

THE IMPACT OF RELATIONSHIP MARKETING AND SERVICE QUALITY ON CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

(Study on Customers of BNI Malang Branch Office)

UNDERGRADUATE THESIS

**Submitted as Prerequisite for Undergraduate Thesis
at Faculty of Administrative Science Brawijaya University**

**AFIF MAHARDIKA SETIAWAN
NIM 125030207111002**



**BRAWIJAYA UNIVERSITY
FACULTY OF ADMINISTRATIVE SCIENCE
DEPARTMENT OF BUSINESS ADMINISTRATION
STUDY PROGRAM OF BUSINESS ADMINISTRATION
CONCENTRATION ON MARKETING MANAGEMENT
MALANG
2017**

MOTTO

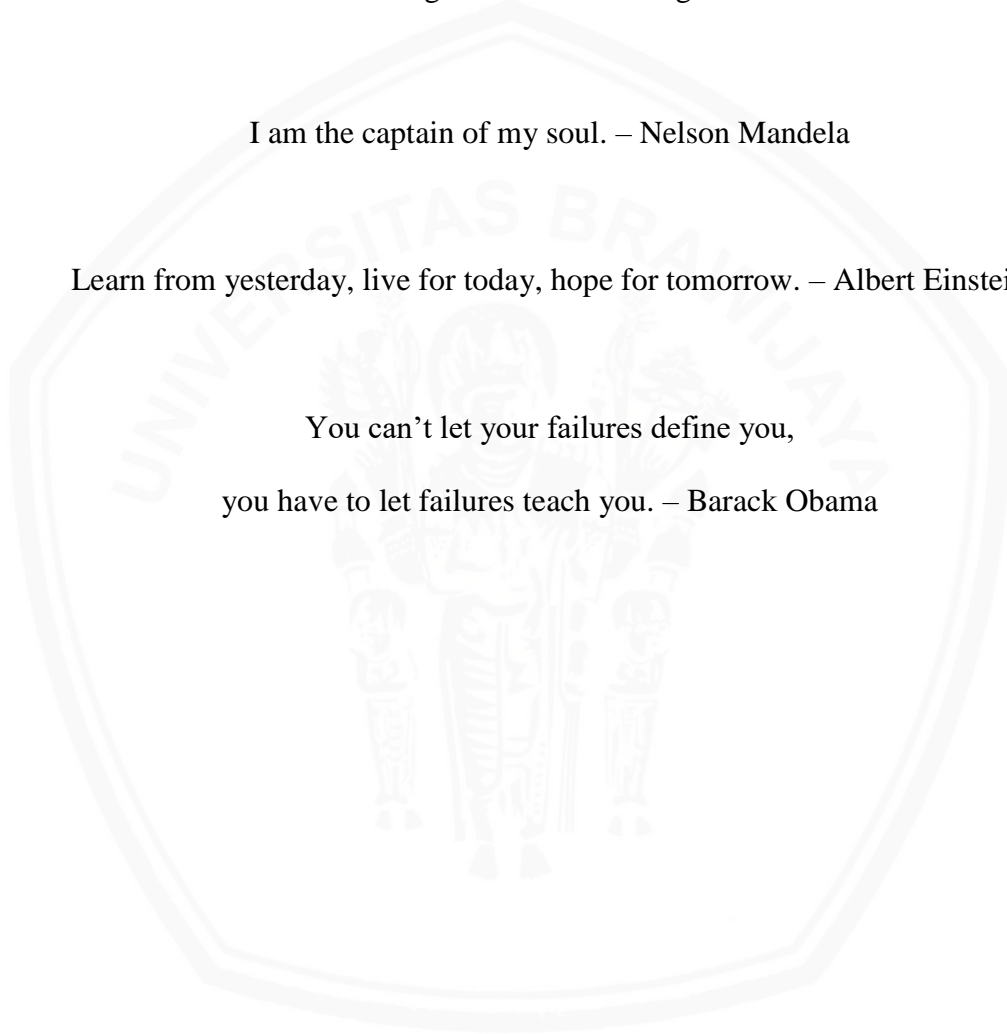
Peace begins with a smile. – Mother Teresa

The man with no imagination has no wings. – Muhammad Ali

I am the captain of my soul. – Nelson Mandela

Learn from yesterday, live for today, hope for tomorrow. – Albert Einstein

You can't let your failures define you,
you have to let failures teach you. – Barack Obama



UNDERGRADUATE THESIS APPROVAL

Title : The Impact of Relationship Marketing and Service
Quality on Customer Satisfaction and Customer Loyalty
(Study on Customers of BNI Malang Branch Office)

Author : Afif Mahardika Setiawan

NIM : 125030207111002

Faculty : Administrative Science

Study Program : Business Administration Science

Concentration : Marketing Management

Malang, August 17th 2016

Supervisors Committee

Supervisor

Co-Supervisor

Andriani K., S.Sos., M.Si., DBA
NIP.197604142002122002

M. Kholid Mawardi, P.hD
NIP. 197512202005011002

BOARD OF APPROVAL

This undergraduate thesis has been maintained in front of the board of examiners, faculty of Administrative science brawijaya university, at:

Day : Monday

Date : 30 January 2017

Time : 11.00 a.m.

Undergraduate thesis on

behalf of : Afif Mahardika Setiawan

Title : The Impact of Relationship Marketing and Service Quality on Customer Satisfaction and Customer Loyalty (Study on Customers of BNI Malang Branch Office)

And it states passed by

Board of examiners

Leader

Member

Andriani K., S.Sos., M.Si., DBA
NIP.197604142002122002

Member

M. Kholid Mawardi, P.hD
NIP. 197512202005011002

Member

Dr. Sunarti P, S.Sos., MAB
NIP. 19740717 199802 2 001

Edriana P., SE., M.Si., DBA
NIP. 19770321 200312 2 001

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Malang, 3 January 2017

Afif Mahardika Setiawan

NIM : 125030207111002

SUMMARY

Afif Mahardika Setiawan, 2017, **The Impact of Relationship Marketing and Service Quality on Customer Satisfaction and Customer Loyalty (Study on Customers of BNI Malang Branch Office)**. Supervisors: Andriani Kusumawati, S.Sos., M.Si., DBA and Mukhammad Kholid Mawardi, Ph.D. 203 pages + xv.

This research aims to explain: (1) the impact of relationship marketing on customer satisfaction of BNI, (2) the impact of service quality on customer satisfaction of BNI, (3) the impact of relationship marketing on customer loyalty of BNI, (4) the impact of service quality on customer loyalty of BNI, and (5) the impact of customer satisfaction on customer loyalty of BNI.

This research uses explanatory research with quantitative approach. The variables used are: relationship marketing, service quality, customer satisfaction and customer loyalty. The data has been obtained through questionnaire which was distributed to 116 customers of BNI Malang Branch Office as respondents. This research uses purposive sampling with respondent's criteria were saving customers of BNI Malang Branch Office at least in one year and making transactions twice per month. The data analysis uses descriptive and path analysis.

The result shows that: (1) relationship marketing has a significant impact on customer satisfaction of BNI, (2) service quality has a significant impact on customer satisfaction of BNI, (3) relationship marketing has a significant impact on customer loyalty of BNI, (4) service quality significantly has a negative impact on customer loyalty of BNI, and (5) customer satisfaction has a significant impact on customer loyalty of BNI. Based on research results, BNI Malang Branch Office have to keep maintain and improve the relationship marketing and service quality through monitoring suspicious transactions, improve the easiness ways to the customers, and improve consistency of performance.

Keywords: Relationship Marketing, Service Quality, Customer Satisfaction, Customer Loyalty

RINGKASAN

Afif Mahardika Setiawan, 2017, *Dampak Relationship Marketing dan Kualitas Layanan terhadap Kepuasan Nasabah dan Loyalitas Nasabah (Studi pada Nasabah BNI Kantor Cabang Malang)*. Dosen Pembimbing: Andriani Kusumawati, S.Sos., M.Si., DBA dan Mukhammad Kholid Mawardi, Ph.D. 203 Halaman + xv.

Penelitian ini bertujuan untuk: (1) menjelaskan dampak relationship marketing terhadap kepuasan nasabah di BNI, (2) menjelaskan dampak kualitas layanan terhadap kepuasan nasabah di BNI, (3) menjelaskan dampak relationship marketing terhadap loyalitas nasabah di BNI (4) menjelaskan dampak kualitas layanan terhadap loyalitas nasabah di BNI, dan (4) menjelaskan dampak kepuasan nasabah terhadap loyalitas nasabah di BNI.

Penelitian ini menggunakan jenis penelitian explanatory research dengan pendekatan kuantitatif. Variabel yang digunakan yaitu relationship marketing, kualitas layanan, kepuasan nasabah, dan loyalitas nasabah. Pengumpulan data diperoleh melalui penyebaran kuesioner kepada 116 Nasabah BNI Kantor Cabang Malang sebagai responden. Teknik yang digunakan pengambilan sampel adalah purposive sampling dengan kriteria responden yaitu nasabah yang memiliki produk tabungan di BNI Kantor Cabang Malang minimal satu tahun dan melakukan transaksi sedikitnya dua kali perbulan. Analisa data yang digunakan adalah analisis deskriptif dan analisis jalur (path analysis).

Hasil penelitian ini menunjukkan: (1) relationship marketing memiliki dampak yang signifikan terhadap kepuasan nasabah di BNI, (2) kualitas layanan memiliki dampak yang signifikan terhadap kepuasan nasabah di BNI, (3) relationship marketing memiliki dampak yang signifikan terhadap loyalitas nasabah di BNI (4) kualitas layanan memiliki dampak negatif yang signifikan terhadap loyalitas nasabah di BNI, dan (5) kepuasan nasabah memiliki dampak yang signifikan terhadap loyalitas nasabah di BNI. Berdasarkan hasil dari penelitian, sebaiknya BNI Kantor Cabang Malang menjaga dan meningkatkan relationship marketing dan kualitas layanan dengan cara memonitoring transaksi yang mencurigakan, meningkatkan kemudahan kepada nasabah, dan meningkatkan konsistensi kinerja.

Kata Kunci: Relationship Marketing, Kualitas Layanan, Kepuasan Nasabah, Loyalitas Nasabah

PREFACE

All praise belongs to Allah, Lord of all the world. Shalawat and salam upon our prophet Muhammad SAW. Finally the undergraduate thesis report had completed with entitled The Impact of Relationship Marketing and Service Quality on Customer Satisfaction and Customer Loyalty (Study on Customers of BNI Malang Branch Office).

This undergraduate thesis is one of the requirements to obtain bachelor's degree of business administration at the Faculty of Administrative Science Brawijaya University. The author realizes that the preparation of this undergraduate thesis report will be not be realized without the assistance and encouragement of other supporters. Therefore, in the preface writer thanked to honourable:

1. My beloved father, mother, and brother, Mr. Suharno, Mrs. Andari , and Mr. Kafi for the prayers, support, and motivation.
2. Mr. Prof. Dr. Bambang Supriyono as Dean of Faculty of Administrative Science Brawijaya University.
3. Mrs. Prof. Dr Endang Siti Astuti, M.Si. as Head of Business Administration Departement.
4. Mr. Mohammad Iqbal, S.Sos., MIB, DBA as Secretary of Business Administration Departement.
5. Mr. Wilopo, Dr, MAB as Head of Study Program of Business Administration.

6. Mr. M. Kholid Mawardi, Ph.D as Secretary of Study Program of Business Administration.
7. Mrs. Andriani Kusumawati, DBA and Mr. M. Kholid Mawardi, Ph.D as supervisors who have given guidance, advice, critique, and motivaion in the completion of this undergraduate thesis report.
8. All of my lecturers in Administrative Science Brawijaya University, for precious knowledge and experience.
9. Academic staffs of Administrative Science Faculty Brawijaya University.
10. RSC (Research Study Club) Faculty of Administrative Science Brawijaya University and all members.
11. My beloved friends Business Administration K Class of 2012 such as Raditya, Fachry, Magda, Tantri, Lolita, Zahra, Fariz, Oktavika, Fery, and Renita.
12. The Head of BNI Malang Branch Office and all employees, especially to Mr. Ruffandi, Mrs. Ratnawati, Mrs. Roshinta, Mr. Dedan and Mrs. Anisa.
13. My best friend in Kontrakan Mustohar: Yahya, Adi, and Abdul.

Hopefully, this undergraduate thesis report useful and can provide significant contributions to other parties.

Malang, August 17st, 2016

Afif Mahardika Setiawan
NIM. 125030207111002

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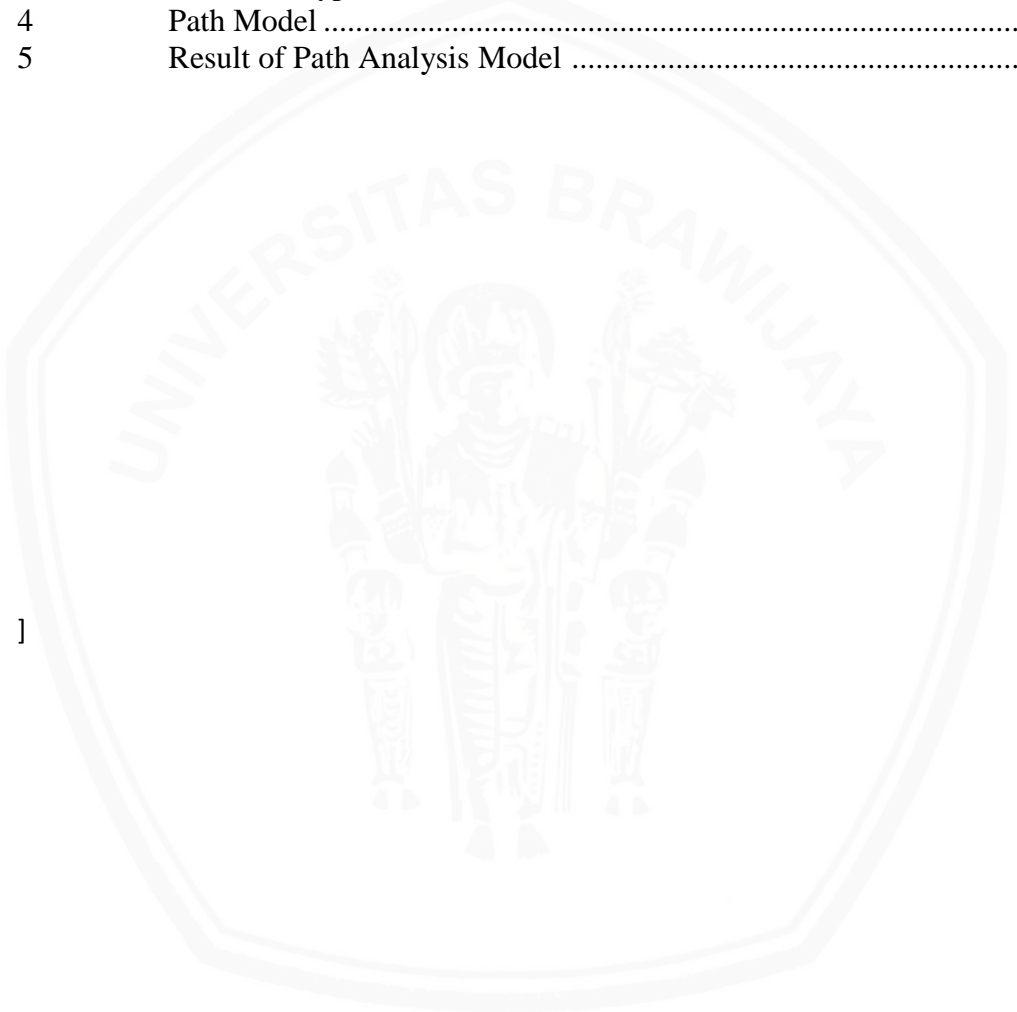
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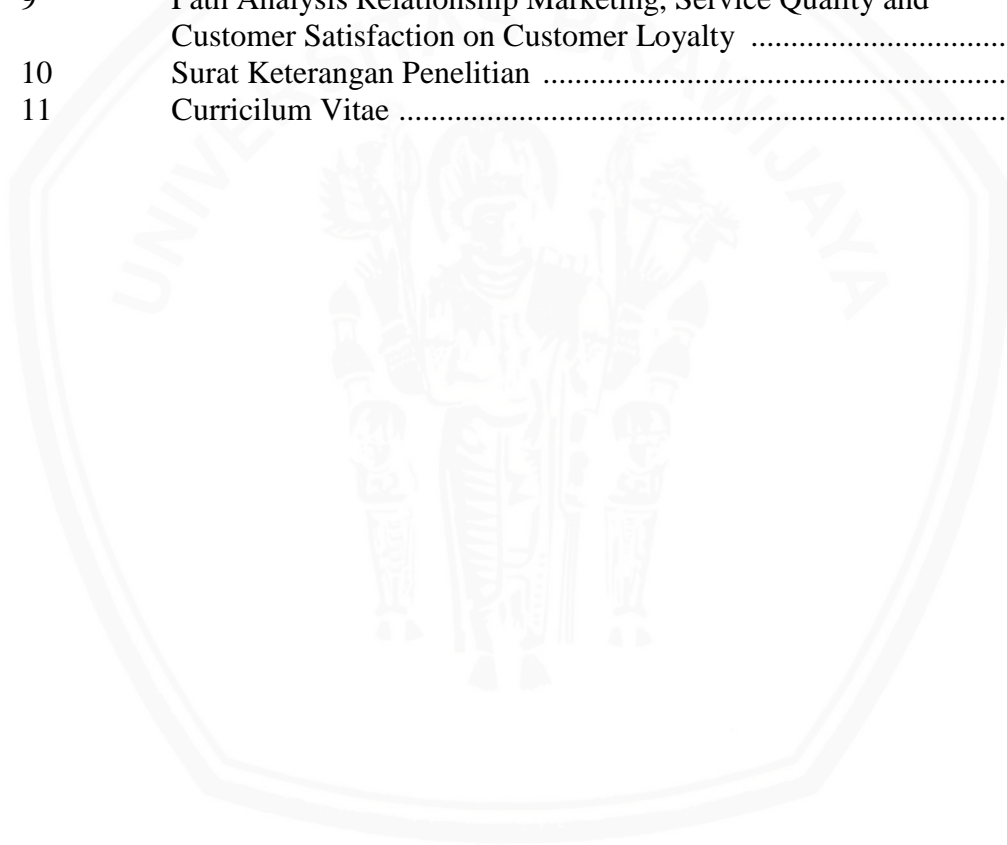
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CHAPTER I

INTRODUCTION

A. Background

The development of marketing as a way to improve the sustainability of banking industries existence that was rapidly developed. This existence is part of impact of changes on the banking industries that grow through global business trend. This trend makes the growth of economic and companies should make adjustments in order to survive and compete in the same industry based on current situation. This situation make many strategies adopted by various banking industries as a challenge. The challenge triggered tight competition in business sectors. That is why various business sectors are trying to adjust appropriate strategy with current situation. The current situation trend should be followed by the banking industries to avoid lost in a competitive business. This competition has resulted increasingly competitive competitor appeared with the purpose of seeks one another to be the best in their field.

Indonesia itself has a very large banking industries, either from state-owned enterprises or the privately owned enterprises. Many industries in the banking sector resulted strong competition to strive to be the best. To become one of the best ways that operate banking sector is to increase customer satisfaction. Consumer satisfaction is considered as very important thing in increasing the value of the bank itself. According to Kotler and Keller (2012:128) satisfaction is a comparison between perceived performance and expectation. In this case, the customer satisfaction is strongly influenced by the expectations of consumers in receiving

performance with expectations were given by the bank as a provider of banking services. Services are expected to make the customer feel satisfied which to give customer's needs and wants, not giving what we think that is required by them. Customers can understand one of the general satisfaction rate, for example, if performance is below than expectations, the consumer will be disappointed, and if performance is as expected, the consumer will be satisfied, and if the performance exceeds expectations, the consumer will be very satisfied. Basically customers assess their satisfaction or dissatisfaction with a product by comparing their performance experience with a level of expectations that they have created or have been presented in their minds. The situation occurred after the dissatisfaction of consumers used the products or services purchased to experience and feel that the performance of the products did not meet customer expectations. Customer satisfaction is the impact of the utilization from the services performed by the customer, and also the effectiveness of the quality from services provided by the company. That is why, nowadays customer satisfaction has become a central concept in the theory and practice of marketing, and it is one of the objectives for business activities and this makes impact on customer loyalty, because customer satisfaction that expected will raises customer loyalty.

Customer loyalty is highly expected as the main purpose of the banking sector industry that must be achieved to ensure as a benchmark in the industry sector to compete with the same industry sectors. According to Oliver in Kotler (2012:127) defines loyalty is a commitment to rebuy product or service. This commitment is believed to be a reflection of increased consumer satisfaction. This increasement

will make loyal customers. A consumer will show loyal attitude if a company able to provide satisfaction to its customers. Loyalty consumer behavior is those who are highly committed to repurchase and subscribe to a product or service consistently in the future, so it can lead to the repetition of the same brand is purchased that will be known if the consumer has made a purchasing to the products are offered on the market. Customers with high loyalty will bring benefits in long-term to company. To meet customer satisfaction and loyalty, we need a strategy. One strategy that can improve this case is relationship marketing strategy.

