with these customers. Relationship marketing (relationship marketing) is a strategic orientation or philosophy of running a business that focuses more on efforts to maintain and develop relationships with current customers rather than acquiring new customers (Tjiptono, 2015). The relational marketing strategy can be carried out through three approaches, namely financial benefits, social benefits, and structural ties. These three approaches are carried out to establish long-term relationships and create customer loyalty.

In addition, every banking company must pay attention and consider customer satisfaction in addition to achieving maximum profit. The problem that is often faced by banks is that companies have not been able to provide the maximum satisfaction expected by customers. The main factor of this dissatisfaction comes from poor quality service.

Armstrong, (2018) states that "Consumer satisfaction is the level of one's feelings after comparing the performance or results he feels compared to his expectations." The basic concept of a service (service) or the quality of a product can be defined as fulfillment that exceeds the desires or expectations of the customer (consumer).

Tjiptono, (2009) states that "consumer loyalty is the ideal situation most marketers expect, where consumers are positive towards products or producers (service providers) and are accompanied by consistent repurchasing patterns".

A person is said to be loyal if he has a strong commitment to use/buy again regularly a product/service. How to form loyalty must begin by providing superior or superior quality products/services, so that consumers feel satisfied with the experience of consuming them. Satisfaction with products/services is the main capital for forming loyalty.

Customer satisfaction concerns what is expressed by customers, while customer loyalty relates to what customers do. Therefore, the parameter of customer satisfaction is more subjective, more difficult to quantify, and more difficult to measure than customer loyalty. Customer loyalty can be traced through measures such as defection rate, number and continuity of core customers, longevity of core customers, and value for core customers (in the form of savings

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that core customers receive as a result of quality, productivity, cost reduction, and short cycle times).). Therefore, customer satisfaction must be accompanied by customer loyalty. Customers who are truly loyal not only have the potential to become word-of-mouth advertisers, but are also likely to be loyal to the company's product and service portfolio for a long period of time.

According to Woodruff in (Tjiptono, 2007), customer value (customer value) is the customer's perceptual preferences and evaluation of product attributes, performance attributes, and the consequences obtained from product use that facilitate the achievement of customer goals and objectives in usage situations. Customers will give a positive value if the performance of the product/service offered is above expectations. This positive value will tend to cause pleasure, emotional attachment to the brand occurs, and also rational preferences so that the result is high customer loyalty.

The concept most closely related to customer value is described as the customer's evaluation of the service provider's work, based on previous experiences and impressions. Customer value which consists of four dimensions, namely emotional value (emotional value), social value (social value), service value (quality/performance value), product performance value (price/value of money) has an influence on customer satisfaction. Customer satisfaction affects customer loyalty. Customer satisfaction and loyalty are very important for a company, especially in the field of service and product business in big cities that offer various sales systems in modern life.

The customer's perception of value for the quality offered is relatively higher than competitors will affect the level of customer loyalty, the higher the perceived value perceived by the customer, the greater the possibility of a relationship (transaction). And the desired relationship is a long-term relationship, because the effort and costs incurred by the bank are believed to be far greater if it has to attract new customers or customers who have left the bank, rather than retaining them.

If the customer value perceived by the customer is lower, the less likely a relationship (transaction) will occur, this will cause the customer to feel dissatisfied with banking services and performance, causing the level of customer loyalty to be low which will result in the possibility that the customer will switch to using bank services. other.

Based on the background mentioned above, the authors conducted a study entitled "The Influence of Customer Value, Satisfaction and Relational Marketing on Priority Customer Loyalty of XYZ Bank Surabaya Cendana Main Branch Office".

Customer Value

The term value is used in a variety of different contexts. According to Tjiptono, (2009), Customer Value is the choice felt by customers and evaluation of product and service attributes, performance attributes and consequences arising from using products to achieve consumer goals and intentions when using products. Woodruff also defines customer value as a customer's perception of the desired consequences of using a product/service. Customer value can be described as preferences that customers feel for product

characteristics, performance and the extent to which they have fulfilled what they want.

customer value is the emotional bond that exists between the customer and the producer after the customer uses the products and services of the company and finds that the product or service provides added value.

