

# CUSTOMER VALUE PERFORMANCE, SATISFACTION AND RELATIONAL MARKETING ON PRIORITY CUSTOMER LOYALTY ( Case study of Bank ABC Surabaya Cendana Main Branch Office)

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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. 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. 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.

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## INTRODUCTION

Banking is a service industry that is very important in supporting development financing programs, both as a fundraiser, as an investment and working capital financing institution as well as as an institution that facilitates the flow of money from the community and towards the community, in this case the bank is a financial intermediary for the community (financial intermediary). and as a development tool (agent of development). In its operational activities, one of the sources of bank funds comes from the public 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 require the services of a bank. In the development of banking services has 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 prompted the banking sector to undertake development efforts in the service sector.

The current marketing concept is moving to a focus on building value-based relationship and network marketing. The implementation of a relational marketing strategy focuses on retaining existing customers and forming long-term relationships with those customers. Relationship marketing is a strategic orientation or philosophy of running a business that focuses more on maintaining and developing relationships with current customers rather than capturing new customers.(Tjiptono, 2015). Relational marketing strategy can be done 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 to and consider customer satisfaction in addition to achieving maximum profit. The problem that is often faced by banks is that the company has not been able to provide the maximum satisfaction that customers really expect. The main factor of this dissatisfaction comes from poor quality services.

Armstrong, (2018)states that "Consumer satisfaction is the level of a person'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 a fulfillment that can exceed the wishes or expectations of customers (consumers).

Tjiptono, (2009)states that "customer loyalty is the ideal situation most marketers expect, where consumers are positive about the product or producer (service provider) and are accompanied by a consistent pattern of repeat purchases".

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 are 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 is related to what customers do. Therefore, customer satisfaction parameters are 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 to core customers (in the form of savings earned by core customers as a result of quality, productivity, cost reductions and short cycle times). ). Therefore, customer satisfaction must be accompanied by customer loyalty. Truly loyal customers are not only very potential to become word-of-mouth advertisers,

According to Woodruff in(Tjiptono, 2007), customer value (customer value) is a perceptual preference and customer evaluation of product attributes, performance attributes, and consequences derived from using the product that facilitates 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 closest to outcomes related to customer value is described as the customer's evaluation of the service provider's performance, 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 is very important for a company/companies, especially in the field of service and product businesses in big cities that offer various sales systems in modern life.

The customer's perception of the value of the quality offered is relatively higher than that of 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 much greater if it has to attract new customers or customers who have left the bank, rather than retaining them.

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

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

## **CUSTOMER VALUE**

The term value is used in many different contexts. According toTjiptono, (2009),Customer Value is the perceived choice of customers and evaluation of product and service attributes, performance attributes and consequences arising from the use of products to achieve the goals and purposes of consumers when using the product. Woodruff also defines customer value as the customer's perception of the consequences he wants from using a product/service. Customer value can be described as the preferences that customers feel for product characteristics, performance and the extent to which they have met what they want.

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

### **CUSTOMER SATISFACTION**

Satisfaction according to PK and KL Keller, (2007) is a person's feelings about pleasure or satisfaction or disappointing results from comparing the appearance of the provided product (result) in relation to the customer's expectations.

According to Pay quoted Sunarto, (2007) argues 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 its use".

### **DEFINITION OF SERVICE**

Keller, (2016) states that "a service is any activity or benefit offered by one party to another and is essentially intangible and does 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 Wake Up, (2012) as follows: Consumer services are services that are utilized by households and individuals according to the ability of the household. Meanwhile, producer services are services used 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 by PK and G. Armstrong, (2012) is the process of creating, maintaining, and enhancing strong relationships with customers and other shareholders. Relational marketing builds mutually satisfying long term relationships with key parties, to maintain and sustain their business.

In essence, relationship marketing reflects a paradigm shift in marketing, from what was originally focused on customer transactions/acquisitions, to customer relationships/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 rather than acquiring new customers.