Relationship marketing has been believed to be able to increase customer satisfaction and loyalty. According to Chan (2003:6) relationship marketing is two ways communication that has mutualism between consumers and company. Meanwhile, according to Kotler and Keller (2012: 20) relationship marketing aims to build mutually long-term relationships between parties. Relationship marketing is one appropriate way which is used by companies to attract, retain, and improve customer. This strategy is expected to strengthen the company for the challenges of a global trend of business changes. A close relationship between the company and consumers will bring benefit to each parties. It can be concluded that good relationship marketing will increase customer satisfaction and loyalty, vice versa. The assumption in accordance with the result of research by Ndubisi (2007), Rezvani (2011), Jesri (2013), and Rizan (2014).

Relationship marketing can be called sustainable process that requires a company to establish a permanent communication with consumers to ensure goals achievement, and integrate the process of relationship marketing into a strategic

plan that allows companies to manage resources well and meet the needs of consumers in the future. The one of the goals of relationship marketing are to gain and retain customers by treating customers well, improving core services company through value addition and most importantly to provide a service that is needed by every customer. According to Yasin (2001:137) in Prasetya (2010:16) there are four specific benefits from relationship marketing, namely profitability, gaining the opportunities, opportunity to get free cost, also gaining product and service quality.

Customer satisfaction and loyalty also can be achieved through service quality. Service quality as the implementation of a good relationship is also very necessary, because without good service the impact are decreased the customer satisfaction and loyalty. Each company will certainly continue to improve its performance in order to achieve high quality standards to retain customers. Because it is not possible customer who applies for services have expectations about the level of service quality that they want. According to Wyckof in Tjiptono (1996:59) service quality is comparison degree that expected and controled to fulfillment of customer's perception degree. In this case the fulfillment of the customer's perception degree became the main purpose in achieving its goals. Therefore, it is proper an organization drives their company to continue improving their services in order to create good relations with the satisfaction derived by the customer. It can be concluded that a good service quality will increase customer satisfaction and loyalty, vice versa. The assumption in accordance with the result of research by, Akbar (2009), Mosahab (2010), and Ivanauskiene (2014).

BNI is one of the most great competitor which implement relationship marketing as their strategy and try to improve service quality as part of service standarization management. Based on their achievement in annual report of BNI 2015 on banking industry sector, they have many achievements on 2015 and it was reflected the implementations of relationship marketing and service quality to achieve customer satisfaction and customer loyalty, namely, there are:

1. Best International Banking Division/ Cross Border Services in Southeast Asia by Alpha Southeast Asia on 10 June 2015
2. The Best Customer Service Commercial Bank by Infobank on 4 June 2015
3. The Best Walk in Channel in Service Excellence Commercial Bank by Infobank on 4 June 2015
4. Gold Champion of Indonesia WOW Service Excellence Award 2015 Region Kalimantan and Sulampapua (Sulawesi, Maluku and Papua) by Markplus on 9 October 2015
5. Bronze Champion of Indonesia WOW Service Excellence Award 2015 Region Jawa Bali and Sumatera by Markplus 9 October 2015
6. Most Convenient Process Bank based on Consumer Choice Awards 2015 by rumah123.com on 10 December 2015
7. The Best State Owned Enterprise by Indonesian Institute for Corporate Directorship (IICD) on 16 November 2015
8. Most Trusted Company Based on Corporate Governance Perception Index (CGPI) by IICG & SWA on 17 December 2015

Based on those achievements in annual report of BNI 2015, BNI not surprisingly have ISO 9001:2008 certification on 4 categorizes to support customer satisfaction and customer loyalty through implementations of relationship marketing and service quality, including:

1. Quality Management System on Trade Processing Center by SAI Global Certification Services for 30 September 2009 until 29 September 2018
2. Information Technology (IT) Operation Services on Information Technology Division by SGS-UKAS for 26 September 2007 until 26 September 2016
3. Information Technology (IT) Security Management on Information Technology Division by SGS-UKAS for 26 September 2007 until 26 September 2016
4. Quality Management System Standards on Card Business Division by Lloyd's for 27 June 2003 until 26 June 2018

Based on the explanation of the background, it can be known that BNI is one of the national bank in Indonesia which use relationship marketing and service quality as their strategy to create and increase customer satisfaction and customer loyalty. Based on this background, researcher interested to write undergraduate thesis entitled "The Impact of Relationship Marketing and Service Quality on Customer Satisfaction and Customer Loyalty (Study on Customers of BNI Malang Branch Office)."

B. Research Problems

Based on the background, researcher will try to formulate the problem as follows:

1. How does relationship marketing affect on customer satisfaction of BNI?
2. How does service quality affect on customer satisfaction of BNI?
3. How does relationship marketing affect on customer loyalty of BNI?
4. How does service quality affect on customer loyalty of BNI?
5. How does customer satisfaction affect on customer loyalty of BNI?

C. Research Objectives

Based on the problem formulation, researcher will try to examine the problem as follows:

1. To examine and analyze the impact of relationship marketing on customer satisfaction of BNI.
2. To examine and analyze the impact of service quality on customer satisfaction of BNI.
3. To examine and analyze the impact of relationship marketing on customer loyalty of BNI.
4. To examine and analyze the impact of service quality on customer loyalty of BNI.
5. To examine and analyze the impact of customer satisfaction on customer loyalty of BNI.

D. Research Contributions

The result of this research is to provide additional knowledge who concern with relationship marketing, service quality, customer satisfaction, and customer loyalty. This research can be used as reference both academically and practically aspect especially to academians, practitioners, researchers and government. The contribution of this research are:

1. Theoretical Contributions

- a. The result of this research is be become reference to other researcher that has similarities themes for comparison and to further research.
- b. The result of this research can be used as empirical evidence the relationship marketing, service quality, customer satisfaction, and customer loyalty.
- c. The result of this research is to provide additional improvement for academians, practitioners, researchers and government related relationship marketing, service quality, customer satisfaction, and customer loyalty.

2. Practical Contributions

a. BNI

The result of this research is to provide advice to the marketing departement of BNI who concern whit marketing managemant especially in relationship marketing and service quality within to evaluate the implementation.

b. Customers of BNI

This research is to provide customers information about empirical evidence on BNI related relationship marketing and service quality on customer satisfaction and customer loyalty.

E. Discussion Systematics

Discussion systematics in this research is divided into three chapters.

Including:

CHAPTER I INTRODUCTION

This chapter contains description and explanation about research related background, problem formulation, research objectives, and contributions of research, and systematics discussion.

CHAPTER II LITERATURE REVIEW

This chapter contains description and explanation of understanding theories of the research. The theories in this research are relationship marketing, service quality, customer satisfaction, and customer loyalty.

CHAPTER III RESEARCH METHOD

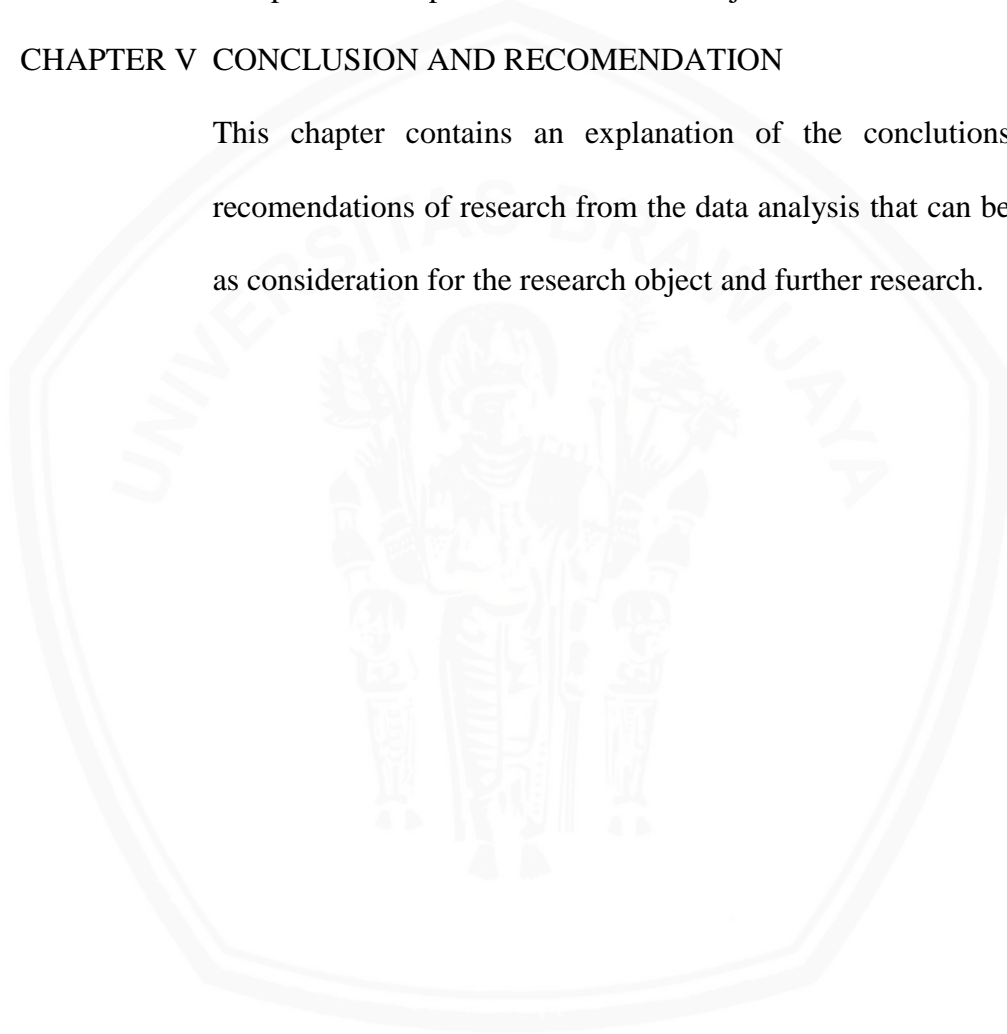
This chapter contains description and explanation method of research used in this research. The research method include the type of research, research locations, variables and measurement, population and sampling, data collection techniques, and analysis methods.

CHAPTER IV RESULTS AND DISCUSSIONS

This chapter contains the results of research that has been conducted based on empirical data obtained from the research evidence. The discussion of the research collected and analyzed and then interpreted as step to answer research objectives.

CHAPTER V CONCLUSION AND RECOMENDATION

This chapter contains an explanation of the conclusions and recommendations of research from the data analysis that can be used as consideration for the research object and further research.



CHAPTER II

LITERATURE REVIEW

A. Empirical Studies

1. Ndubisi (2007)

Research conducted by Ndubisi entitles Relationship Marketing and Customer Loyalty. This research aimed to examine the impact of relationship marketing strategy on customer loyalty. The variables used in this research are trust, commitment, communication, conflict handling, and customer loyalty. Analysis of the data used in this research was multiple regression analysis, the two-stage cluster sampling was used as sampling technique. A questionnaire derived from previous studies and the relevant literature was completed by 220 bank customers in Malaysia.

The research found that the four variables (trust, commitment, communication and conflict handling) have a significant effect and predict a good proportion of the variance in customer loyalty. Moreover, they are significantly related to one another. Research conducted by Ndubisi can be used as reference that relationship marketing on customer loyalty.

2. Mosahab (2010)

Research conducted by Mosahab entitles Service Quality, Customer Satisfaction and Loyalty: A Test of Mediation. This research aimed to study the relationship between the service quality, satisfaction and loyalty. The variables used in this research are customer service, customer satisfaction and customer loyalty.

SPSS was used to analyze the data and AMOS was used to test the model. The sample size was 147 samples.

The research found that in all aspects, customers' expectation, are higher than their perceptions of the bank's operation, and in fact the quality of offered services is low. Besides, this research findings show that the customer satisfaction plays the role of a mediator in the effects of service quality on service loyalty. Research conducted by Mosahab can be used as reference that service quality and customer satisfaction on customer loyalty

3. Rezvani (2011)

Research conducted by Rezvani entitles The Effect of Relationship Marketing Dimensions by Customer Satisfaction to Customer Loyalty. This research aimed to examine relationship marketing that consist of customer satisfaction and customer loyalty. The variables used in this research are relationship marketing, customer satisfaction, and customer loyalty. Analysis of the data used in this research was structural equation modeling, the samples size was 384 for sampling of which 379 units were collected and analyzed.

The research found that first trust dimension have any impact upon the extent of customers loyalty through influencing customers satisfaction. Second, commitment dimension have any impact upon the extent of customers loyalty through influencing customers satisfaction. Third, connection dimension have any impact upon the extent of customers loyalty through influencing customers satisfaction. Fourth, conflict dimension have any impact upon the extent of customers loyalty through influencing customers satisfaction. Fifth, customers

satisfaction influences the extent of bank customers' loyalty. Research conducted by Rezvani can be used as reference that relationship marketing, customer satisfaction on customer loyalty.

4. Jesri (2013)

Research conducted by Jesri entitles Effects of Relationship Marketing (RM) on Customer Loyalty (Case Study: Mehr Bank, Kermanshah Province, Iran). This research aimed to examine relationship marketing that consist of Customer Loyalty. The variables used in this research are components of relationship marketing (trust, commitment, communication, conflict handling and competence) and customer loyalty. Analysis of the data used in this research was correlation coefficient and regression, the simple random systematic was used as sampling technique. The sample size was 384 customers.

The research found that all components of relationship marketing (trust, commitment, communication, conflict handling and competence) have an impact on customer loyalty. Research conducted by Jesri can be used as reference that relationship marketing on customer loyalty

5. Chavan (2013)

Research conducted by Chavan entitles Factors Affecting On Customer Satisfaction in Retail Banking: An Empirical Study. This research aimed to examine relationship marketing that consist of customer satisfaction. The variables used in this research are relationship marketing and customer satisfaction. Analysis of the data used in this research was factor analysis. The samples size was 600 customers selected from different banks (200 customers from public sectors banks,

200 customers from private sector banks and 200 customers from co-operative sector banks, which has certain characteristics).

The research found that the customer satisfaction, a transaction-specific attribute, is dependent on nine different factors. It is hoped that this research paper would help the bank management not only in improving the overall level of customer satisfaction but also strengthening the bond between the banks and their customers, thereby helping the banks to retain and/or expand their overall customer base. Research conducted by Chavan can be used as reference that relationship marketing, on customer satisfaction.

6. Akbar (2009)

Research conducted by Akbar entitles Impact of Service Quality, Trust, and Customer Satisfaction on Customers Loyalty. This research aimed to investigate the effects of customers' perceived service quality, trust, and customer satisfaction on customer loyalty. The variables used in this research are service quality, trust, customer satisfaction and customer loyalty. Analysis of the data used in this research was structural equation modeling. The data collected from 304 customers of a major private telecommunication company operating in Bangladesh.

The research found that trust and customer satisfaction are significantly and positively related to customer loyalty. Customer satisfaction has found to be an important mediator between perceived service quality and customer loyalty. A clear understanding of the postulated relationships among the studied variables might encourage the mobile service provider(s) to figure out appropriate course of action to win customers' trust by providing better services in order to create a loyal

customer base. Research conducted by Akbar can be used as reference that service quality and customer satisfaction on customer loyalty.

7. Ivanauskiene (2014)

Research conducted by Ivanauskiene entitles Relations between Service Quality and Customer Loyalty: An Empirical Investigation of Retail Chain Stores in Emerging Markets. This research aimed to investigate the relationship between service quality and customer loyalty across three emerging countries. The variables used in this research are service quality and customer loyalty. Analysis of the data used in this research was principal component analysis and linear regression statistical methods. Data obtained from 370 survey questionnaires was analyzed using SPSS.

The research found that the dimensions of retail service quality in a specific sector of the industry are different in emerging markets compared to those that are in the original measurement scale such as RSQS and the study revealed that the three dimensions of service quality, namely, personal interaction, policy and product quality have a positive impact on customer loyalty across household retail markets in the three researched countries. Research conducted by Ivanauskiene can be used as reference that service quality on customer loyalty.

8. Rizan (2014)

Research conducted by Rizan entitles Relationship Marketing and Customer Loyalty: Do Customer Satisfaction and Customer Trust Really Serve as Intervening Variables?. This research aimed to examine relationship marketing that consist of customer loyalty, customer satisfaction, and customer trust. The variables used in

this research are relationship marketing, customer loyalty, customer satisfaction and customer trust. Analysis of the data used in this research was SEM (Structural Equation Modeling). The samples size was 150 respondents, which has certain characteristics, such as his or her minimum age is 17 years old, have been the customer at least for one year, and have made more than six times banking transactions within the last six months.

The research found that the relationship marketing tactics affected customer loyalty significantly through customer trust and customer satisfaction. Research conducted by Rizan can be used as reference that relationship marketing, customer loyalty on customer satisfaction.

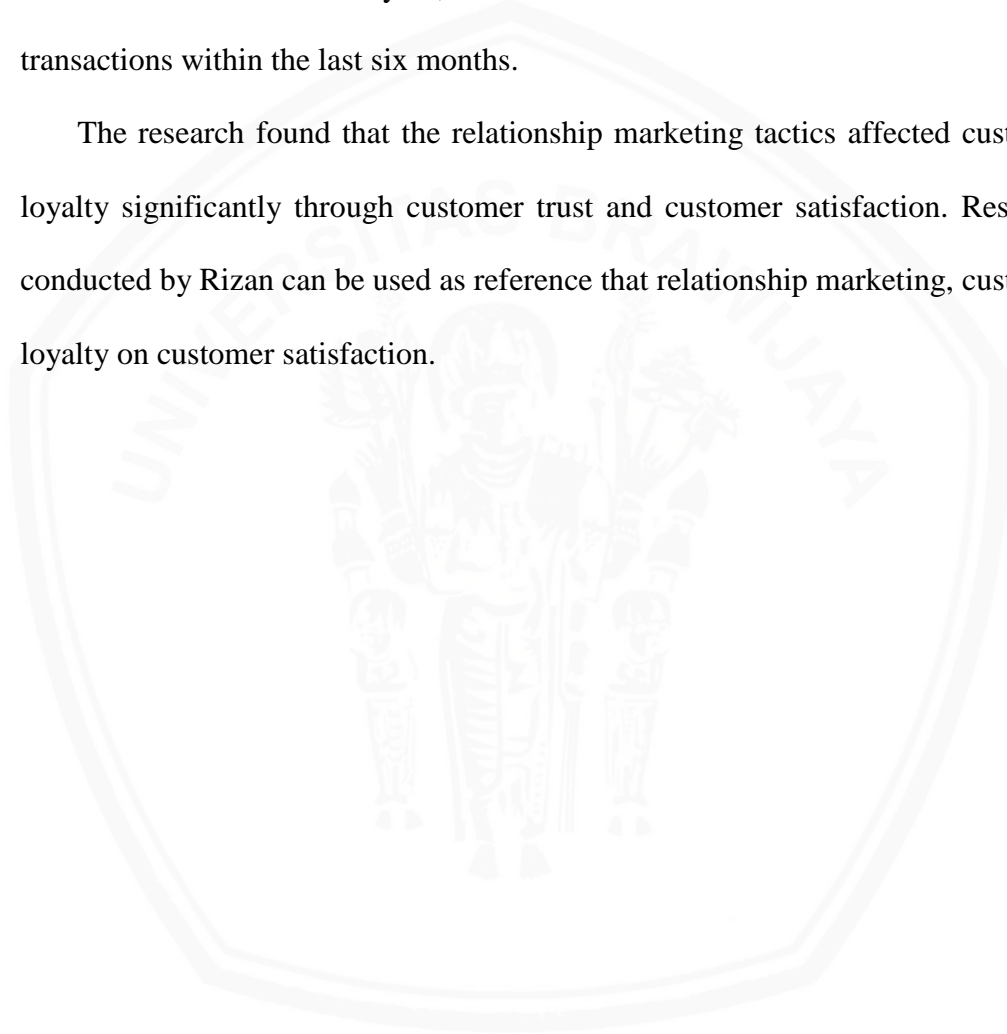


Table 1: Mapping of Prior Research

| No | Authors | Title | Purposes | Samples | Variables | Analysis Methods | Result |
|----|----------------|---|---|---|--|--|---|
| 1 | Ndubisi (2007) | Relationship marketing and customer loyalty | To examine the impact of relationship marketing strategy on customer loyalty | All 20 banks in the Kinabalu city, Malaysia were invited to participate in the survey | <ol style="list-style-type: none"> 1. Trust 2. Commitment 3. Communication 4. Conflict Handling 5. Customer Loyalty | Multiple regression analysis | The four variables (trust, commitment, communication and conflict handling) have a significant effect and predict a good proportion of the variance in customer loyalty. Moreover, they are significantly related to one another. |
| 2 | Mosahab (2010) | Service Quality, Customer Satisfaction and Loyalty: A Test of Mediation | To study the relationship between the service quality, satisfaction and loyalty | 147 customers of bank were sampled | <ol style="list-style-type: none"> 1. Service Quality 2. Satisfaction 3. Service Loyalty 4. Linear Regression | <ol style="list-style-type: none"> 1. T test, 2. Spearman correlation index, 3. Beta (β) meaningful level test | <ol style="list-style-type: none"> 1. The results of this research show that in all aspects, customers' expectation, |