Customer Satisfaction

Satisfaction according to P. K. and K. L. Keller, (2007) is a person's feelings about pleasure or satisfaction or disappointing results from comparing the appearance of products that have been provided (results) in relation to the expectations of the customer.

According to Pay quoted by Sunarto, (2007) suggests that "customer satisfaction or dissatisfaction is the customer's response to the evaluation of the perceived discrepancy between previous expectations (work norms) and the actual work of the product that is felt after using it".

Definition of Services

Keller, (2016) states that "Services are any activities or benefits offered by a party to another party and are basically intangible, and do not result in the ownership of anything. The product process may or may not be associated with a physical product.

Based on the consideration of where and to whom these services are provided and used, services are divided into two types, namely consumer services and producer services. The definition of the two types according to Bangun, (2012) is as follows: Consumer services are services that are used by households and individuals in accordance with the capabilities of the household. Meanwhile, producer services are services utilized by industrial organizations and institutions.

Relational Marketing

According to Chan, (2016) that relationship marketing can be defined as getting to know each customer more closely by creating two-way communication by managing a mutually beneficial relationship between the customer and the company.

According to Tjiptono & Chandra, (2017) relationship marketing is an effort to develop, maintain, improve, and commercialize customer relationships in order to realize all parties involved.

Relational Marketing according to P. K. and G. Armstrong, (2012) is the process of creating, maintaining, and enhancing strong relationships with customers and other shareholders. Relationship marketing builds mutually satisfying long-term relationships with key parties, to maintain and maintain their business.

In essence, relationship marketing reflects a paradigm shift in marketing, from what was originally focused on customer transactions/acquisition, to customer relations/retention. Relationship marketing is a strategic orientation and philosophy of running a business that focuses more on efforts to maintain and develop relationships with current customers than acquiring new customers.

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Customer Loyalty

According to Sheth and Mittal in Tjiptono, (2007) suppliers, based on a very positive attitude and reflected in consistent repeat purchases.

According to Engel al. in Hasan, (2009) that customer loyalty is a behavioral habit of repeat purchases, high engagement and involvement in their choices and is characterized by external information seeking and evaluation of alternatives.

Customer loyalty is defined as people who buy, especially those who buy regularly and repeatedly. The customer is someone who continuously and repeatedly comes to the same place to satisfy his desires by having a product or getting a service and paying for the product or service.

Conceptual Framework
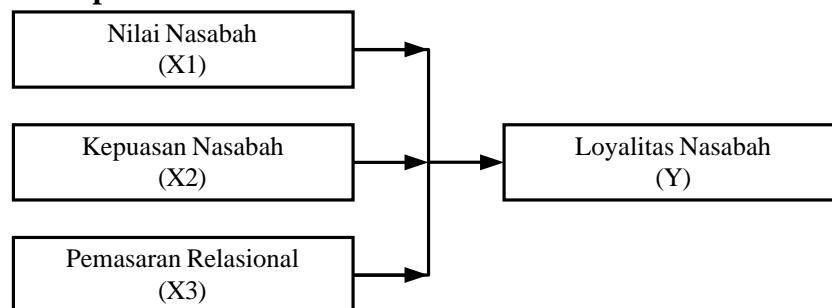
Gambar 1 Kerangka Konseptual
Source : Researcher (2022)

Hypothesis

1. There is a simultaneous effect on customer value, satisfaction and relational marketing on customer loyalty at Prioritas Bank XYZ Surabaya Cendana Main Branch Office.

2. There is a partial effect of customer value, satisfaction and relational marketing on customer loyalty at Prioritas Bank XYZ Surabaya Cendana Main Branch Office.

3. There is one variable that has a dominant influence on customer loyalty at Priority Bank XYZ Surabaya Cendana Main Branch Office.