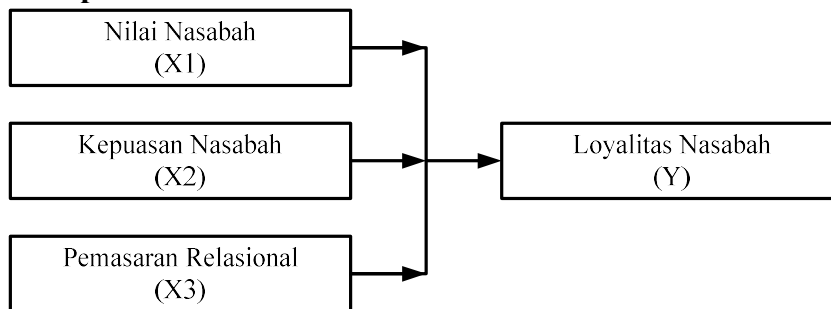
### **CUSTOMER LOYALTY**

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 relevance and involvement in their choices and is characterized by external information seeking and alternative evaluation.

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

### conceptual framework



**Figure 1 Conceptual Framework**

Source: Researcher (2022)

### HYPOTHESIS

1. There is a simultaneous influence of customer value, satisfaction and relationship marketing on customer loyalty Priority Bank XYZ Main Branch Office Surabaya Cendana.
2. There is a partial influence of customer value, satisfaction and relational marketing on customer loyalty Priority Bank XYZ Main Branch Office Surabaya Cendana.
3. There is one variable that has a dominant influence on customer loyalty Priority Bank XYZ Main Branch Office Surabaya Cendana.

Companies that have competence in the fields of marketing, manufacturing and innovation can make its as a source 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 use to test to the hypotheses put forward by the researchers, because the analysis of the data collected to determine of the effect of the independent variables on the related variables is use multiple linear statistical tests. (Enny Istanti, et al, 2020:113).

The research design is a plan to determinethe 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 output 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 is the customers of Priority Bank XYZ Main Branch Office Surabaya Cendana, amounting to 125 people.

### **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 purposive sampling type, namely the selection based on certain criteria. The criteria used in this study are priority customers of Bank XYZ.

## **RESEARCH VARIABLES AND OPERATIONAL DEFINITIONS**

### **Customer Value (X1)**

*customer value* as a customer's perception of the desired consequences of using a product/service (Woodruff, 2007). Indicators are developed based on (Tjiptono, 2009) which covers :

- a. Customers are happy to use Bank XYZ services (emotional value)
- b. Bank XYZ has provided multi-purpose savings functions, namely: payment of telephone, taxes, and electricity that have been functioning properly (Social Value).
- c. Bank XYZ has provided book-entry functions, namely: transfer, collection, and clearing that function well (performance value).
- d. Bank XYZ provides savings transaction tools, namely: deposit slips, savings books, and ATM cards that have been 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 expectations of the customer, then in the eyes of the customer the service provided is considered bad and unsatisfactory (Yamit, 2006). The service indicator consists of (Rambat, 2014):

- a. Bank XYZ has provided good service for its customers (quality of service)
- b. Bank XYZ provides transaction speed for its customers (product quality).
- c. XYZ Bank staff professionalism is good in serving its customers (professionalism)
- d. Overall, the services provided by Bank XYZ are good for its customers (easy service)

### **Relational Marketing (X3)**

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

- a. XYZ Bank guarantee the safety of funds deposited by customers (financial benefit).
- b. XYZ Bank able to understand customer needs well (social benefit)
- c. XYZ Bank can create trust for its customers (structural ties)

### Customer Loyalty (Y)

Customer loyalty is a habit of repeat purchase behavior, high relevance and involvement in their choices and is characterized by external information seeking and alternative evaluation (Engel al. in Hasan, 2008). Indicators are developed based on(Griffin, 2004):

- a. Loyal customers with XYZ Bank (showing 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 Bank XYZ 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

### F Uji test

Used to determine the simultaneous (concurrent) effect between customer value (X1), customer satisfaction (X2), and relational marketing (X3) on customer loyalty (Y).