Continued from Table 1

| No | Authors | Title | Purposes | Samples | Variables | Analysis Methods | Result |
|----|---------|-------|----------|---------|-----------|------------------|---|
| | | | | | | | <p>are higher in than their perceptions of the Bank's operation, and in fact the quality of offered services is low.</p> <p>2. Besides, this research findings show that the customer satisfaction plays the role of a mediator in the effects of service quality on service loyalty.</p> |

Continued from Table 1

| No | Authors | Title | Purposes | Samples | Variables | Analysis Methods | Result |
|----|----------------|--|--|--|--|------------------------------|---|
| 3 | Rezvani (2011) | The Effect of Relationship Marketing Dimensions by Customer Satisfaction to Customer Loyalty | To examine relationship marketing that consist of Customer Satisfaction and Customer Loyalty | The samples size was 384 for sampling of which 379 units were collected and analyzed | <ol style="list-style-type: none"> 1. Relationship Marketing 2. Customer Satisfaction 3. Customer Loyalty | Structural equation modeling | <ol style="list-style-type: none"> 1. Trust dimension have any impact upon the extent of customers loyalty through influencing customers satisfaction. 2. Commitment dimension have any impact upon the extent of customers loyalty through influencing customers satisfaction. 3. Connection dimension have any |

Continued from Table 1

| No | Authors | Title | Purposes | Samples | Variables | Analysis Methods | Result |
|----|---------|-------|----------|---------|-----------|------------------|---|
| | | | | | | | <p>impact upon the extent of customers loyalty through influencing customers satisfaction</p> <p>4. Conflict dimension have any impact upon the extent of customers loyalty through influencing customers satisfaction</p> <p>5. Customers satisfaction influences the extent of bank</p> |

Continued from Table 1

| No | Authors | Title | Purposes | Samples | Variables | Analysis Methods | Result |
|----|---------------|---|---|---|---|---|--|
| | | | | | | | customers' loyalty |
| 4 | Jesri (2013) | Effects of Relationship Marketing (RM) on Customer Loyalty (Case Study: Mehr Bank, Kermanshah Province, Iran) | To examine relationship marketing that consist of Customer Loyalty | The samples size was 384 for sampling | <ol style="list-style-type: none"> 1. Components of Relationship Marketing (trust, commitment, communication, conflict handling and competence) 2. Customer Loyalty | <ol style="list-style-type: none"> 1. Correlation coefficient 2. Regression | All components of relationship marketing (trust, commitment, communication, conflict handling and competence) have an Impact on customer loyalty |
| 5 | Chavan (2013) | Factors Affecting On Customer Satisfaction in Retail Banking: An Empirical Study | To study the major factors that lead to customer satisfaction in retail banking in Western Maharashtra in India | The data collected from different banks (200 customers from public sectors banks, 200 customers from private sector banks and 200 customers | <ol style="list-style-type: none"> 1. Relationship Marketing 2. Customer Satisfaction | Factor Analysis | The customer satisfaction, a transaction-specific attribute, is dependent on nine different factors. It is hoped that this research paper |

Continued from Table 1

| No | Authors | Title | Purposes | Samples | Variables | Analysis Methods | Result |
|----|--------------|--|--|---|--|------------------------------|--|
| | | | | from co-operative sector banks, which has certain characteristics). | | | would help the bank management not only in improving the overall level of customer satisfaction but also strengthening the bond between the banks and their customers, thereby helping the banks to retain and/or expand their overall customer base |
| 6 | Akbar (2009) | Impact of Service Quality, Trust, And Customer Satisfaction on | To investigate the effects of customers' perceived service quality , | The data collected from 304 customers of a major private | 1. Service Quality 2. Trust 3. Customer Satisfaction | Structural equation modeling | The results of the study indicate that trust and customer |

Continued from Table 1

| No | Authors | Title | Purposes | Samples | Variables | Analysis Methods | Result |
|----|---------|-------------------|--|---|----------------------|------------------|---|
| | | Customers Loyalty | trust, and customer satisfaction on customer loyalty | telecommunication company operating in Bangladesh | 4. Customers Loyalty | | satisfaction are significantly and positively related to customer loyalty . Customer satisfaction has found to be an important mediator between perceived service quality and customer loyalty . A clear understanding of the postulated relationships among the studied variables might encourage the mobile |

Continued from Table 1

| No | Authors | Title | Purposes | Samples | Variables | Analysis Methods | Result |
|----|---------------------|---|--|--|---|---|---|
| | | | | | | | Serviceprovider (s) to figure out appropriate course of action to win customers' trust byproviding better services in order to create a loyal customer base |
| 7 | Ivanauskiene (2014) | Relations between Service Quality and Customer Loyalty: An Empirical Investigation of Retail Chain Stores in Emerging Markets | To investigate the relationship between service quality and customer loyalty across three emerging countries | Data obtained from 370 survey questionnaires was analyzed using SPSS | 1. Service Quality 2. Customer Loyalty | 1. Principal Component Analysis 2. Linear Regression statistical methods | 1. The dimensions of retail service quality in a specific sector of the industry are different in emerging markets compared to those that are in |

Continued from Table 1

| No | Authors | Title | Purposes | Samples | Variables | Analysis Methods | Result |
|----|---------|-------|----------|---------|-----------|------------------|---|
| | | | | | | | <p>the original measurement scale such as RSQS.</p> <p>2. The study revealed that the three dimensions of service quality, namely, personal interaction, policy and product quality have a positive impact on customer loyalty across household</p> |

Continued from Table 1

| No | Authors | Title | Purposes | Samples | Variables | Analysis Methods | Result |
|----|--------------|---|---|--------------------------------------|---|------------------------------|---|
| | | | | | | | retail markets in the three researched countries |
| 8 | Rizan (2014) | Relationship Marketing and Customer Loyalty: Do Customer Satisfaction and Customer Trust Really Serve as Intervening Variables? | To examine relationship marketing that consist of customer loyalty, customer satisfaction, and customer trust | The samples size was 150 respondents | <ol style="list-style-type: none"> 1. Relationship Marketing 2. Customer Loyalty 3. Customer Satisfaction 4. Customer Trust | Structural equation modeling | The relationship marketing tactics affected customer loyalty significantly through customer trust and customer satisfaction |

B. Theoretical Review

1. Relationship Marketing

a. Definition of Relationship Marketing

According to Chan (2003:6) relationship marketing is all of introduction on every closely consumers to create two ways communication with relationship management that has symbiosis mutualism between consumers and company. And, according to McKenna (1991) in Prasetya (2010:9) relationship marketing is as a strategy that sustainable transaction between buyer and seller, there is no ending after transaction activity done. Meanwhile, according to Nduibisi (2007:4) can be define in four dimensions, the four dimensions as follows:

- 1) Trust is a willingness to rely on an exchange partner in whom one has confidence as term of the belief that a partner's word or promise in the relationship
- 2) Commitment is desire to maintain a valued relationship for measuring the likelihood of customer loyalty and predicting future purchase frequency
- 3) Communication is an interactive dialogue between the company and its customers as ability to provide timely and trustworthy information
- 4) Conflict handling is the ability to avoid potential conflicts, solve manifest conflicts, and discuss solutions openly when before they create problems and problems do arise

From those definitions, it can be concluded that relationship marketing is relationship strategy between parties that has symbiosis mutualism within trust, commitment, communication and conflict handling through two ways communication to build mutually satisfying long-term relationships.

b. Purpose of Relationship Marketing

According to Kotler and Keller (2012:20), the purpose of relationship marketing is key constituents in order to earn and retain business to build mutually satisfying long-term relationships. Meanwhile, according to Chan (2003:7) purposes of relationship marketing are to:

1) Finding Customer Lifetime Value

According to Chan (2003:89) customer lifetime value is net present profit from average of certain time customers. Every single customer has different value to the company, then the company should have to selective on the customers in to groups based on value that gived to company. Meanwhile, according to Kotler and Keller (2012:134) customer lifetime value describes the net present value of future expected profits expected over the customer's lifetime purchases.

2) Maximizing Customer Lifetime Value on Each Team

Next step are to maximize customer lifetime value on each teams, it can be started at each teams to understand of their customers need and want, and then the company will gain the activity of each teams and make bigger team every years. The final purpose of this activities is to make

profit will be large each times if the company gain their retention rate each teams.

3) Finding New Customers

The last step is to find new customer, company has good connection and give the best based on what they did will create fun atmosphere for the parties. This situation will make advantages to each parties.

c. Benefit of Relationship Marketing

According to Yasin (2001:137) in Prasetya (2010:16) there are four specific benefits of relationship marketing:

- 1) To obtain profitability of long term selling from loyal customers. Customers who is loyal as partners of company will always suport provided services.
- 2) To gain opportunities of the loyal customers to buy new product, because loyal customers already know very well about the product of company.
- 3) To make free cost opportunities of the promotion by company that related product with word of mouth.
- 4) To gain product and seviles quality as soon as posible based on co-creation of value.

Based on Yasin's (2001:137) in Prasetya (2010:16) explanation related to benefit of relationship marketing has many advantages to each parties. With this strategy, company can calculate the certainty of loyal customers and make them big opportunities to gain selling result.

2. Service Quality

a. Definition of Service Quality

Quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs (Kotler, 2012:128). Meanwhile, according to Parasuraman, Zeithaml and Berry in Ivanauskiene (2014: 2) service quality is defined as the difference between customers' expectations and perceptions of service and can often be seen as a way to build a competitive advantage. In this theory can be concluded that two main factors, there are expected service and perceived services. In this point, if the perceived service equal with expected service, service quality perceived good and satisfy. If service that has implemented more than customer's perception, service quality perceived ideal quality. And if, service that was implemented lower than customer's perception, service quality perceived bad.

b. Five Perspective of Service Quality

Different perspective often appear to define marketing management especially in service quality. Those perspective need understanding of the management to define it. According to Lovelock and wirtz (2007, P. 418) in Kabir (2010: 15) perspective in service quality can be define in five perspective, there are:

- 1) The transaction view of quality (it is argued that people learn to recognize quality only through the experience gained from repeated exposure)

- 2) The product-based approach (it is argued the reflect differences in the amount of an ingredient or attribute possessed by the product or service)
- 3) User based definitions (it is starts with the premise that quality lies in the eyes of the beholder)
- 4) The manufacturing based approach (it is supply based and concerned primarily with engineering and manufacturing practices, quality is also operation driven)
- 5) Value based definitions (it is define quality in terms of value and price that to be define as affordable)

c. Service Quality Dimensions

According to Parasuraman (1988) in Mohammad (2011:2), he identify ten main factors that determine service quality, there are reliability (the ability of an organization to accurately achieve its services in the proper time and according to the promises it has made to its clients), responsiveness (the tendency and willingness of service providers to help clients and satisfy their needs, immediately reply to their inquiries, and solve their problems as quickly as possible), competence (having adequate skills and knowledge that enable the employees to perform their jobs properly), accessibility (providing easy access to a service in terms of location and through services provided via the telephone, the internet, or any other means of communication), courtesy (treating clients respectfully in a polite friendly manner, understanding their feelings, and answering their phone calls gently), communication (this occurs through gentlemanly listening to the client conveying information to them

clearly and facilitating external communication with workers), credibility (this can be achieved through full trust and confidence in the service provider as well as his honesty and straight forwardness), security (this depends on whether the service is free from risks and hazards, defects or doubts so that it provides bodily safety, financial security as well as privacy), understanding/ knowing the customer (this can be made achievable through the ability to pinpoint the customers' needs as well as understanding their individual problems) and tangibles (this includes physical aspects that connected with service such as instruments and equipment, persons, physical facilities like buildings and nice decoration and other observable service facilities). Further, according to Parasuraman in Mohammad (2011), Mosahab (2010) and Akbar (2009) they mention the ten dimensions can be integrated into only five ones, there are:

- 1) Reliability is ability to perform the promised service dependably and accurately. It means that the company should has certain time promises, on time services, insists on error-free sales transactions and willingly handles customers in performance ability to achieve their goals or objectives as its declared.
- 2) Responsiveness is willingness to help customers and provide prompt service. It is importance because the customer needs favour from the company to help their service activities, for instance accuracy provide service, frequency of service as willingnes to help, provide clarity of

information and the response of companies are fast and categorized good.

- 3) Assurance is knowledge and courtesy of employees and their ability to inspire trust and confidence. The level of knowledge of employees are important as good as the proficiency employees to communicate and attitude as friendly employees to reflect credibility of the company as the customer wants.
- 4) Empathy is caring, individualized attention the firm provides its customers, for instance fair to each customer, the employee's attention are categorized good, the company has good to handle customer complaints and compatibility of time service.
- 5) Tangibles is consists of physical facilities, equipment and appearance of personel. It can be characterized as the company appearance to the customer, for instance neatness appearance employee, cleanliness and completed equipment, etc.

3. Customer Satisfaction

a. Definition of Customer Satisfaction

In marketing management especially consumer research, consumer satisfaction is important concept to achieve the goals of marketing. The one of the goal is to make customer satisfy. According to Kotler and Keller (2012:128) satisfaction is a person's feelings of pleasure or disappointment that is resulted from comparing a product's perceived performance (or outcome) to expectations. Meanwhile, according to Bearden (2001:94)

customer satisfaction is a central to the marketing concept and is a dominant cause of the customer loyalty. This is why according to Evans (1997:10) satisfaction is crucial element in successful or not the marketing. Judgements of satisfaction and dissatisfaction are generally thought to result from comparisons between a person's expectations about a purchased product and the product's actual performance. This customer satisfaction definition is strengthened by Kotler and Keller (2012:10) as following:

Satisfaction reflects a person's judgment of a product's perceived performance in relationship to expectations. It is related the performance of the actualization services, if the actualization of implementation lower than expectations, the customer is disappointed. If it matches expectations, the customer is satisfied. If it exceeds them, the customer is delighted.

b. Factors and Characteristics Customer Satisfaction

To measure customer satisfaction, this research need to be concerned about the customer satisfaction level, that according to Juwandi (2004: 37) there are five factors that affect the customer satisfaction level are as follows product quality, price of the product, good service quality, emotional factors and cost and easy in getting product. Meanwhile, according to Kotler (2007:48) in Sembiring (2014:4) argued the characteristics of consumers are satisfied as follows:

- 1) Loyal to the product
- 2) The positive communication by word of mouth
- 3) The company is becomes a primary consideration

Furthermore, according Kotler, Armstrong, Saunders, and Wong (2001) in Rizan (2014) concluded that customer satisfaction is completely dependent on customer expectation and how the customer's actual perception of the product's performance matches the expectation.

c. Level of Customer Perception Related Customer Satisfaction

Customer satisfaction measurement needed to identify success or not the company fulfill expectation of the customer related their product or services. The identification of customer satisfaction can be classify in some level. Relating to quality, there are three levels of customer expectations regarding quality (Tjiptono, 2004:129) in Khoirista (2015:3), namely:

- 1) First level is the simplest customer expectation and mostly as assumption, must have, or take it for a grant.
- 2) Second level is customer expectation level that higher than first level, satisfaction is reflected in the fulfillment of the terms and/ or specifications.
- 3) Third level is highest customer expectation level and requires a pleasure or service that is so good that attract customers.

d. Object Measurement Concepts of Customer Satisfaction

According to Tjiptono and Chandra (2005:366) in Putri (2015:4) the way to measure customer satisfaction have six main concepts related measurement object, that are:

1) Overall Customer Satisfaction

To measure customer satisfaction is by directly asking to customers how satisfied they are with the products or services rendered. There are two measurement process. First, measure the level of customer satisfaction related the products or services of the company. Second, evaluate and compare between customer satisfaction with the level of customer satisfaction related products and services of competitors. According to Zeithaml and Bitner (2000) in Chavan (2013:2) satisfaction is influenced by perceptions of service quality, perceptions of product quality, pricing factors, situational factors and personal factors. Briefly, those influence of satisfaction can be explained are as follows:

(a) Customer satisfy with service quality

Quality of service is the one that determines how much the business of an enterprise in satisfying customers. customers will feel satisfied if services quality to support a company's performances are good. Therefore, companies will try to compete another to serve the best possible quality of service that customers are well satisfied.

(b) Customer satisfy with product

Product quality determines how good the product which is produced and felt by consumers. Therefore, the quality of these products can also measure how satisfied the consumers will feel

the impact of the benefits of a product. Customers will be satisfied when using the product turns out the product quality is good.

(c) Customer satisfy with affordability of charges charged by bank

The price is a very important thing in determining whether a product or service in competition with several companies. In determining the price, the company must consider several factors that may affect the company's performance to the next. One way of determining the price affordability is from a product or service to get it by customers, because for most sensitive customers, low price is an important source of satisfaction because customers will get high value for money.

(d) Customer comfortable being a customer of bank

comfort in using a product or service that should be a priority for customers. customers will feel comfortable when a product or service has reached the expectations that are comparable to performance.

(e) Customer proud with product

The pride of using such a product or service is the expectations of consumers when using a product or service. This pride is one of the signs that consumers are satisfied with its products or service. One sign that the customers are satisfied (pride) is provided for their emotional value by the brand of the product or service as their personal.

2) Customer Satisfaction Dimensions

Various research divides customer satisfaction into components. There are four steps. First, identifying the key customer satisfaction dimensions. Second, asking the customer's assessment of the company's products and services based on specific items. Third, asking the customer's assessment competitors' products or services based on the same specific items. Fourth, asking the customer to decide the dimensions that they have found in the most overall important in assessing the customer satisfaction.

3) Confirmation of Expectation

Satisfaction is not measured directly, but inferred by the conformity or nonconformity between customer expectations related actual performance of the company's products.

4) Repurchase Intent

Customer satisfaction measured by behavioral asking to the customer whether the customer will use the company's services again.

5) Willingness to Recommend

The willingness of customers to recommend products to friends or family to be an important measurement for analysis and further action, that is why in the case of repeated purchases of products is relatively long.

6) Customer Dissatisfaction

To find out customer dissatisfaction or not should be measured through several issues related inconvenience consumers in some of a product.

e. Measurement Instrument of Customer Satisfaction

Kotler (2008:45) in Sujarwo (2015:4) argue that there are several tools to track and measure customer satisfaction, can be broadly summarized as follows:

1) Complaints and Suggestions System

A company focused on customer to provide suggestions and complaints. This system hopefully the company can act quickly to resolve the problem of the customer complaints.

2) Customer Satisfaction Survey

Responsive companies try to measures customer satisfaction directly by conducting regular surveys that sent as a questionnaire what their fill, are they very satisfied, satisfied, indifferent, dissatisfied or very dissatisfied with the performance of the company.

3) Customer Lost Analysis

Companies should find out the reasons through contact the customers who stop buying or switch suppliers. It is make interview customers are important as to company pay attention the level of losing customers, because if the loss rate increased means that the company failed to satisfy the customer

f. Measurement Technique of Customer Satisfaction

Measurement technique of customer satisfaction according to Tjiptono and Chandra (2005:210) in Nugroho (2012: 4), measurement survey of customer satisfaction can be used:

- 1) Directly reported satisfaction is a measurement that can be made directly with questions.
- 2) Derived dissatisfaction is questions about how much they expect certain attributes and how much they feel to respondents.
- 3) Problem analysis is who respondents who were asked to write problem what they face related to the offer of the company and also asked to write down the improvements they suggest
- 4) Importance/ performance ratings are respondents who may be asked to rank various elements (attributes) of the bid based on the degree of importance from each element and how well the company's performance in each element.

According those definition, Kottler and Keller (2012), Evans (1997), Rizan (2014), Putri (2015) and Sembiring (2014) customer satisfaction can be affected by:

1. The customer expectation

Customers are usually expecting the firm to fulfill the customer expectation as the willingness of the part of service. The firm should try to fulfill this customer expectation as their objectives to reach the

firm goals. This expectation depends on the each customer, because they have different level in it.

2. The customer's actual perception

Perception of customer is to receive the service from the firm that depend on the firm implementation. This the main purpose of the firm is to make good perception to the customer as part of gain the firm benefits.

3. Customer are not dissatisfaction.

As the customer expectation, dissatisfaction is main purpose and sign that the services of the firm are satisfying the customer. The performance of the implementation to serve services are importance to create part of activities as their actual level to match between customer expectations and actual performance, or in other word customers are not disappointed.

4. Customer Loyalty

a. Definition of Customer Loyalty

Marketing research try to helps marketers learn more about their customers' requirements, expectations, perceptions, satisfaction, and loyalty (Kotler, 2012:55). Meanwhile, according to Oliver in Jesri (2013: 4) defines loyalty as a deeply held commitment to rebuy or repatronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behavior. Meanwhile, according to Griffin (2005:31) loyalty can be defined through the purchase behavior that

has characteristics. Further, Griffin (2005:31) mentioned characteristics of customer loyalty is as follows:

1) Purchases repeatedly and regularly

The routine activity of customer behaviour as part of their lives are to purchase or use the services and make this activities as common or habits to customer. This sign shows the customer need the firm services.

2) Inter-line purchase of product and services

When customer is using the product or services they want to gain the experience of the firm as reflection of satisfaction and feel convenience. That is why in this situation customer want to have more than one of the products or services as part of experience desires.

3) Refer the firm to others

When the customer already know the firm and feel emotional for them, customer have motivation to refer the firm to others as referral and it will be suggestion to other to use the firm's product or services.