Companies that have competence in the fields of marketing, manufacturing and innovation can make it a resource to achieve competitive advantage (Daengs GS, et al. 2020: 1419).

To find out the results of the data, the technique of data analysis is also used to test the hypotheses put forward by the researchers, because the analysis of the data collected to determine the effect of the independent variables on the related variables is used multiple linear statistical test. (Enny Istanti, et al, 2020: 113).

The research design is a plan to determine the resources and data that will be used to be processed in order to answer the research question. (Asep Iwa Soemantri, 2020:5).

Time management skills can facilitate the implementation of the work and plans outlined. (Rina Dewi, et al. 2020:14)

Standard of the company demands regarding the results or outputs produced are intended to develop the company. (Istanti, Enny, 2021: 560).

When collecting data sources, researchers collect data sources in the form of raw data. The survey method is a primary data collection method using written questions (Kumala Dewi, Indri et all, 2022: 29)

Research Methodology

Population

The population in this study were 125 customers of Prioritas Bank XYZ Surabaya Cendana Main Branch Office.

Sample

The sample is part of the number and characteristics possessed by the population. (Sugiyono, 2017) The sample selection method used in this study is a non-probability sampling technique with a purposive sampling type, namely selection based on certain criteria. The criteria used in this research are priority customers of XYZ Bank.

Research Variables and Operational Definitions

Customer Value (X1)

Customer value is the customer's perception of the consequences he wants from using a product/service (Woodruff, 2007). The indicators were developed based on (Tjiptono, 2009) which include:

a. Customers enjoy using XYZ Bank services (emotional value)

b. XYZ Bank has provided multipurpose savings functions, namely: telephone, tax and electricity payments that are functioning properly (Social Value).

c. XYZ Bank has provided book-entry functions, namely: transfer, collection, and clearing that function properly (performance value).

d. XYZ Bank provides savings transaction tools, namely: deposit slips, savings books, and ATM cards that are functioning properly (value of money).

Customer Satisfaction (X2)

Customer satisfaction is determined by the quality of service in the field. If the service is not the same or does not match the customer's expectations, then in the eyes of the customer the service provided is considered poor and unsatisfactory (Yamit, 2006). Service indicators consist of Rambat, (2014):

a. XYZ Bank has provided good service to its customers (service quality)

b. XYZ Bank provides transaction speed for its customers (product quality).

c. The professionalism of XYZ Bank staff is good in serving its customers (professionalism)

d. Overall the services provided by XYZ Bank have been good for its customers (service convenience)

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Relational Marketing (X3)

Get to know each customer more closely by creating two-way communication by managing a mutually beneficial relationship between the customer and company (Tjiptono Fandy, & Chandra, 2006) Relationship marketing indicators based on K. and Armstrong, (2018) consist of:

a. XYZ Bank guarantees the safety of funds deposited by customers (financial benefits).

b. XYZ Bank is able to understand customer needs well (social benefits)

c. XYZ Bank can create trust for its customers (structural ties)

Customer Loyalty (Y)

Customer loyalty is a habit of repeat purchase behavior, high involvement and involvement in their choices and is characterized by external information search and evaluation of alternatives (Engel al. in Hasan, 2008). The indicators were developed based on (Griffin, 2004):

a. Loyal customer with XYZ Bank (demonstrating immunity from the attractiveness of similar products from competitors)

b. The customer does not want to move to another bank (shows immunity from the attractiveness of similar products from competitors)

c. Customer recommends Bank XYZ to others (recommends to others)

d. Becoming a customer of XYZ Bank is the right choice

Models and Analysis Techniques

The analysis used in this study is multiple linear regression. T test for partial test and F test for simultaneous test. The formula is as follows:

Multiple Regression Formula:

$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + e$

RESULTS AND DISCUSSION

a. Influence of Customer Value (X1) on Customer Loyalty (Y)

From the calculation, it is obtained that t count is 5.8519 > t table 1.9798 and a significance value of 4.247.10-08 <0.05, then Ho is rejected at a significant level of 5%. So that partially customer value (X1) has a significant effect on customer loyalty (Y).