**Table 1 F Test Calculation Results**

Model	Number of Squares	df	Middle Square	F count	Significance
Regression	13.3904	3	4.4635	68.3538	6,328.10-26
Residual	7.8966	121	0.0653		
Total	21.2870	124			

Source: Researcher (2022)

The calculation results show that F count is  $68.3538 > F$  table (2.68) then  $H_0$  is rejected and  $H_1$  is accepted, so it can be concluded that customer value (X1), customer satisfaction (X2), and relational marketing (X3) simultaneously ( simultaneously) has a significant effect on customer loyalty (Y).

### t test

Used to determine the partial effect of customer value (X1), customer satisfaction (X2), and relationship marketing (X3) on customer loyalty (Y). The test steps are as follows:

**Table 2 Calculation Results of t test**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations
		B	Std. Error	Beta			Partial
1	(Constant)	1,7580	,4821		3,6469	,0004	
	Nilai Nasabah (X1)	,2285	,0391	,3929	5,8519	4,247E-008	,4697
	Kepuasan Nasabah (X2)	,4572	,0577	,4843	7,9253	1,260E-012	,5846
	Pemasaran Relasional (X3)	,4159	,0475	,5470	8,7590	1,436E-014	,6229

a. Dependent Variable: Loyalitas Nasabah (Y)

Source: Researcher (2022)

- a. The Influence of Customer Value (X1) on Customer Loyalty (Y)  
From the calculation obtained t count of 5.8519 > t table 1.9798 and a significance value of  $4.247.10^{-08} < 0.05$ , then  $H_0$  is rejected at the level of significant 5%. So that partially customer value (X1) has a significant effect on customer loyalty (Y).  
Partial r value for customer value variable ( $X_1$ ) of 0.4697 means that the customer value variable (X1) is able to explain the customer loyalty variable (Y) of 46.97%.
- b. The Effect of Customer Satisfaction (X2) on Customer Loyalty (Y)  
From the calculation obtained t count of 7.9253 > t table 1.9798 and a significance value of  $1.260.10^{-12} < 0.05$ , then  $H_0$  is rejected at the level of significant 5%. So that partially customer satisfaction (X2) has a significant effect on customer loyalty (Y).  
Partial r value for customer satisfaction variable ( $X_2$ ) of 0.5846 means that the customer satisfaction variable (X2) is able to explain the customer loyalty variable (Y) of 58.46 %.
- c. Effect of Relationship Marketing (X3) on Customer Loyalty (Y)  
From the calculations obtained t count of 8.7590 > t table 1.9798 and a significance value of  $1.436.10^{-14} < 0.05$ , then  $H_0$  is rejected at the level of significant 5%. So partially  
Partial r value for relational marketing variable ( $X_3$ ) of 0.6229 means 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) affect 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 on customer loyalty. From the calculation results show that the value of t arithmetic (5.8519) > t table (1.9798) and a significant value (4.247.10-08) because it is smaller than 0.05 then  $H_0$  is rejected and  $H_1$  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) by 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 arithmetic (7.9253) > t table (1.7998) and a significant value (1.260.10-12) because it is smaller than 0.05 then  $H_0$  is rejected and  $H_1$  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) by 58.46 %.

The partial test results show that there is an influence between relationship marketing on customer loyalty. From the calculation results show that the value of t count (8.7590) > t table (1.7998) and a significant value (1,436.10-14) because it is smaller than 0.05,  $H_0$  is rejected and  $H_1$  is accepted so that partially relational marketing has a significant effect on customer loyalty (Y). The partial  $r^2$  value for the relational marketing variable is (0.6229) that the relational marketing variable is able to influence the customer loyalty variable (Y) by 62.29%.

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 it can be said that the relational



marketing variable (X3) has the most dominant influence on the dependent variable of customer loyalty (Y).

## **CONCLUSION**

### **Conclusion**

Based on the research analysis that has been stated above, 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 relationship marketing (X3) on customer loyalty. So the hypothesis which states that the variables of customer value, customer satisfaction, and relationship marketing simultaneously have a significant effect on customer loyalty has been proven true.
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 relationship 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 is proven true.
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 which states that the relational marketing variable has a dominant influence on customer loyalty has been proven true.

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