4) Showed resistance to the pull of competitors

Retention of the firm make customer resistance to the other. It make benefit to the firm as supplier of the product or service.

b. Building Loyalty

To build customers loyalty marketer needs using three marketing activities to improve it, there are (Kotler, 2012:653):

1) Interacting with Customers

Customer feedback in this part is importance to improve the business.

Feedback in this area means make communication with parties and relationship. Company needs and should has to listen the customers side and point of view to fullfill their needs and wants.

2) Developing Loyalty Programs

Companes can implement some program to increase customer loyalty.

It is essential support to develop loyalty goals. According to Kotler (2012: 142) he describe two program that makes goals will be achieved, there are:

a) Frequency Programs (FPs)

Frequently and in substantial amounts buyer is target of this program. Those buyer will rewarded by company as loyal buyer.

This program is to maintain loyal buyer to boost psychological buyer and feeling being special and ellite in value perception.

b) Club Membership Programs

This program serve special advantages to members who join in to it. The special advantages can be use members in many things, for instance small fee, discount, free past, and others.

c) Creating Institutional Ties

Customers will be easied by company that may supply special equipment to help them. This creation used to facilitate customer to

being loyal. The facilities for instance like software program, computer linked to other needs of customer and etc.

c. Loyalty Status

Based on Kotler (2012:228) marketers usually envision four groups based on brand loyalty status:

- 1) Hard-core loyals is consumers who buy only one brand all the time.
- 2) Split loyals is consumers who are loyal to two or three brands.
- 3) Shifting loyals is consumers who shift loyalty from one brand to another.
- 4) Switchers is consumers who show no loyalty to any brand.

5. Relationship between Relationship Marketing on Customer Satisfaction and Customer Loyalty

The relationship between relationship marketing on customer satisfaction and customer loyalty can be seen in relationship marketing tactics. Relationship marketing tactics are tactics which is used by company to build relationships and make the customers loyal to its company. Figure 3, relationship marketing tactics as follows:

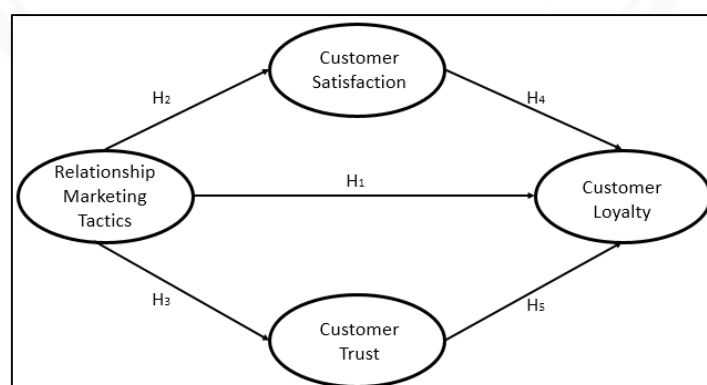


Figure 1. Research Model of Relationship Marketing and Customer Loyalty
Source: Rizan, 2014.

In the Figure 3 by Rizan (2014) shows that the relationship marketing tactics has relations with customer satisfaction and customer loyalty even customer trust. Based on Rizan's studies result the relationship marketing tactics affected customer loyalty significantly through customer trust and customer satisfaction. Furthermore, his study confirms that customer-relationship-centered marketing tactics influence directly customer loyalty. This study reaffirms the importance of customer loyalty. Customer loyalty does not only makes a platform where the customer is ready to stay maximum time with the organization and causes long-term benefit, but also provides a name of inspiration with the company products or services. Customer loyalty in this figure is main goals of relationship tactics as achievement. The tactics of relationship marketing are to create loyal customer to some products or company that influenced from customer satisfaction and customer trust. The role of customer satisfaction and customer trust in this figure as intervening variables.

6. Relationship between Service Quality on Customer Satisfaction and Customer Loyalty

The relationship between service quality on customer satisfaction and customer loyalty can be seen in Figure 4 by Akbar (2009). Figure 4, service quality as follows:

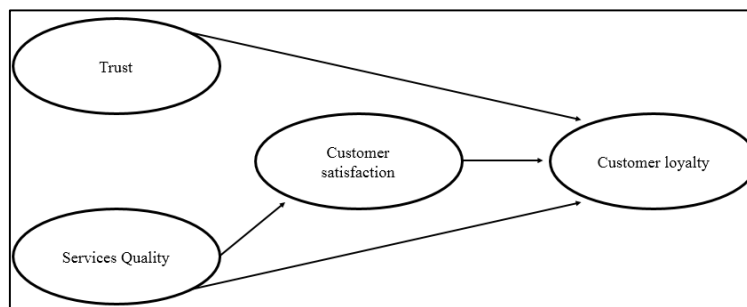


Figure 2. Hypothesized Model of Service Quality, Trust, and Customer Satisfaction on Impact of Customers Loyalty

Source: Akbar, 2009.

In the Figure 4 by Rizan (2014) shows that the service quality and trust in this figure are part of exogenous variables, customer satisfaction as intervening variable of service quality and customer loyalty as endogenous variable. Furthermore, his studies result are trust and customer satisfaction are significantly and positively related to customer loyalty and than customer satisfaction has found to be an important mediator between perceived service quality and customer loyalty. Customer satisfaction performs an important mediating role between service quality and customer loyalty is supported by his research. The impact of perceived service quality on preference loyalty is considerably strong leading to a more favorable disposition towards the service provider and increased commitment to re-patronize. Customer satisfaction itself can not achieve the objective of creating a loyal customer base. In both that models, trust has come out to be an important antecedent of customer loyalty .

C. Research Hypothesis

Hypothesis in this research use to examine the marketing evidence related relationship marketing, service quality, customer satisfaction and customer loyalty.

Based on the empirical studies and theoretical reviews description of the hypothetical model in this research as follows:

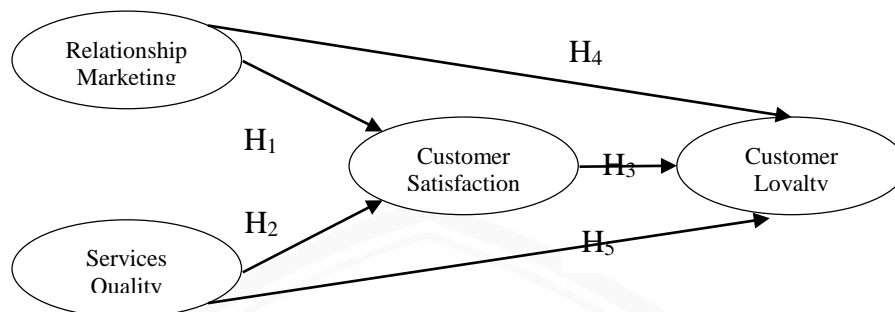


Figure 3. Research Hypothesis Model

Source: Researcher, 2017

Explanation:

- H₁ : There is impact of relationship marketing on customer satisfaction
- H₂ : There is impact of service quality on customer satisfaction
- H₃ : There is impact of customer satisfaction on customer loyalty
- H₄ : There is impact of relationship marketing on customer loyalty
- H₅ : There is impact of service quality on customer loyalty

CHAPTER III

RESEARCH METHOD

A. Research Type

Based on research objectives, this research used explanatory research, which purpose of this research is to describe the relationship between two or more indications or variables (Silalahi, 2009:30). According to Silalahi (2009:30), this research starts on the basic question of why. This is because people often not only satisfy on what and how the phenomenon, but also want to know why the phenomenon happened. The identification of variable is needed to confirm causes of the phenomenon. That is why this research also is called confirmatory research and correlation research. Correlation analysis did not explain the cause and effect but only explain the position and change of variables, is there significant impact on the other variables.

Based on type of information sought this research can be considered as quantitative research. According to Silalahi (2009:30), this method is called as quantitative method because the research data uses number and the statistic used analysis. Quantitative research is also called positivistic philosophy, this method as scientific method has fulfilled empiric, objective, measured, rational and systematic.

B. Research Location

The location of research is BNI Malang Branch Office. The location determination is based on several reasons. The reason are:1) BNI has a lots of

banking experiences in national competitions; 2) BNI has strong potential market in Indonesia for many segmentation (corporation, middle, and small market) based on customer need, since they are kids, teenagers, mature until retired; and 3) BNI has good relationship marketing and best services quality with many achievement in 2015 to achieve customer satisfaction and customer loyalty including in Malang. For those reasons, the student want to research BNI as the research location.

C. Variables and Measurement Scale

1. Variables

The first step should be prepared before the assessment activity of the research object is determining the variables. Variables is an attribute or trait or value from people, object or activities that has certain variation by researcher to studies or research and then drawn conclusion (Sugiyono, 2012:64). The variables used in this research are:

a. Exogenous Variables

Exogenous variables in the path model are variable that no explicit cause or in diagram there are no arrows that aiming on it, except on the mistake measurement part (Sarwono, 2012:10). In this research, there are two exogenous variables, namely relationship marketing (X_1) and service quality (X_2).

b. Intervening Variables

Intervening variables in the path model are variables that have arrows aiming toward and from these variables in a path diagram model (Sarwono,

2012:10). In this research, the intervening variable is customer satisfaction (Z)

c. Endogenous Variables

Endogenous variables in the path model are variables that have arrows aiming only on these variables (Sarwono, 2012:10). The endogenous variable in this research is customer loyalty (Y).

2. Operational Definition of Variables

The Operational definitions of variables in this research are as follows:

a. Relationship Marketing (X_1)

Relationship marketing is mutual relationship between parties that has connection to attract, maintain, and enhance each other with expected purposes. The indicators used in relationship marketing are trust, commitment, communication, and conflict handling.

1) Trust ($X_{1.1}$)

Trust is person's indication of relationship which considered other person promise and is defined as the willingness to trust and reliance to audience. Items in this indicator are:

- a) The bank is very concerned with security for customers transactions
- b) The bank's promises are trusted
- c) The bank is consistent in providing quality service

2) Commitment ($X_{1.2}$)

Commitment is maintaining relationship among parties that has connection. Items in this indicator are:

- a) The bank makes adjustments to suit customers' needs
- b) The bank offers personalize services to meet customer need
- c) The bank is flexible in serving customer's needs.

3) Communication (X_{1.3})

Communication is information exchanges among parties that have meaning purposes in formal and informal exchanges ways. Items in this indicator are:

- a) The bank provides timely and trustworthy information
- b) The bank provides information when there is new banking service
- c) Accurate information

4) Conflict Handling (X_{1.4})

Conflict handling is cooperative attitude by bank to the customers as part of minimize result activity from some problem or case or conflict.

Items in this indicator are:

- a) The bank tries to avoid potential conflict
- b) The bank tries to solve conflicts before to be problems
- c) The bank has the ability to openly discuss solutions when problems arise

b. Service Quality (X₂)

Service quality is a concept of the differences between customers' expectations and perceptions related service to be received. The indicators used in service quality are reliability, responsiveness, assurance, empathy and tangible.

1) Reliability (X_{2.1})

Reliability is ability of bank to perform the promised service dependably and accurately. Items in this indicator are:

- a) Willingly handles customers
- b) Certain time promises
- c) Insists on error-free sales transactions

2) Responsiveness (X_{2.2})

Responsiveness is willingness of the bank to help customers and provide prompt service related transaction service activities. Items in this indicators are:

- a) Accuracy service
- b) Clarity of information
- c) Response of leadership

3) Assurance (X_{2.3})

Assurance is knowledge and courtesy of employees and bank's ability to convey trust and confidence. Items in this indicator are:

- a) The knowledge of employees
- b) The employees attitude
- c) The credibility of the bank
- d) Proficiency employees communicate

4) Empathy ($X_{2.4}$)

Empathy is attitude of the bank's personnel to face customers need with some treatment like caring and individualized attention. Items in this indicator are:

- a) Fair to each customer
- b) Employee's attention
- c) Understanding customer complaints
- d) Compatibility of time service

5) Tangible ($X_{2.5}$)

Tangible is including physical facilities, equipment and appearance of bank's personnel to provide maximum services. In this tangibles indicator the bank is expected to improve quality that make customers satisfy and loyal at the end of the purposes. Items in this indicator are:

- a) Hygienity of room transaction
- b) Convenience transaction
- c) Neatness appearance employee
- d) Completed equipment

c. Customer Satisfaction (Z)

Customer satisfaction is customer responses related to performance assessment of the bank on customer expectation and the implementation about.

The items used in customer satisfaction are:

- 1) Customer satisfy with service quality
- 2) Customer satisfy with product

- 3) Customer satisfy with affordability of charges was charged by bank
- 4) Customer comfortable
- 5) Proud with product

d. Customer Loyalty (Y)

Customer loyalty is comprised attitudes and behaviors of customers as reflection of willingness implementation activities by exhibiting a resistance to switching to other. The indicators used in customer loyalty are:

- 1) Purchases repeatedly
- 2) Inter-line purchase of services
- 3) Refer the bank to others
- 4) Showed resistance to the pull of competitors

Table 2. Variables, Indicators, and Items

| Variables | Indicators | Items |
|---|----------------------|--|
| Relationship marketing (X ₁) (Nduibisi, 2007) | 1. Trust | 1. Concerned with security for customers transactions 2. Trusted promises 3. Consistent in providing service quality |
| | 2. Commitment | 1. Adjustments to suit customers' needs 2. Offers personalize services to meet customer need 3. Flexible in serving customers' needs |
| | 3. Communication | 1. Provides trustworthy information 2. Provides information when there is new services 3. Accurate information |
| | 4. Conflict handling | 1. Avoid potential conflict 2. Solve conflicts before to be problems 3. The ability to openly discuss solutions when problems arise |
| Service quality (X ₂) (Akbar, 2009) | 1. Reliability | 1. Willingly handles customers 2. Certain time promises 3. Insists on error-free sales transactions |

| Variables | Indicators | Items |
|---|--------------------|---|
| | 2. Responsiveness | 1. Accuracy service 2. Clarity of information 3. Response of leadership |
| | 3. Assurance | 1. Employees knowledge 2. Employees attitude 3. The credibility of the bank 4. Proficiency employees communicate |
| | 4. Empathy | 1. Fair to each customer 2. Employee's Attention 3. Understanding customer complaints 4. Compatibility of time service |
| | 5. Tangible | 1. Hygienity of room transaction 2. Convenience transaction 3. Neatness appearance employee 4. Completed equipment |
| Customer satisfaction (Z) (Zeithaml and Bitner (2000) in Chavan (2013)) | Satisfaction level | 1. Customer satisfy with service quality 2. Customer satisfy with product 3. Customer satisfy with affordability of charges was charged by bank 4. Customer comfortable 5. Proud with product |
| Customer loyalty (Griffin, 2005) | Loyalty level | 1. Purchases repeatedly 2. Inter-line purchase of services 3. Refer the bank to others 4. Showed resistance to the pull of competitors |

Source: Author, 2016.

3. Measurement Scale

Amount instrument used in this research are depended on the amount of variables. This instrument needs scale to measure each of instruments. Scale measurement in this research uses Likert scale. According to Sugiyono (2012:136) Likert scale is used to measure a person or groups related attitude, opinion, and perception of social phenomenon. Meanwhile, according to Malhotra (2005:298) Likert scale is a scale that is used to ask respondent to mark degree of agreement or disagreement on each of question series related stimulus object. This quantitative

analysis need score to answer there are divide in five categories. The range of categories begin from strongly agree to strongly disagree responses. Table of Likert scale will be showed in Table 5.

Table 3. Likert Scale

| No | Respondent Answers | Score |
|----|--------------------|-------|
| 1 | Strong Agree | 5 |
| 2 | Agree | 4 |
| 3 | Neutral | 3 |
| 4 | Disagree | 2 |
| 5 | Strong Disagree | 1 |

Source: Sugiyono, 2011:136.

D. Population, Sample, and Sampling Technique

1. Population

According to Sugiyono (2012:120), population is the generalization region of the object or subject that has certain qualities and characteristics that set by researcher to study and then drawn conclusion. Meanwhile, according to Bungin (2011:109), population of research is the whole of objects of research, it can be either human, animal, plant, air, indication, value, phenomenon and so on, so that this object can be a source of research data. It can be concluded that population is the object of research data that has certain qualities and characteristics based on set of researcher. The research population in this research are active customers of saving product in BNI Malang Branch Office at least one year that has more than one transaction or at least twice transactions per month and the customer has only have BNI account, but if the customer have different account beside BNI, the minimum criteria are the customer use BNI account as prime account in other word BNI account dominate than the other account. This is already reflects the core

implementation of relationship marketing and service quality on customer satisfaction and customer loyalty.

2. Sample

According to Siregar (2013:56) sample is a collect data procedures that only part population has taken and used to determine trait and characteristic required from a population. Meanwhile, according to Sugiyono (2012:120) sample is part of amount and characteristic that has own by population. It can be conclude that sample is the selective part of population to fulfill research requirement. The sample of this research is part of customers of BNI Malang Branch Office. The number of population in this research is unknown because total number customer data of BNI are sensitive and internal requirement only, based on that case researcher use Machin and Champbell in Alamsyah (2005: 8) formula.

$$U^1p = \frac{1}{2} \ln \left(\frac{1 + \rho}{1 - \rho} \right)$$

$$n = \frac{(z1 - \alpha + z1 - \beta)^2}{Up^2} + 3$$

$$Up = \frac{1}{2} \ln \left(\frac{1 + \rho}{1 - \rho} \right) + \frac{\rho}{2(n - 1)}$$

Explanation

- Up : standardized normal random variable corresponding to a particular value of the correlation coefficient p
- U^1p : Initial estimate of Up
- In : Log-e
- ZI- α : Value obtained from the standard normal distribution table with a predetermined α
- ZI- β : Value obtained from the standard normal distribution table with a predetermined β
- ρ : Estimated value of the correlation coefficient
- A : Error of type I, which accepts the hypothesis should be rejected
- B : Error of type II, which accepts the hypothesis that should be rejected

The explanation of sample calculation can be seen as $\rho = 0.03$ (two-sided); the power of the test (power $1 - \beta$) = 0.95, $\alpha = 0.05$ then the (two-sided) and the test power (power $1 - \beta$) = 0.95, obtained from the normal distribution table $Z_{1-\alpha} = 1.645$ and $Z_{1-\beta} = 1.645$. Based on that calculation, minimum samples required in this research are 116 customers of BNI. Machin and Campbell used as sampling result based on their table sampling.

3. Samples Techniques

Samples techniques is sample collect technique to determine sample that will used in research (Sugiyono, 2012:121). The sampling technique which is used in this research is purposive sampling. Purposive sampling is a sample determination technique certain consideration (Sugiyono, 2012:126). Certain consideration in this research are:

- a. Saving product customer of BNI that have become customer of BNI at least one year. This research chose saving product customer at least one year because saving product of BNI has popular, many customer mostly chose it as their priority product that is why this product are reflects the whole of BNI services as core implementation of relationship marketing and service quality on customer satisfaction and customer loyalty.
- b. Customer of BNI that has more than one transaction or at least twice transactions per month and the customer has only have BNI account but if the customer have different account beside BNI, the minimum criteria are the customer use BNI account as prime account in other word BNI account more dominan than the other account. It is because all of the

variables that are used in this research are relationship marketing, service quality, customer satisfaction and customer loyalty.

E. Data Collection Techniques

1. Data Type

According to Bungin (2011:129) data is material information about an object of research which is acquired in the research location. The primary data used by researcher as type of data. According to Malhotra (2005:120) primary data was made for special purpose to resolve problems being handled. This type of data is used to answer problem formulation or hypothesis testing that was formulated. The primary data sources that was used in this research is the result of a questionnaire from respondent of BNI Malang Branch Office.

2. Data Collection Method

The purpose data collection method is to get information that needed in order to achieving research objective. Objective in this research are to find out answer of problem formulation or hypothesis that expressed in the form of research questionnaire with empirical testing. Empirical testing was required to complete answer of problem formulation purposes. The questionnaire used in this research is to express data collection method. According to Bungin (2011:129) questionnaire is a technique of data collection that executed by giving a set of a statement or a written statement to the respondent to answer it. Questionnaire of BNI Malang Branch Office will be collected in this research as place of research.

3. Data Collection Instruments

According to Sugiyono (2012:148) research instrument is tools which is used to measured nature and social phenomenon that has been observed. Specifically, all of phenomenon is called research variables. Research variables in this research expressed in a set of questionnaire. The questionnaire contains number of questions from items of indicators and that indicators are generalized from variables. Questions are made with easily understanding of language to make sure the respondents are clear understand.

F. Validity and Reliability Test

1. Validity Test

Validity testing needed to measure the extent to which the successfully of phenomenon are can be measure by tools of research. According to Siregar (2013:75) a valid measure if it successfully measure the phenomenon. A good research does not only describe concepts from theories to empirics but also instrument validity of research. This research using Pearson product formula that quoted from Bhattacharjee (2012:123) is as follows:

$$r_{xy} = \frac{n\sum xy - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

Explanation

r_{xy} :correlation coefficient independent and dependent variables

n :number of samples

x :items/ questions

y :total variables

The question is valid when the value probability r count is less than the value of α ($\alpha < 0.05$).