The partial r value for the customer value variable (X1) is 0.4697 meaning that the customer value variable (X1) is able to explain the customer loyalty variable (Y) of 46.97%.

b. Effect of customer satisfaction (X2) on customer loyalty (Y)

From the calculation, it is obtained that t count is 7.9253 > t table 1.9798 and a significance value of 1.260.10-12 <0.05, then Ho is rejected at a significant level of 5%. So that partially customer satisfaction (X2) has a significant effect on customer loyalty (Y).

The partial r value for the customer satisfaction variable (X2) is 0.5846 meaning that the customer satisfaction variable (X2) is able to explain the customer loyalty variable (Y) of 58.46%.

c. Effect of relational marketing (X3) on customer loyalty (Y)

From the calculation, it is obtained that t count is 8.7590 > t table 1.9798 and a significance value of 1.436.10-14 <0.05, then Ho is rejected at a significant level of 5%. So partially

The partial r value for the relational marketing variable (X3) is 0.6229 meaning that the relational marketing variable (X3) is able to explain the customer loyalty variable (Y) of 62.29%.

Discussion

In the research conducted above, it is known that customer value (X1), customer satisfaction (X2), and relational marketing (X3) have an effect on customer loyalty (Y) with a significant value of 6,328.10-26 <0.05.

The partial test results show that there is an influence between customer value and customer loyalty. The calculation results show that the t count (5.8519) > t table (1.9798) and the significant value (4.247.10-08) because it is smaller than 0.05 then Ho is rejected and Hi is accepted so that partially the customer value has a significant effect on customer loyalty (Y). The partial r value for the customer value variable is (0.4697) that the customer value variable is able to influence the customer loyalty variable (Y) of 46.97%.

The partial test results show that there is an influence between customer satisfaction and customer loyalty. From the calculation results show that the value of t count (7.9253) > t table (1.9798) and a significant value (1.260.10-12) because it is smaller than 0.05 then Ho is rejected and Hi is accepted so that partially customer satisfaction has a significant effect on customer loyalty (Y). The partial r value for the customer satisfaction variable is (0.5846) that the customer satisfaction variable is able to influence the customer loyalty variable (Y) of 58.46%.

For partial test results indicate that there is influence between relationship marketing on customer loyalty. From the calculation results show that the value of t count (8.7590) > t table (1.9798) and a significant value (1.436.10-14) because it is smaller than 0.05 then Ho is rejected and Hi is accepted so partially relational marketing has a significant effect on customer loyalty (Y). The partial r2 value for the relational marketing variable is (0.6229) that the relational marketing variable is able to influence the customer loyalty variable (Y) of 62.29%.

For the most dominant variable is the relational marketing variable (X3) because the partial correlation value in the coefficients table is 62.29% greater than the partial correlation value of the other independent variables. So that it can be said that the relational marketing variable (X3) has the most dominant influence on the dependent variable customer loyalty (Y).

CONCLUSION

Based on the research analysis that has been put forward, a conclusion can be drawn in accordance with the formulation of the problem and the objectives that have been set. The conclusions that can be put forward are as follows:

1. From the results of the analysis it is known that there is a simultaneous influence between the variables of customer value (X1), customer satisfaction (X2), and relational marketing (X3) on customer loyalty. So the hypothesis which states that the variables of customer value, customer satisfaction, and relational marketing simultaneously have a significant effect on customer loyalty has been verified.

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2. From the results of the analysis it is known that there is a partial influence between the variables of customer value (X1), customer satisfaction (X2), and relational marketing (X3) on customer loyalty. So the hypothesis which states that the variables of customer value, customer satisfaction, and relational marketing partially have a significant effect on customer loyalty has been verified.

3. From the results of the analysis it is known that relational marketing (X3) has the most dominant effect on customer loyalty (Y). So the hypothesis states that relational marketing variables have a dominant influence on customer loyalty test the truth.

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