2. Reliability Test

According to Siregar (2013:87) reliability is used to determine the extent to which the measurement results remain consistent, if done twice or more of the same symptoms using the same measurement instruments as well. Meanwhile, according to Bhattacharjee (2012, 56) reliability is the degree to measure of construct whether consistent and dependable. To measure this degree, Crocker & Algina (1986), Henson (2000), and Reinhardt, 1996) in Bademci (2014) Cronbach's Alpha used as calculation with the following formula:

$$\alpha = \left[\frac{k}{k-1} \right] \left[1 - \frac{\sum \sigma_1^2}{\sigma_1^2} \right]$$

Explanation

α :reliability of measuring instruments

k :number of items question

$\sum \sigma_1^2$:total variance of each items

σ_1^2 :Total variance

An instrument is reliable if having reliability coefficient ≥ 0.6 .

3. Result of Validity and Reliability Test

a. Result of Validity Test

Validity Testing is needed in this research, especially those using questionnaire to obtain data. Validity test is measure that indicates the level of validity of an instrument. An instrument considered as valid if it is able to measure the object or subject want to measure appropriately. Validity testing can be done by correlating each factor or variable with total factor or variable by using correlation (r) product moment. In this research, IBM SPSS 21 was used to test product moment correlation produces the value of each items with an

overall score of item questions and for more details presented in the following table:

Table 4. Recapitulation of Validity Test Result

| Variable | Items | Correlation coefficient | Sig. | explanation |
|------------------------------|---------|-------------------------|-------|-------------|
| Relationship Marketing (X.1) | X.1.1.1 | 0.671 | 0.000 | Valid |
| | X.1.1.2 | 0.773 | 0.000 | Valid |
| | X.1.1.3 | 0.810 | 0.000 | Valid |
| | X.1.2.1 | 0.574 | 0.000 | Valid |
| | X.1.2.2 | 0.800 | 0.000 | Valid |
| | X.1.2.3 | 0.771 | 0.000 | Valid |
| | X.1.3.1 | 0.648 | 0.000 | Valid |
| | X.1.3.2 | 0.693 | 0.000 | Valid |
| | X.1.3.3 | 0.646 | 0.000 | Valid |
| | X.1.4.1 | 0.550 | 0.000 | Valid |
| | X.1.4.2 | 0.616 | 0.000 | Valid |
| | X.1.4.3 | 0.570 | 0.000 | Valid |
| Service Quality (X.1) | X.2.1.1 | 0.658 | 0.000 | Valid |
| | X.2.1.2 | 0.694 | 0.000 | Valid |
| | X.2.1.3 | 0.577 | 0.000 | Valid |
| | X.2.2.1 | 0.705 | 0.000 | Valid |
| | X.2.2.2 | 0.710 | 0.000 | Valid |
| | X.2.2.3 | 0.742 | 0.000 | Valid |
| | X.2.3.1 | 0.611 | 0.000 | Valid |
| | X.2.3.2 | 0.680 | 0.000 | Valid |
| | X.2.3.3 | 0.708 | 0.000 | Valid |
| | X.2.3.4 | 0.787 | 0.000 | Valid |
| | X.2.4.1 | 0.715 | 0.000 | Valid |
| | X.2.4.2 | 0.671 | 0.000 | Valid |
| | X.2.4.3 | 0.754 | 0.000 | Valid |
| | X.2.4.4 | 0.576 | 0.000 | Valid |
| | X.2.5.1 | 0.533 | 0.000 | Valid |
| | X.2.5.2 | 0.653 | 0.000 | Valid |
| X.2.5.3 | 0.558 | 0.000 | Valid | |
| X.2.5.4 | 0.582 | 0.000 | Valid | |
| Customer Satisfaction (Z) | Z.1 | 0.747 | 0.000 | Valid |
| | Z.2 | 0.785 | 0.000 | Valid |
| | Z.3 | 0.853 | 0.000 | Valid |
| | Z.4 | 0.821 | 0.000 | Valid |
| | Z.5 | 0.774 | 0.000 | Valid |

Continued from Table 4

| Variable | Items | Correlation coefficient | Sig. | explanation |
|----------------------|-------|-------------------------|-------|-------------|
| Customer Loyalty (Y) | Y.1 | 0.688 | 0.000 | Valid |
| | Y.2 | 0.788 | 0.000 | Valid |
| | Y.3 | 0.750 | 0.000 | Valid |
| | Y.4 | 0.747 | 0.000 | Valid |

Source: Appendix 5

Based on Table 4 can be seen that the items in this instrument are valid because the value of the coefficient r inter item questions with a total of items have a significance level of less than or equal to 0.05 (alpha 5%).

b. Result of Reliability Test

Reliability test is used to determine the extent to which a person answers consistent or stable over time. This test shows the level of stability, constancy, of accuracy of measuring instrument or test used to determine the extent to which relatively consistence measurements when performed repeated measurements. From the Table 5, known that the value of Cronbach for all variables greeter than 0.6. It shows that the items in this research are reliable.

Table 5. Recapitulation of Reliability Test Result

| No. | Variables | Reliability | Explanation |
|-----|------------------------------|-------------|-------------|
| 1 | Relationship Marketing (X.1) | 0.763 | Reliable |
| 2 | Service Quality (X.1) | 0.758 | Reliable |
| 3 | Customer Satisfaction (Z) | 0.805 | Reliable |
| 4 | Customer Loyalty (Y) | 0.792 | Reliable |

Source: Appendix 5

G. Data Analysis Techniques

1. Descriptive Analysis

According to Silalahi (2009:28) descriptive research in addition to describe carefully the characteristics research of a phenomenon or problem study, the research also focused on the description of the basic question of how to acquire and convey the facts clearly and accurately complete without many details which is not essential like in exploratory research.

2. Path Analysis

This research using path analysis as the part of data analysis technique because according to Sarwono (2012:33), this research tries to examine the affect of exogenous variables on endogenous variables in both combination or partially ways, measure riset model based on the theories and split the correlations between variables based on influence of direct, indirect, total and another factors.

a. Path Analysis Definition

According to Sarwono (2012:17) path analysis is analysis technique which is used to analyze cause and effects relationship that inherent between variables arranged in order temporarily by using the path coefficient as the amount of value in determining the effect of exogenous independent variables on the endogenous dependent variable.

b. Path Analysis Purposes

According to Sarwono (2012:33) path analysis purposes are as follows: path analysis tries to find out influence of exogenous variables to endogenous variables and both combination or partially measures suitable

model based on research data and theory consider influence of direct, indirect, total and another factors.

c. Path Coefficient Interpretation

Path coefficient (p) is same with regression coefficient that was already standardized and called beta weight (β), this weight has purpose as amount of alteration in endogenous variable related to change of deviation standard on exogenous variable when controlled influence done on other independent variables.

d. Path Model

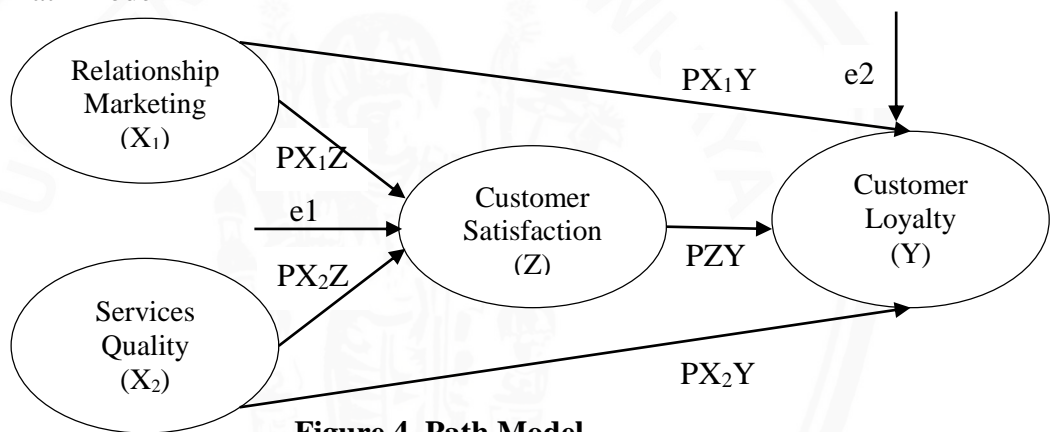


Figure 4. Path Model

Explanation

- X_1 : Relationship marketing as exogenous variable
- X_2 : Service quality as exogenous variable
- Z : Customer satisfaction as intervening variable
- Y : Customer loyalty as endogenous variable

This study uses intervening as mediator from path model which Z variable to modify the effect X_1 variable on X_2 and Y variable. From that diagram on Figure 4 has two structural equations, they are:

$$1) Z = PX_1 + P X_2Z + e_1$$

Explanation

- X_1 : Relationship marketing as exogenous variable
 X_2 : Service quality as exogenous variable
 Z : Customer satisfaction as intervening variable
 e_1 : error

$$2) Y = P X_1 Y + P X_2 Y + P Z Y + e_2$$

Explanation

- X_1 : Relationship marketing as exogenous variable
 X_2 : Service quality as exogenous variable
 Z : Customer satisfaction as intervening variable
 e_2 : error

e. Calculating Coefficient Partially

According to Riduwan and Kuncoro (2011:133), t test conducted to test the effect of independent variables on the dependent variable partially, by the formula shown below:

$$t_k = \frac{p_k}{se_{px^2}}$$

Comparing the significance $\alpha = 0.05$, so it can be received or whether a hypothesis, if:

- 1) Sig. $t < 0.05$, then H_0 rejected and H_a accepted, it means that there is a significant influence of exogenous variables on endogenous variables.
- 2) Sig. $t > 0.05$, then H_0 accepted and H_a rejected, it means that there is no significant influence of the exogenous variables on endogenous variables.

The research hypothesis to be tested are:

- H_0 : There is no significant effect of relationship marketing and service quality on customer satisfaction and customer loyalty.

H_a : There is a significant effect of relationship marketing and service quality on customer satisfaction and customer loyalty.

3. Coefficient of Determination Test (R^2)

According Algifari (2009:45), “ R^2 test is a statistical value that can be used to test the effect of the relationship between the two variables.” Testing R^2 aims to measure the ability of the model to explain variations in the dependent variable and the measuring accuracy of the regression model. R^2 value is between 0 (zero) and one ($0 \leq R^2 \leq 1$). The smaller or close to 0 (zero), then the value of R^2 can be interpreted that the ability of exogenous independent variables in explaining the dependent variable endogenous very is limited.



CHAPTER IV

RESULT AND DISCUSSION

A. General Description Research Location

1. Profile of Bank BNI

PT Bank Negara Indonesia (Persero) Tbk or BNI was established in 1946. It started the history by running the function as the central bank of Indonesia as stipulated in Government Regulation in Lieu of Law No. 2/1946. In 1955, when the Indonesian government established the Bank Indonesia as the Central Bank, BNI operates as a commercial bank. Furthermore, the role of BNI as a bank which is mandated to improve the people's economy and participate in national development was confirmed by Law No. 17 Year 1968 on Bank Negara Indonesia 1946.

In 1992, the legal form was changed into PT Bank BNI (Persero) in line with the provisions of the Banking Act. BNI is a state-owned bank (State Owned Enterprises) that was first became a public company after listing its shares on the Jakarta Stock Exchange and Surabaya Stock Exchange in 1996.

To strengthen its financial structure and competitiveness in the national banking industry, BNI conducted a number of corporate actions, such as the process of recapitalization by the Government in 1999, the divestment of government shares in 2007, and limited public offering in 2010. Currently, 60% BNI shares owned by the Government of the Republic of Indonesia, while the remaining 40% is owned by the community, both individuals and institutions, domestic and foreign. BNI is listed now as a national bank 4th

largest in Indonesia, is seen from the total assets, total loans and total deposits. In providing financial services in an integrated manner, BNI was supported by a number of subsidiaries, namely Bank BNI Syariah, BNI Multifinance, BNI Securities, BNI Life Insurance, and BNI Remittance.

BNI offers storage service funds and loan facilities both on the corporate segment, medium, and small. Some of the best products and services adapted to the needs of customers since childhood, adolescence, adulthood, until his retirement.

At the end of 2015, the amount of assets held BNI recorded at Rp508 trillion and the number of employees as many as 26 875 people. BNI service network spread all over Indonesia through 1,826 domestic outlets and abroad through six (6) Foreign Branch Office (Singapore, Hong Kong, Tokyo, London, New York and Seoul). BNI ATM network is currently listed as many as 16 071 ATMs and supported by shared ATM network. BNI services are also available through the 71,000 EDC, Internet Banking and SMS Banking.

2. Vission and mission BNI

a. Vission

To be a bank that excels, in delivering services and performance

BNI strives to become a Bank that 'excels' in terms of quality human capital and internal business processes that provide value for customers through improvements and innovation as well as quality banking management with measured risks. 'Prominent' means to be the bank of choice with superior service quality, which will lead BNI

to be the 'advanced' bank relative to its peer banks in terms of financial performance, profitability and growth, and thus providing quality investments for the satisfaction of stakeholders

b. Mission

- 1) To provide excellent service and value added solutions to all customers as the banking partner of choice
- 2) To enhance investment value for investors
- 3) To provide the best environment for our employees, to be the source of pride to perform and excel
- 4) To improve social and environmental responsibility
- 5) To be the benchmark for compliance and good corporate governance practices

3. Products and Services of BNI

BNI has many product that became main product and services. Each of these types of products and services are:

a. Saving

1) BNI Taplus

BNI Taplus is the savings product that will give customers services with a variety of features and benefits. The plus services offered by BNI are progressive interest rates which calculated on the basis of the average daily balance included in the Lottery Program. Customer can make deposits and cash withdrawals online throughout the BNI branch like BNI ATM (Automatic

Teller Machine), CDM (Cash Deposit Machine) which will get the facility BNI Card, Phone Banking BNI, BNI SMS Banking, Internet Banking BNI and BNI Token.

2) BNI Taplus Anak

BNI Taplus Anak is one of BNI Product to kids to teach them since early age in order to save for a better future. The benefit are kids has the opportunity to learn conducted transactions at ATMs, through SMS banking, merchant or teller. In this case the role of parents needed according transaction by their kids, BNI supports by provides SMS notifications and sent it into the parent cellular phone.

3) BNI Simpanan Pelajar

These savings products targeting school students at kindergarten until high school ages, with lighter requirements and initial deposit. Since it has launched in September 2015, BNI has successfully acquired accounts of 38,000 students in 83 schools in various regions in Indonesia.

4) BNI Taplus Muda

BNI Taplus Muda is a savings account that has the features and relevant programs for activity youth segment. Some of the programs Taplus Muda is held by BNI are the Yamaha Music School Student Competition, Try Out SBMPTN 2015 and Hydro Coco Futsal National Tournament in 2015.

5) BNI Taplus Bisnis

BNI continues to innovate in order to answer any customer needs, one of BNI's commitment was to become a business priority by entrepreneur. Entrepreneurs segment are seriously the priority target customers by BNI Taplus Bisnis that provide easeness way to entrepreneurs to make transaction through the bank.

6) BNI Tapenas

BNI Tapenas is a savings plan for the future plan of customers. Customers BNI Tapenas can plan their saving of financial future with financial calculations and appropriate measurements. BNI Tapenas program as well as providing a direct gift to customers with monthly payments from Rp 500,000.

7) BNI Haji

BNI Haji is a savings account that is devoted to the prospective pilgrims who would like to go to sacred ground (Mecca). This product will allow pilgrims to monitor the extent to which the savings could be used to pay off the hajj funding that will be paid.

8) BNI Dollar

BNI Dollar is saving product in foreign currency exchange rates. This product provide currency controllable, more stable, secure and convenience transaction.

9) BNI Giro

BNI Giro customers are divided into two groups, first BNI Giro account individual which is recommended for among small businesses that tend to still use the account on behalf of a private. Second, non-individual BNI Giro which is normally used the key person multinational company as a private investment transactions. In accordance with the character of current accounts, BNI Giro account rupiah non-individual widely is used by employers who are accustomed to transact with the facility or giro checks. Amenities giro checks have advantages as securities payment.

10) BNI Deposito

Deposits can be an instrument of investment for customers. Customer funds can be placed with a wide choice of time period and competitive interest rates. BNI implement strategies to provide special interest to face the competition in market interest rates. To attract customers who are not sensitive to interest rate, BNI offers Multigift bundling CASA Deposits program and BNI Deposits internet banking experience program.

11) BNI Duo

BNI duo is a term deposit with compound interest calculation system which gives flexibility to the customer's currency.

12) BNI Tapma (Taplus Mahasiswa)

BNI Tapma (Taplus Mahasiswa) is one of the BNI savings intended for the student or student status who is studying in the public and private universities. This product has a lesson for the students as the students to save money they got.

13) BNI Tappa (Taplus Pegawai)

BNI Tappa (Taplus Pegawai) is a savings product that is devoted to the employees, members of a company, organization, association, and professional organizations who cooperate with BNI which serves as identity card of savings, employee, and member cooperation.

b. Loan

1) BNI Griya

BNI Griya is griya facility whose that focused on sales channels for financing real estate agents property market secondary segment and housing developers for financing primary market segments.

2) BNI Griya Multiguna

BNI Griya Multiguna is a service that utilizes residential customers in order to earn credits that can be used for many purposes. BNI Griya Multipurpose certificates allow customers to pledge a house, apartment, or office or home office that the above named personal name.

3) **BNI Fleksi**

BNI Flexi available to active employees and retirees who distribute payroll and retirement benefits through BNI. Distribution of BNI Flexi conducted through a pattern of cooperation with partner companies who have dealings with the BNI, the end users are employees of the company concerned.

4) **BNI OTO**

BNI OTO is a product of credit provided directly by BNI which specialize to vehicle ownership. Financing credit for two wheels vehicles and four wheels with a guarantee of any kind BPKB vehicles financed.

5) **BNI Cerdas**

BNI Cerdas is a loan product that intended for customers who have a problem of finance for education expenses. These products provide convenience for customers to be able to borrow money without collateral to meet the needs of both the cost of education for school education and graduate education.

6) **BNI Instant**

BNI Instant is a credit facility which is granted to individuals with the backlog on behalf of the applicant in the form of deposits, demand and saving of rupiah (IDR) or FX (in this case USD) issued by BNI.

7) **BNI Kartu Tunai**

BNI Kartu Tunai is the media to release of funds or loan in the form of special cards issued to customers' cash needs. Disbursement of funds or loans can be done in ATM or branch office BNI.

8) **BNI Wirausaha**

Wirausaha BNI is a credit facility from BNI for small businesses with credit facilities that support the customer's business through the provision of credit to the productive individuals and legal entities covering all economic sectors eligible for funding.

c. **Credit card**

There are several types of credit cards owned by Bank BNI and information of credit limit on each card also vary depending on the type or credit card such as logo on it. There are also when restrictions do not have limit according the following terms and conditions. It all depends on the issuing bank. Suppose services to priority customers who want a credit card with a small limit, but bearing platinum, it can only be approved if the customer is important enough in the banking company concerned. Generally Rankings credit card at BNI as follow: BNI Silver Credit Card, BNI Gold Credit Card, BNI Titanium Credit Card, and BNI Platinum Credit Card.

d. Debit Card

Debit Card BNI is one of the facilities service for all customers who have accounts BNI Taplus and BNI Taplus Business. By having BNI Debit Card, customers will get the convenience and flexibility of shopping transactions and enjoy the program in a network marketing program stores or merchants with Master Card. In addition, customers will also continue to have the freedom to make transaction in ATM, ATM network, ATM Bersama network spread throughout Indonesia, and Cirrus ATM network throughout the world.

e. E-Banking

E-Banking is a part of BNI service to meet the needs of customers related Internet Banking of BNI that has come with many features to simplify customers through the Internet.

f. Servicess

BNI service is a form of BNI service that provides various services related to banking, one of them are transfer money, safe deposit box and much more.

g. Pension Saving

Pension Saving is a retirement savings for employees who have retired in arranging finances associated with their storage.

h. Bancassurance

Bancassurance is an insurance product that is managed by BNI to support customers who have enrolled in the insurance provided by BNI.

i. Priority Banking or Emerald

Priority Banking or Emerald is a product provided by BNI with services that have very specific needs that highly prioritized by BNI as an act of adjustment of product forms chosen by the customer.

B. General Description of Respondents

Respondents in this research were customers of BNI Malang Branch Office who conducted transaction in the banking rooms. The sample of this research was part of customers of BNI Malang Branch Office. The number of population in this research was unknown because total number customer data of BNI are sensitive and internal requirement only, based on that case researcher used Machin and Champbell formula and minimum samples required. In this research, it has been obtained 116 customers of BNI. The general description in this research were gender, age, educational background, occupational, income per month, product used, length of times became customer, number transaction within a month and factors affecting became customer.

1. Distribution of Respondent by Gender

In Table 6 can be seen the overview by gender customer of BNI Malang Branch Office.

Table 6: Frequency Distribution of Respondent by Gender

| No. | Gender | Respondent | Percentage (%) |
|-------|--------|------------|----------------|
| 1 | Male | 60 | 51.7 |
| 2 | Female | 56 | 48.3 |
| Total | | 116 | 100 |

Source: Appendix 6

From Table 6 can be seen that male respondents were 51.7% (60 people), while female respondents were 48.3% (56 people). It can be concluded that this research was dominated by male respondents.

2. Distribution of Respondent by Age

The overview of respondent distribution by age of BNI Malang Branch Office can be seen in Table 7. In determining the class of interval was calculated by Sturge formula.

$$K = 1 + 3.3 \log n$$

$$K = 1 + 3.3 \log 116$$

$$K = 7.81 \text{ rounded to } 8$$

Note

K = Amount of class
n = Amount of data observation
log = Logarithm

Determining the length of interval:

$$C = \frac{\text{Maximum} - \text{Minimum}}{\text{Amount of class}}$$

$$C = \frac{56 - 16}{8}$$

$$C = 5$$

Table 7: Frequency of Distribution of Respondent by Age

| No. | Age (Years) | Frequency | Percentage (%) |
|-------|-------------|-----------|----------------|
| 1 | 16 – 20 | 41 | 35.34 |
| 2 | 21 – 25 | 30 | 25.87 |
| 3 | 26 – 30 | 17 | 14.65 |
| 4 | 31 – 35 | 10 | 8.62 |
| 5 | 36 – 40 | 5 | 4.31 |
| 6 | 41 – 45 | 5 | 4.31 |
| 7 | 46 – 50 | 3 | 2.59 |
| 8 | ≥ 51 | 5 | 4.31 |
| Total | | 116 | 100 |

Source: Appendix 6

From Table 7 it can be seen the distribution of respondent by age shows that the lowest age of customers was 16 years old and the highest was 56 years old. This research was dominated by 16 up to 20 years old with the number of 41 respondents (35.34 %). If the distribution of respondent by age were divided into two classes the age of 16 up to 35 years old (84.48 %) was larger than 36 up to more than 51 years old (15.52 %). It can be concluded that this distribution of respondents by age of BNI Malang Branch Office was coming from different ages.

3. Distribution of Respondent by Educational Background

In Table 8 can be seen the overview by educational background customer of BNI Malang Branch Office.

Table 8: Frequency of Respondent by Educational Background

| No | Education | Frequency | Percentage (%) |
|-------|--------------------|-----------|----------------|
| 1 | Elementary School | 1 | 0.86 |
| 2 | Junior High School | 1 | 0.86 |
| 3 | Senior High School | 56 | 48.28 |
| 4 | Diploma | 16 | 13.80 |
| 5 | Bachelor | 38 | 32.80 |
| 6 | Master | 4 | 3.45 |
| Total | | 116 | 100 |

Source: Appendix 6

From Table 8 it can be seen the distribution of respondent by educational background shows that the lowest educational background of customers was Elementary School and the highest was Master. This research was dominated by Senior High School with the number of 56 respondents (48.28 %), which the the lowest frequency of educational background was Elementary School and Junior High School with the number of 1 respondent (0.86 %) each of them and the highest frequency of educational background was Senior High School with the number of 56 respondents (48.28 %). It can be concluded that this distribution of respondents by educational background of BNI Malang Branch Office was coming from many different educational backgrounds.

4. Distribution of Respondent by Occupational

In Table 9 can be seen the overview by occupation customer of BNI Malang Branch Office.

Table 9: Frequency of Respondent by Occupational

| No | Occupational | Frequency | Percentage (%) |
|-------|-----------------|-----------|----------------|
| 1 | Public servant | 7 | 6.03 |
| 2 | Privat employee | 27 | 23.28 |
| 3 | Entrepreneur | 16 | 13.80 |
| 4 | Housewife | 4 | 3.45 |
| 5 | Students | 62 | 53.40 |
| Total | | 116 | 100 |

Source: Appendix 6

From Table 9 it can be seen the distribution of respondent by occupational shows that this research was dominated by students with the number of 62 respondents (53.40 %), which the lowest frequency of occupational was Housewife with the number of 4 respondent (3.45 %). The number of respondent by occupation as student was dominate because the location of BNI

Malang Branch Office has strategically near to campuses and many school around from the office. That is why the distribution of respondent by occupational shows student was dominated as the customer than the others.

5. Distribution of respondent by income

The collected result of this research showed that ranged from Rp 0 to Rp 14000000. In determining the class of interval was calculated by following formula:

$$C = \frac{\text{Maximum} - \text{Minimum}}{\text{Amount of class}}$$

$$C = \frac{14000000 - 0}{8} = 1750000$$

The overview of the respondents by income can be seen in table 10 and characteristic of respondent by income shows that respondents for income more than Rp5,250,000 up to Rp7,000,000 and more than Rp8,750,000 up to Rp10,500.000 was only one person each of them. None respondent with the income more than Rp10,500.000 up to Rp12,250,000. Respondents for income more than Rp3,500,000 up to Rp5,250,000 were 13 people (11.2%). Respondents for income more than Rp1,750,000 up to Rp3,500,000 were 22 people (19.00%). In this research were dominated by respondent for income more than Rp0 up to Rp1,750,000 were 71 people (61.20%). From these data of respondent buy income can be concluded that BNI Malang Branch Office customers come from different income values.

Table 10: Frequency of Respondent by Income

| No | Income | Frequency | Percentage (%) |
|-------|---------------------------|-----------|----------------|
| 1 | 0 – 1,750,000 | 71 | 61.20 |
| 2 | > 1,750,000 – 3,500,000 | 22 | 19.00 |
| 3 | > 3,500,000 – 5,250,000 | 13 | 11.20 |
| 4 | > 5,250,000 – 7,000,000 | 1 | 0.90 |
| 5 | > 7,000,000 – 8,750,000 | 2 | 1.70 |
| 6 | > 8,750,000 – 10,500.000 | 1 | 0.90 |
| 7 | > 10,500.000 – 12,250,000 | 0 | 0.00 |
| 8 | > 12,250,000 | 6 | 5.20 |
| Total | | 116 | 100* |

Source: Appendix 6

*rounded

6. Distribution of Respondent by Product Used

The overview of the respondents by products used can be seen in table 11.

Table 11: Frequency of Respondent by Product Used

| No | Products | Frequency | Percentage (%) |
|-------|----------------------|-----------|----------------|
| 1 | BNI Taplus | 65 | 56.00 |
| 2 | BNI Taplus Anak | 1 | 0.90 |
| 3 | BNI Simpanan Pelajar | 14 | 12.10 |
| 4 | BNI Taplus Muda | 12 | 10.30 |
| 5 | BNI Taplus Bisnis | 8 | 6.90 |
| 6 | BNI Tapenas | 0 | 0.00 |
| 7 | BNI Haji | 1 | 0.90 |
| 8 | BNI Dollar | 0 | 0.00 |
| 9 | BNI Giro | 1 | 0.90 |
| 10 | BNI Deposito | 2 | 1.70 |
| 11 | BNI Duo | 0 | 0.00 |
| 12 | BNI Tapma | 12 | 10.30 |
| 13 | BNI Tappa | 0 | 0.00 |
| Total | | 116 | 100* |

Source: Appendix 6

*rounded

From table 11, it can be seen the characteristic of respondent by product used shows that none respondent using product of BNI Tapenas, BNI Dollar, and BNI Tappa. BNI Taplus Anak, BNI Haji, BNI Giro were only one person each of them (0.90% each). BNI Taplus Muda and BNI Tapma were 12 people

each of them (10.30% each). BNI Taplus Bisnis were 8 people (6.90%). BNI Simpanan Pelajar were 14 people (12.10%). This research was dominated by BNI Taplus which the main product of BNI. It can be concluded, this research BNI respondents used different kind of products and the majority BNI Taplus was used.

7. Distribution of Respondent by Length of Time Became Customer

The collected result of this research shows that length of time became customers ranged from 1 to 34 years. In determining the class of interval is calculated by following formula:

$$C = \frac{\text{Maximum} - \text{Minimum}}{\text{Amount of class}}$$

$$C = \frac{34 - 2}{8} = 4$$

Table 12: Frequency of Respondent by Length of Time Became Customer

| No | Length of time became customer | Frequency | Percentage (%) |
|-------|--------------------------------|-----------|----------------|
| 1 | 1 – 4 | 61 | 52.60 |
| 2 | > 4 – 8 | 23 | 19.80 |
| 3 | > 8 – 12 | 25 | 21.60 |
| 4 | > 12 – 16 | 2 | 1.80 |
| 5 | > 16 – 20 | 4 | 3.50 |
| 6 | > 20 – 24 | 0 | 0.00 |
| 7 | > 24 – 28 | 0 | 0.00 |
| 8 | > 28 | 1 | 0.90 |
| Total | | 116 | 100* |

Source: Appendix 6

*rounded

From table 12 , it can be seen the characteristic of respondent by length of time become customer shows that the lengths of time for more than 1 up to 4 years were majority respondents in this research by the number of 61 people

(52.60%). For the length of time more than 8 up to 12 years were second place majority respondents in this research by the number of 25 people (21.60%). For the length of time more than 28 years were only one person (0.90%). For the length of time more than 20 up to 24 years and more than 24 up to 28 years was minimum frequency. It can be concluded, in this research BNI customers use product with different length of time. The respondents involved in this research in accordance with the criteria of purposive sampling that set up by research.

8. Distribution of Respondent by Number of Transaction per Month

The collected result of this research show that number of transactions within a month became customers ranged from 2 to 40 time. In determining the class of interval is calculated by following formula:

$$C = \frac{\text{Maximum} - \text{Minimum}}{\text{Amount of class}}$$

$$C = \frac{40-2}{8} = 4.75 \text{ rounded to } 5.$$

Table 13: Frequency of Respondent by Number of Transaction per Month

| No | Number of transaction per month | Frequency | Percentage (%) |
|-------|---------------------------------|-----------|----------------|
| 1 | 2 – 6 | 32 | 27.60 |
| 2 | > 6 – 11 | 36 | 31.10 |
| 3 | > 11 – 16 | 8 | 6.90 |
| 4 | > 16 – 21 | 37 | 32.00 |
| 5 | > 21 – 26 | 2 | 1.80 |
| 6 | > 26 – 31 | 0 | 0.00 |
| 7 | > 31 – 36 | 0 | 0.00 |
| 8 | > 36 | 1 | 0.90 |
| Total | | 116 | 100* |

Source: Appendix 6

*rounded

From table 13, it can be seen the characteristic of respondents based on number of transactions shows that transaction number for more than 16 up to 21 times within a month was dominated this research. For number of transaction more than 26 up to 31 times and more than 31 up to 36 times within a month was minimum frequency. It was because none of respondent conducted transaction for this number. Transaction was conducted by the customers include cash deposit, cash withdrawal, and transfer either in the teller or ATM. From these data, it can be concluded that BNI customers have conducted different number of transaction. The respondents involved in this research in accordance with the criteria of purposive sampling that set up by research.

9. Distribution of Respondent by Factor Affecting to be Customer

There are many factors that affecting respondents become customers of BNI, in this research there are 8 factors that affecting respondent became customers of BNI. The overview of respondents by factor affecting to be customer of BNI can be seen in Table 14.

Table 14: Frequency of Respondent by Factor Affecting to be Customer

| No | Factor affecting to be customer | Frequency | Percentage (%) |
|-------|---------------------------------|-----------|----------------|
| 1 | Campus regulation | 19 | 16.37 |
| 2 | Comfortable | 12 | 10.34 |
| 3 | Company reference | 11 | 9.48 |
| 4 | Distance | 20 | 17.24 |
| 5 | Family reference | 13 | 11.20 |
| 6 | Friend reference | 1 | 0.86 |
| 7 | Good services | 31 | 26.72 |
| 8 | Security of transaction | 8 | 6.89 |
| 9 | Low monthly administration fee | 1 | 0.86 |
| Total | | 116 | 100* |

Source: Appendix 6

*rounded

From table 14, it can be seen that characteristics of respondents by factors affecting to be customer of BNI shows good services was dominant factor that affecting to be customer of BNI with the number of 31 people (26.72%). This is because BNI offered products concern on services. In addition BNI is a conventional bank that focused on services as their main purpose to get customer. Friend reference and low monthly administration fee was the minimum frequency with the number only a person (0.86%). In this research, it also was found respondents to be customer cause by distance with the number 20 people (17.24%). This is because BNI were placed in every strategic place and near to customers. In this research on the third place was campus regulation with the number 19 people (16.37%). The campus forced the students to open account in BNI for transaction between campuses and students. The other reasons of respondents to be customer of BNI were family reference were 13 people (11.20%), comfortable with the number 12 people (10.34%), company reference were 11 people (9.48%), and security of transaction were 8 people (6.89%). It can be concluded that, there were many factors that affecting the people to be customer of BNI.

C. Overview of Research Variables

1. Relationship Marketing

Relationship marketing are measured through four indicators. They were trust, commitment, communication and conflict handling. These indicators

were measured through some items which overview of the relationship marketing indicators and items can be seen in Table 15.

Table 15: Frequency Distribution of Relationship Marketing

| | Items | | SA | | A | | N | | DA | | SDA | | Amount | | Items Mean |
|-----------------------|-------|---------|----|-------|----|-------|----|-------|----|------|-----|------|--------|-----|-------------|
| | | | f | % | f | % | f | % | f | % | f | % | f | % | |
| Trust | 1 | X1.1.1 | 43 | 37.10 | 55 | 47.40 | 18 | 15.50 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.22 |
| | 2 | X1.1.2 | 32 | 27.60 | 65 | 56.00 | 19 | 16.40 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.11 |
| | 3 | X.1.1.3 | 44 | 37.90 | 54 | 46.60 | 18 | 15.50 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.22 |
| Indicator Mean | | | | | | | | | | | | | | | 4.18 |
| Commitment | 4 | X1.2.1 | 40 | 34.50 | 69 | 59.50 | 7 | 6.00 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.28 |
| | 5 | X1.2.2 | 32 | 27.60 | 61 | 52.60 | 23 | 19.80 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.08 |
| | 6 | X.1.2.3 | 28 | 24.10 | 71 | 61.20 | 17 | 14.70 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.09 |
| Indicator Mean | | | | | | | | | | | | | | | 4.15 |
| Communication | 7 | X1.3.1 | 38 | 32.80 | 64 | 55.20 | 14 | 12.10 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.21 |
| | 8 | X1.3.2 | 37 | 31.90 | 51 | 44.00 | 26 | 22.40 | 2 | 1.70 | 0 | 0.00 | 116 | 100 | 4.06 |
| | 9 | X.1.3.3 | 30 | 25.90 | 64 | 55.62 | 22 | 19.00 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.07 |
| Indicator Mean | | | | | | | | | | | | | | | 4.11 |
| Conflict Handling | 10 | X1.4.1 | 21 | 18.10 | 72 | 62.10 | 23 | 19.80 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 3.98 |
| | 11 | X1.4.2 | 30 | 25.90 | 53 | 45.70 | 33 | 28.40 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 3.97 |
| | 12 | X.1.4.3 | 26 | 22.40 | 68 | 58.60 | 21 | 18.10 | 1 | 0.90 | 0 | 0.00 | 116 | 100 | 4.03 |
| Indicator Mean | | | | | | | | | | | | | | | 3.99 |
| Grand Mean | | | | | | | | | | | | | | | 4.11 |

Source : Appendix 7

Note : SA: Strong Agree, A: Agree, N: Neutral, DA: Disagree, SDA: Strongly Disagree

X.1.1.1 : Concerned with security for customers transactions

X.1.1.2 : Trusted promises

X.1.1.3 : Consistent in providing service quality

X.1.2.1 : Adjustments to suit customers' needs

X.1.2.2 : Offers personalize services to meet customer need

X.1.2.3 : Flexible in serving customers' needs

X.1.3.1 : Provides trustworthy information

X.1.3.2 : Provides information when there is new services

X.1.3.3 : Accurate information

X.1.4.1 : Avoid potential conflict

X.1.4.2 : Solve conflicts before to be problems

X.1.4.3 : The ability to openly discuss solutions when problems arise

a. Trust Indicator

Trust indicator was measured by three items, namely concerned with security for customers transactions, trusted promises, and consistent in

providing service quality. It can be seen in table 15 for the items concerned with security for customers transactions (X.1.1.1), respondents who strongly agree were 43 people (37.10%), respondents who agree were 55 people (47.40%), respondents who neutral were 18 people (15.50%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, security for customers transactions by BNI were secure with mean of item accounted 4.22.

The perception of BNI were concerned with security for customers transactions shows that BNI very concerned about the security transaction as one of the importance aspect were should be completed. One of the security transactions by BNI is the security system via Internet Banking transactions using the token or the transaction verification tools. By this token relatively safe, because it uses a dynamic password. Besides that, BNI also conducts monitoring of suspicious transactions, auditing the security systems regularly, and educate customers to maintain the security PIN (Personal Identification Numbers). A secure transaction was proven improve the quality of BNI as a bank that cares about security of customer.

For the item trusted promises (X.1.1.2) can be seen that respondents who strongly agree were 32 people (27.60%), respondents who agree were 65 people (56.00%), respondents who neutral were 19 people (16.40%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, promises by BNI were reliable with mean of item accounted was 4.11.

The perception of BNI has trusted promises shows that BNI is very concerned with promises were made by them, such as implementation of promotion product as BNI's promises. When promotion product was promoted by BNI, BNI actually promise some offer to customers. This offer was made customer interested to the promotion product. When promotion product by BNI was implemented as their promises to customer, BNI was being called has trusted promises by customer.

For the item consistent in providing service quality (X.1.1.3) can be seen that respondents who strongly agree were 44 people (37.90%), respondents who agree were 54 people (46.60%), respondents who neutral were 18 people (15.50%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, providing services qualities by BNI were consistent with mean of item accounted was 4.22.

The perception of BNI has consistent in providing service quality by customers shows that BNI were considered with the consistency to provide optimalize good service quality, such as services quality based on SOP (Standard Operational Procedures). The SOP has functioned to maintain and improve the minimum standard service quality were received by customer. This SOP provided information about the informations of competence and qualification related the quality of services was being received by customer.

b. Commitment Indicator

Commitment Indicator was measured by three items, namely adjustments to suit customers' needs, offers personalize services to meet customer need, and flexible in serving customers' needs. It can be seen in table 15 for the item adjustments to suit customers' needs (X.1.2.1) can be seen that respondents who strongly agree were 40 people (34.50%), respondents who agree were 69 people (59.50%), respondents who neutral were 7 people (6.00%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, adjustments to suit customers' needs by BNI were can be adjusted with mean of item accounted was 4.28.

The perception of adjustments to suit customers' needs, it shows that BNI were tried to improve the customers' attentions related product and services. The product and services was adjusted by BNI to customer such as BNI Taplus, BNI Taplus Anak, BNI Simpanan Pelajar, BNI Taplus Muda, BNI Taplus Bisnis, BNI Tapenas, BNI Haji, BNI Dollar, BNI Giro, BNI Deposito, BNI duo, BNI Tapma (Taplus Mahasiswa), and BNI Tappa (Taplus Pegawai). These each products and services was being adjusted by BNI based on customer characteristics.

For the item of offers personalized services to meet customer need (X.1.2.2) can be seen that respondents who strongly agree were 32 people (27.60%), respondents who agree were 61 people (52.60%), respondents who neutral were 23 people (19.80%), and none of respondent was

disagree and strongly disagree (0.00%). It shows that based on answer of the customers, BNI were personalized offer of services to meet customer need with mean of item accounted was 4.08.

The perception of BNI were personalized the offer of services to meet customer need shows that BNI were tried to offer of services to customer based on need of the customer it self. The offer of services depend on the situation and condition of customer need, such as if the customer were student, BNI Simpanan Pelajar was being offered by BNI, and if the customer were entrepreneur or businessman, BNI Taplus Bisnis was being offered by BNI.

For the item flexible in serving customers' needs (X.1.2.3) can be seen that respondents who strongly agree were 28 people (24.10%), respondents who agree were 71 people (61.20%), respondents who neutral were 17 people (14.70%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, BNI were flexible in serving customers' needs with mean of item accounted was 4.09.

The perception of flexible in serving customers' needs shows that BNI have tried to expand the fulfillment of customer need, such as BNI expands ATM spot, call center for twenty four hours per seven days. Call center was being controled by BNI to make sure the customers were satisfied with the services. This flexibility of services was anticipated by BNI to expand the prospect customer to join with the services of BNI.

c. Communication Indicator

Communication indicator was measured by three items, namely provides trustworthy information, provides information when there is new services, and accurate information. It can be seen in table 15 for the item provides trustworthy information (X.1.3.1) can be seen that respondents who strongly agree were 38 people (32.80%), respondents who agree were 64 people (55.20%), respondents who neutral were 14 people (12.10%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, BNI were provides trustworthy information with mean of item accounted was 4.21.

The perception of trustworthy information shows that BNI were being tried to get more attention of customer of BNI. The information was being publish by BNI, such as promotion program or promotion event, information of interest rate, information of advantage per month was implemented by BNI. It was proved BNI can be trusted related information.

For the item provides information when there is new services (X.1.3.2) can be seen that respondents who strongly agree were 37 people (31.90%), respondents who agree were 51 people (44.00%), respondents who neutral were 26 people (22.40%), %), respondents who disagree were 2 people (1.70%), and none of respondent was strongly disagree (0.00%). It shows that based on answer of the customers, BNI provides

information when there is new services with mean of item accounted was 4.06.

The perceptions of BNI were being provided information related new services shows that BNI care to customer. The customer were served new information by BNI every the programe of services had been changed. The programe of services had been changed by BNI such as promotion of independence day, this program was made to get prospect customer interested and join with the program services because the it was being discount to open new account.

For the item accurate information (X.1.3.3) can be seen that respondents who strongly agree were 30 people (25.90%), respondents who agree were 64 people (55.62%), respondents who neutral were 22 people (19.00%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, information provided by BNI were always accurate with mean of item accounted 4.07.

The perception of accurate information was being provided by BNI were made customer trust on BNI. Accurately of information was made the BNI as one of the bank of Indonesia were trusted and up to date, such as currency exchanges, interest rate, and new products policy. Accurate information was made customer satisfy and feel comfortable.

d. Conflict handling Indicator

Conflict handling indicator was measured by three items, namely avoid potential conflict, solve conflicts before to be problems, and the ability to openly discuss solutions when problems arise. It can be seen in table 15 for the item avoid potential conflict (X.1.4.1) can be seen that respondents who strongly agree were 21 people (18.10%), respondents who agree were 72 people (62.10%), respondents who neutral were 23 people (19.80%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, BNI have tried to avoid potential conflict with mean of item accounted was 3.98.

The perception of avoid potential conflict shows that BNI have tried to minimize potential conflict. Conflict was avoided to make sure the customer comfortable with the product and services. When the potential conflict was arised by some reason, BNI were trying to solve it as soon as possible.

For the item of solve conflicts before to be problems (X.1.4.2) can be seen that respondents who strongly agree were 30 people (25.90%), respondents who agree were 53 people (45.70%), respondents who neutral were 33 people (28.40%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, BNI tried to solve conflicts before to be problems with mean of item accounted was 3.97.

The perception of solve conflicts before to be problems shows that BNI were tried to solve any kind of problems related their product and services, such as BNI were tried to avoid failure, error, duplication of transaction, and inefficient. Minimize conflict was tried, but as long as the conflict can be avoid it was much better. Solve conflict as soon as possible was the first and best solution before that conflict to be big problem.

For the item of the ability to openly discuss solutions when problems arise (X.1.4.3) can be seen that respondents who strongly agree were 22 people (24.40%), respondents who agree were 68 people (58.60%), respondents who neutral were 21 people (18.10%), respondents who disagree was only a person (0.90%), and none of respondent was strongly disagree (0.00%). It shows that based on answer of the customers, BNI made the item of the ability to openly discuss solutions when problems arise with mean of item accounted was 4.03.

The perception of the ability to openly discuss solutions when problems arise shows that BNI were tried to solve the problem even the problem already arise. This ability was increased image of BNI. Discussion and principle of win-win solution was made by BNI as the best way solution.

Based on the results of indicators above, the mean of relationship marketing (X.1) is 3.99. It showed that most respondents agreed relationship

marketing of BNI was needed by customers. Indicator that have the greatest mean were trust.

2. Service Quality

Service quality are measured through four indicators. They were reliability, responsiveness, assurance, empathy and tangible. These indicators were measured through some items which overview of the service quality indicators and items can be seen in Table 16.

Table 16: Frequency Distribution of Service Quality

| | Items | | SA | | A | | N | | DA | | SDA | | Amount | | Items Mean |
|-----------------------|-------|---------|----|------|----|------|----|------|----|------|-----|------|--------|-----|-------------|
| | | | f | % | f | % | f | % | f | % | f | % | f | % | |
| Reliability | 1 | X.2.1.1 | 49 | 42.2 | 59 | 50.9 | 8 | 6.9 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.35 |
| | 2 | X.2.1.2 | 26 | 22.4 | 66 | 56.9 | 24 | 20.7 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.02 |
| | 3 | X.2.1.3 | 29 | 25.0 | 64 | 55.2 | 21 | 18.1 | 2 | 1.7 | 0 | 0.00 | 116 | 100 | 4.03 |
| Indicator Mean | | | | | | | | | | | | | | | 4.13 |
| Responsiveness | 4 | X.2.2.1 | 32 | 27.6 | 76 | 65.5 | 8 | 6.9 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.21 |
| | 5 | X.2.2.2 | 36 | 31.0 | 76 | 65.5 | 4 | 3.4 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.28 |
| | 6 | X.2.2.3 | 29 | 25.0 | 78 | 67.2 | 9 | 7.8 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.17 |
| Indicator Mean | | | | | | | | | | | | | | | 4.19 |
| Assurance | 7 | X.2.3.1 | 41 | 35.3 | 63 | 54.3 | 11 | 9.5 | 1 | 0.9 | 0 | 0.00 | 116 | 100 | 4.24 |
| | 8 | X.2.3.2 | 59 | 50.9 | 49 | 42.2 | 6 | 5.2 | 2 | 1.7 | 0 | 0.00 | 116 | 100 | 4.42 |
| | 9 | X.2.3.3 | 40 | 34.5 | 72 | 62.1 | 3 | 2.6 | 1 | 0.9 | 0 | 0.00 | 116 | 100 | 4.30 |
| | 10 | X.2.3.4 | 40 | 34.5 | 66 | 56.9 | 8 | 6.9 | 2 | 1.7 | 0 | 0.00 | 116 | 100 | 4.24 |
| Indicator Mean | | | | | | | | | | | | | | | 4.30 |
| Empathy | 11 | X.2.4.1 | 34 | 29.3 | 65 | 56.0 | 14 | 12.1 | 1 | 0.9 | 2 | 1.7 | 116 | 100 | 4.10 |
| | 12 | X.2.4.2 | 32 | 26.7 | 70 | 60.3 | 11 | 9.5 | 1 | 0.9 | 2 | 1.7 | 116 | 100 | 4.11 |
| | 13 | X.2.4.3 | 29 | 25.0 | 73 | 62.9 | 14 | 12.1 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.13 |
| | 14 | X.2.4.4 | 34 | 29.3 | 70 | 60.3 | 11 | 9.5 | 1 | 0.9 | 0 | 0.00 | 116 | 100 | 4.17 |
| Indicator Mean | | | | | | | | | | | | | | | 4.13 |
| Tangible | 15 | X.2.5.1 | 50 | 43.1 | 64 | 55.2 | 2 | 1.7 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.41 |
| | 16 | X.2.5.2 | 48 | 41.4 | 64 | 55.2 | 4 | 3.4 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.38 |
| | 17 | X.2.5.3 | 58 | 50.0 | 56 | 48.3 | 2 | 1.7 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.48 |
| | 18 | X.2.5.4 | 49 | 42.2 | 63 | 54.3 | 4 | 3.4 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.39 |
| Indicator Mean | | | | | | | | | | | | | | | 4.41 |
| Grand Mean | | | | | | | | | | | | | | | 4.23 |

Source : Appendix 7

Note : SA: Strong Agree, A: Agree, N: Neutral, DA: Disagree, SDA: Strongly Disagree
 X.2.1.1 Willingly handles customers
 X.2.1.2 Certain time promises
 X.2.1.3 Insists on error-free sales transactions
 X.2.2.1 Accuracy service

- X.2.2.2 Clarity of information
- X.2.2.3 Response of leadership
- X.2.3.1 Employees knowledge
- X.2.3.2 Employees attitude
- X.2.3.3 The credibility of the bank
- X.2.3.4 Proficiency employees to communicate
- X.2.4.1 Fair to each customer
- X.2.4.2 Employee's Attention
- X.2.4.3 Understanding customer complaints
- X.2.4.4 Compatibility of time service
- X.2.5.1 Hygienity of room transaction
- X.2.5.2 Convenience transaction
- X.2.5.3 Neatness appearance employee
- X.2.5.4 Completed equipment

a. Reliability Indicator

Reliability indicator was measured by three items, namely willingly handles customers, certain time promises and insists on error-free sales transactions. It can be seen in table 16 for the item willingly handles customers (X.2.1.1) can be seen that respondents who strongly agree were 49 people (42.20%), respondents who agree were 59 people (50.90%), respondents who neutral were 8 people (6.90%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, BNI were tried willingly handles customers with mean of item accounted was 4.35.

The perception of willingly handles customers shows that BNI were tried to be care for customer. Handling customer with carefully was been plus poin for BNI. It is because customers were called by BNI as everything, that means without customer BNI is nothing.

For the item of certain time promises (X.2.1.2) can be seen that respondents who strongly agree were 26 people (22.40%), respondents

who agree were 66 people (56.90%), respondents who neutral were 24 people (20.70%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, BNI's time promises was certain with mean of item accounted was 4.02.

The perception of certain time promises shows that if BNI were promised to do something related their services and product they have to certain their promises as good as possible. To BNI the time was everything, wasting time means a lots of effort was throwed away. Effectiveness of time was motivated customer to join to BNI.

For the item of insists on error-free sales transactions (X.2.1.3) can be seen that respondents who strongly agree were 29 people (25.00%), respondents who agree were 64 people (55.20%), respondents who neutral were 21 people (18.10%), respondents who disagree were 2 people (1.70%), and none of respondent was strongly disagree (0.00%). It shows that based on answer of the customers, BNI were being try to insists on error-free sales transactions with mean of item accounted 4.03.

The perception of insists on error-free sales transactions shows that BNI were avoided miss-transaction. To avoid miss-transaction, BNI were tried to minimize potential error or miss-calculation. The calculation was made to avoid mistake on every transaction.

b. Responsiveness Indicator

Responsiveness indicator was measured by three items, namely accuracy service, clarity of information, and response of leadership. It

can be seen in table 16 for the item accuracy provide service (X.2.2.1) can be seen that respondents who strongly agree were 32 people (27.60%), respondents who agree were 76 people (65.50%), respondents who neutral were 8 people (6.90%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, BNI's services were accurated with mean of item accounted 4.21.

The perception of accuracy service shows that BNI were being try consistence to provide best services. The accuracy of services was measured with how the services proper for customer. BNI were adjusted the product and services based on the customers need.

For the item of clarity of information (X.2.2.2) can be seen that respondents who strongly agree were 36 people (31.00%), respondents who agree were 76 people (65.50%), respondents who neutral were 4 people (6.90%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, information by BNI were distincted with mean of item accounted 4.28.

The perception of clarity of information shows that BNI were being try to make information related promotion, customer data, and everything was cleared to customer. Clarity of information was made to improve understanding between customer and BNI. This clarity of information was discused as agreement between parties.

For the item of response of leadership (X.2.2.3) can be seen that respondents who strongly agree were 29 people (25.00%), respondents who agree were 78 people (67.20%), respondents who neutral were 9 people (7.80%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, the mean item of response of leadership was accounted 4.17.

The perception of response of leadership shows that BNI were indicated as the bank with high responsiveness. This responsiveness such as, if the product was complained by customer, the complaint were tried to solve as soon as possible by BNI. The response of it was measured by customer as plus point.

c. Assurance Indicator

Assurance indicator was measured by four items, namely employees' knowledge, employees attitude, the credibility of the bank, and proficiency employees to communicate. It can be seen in table 16 for the item the level of employees knowledge (X.2.3.1) can be seen that respondents who strongly agree were 41 people (35.30%), respondents who agree were 63 people (54.30%), respondents who neutral were 11 people (9.50%), respondents who disagree was a person (0.90%), and none of respondent was strongly disagree (0.00%). It shows that based on answer of the customers, the mean of item of employees' knowledge about the services and product was accounted 4.24.

The perception of employees knowledge shows that BNI have been trying to prove their services and product was controled. Upgrading the knowledge through seminar and training was done by BNI. This upgrading activities was made to make sure the services and product of BNI controlable.

For the item of the employees attitude (X.2.3.2) can be seen that respondents who strongly agree were 59 people (50.90%), respondents who agree were 49 people (42.20%), respondents who neutral were 6 people (5.20%), respondents who disagree were 2 people (1.70%), and none of respondent was strongly disagree (0.00%). It shows that based on answer of the customers, the mean item of employees attitude was accounted 4.42.

The perception of the employees attitude shows that this item was being tried to be prove by BNI. The try was being proved such as *senyum*, *salam*, and *sapa*. *Senyum*, *salam*, and *sapa* was hoped by BNI as first impression to show for customer.

For the item of the credibility of the bank (X.2.3.3) can be seen that respondents who strongly agree were 40 people (34.50%), respondents who agree were 72 people (62.10%), respondents who neutral were 3 people (2.60%), respondents who disagree was a person (0.90%), and none of respondent was strongly disagree (0.00%). It shows that based on answer of the customers, the mean of item of credibility accounted was 4.30.

The perception of credibility of BNI shows that BNI were tested by customer and was categorizing as good. It categorize was proved with the means of items accounted above (4.30/5.00). Good credibility was measured by customer as a prove.

For the item of the proficiency of employees to communicate (X.2.3.4) can be seen that respondents who strongly agree were 40 people (34.50%), respondents who agree were 66 people (56.90%), respondents who neutral were 8 people (6.90%), respondents who disagree were 2 people (1.70%), and none of respondent was strongly disagree (0.00%). It shows that based on answer of the customers, the mean of item of proficiency was accounted 4.24.

The perception of proficiency of employees to communicate shows that communicate was being attentioned by customer. The communicate skill was being improved by BNI such as training of public speaking. Public speaking was applied to maintain relationship between BNI and customer.

d. Empathy Indicator

Empathy indicator was measured by four items, namely fair to each customer, employee's attention, understanding customer complaints, and compatibility of time service. It can be seen in table 16 for the item fair to each customer (X.2.4.1) can be seen that respondents who strongly agree were 34 people (29.30%), respondents who agree were 65 people (56.00%), respondents who neutral were 14 people (12.10%),

respondents who disagree was a person (0.90%), and respondents who strongly disagree were 2 people (1.70%). It shows that based on answer of the customers, the mean of item was accounted 4.10.

The perception of fair to each customer shows that fair to customer was being interested poin to customer. Discriminate to customer was avoided to make customer comfortable. Tolerant was been respected by customer.

For the item of employee's attention (X.2.4.2) can be seen that respondents who strongly agree were 32 people (26.70%), respondents who agree were 70 people (60.30%), respondents who neutral were 11 people (9.50%), respondents who disagree was a person (0.90%), and respondents who strongly disagree were 2 people (1.70%). It shows that based on answer of the customers, the mean of item employee attentions was accounted 4.11.

The perception of employee's attention shows that carefull to customer were being respected by customer. Amployee attention for transaction was applied to make customer satisfy. This satisfaction was made customer feel comfortable.

For the item of understanding customer complaints (X.2.4.3) can be seen that respondents who strongly agree were 29 people (25.00%), respondents who agree were 73 people (62.90%), respondents who neutral were 14 (12.10%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the

customers, the mean of item of the ability to understand of customer complaints accounted 4.13.

The perception of understanding customer complaints was indicated the complaint was being hoped to solve without interfere. When customer complain related product and services, the ability to solve problem as soon as possible was being proved as direct and indirect ways. The direct way was applied if the customer come to BNI directly at the office or telephone call.

For the item of compatibility of time service (X.2.4.4) can be seen that respondents who strongly agree were 34 people (29.30%), respondents who agree were 70 people (60.30%), respondents who neutral were 11 people (9.50%), respondents who neutral was only a person (0.90%), and none of respondent was strongly disagree (0.00%). It shows that based on answer of the customers, the mean of item was accounted 4.17.

The perception of compatibility of time service shows the services of BNI was considered related time of services to make customer satisfy. BNI services such as call center was being opened every day (24 hours/ 7 days), Cash Machine was being opened every time (24 hours/ 7 days), and office was being opened monday until Friday. That time of services was made customer easily to access.

e. Tangible Indicator

Tangible indicator was measured by four items, namely hygienity of room transaction, convenience transaction, neatness appearance

employee, and completed equipment. It can be seen in table 16 for the item hygienity of room transaction (X.2.5.1) can be seen that respondents who strongly agree were 50 people (43.10%), respondents who agree were 64 people (55.20%), respondents who neutral were 2 people (1.70%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, the mean of item was accounted 4.41.

The perception of hygienity of room transaction was showed to customer that BNI were cleaning the room every time when the rooms are not clean enough. Each room of BNI was cleaned by cleaning service officer. Cleaning service officer were actualy not permanent officer on BNI but just as a outsourcing officer.

For the item of convenience transaction (X.2.5.2) can be seen that respondents who strongly agree were 48 people (41.40%), respondents who agree were 64 people (55.20%), respondents who neutral were 4 people (3.40%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, the mean of item was accounted 4.38.

The perception of convenience transaction was showed that customer comfortable to do transaction. Comfortable of transaction was being proved with many customer of this bank were satisfied and not complain about anything, such as noisy, interfere person, threat or something. Not

comfortable situation was made the customer leave and not using the product or services again, that is why BNI were concerned about this.

For the item of neatness appearance employee (X.2.5.3) can be seen that respondents who strongly agree were 58 people (50.00%), respondents who agree were 56 people (48.30%), respondents who neutral were 2 people (1.70%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, the mean of item was accounted was 4.48.

The perception of neatness appearance employee was showed neatness has been interested by customer. The first impression was improved neatness appearance by BNI such as front linner officer (Teller and Customer Service). Front linner officer were generaled of image by bank as common neatness appearance to serve customer.

For the item of completed equipment (X.2.5.4) can be seen that respondents who strongly agree were 49 people (42.20%), respondents who agree were 63 people (54.30%), respondents who neutral were 4 people (3.40%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, the mean of item was accounted was 4.39.

The perception of completed equipment was increased productivity of BNI. Equipment such as printer with laser technology, newest tecnology of counter machine, newest technology of vehicle was made productifity

of BNI effective and efficient. And customer of BNI was interested with productifity of effective and efficient by BNI.

Based on the results of the calculation of the overall indicator, the mean of quality service (X.2) is 4.23. It showed that most respondents BNI quality service important and required by the customer. Indicators that have the greatest mean is tangible.

3. Customer Satisfaction

Customer satisfaction are measured through five items. These items examined in this research which overview of the customer satisfaction items can be seen in Table 17.

Table 17: Frequency Distribution of Customer Satisfaction

| | Items | | SA | | A | | N | | DA | | SDA | | Amount | | Items Mean |
|-----------------------|-------|----|----|-------|----|-------|----|-------|----|------|-----|------|--------|-------------|------------|
| | | | f | % | f | % | f | % | f | % | f | % | f | % | |
| satisfaction | 1 | Z1 | 46 | 39.70 | 67 | 57.80 | 2 | 1.70 | 1 | 0.90 | 0 | 0.00 | 116 | 100 | 4.36 |
| | 2 | Z2 | 39 | 33.60 | 71 | 61.20 | 6 | 5.20 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.28 |
| | 3 | Z3 | 33 | 28.40 | 67 | 57.80 | 13 | 11.20 | 3 | 2.60 | 0 | 0.00 | 116 | 100 | 4.12 |
| | 4 | Z4 | 48 | 41.40 | 59 | 50.90 | 9 | 7.80 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.34 |
| | 5 | Z5 | 41 | 35.30 | 61 | 52.60 | 14 | 12.10 | 0 | 0.00 | 0 | 0.00 | 116 | 100 | 4.23 |
| Indicator Mean | | | | | | | | | | | | | | 4.26 | |
| Grand Mean | | | | | | | | | | | | | | 4.26 | |

Source : Appendix 7

Note : SA: Strong Agree, A: Agree, N: Neutral, DA: Disagree, SDA: Strongly Disagree

Z.1 Customer satisfy with service quality

Z.2 Customer satisfy with product

Z.3 Customer satisfy with affordability of charges was charged by bank

Z.4 Customer comfortable

Z.5 Proud with product

Satisfaction indicators was measure through five items, namely customer satisfy with service quality, customer satisfy with product, customer satisfy

with affordability of charges was charged by bank, customer comfortable, and proud with product. It can be seen in table 17 for item customer satisfy with service quality (Z.1) can be seen that respondents who strongly agree were 46 people (39.70%), respondents who agree were 67 people (57.80%), respondents who neutral were 2 people (1.70%), respondents who disagree was a person (0.90%), and none of respondent was strongly disagree (0.00%). It shows that based on answer of the customers, the mean of item was accounted 4.36.

The perception of customer satisfy with service quality shows quality was given to increase image perception. Image perception was builded to increase customer attractiveness. The quality was ranked by customer, that is why BNI were motivated to improve the quality of services.

For the item of customer satisfy with product (Z.2) can be seen that respondents who strongly agree were 39 people (33.60%), respondents who agree were 71 people (61.20%), respondents who neutral were 6 people (5.20%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, the mean of item accounted was 4.28.

The perception of customer satisfy with product shows the product was needed to be upgraded because it is importance such as renewable of program product event or policy. This renewable product was making the product event fresh again to customer. The example of renewable product event was

launching annual event such as ramadhan event, new year event and independent day even.

For the item of customer satisfy with affordability of charges charged by bank (Z.3) can be seen that respondents who strongly agree were 33 people (28.40%), respondents who agree were 67 people (57.80%), respondents who neutral were 13 people (11.20%), respondents who disagree were 3 people (2.60%), and none of respondent was strongly disagree (0.00%). It shows that based on answer of the customers, the mean of item accounted was 4.12.

The perception of customer satisfy with affordability of charges was charged by bank shows the charge was being implemented has catagorized suitable. Suitable charge was increased customer satisfaction because actual performance more than customer expectation. But if the actual performance less than customer expectation, it was decreased customer satisfaction.

For the item of customer comfortable (Z.4) can be seen that respondents who strongly agree were 48 people (41.40%), respondents who agree were 59 people (50.90%), respondents who neutral were 9 people (7.80%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, the mean of item was accounted 4.34.

The perception of customer comfortable shows convenience of customer was implemented by BNI to make customer pleasant. If the customer pleasant, level of customer satisfaction of BNI would be increased. The level of customer satisfaction of BNI was being implemented more than customer expected, that was made customer satisfy.

For the item of proud with product (Z_5) can be seen that respondents who strongly agree were 41 people (35.30%), respondents who agree were 61 people (52.60%), respondents who neutral were 14 people (12.10%), and none of respondent was disagree and strongly disagree (0.00%). It shows that based on answer of the customers, the mean of item was accounted 4.23.

The perception of proud with product shows actual performance of BNI was implemented more than customer expectation. Customer satisfaction was decreased because the customer expectation was being more than actual performance of BNI. BNI were tried to improve the product, and that was made customer proud with the product.

Based on the result of the overall calculation of items, the mean of customer satisfaction (Z) is 4.26. It showed that most respondents were satisfied with BNI. Customers who have a positive perception before using the BNI later when using BNI and gain a positive experience and according to the perceived, it can increase the satisfaction. Those customers will feel happy and do not regret the decision to use BNI. The satisfaction of customers is shown through a sense of fun with his decision in use the products and services of BNI, have confidence that the BNI is the correct choice, and feel satisfied when use all of BNI's services. Items that have the greatest mean is Customer satisfy with service quality.

4. Customer Loyalty

Customer loyalty was measured through four items. These items examined in this research which overview of the customer loyalty items can be seen in Table 18.

Table 18: Frequency Distribution of Customer loyalty

| | Items | | SA | | A | | N | | DA | | SDA | | Amount | | Items Mean |
|-----------------------|-------|----|----|-------|----|-------|----|-------|----|-------|-----|------|--------|-----|-------------|
| | | | f | % | f | % | f | % | f | % | f | % | f | % | |
| Loyalty | 1 | Y1 | 40 | 34.50 | 56 | 48.30 | 16 | 13.80 | 4 | 3.40 | 0 | 0.00 | 116 | 100 | 4.14 |
| | 2 | Y2 | 19 | 16.40 | 41 | 35.30 | 14 | 12.10 | 34 | 29.30 | 8 | 6.90 | 116 | 100 | 3.25 |
| | 3 | Y3 | 23 | 19.80 | 66 | 56.90 | 15 | 12.90 | 10 | 8.60 | 2 | 1.70 | 116 | 100 | 3.84 |
| | 4 | Y4 | 37 | 31.90 | 66 | 56.90 | 8 | 6.90 | 4 | 3.40 | 1 | 0.90 | 116 | 100 | 4.16 |
| Indicator Mean | | | | | | | | | | | | | | | 3.85 |
| Grand Mean | | | | | | | | | | | | | | | 3.85 |

Source : Appendix 7

Note : SA: Strong Agree, A: Agree, N: Neutral, DA: Disagree, SDA: Strongly Disagree
 Y.1 Purchases repeatedly
 Y.2 Inter-line purchase of services
 Y.3 Refer the bank to others
 Y.4 Showed resistance to the pull of competitors

Satisfaction indicators was measure through five items, namely purchases repeatedly, inter-line purchase of services, refer the bank to others, and showed resistance to the pull of competitors. It can be seen in table 18 for item purchases repeatedly (Y.1) can be seen that respondents who strongly agree were 40 people (34.50%), respondents who agree were 56 people (48.30%), respondents who neutral were 16 people (13.80%), respondents who disagree were 4 people (3.40%), and none of respondent was strongly disagree (0.00%). It shows that based on answer of the customers in conducting purchases repeatedly with mean of item accounted 4.14. This means that most of respondents agree in order to conduct purchases repeatedly of BNI's

products and services in the future continuously. These results are reinforced by the overall data showed that the number of respondents who agree and strong majority agree as many as 96 people or 82.80%.

For the item inter-line purchase of services (Y.2) can be seen that respondents who strongly agree were 19 people (16.40%), respondents who agree were 41 people (35.30%), respondents who neutral were 14 people (12.10%), respondents who disagree were 34 people (29.30%), and respondents who strongly disagree were 8 people (6.90%). It shows that based on answer of the customers, customer of BNI used different product lines with mean of item accounted 3.25. It means that most of respondents are very agree in conduct the inter-line purchase of services to the products and services of BNI in the future. These results were reinforced by the overall data showed that the number of respondents who agree and strong majority agree as many as 60 people or 51.70%.

For the item refer the bank to others (Y.3) can be seen that respondents who strongly agree were 23 people (19.80%), respondents who agree were 66 people (56.90%), respondents who neutral were 15 people (12.90%), respondents who disagree were 10 people (8.60%), and respondents who strongly disagree were 2 people (1.70%). It showed that based on answer of the customers, customer of BNI refer the bank to others with mean of item accounted was 3.84. It meant that most of respondents were very agreed in refer the bank to others of BNI's products and services. These results were

reinforced by the overall data shows that the number of respondents who agree and strong majority agree as many as 89 people or 76.70%.

For the item showed resistance to the pull of competitors (Y.4) can be seen that respondents who strongly agree were 37 people (31.90%), respondents who agree were 66 people (56.90%), respondents who neutral were 8 people (6.90%), respondents who disagree were 4 people (3.40%), and respondents who strongly disagree was only a person (0.90%). It shows that based on answer of the customers, customer of BNI showed resistance to the pull of competitors with mean of item accounted 4.16. This meant that most of respondents were very agree in showed resistance to the pull of competitors to BNI's products and services. These results were reinforced by the overall data shows that the number of respondents who agree and strong majority agree as many as 103 people or 88.80%.

Based on the results of the overall calculation of items, the mean of customer loyalty variable (Y) was 3.85. It showed that most respondents are loyal to the BNI. Loyal customers using the BNI will keep receipts of products and services from BNI as the main choice. Items that have the greatest mean was showed resistance to the pull of competitors.

D. Test Result of Path Analysis

1. Path coefficient testing of relationship marketing on customer satisfaction

The test result of relationship marketing on customer satisfaction can be seen in table 19. The research hypothesis which tested as follows:

H1 = there is impact of relationship marketing on customer satisfaction.

Table 19. Path Coefficient Testing of Relationship Marketing on Customer Satisfaction

| Exogenous Variable | Endogenous Variable | Beta Coefficient | ttest | P-Value | Explanation |
|------------------------|-----------------------|------------------|-------|---------|-------------|
| Relationship Marketing | Customer Satisfaction | 0.210 | 2.232 | 0.028 | Significant |
| n = 116 | | | | | |

Source: Appendix 8

The beta coefficient accounted was 0.210, it indicated that relationship marketing has a significant impact on customer satisfaction by ttest with the number of 2.232 and the probability with the number of 0.028. The decision, H0 rejected. It meant hypothesis, there is impact of relationship marketing on customer satisfaction was accepted.

2. Path coefficient testing of Service quality on customer satisfaction

The test result of service quality on customer satisfaction can be seen in table 20. The research hypothesis which tested as follows:

H2 = there is impact of service quality on customer satisfaction.

Table 20. Path coefficient testing of service quality on customer satisfaction

| Exogenous Variable | Endogenous Variable | Beta Coefficient | ttest | P-Value | Explanation |
|--------------------|-----------------------|------------------|-------|---------|-------------|
| Service Quality | Customer Satisfaction | 0.540 | 5.379 | 0.000 | Significant |
| n = 116 | | | | | |

Source: Appendix 8

The beta coefficient accounted was 0.540, it indicated that service quality has a significant impact on customer satisfaction by ttest with the number of 5.379 and the probability with the number of 0.000. The decision, H0 rejected.

It meant hypothesis, there is impact of service quality on customer satisfaction was accepted.

3. Path coefficient testing of relationship marketing on customer loyalty

The test result of relationship marketing on customer loyalty can be seen in table 21. The research hypothesis which was tested as follows:

H3 = there is impact of relationship marketing on customer loyalty.

Table 21. Path coefficient testing of relationship marketing on customer loyalty

| Exogenous Variable | Endogenous Variable | Beta Coefficient | ttest | P-Value | Explanation |
|------------------------|---------------------|------------------|-------|---------|-------------|
| Relationship Marketing | Customer Loyalty | 0.389 | 3.621 | 0.000 | Significant |
| n = 116 | | | | | |

Source: Appendix 9

The beta coefficient accounted was 0.389, it indicated that relationship marketing has a significant impact on customer loyalty by ttest with the number of 3.621 and the probability with the number of 0.000. The decision, H0 rejected. It meant hypothesis, there is impact of relationship marketing on customer loyalty was accepted.

4. Path coefficient testing of Service quality on customer loyalty

The test result of relationship marketing on customer satisfaction can be seen in table 22. The research hypothesis which was tested as follows:

H4 = there is impact of service quality on customer loyalty.

Table 22. Path coefficient testing of service quality on customer loyalty

| Exogenous Variable | Endogenous Variable | Beta Coefficient | ttest | P-Value | Explanation |
|--------------------|---------------------|------------------|--------|---------|-------------|
| Service Quality On | Customer Loyalty | -0.306 | -2.556 | 0.012 | Significant |
| n = 116 | | | | | |

Source: Appendix 9

The beta coefficient accounted was -0.306, it indicated that service quality significantly has a negative impact on customer loyalty by ttest with the number of -2.556 and the probability with the number of 0.012. The decision, H0 rejected. It meant hypothesis, there is impact of service quality on customer loyalty was accepted, but has a negative impact.

5. Path coefficient testing of customer satisfaction on customer loyalty

The test result of relationship marketing on customer satisfaction can be seen in table 23. The research hypothesis which was tested as follows:

H5 = there is impact of customer satisfaction on customer loyalty.

Table 23. Path coefficient testing of customer satisfaction on customer loyalty

| Exogenous Variable | Endogenous Variable | Beta Coefficient | ttest | P-Value | Explanation |
|-----------------------|---------------------|------------------|-------|---------|-------------|
| Customer Satisfaction | Customer Loyalty | 0.528 | 5.018 | 0.000 | Significant |
| n = 116 | | | | | |

Soerce: Appendix 9

The beta coefficient accounted was 0.115, it indicated that relationship marketing has a significant impact on customer satisfaction by ttest with the number of 5.173 and the probability with the number of 0.000. The decision, H0 rejected. It means hypothesis, there is impact of customer satisfaction on customer loyalty was accepted.

6. Diagram result of path analysis

Figure 5 shows result of path analysis model. Coefficient of relationship marketing on customer saisfaction accounted was 0.210. Coefficient of service quality on customer saisfaction accounted was 0.540. Coefficient of

relationship marketing on customer loyalty accounted was 0.389. Coefficient of service quality on customer loyalty accounted was -0.306, and the last coefficient of customer satisfaction on customer loyalty accounted was 0.528.

The final model of path analysis as follows:

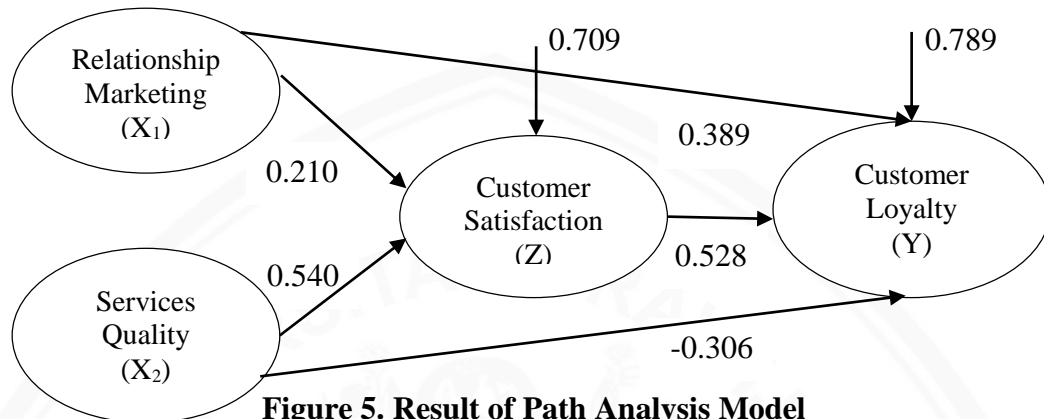


Figure 5. Result of Path Analysis Model

7. Indirect impact

The effect of exogenous variables on endogenous variables through intervening variables is named indirect effect. In this research, the indirect effect of relationship marketing on customer loyalty through customer satisfaction and indirect effect of service quality on customer loyalty through customer satisfaction, for more detail explained by the following equation:

- Indirect effect of relationship marketing on customer loyalty through customer satisfaction

$$\begin{aligned}
 \text{Indirect Effect (IE)} &= P_{X_1} \times P_{ZY} \\
 &= 0.210 \times 0.528 \\
 &= 0.111
 \end{aligned}$$

From the result calculation showed the number 0.111. This number meant indirect effect of relationship marketing on customer loyalty through customer satisfaction was 0.111.

- b. Indirect effect of service quality on customer loyalty through customer satisfaction

$$\begin{aligned}\text{Indirect Effect (IE)} &= PX_2 \times PZY \\ &= 0.540 \times 0.528 \\ &= 0.285\end{aligned}$$

From the result calculation showed the number 0.285. This number meant indirect effect of service quality on customer loyalty through customer satisfaction was 0.285.

8. Total impact

The overall effect of the entire path can be called the total effect. The calculation of total effect could be explained by the following equation:

- a. Total effect relationship marketing on customer loyalty through customer satisfaction

$$\begin{aligned}\text{Total Effect (TE)} &= PX_2 + (PXZ \times PZY) \\ &= 0.389 + 0.111 \\ &= 0.500\end{aligned}$$

The calculation of total effect relationship marketing on customer loyalty through customer satisfaction was 0.500. This calculation indicates of customer satisfaction relationship marketing on customer loyalty.

- b. Total effect service quality on customer loyalty through customer satisfaction

$$\begin{aligned} \text{Total Effect (TE)} &= PX_2 + (PXZ \times PZY) \\ &= -0.306 + 0.285 \\ &= -0.021 \end{aligned}$$

The calculation of total effect service quality on customer loyalty through customer satisfaction was -0.021. This calculation indicates of customer satisfaction as intervening variable strengthen service quality on customer loyalty.

Table 24: Recapitulation of Direct Effect, Indirect Effect, and Total Effect

| Exogenous Variable | Intervening Variable | Endogenous Variable | Direct Effect | Indirect Effect | Total Effect | ttest | P-Value | Explanation |
|-----------------------------|---------------------------|---------------------------|---------------|-----------------|--------------|--------|---------|-------------|
| Relationship Marketing (X1) | - | Customer Satisfaction (Z) | 0.210 | - | 0.210 | 2.232 | 0.028 | Significant |
| Service Quality (X2) | - | Customer Satisfaction (Z) | 0.540 | - | 0.540 | 5.379 | 0.000 | Significant |
| Relationship Marketing (X1) | Customer Satisfaction (Z) | Customer Loyalty (Y) | 0.389 | 0.111 | 0.500 | 3.621 | 0.000 | Significant |
| Service Quality (X2) | Customer Satisfaction (Z) | Customer Loyalty (Y) | -0.306 | 0.285 | -0.021 | -2.556 | 0.012 | Significant |
| Customer Satisfaction (Z) | - | Customer Loyalty (Y) | 0.528 | - | 0.528 | 5.018 | 0.000 | Significant |

Source: Data processed

9. Provision models

The research data as provision model can be measured from relationship of coefficient of determination (R^2) in both equation, which the result model as follows:

$$\begin{aligned}
 R^2 &= 1 - (1 - R^2_1)(1 - R^2_2) \\
 &= 1 - (1 - 0.496)(1 - 0.376) \\
 &= 1 - (0.504 \times 0.624) \\
 &= 1 - 0.314 \\
 &= 0.686
 \end{aligned}$$

The provision model calculation result showed 0.686. That calculation means contribution of the structural model to describe the relationship model among four variables studied amounted to 68.6%. The rest of number was 31.4% which means explained by other variables that were not included in this research model.

E. Discussion of Research Result

1. The impact of relationship marketing on customer satisfaction

Variable of relationship marketing consisting trust, commitment, communication and conflict handling has a significant impact on customer satisfaction. The impact was indicated by the value of the path coefficient (β) accounted 0.210 with p-value with the number of 0.028 ($p < 0.05$). The significant impact was proved that when the relationship marketing level of BNI increase, the customer satisfaction will be increase too. In this research BNI customers satisfied because relationship marketing promote the relationship items, the items were trust, commitment, communication, and conflict handling. Those items integrated and satisfied the BNI customers.

The result of this research was being supported by Rezvani (2012) which explained relationship marketing has any impact upon the extent of customer's loyalty through influencing customer's satisfaction. According to Rezvani, the banks should do some measurements to create commitment and make their services compatible with each customer needs, for this sake, the bank management and employees should identify each customer needs by establishing long term and stable relationship and do some measurements to support customers with the required and special services. The result of this research also confirmed by Rizan (2014) that explained relationship marketing has significant affect on customer satisfaction. The result of this research also confirmed by Chavan (2013) that was explained the study has endowed insights and implications for bank management, thus enabling them to develop strategies to improve customer satisfaction and consequently, retention rates.

In this research the majority reason of customers that choosing BNI was the commitment and trust level of BNI. Thus by using relationship marketing based on commitment and trust level, the BNI was being appropriated with BNI customer's reasons to chose it. Satisfaction is comparison between expectation and reality which has been obtained after using the products or services. It can be concluded that customer expectations appropriate with BNI.

Furthermore customer satisfaction of BNI was occurred because several reasons, such as customer feels satisfied with service quality,

customer feels satisfied with product, customer feels satisfied with affordability of charges was charged by bank, customer comfortable being a customer of bank, and customer proud with product. In addition, BNI was consistent in providing service quality and adjustments to suit customers' needs. Based on the research result, it can be concluded the increasing relationship marketing can be used as strategy to increase customer satisfaction of BNI.

2. The impact of service quality on customer satisfaction

Variable of service quality has a significant impact on customer satisfaction. The impact was indicated by the value of the path coefficient (β) accounted 0.540 with p-value with the number of 0.000 ($p < 0.05$). The significant impact means, when the service quality level of BNI increase, the customer satisfaction will increase too. In this research, BNI customers were satisfied because service qualities promote the satisfaction items, the items were reliability, responsiveness, assurance, empathy and tangible. Those items integrated and satisfied the BNI customers.

The result of this research was being supported by Akbar (2009) which explained service qualities have any impact on customer's satisfaction. According to Akbar, the management should primarily focus on customer satisfaction for which service quality is an important antecedent. The result of this research also was confirmed by Mosahab (2010) that explained satisfaction plays important role and there is a positive and meaningful relation among service quality with satisfaction.

In this research the majority reason of customers that choose BNI was the assurance and tangible of BNI. Thus by using service quality based on assurance and tangible of BNI was being appropriated with BNI customer's reasons to satisfy with it. Based on assurance of the BNI, the level knowledge of employees, proficiency employees to communicate and employees attitude was appreciated as the customer wants. Meanwhile, based on tangible of the BNI, implementation of neatness appearance employee, cleanliness and completed equipment was proved by BNI as service quality to satisfy customer. Satisfaction is comparison between expectation of customer and fact obtained after use the product or services. It can be concluded that customer expectations appropriate with BNI.

Furthermore customer satisfaction of BNI was occur because several reason, such as customer satisfy with service quality, customer satisfy with product, customer satisfy with affordability of charges was charged by bank, customer comfortable being a customer of bank, and customer proud with product. In addition BNI were consistent in providing service quality and adjustments to suit customers' needs. Based on the research result, it can be concluded that the increasing relationship marketing can be used as strategy to increase customer satisfaction of BNI.

3. The impact of relationship marketing on customer loyalty

The result of relationship marketing variable has a significant impact on loyalty variable. The impact was indicated by the value of the path coefficient (β) accounted was 0.389 with p-value with the number of 0.000 ($p < 0.05$). The significant impact means, when the relationship marketing level of BNI increase the customer loyalty will be increase too. In this research BNI customers were clasified as loyal because relationship marketing promote the items of customer loyalty, the items were trust value, commitment value, communication value, and confict handling value. Those items integrated with the loyalty of BNI customers.

The result of this research was supported by Jesri (2013) which expalined all components of relationship marketing (trust, commitment, communication, conflict handling and competence) have an impact on customer loyalty. The result of this research also was confirmed by Rezvani (2011) that explained trust, commitment, connection, conflict have an impact on customer loyalty. The result of this research also was confirmed by Rizan (2014) that explained the relationship marketing tactics affected customer loyalty significantly. According to Nduibisi (2007) trust, commitment, communication and conflict handling have a significant effect and predict a good proportion of the variance in customer loyalty. Moreover, they significantly related to one another. Based on the research result, it can be concluded the increasing

relationship marketing can be used as strategy to increase customer loyalty.

4. The impact of service quality on customer loyalty

Calculation of the service quality variable consisting indicators of reliability, responsiveness, assurance, empathy and tangible has a significant negative impact on customer satisfaction. The impact was indicated by the value of the path coefficient (β) accounted -0.306 with p-value with the number of 0.012 ($p < 0.05$). The significant negative impact means, when the service quality level of BNI increase the customer loyalty will be decrease. That happen because most of respondents are student (53.40 %) which force to open saving account of BNI Taplus (56.00 %), whereas the student want to open BNI Simpanan Pelajar account which more cheaps and easy to maintain. If service quality decrease, the student has a reason to change the saving account to other, such as BNI Simpanan Pelajar. This disloyalty was making the student willing to change to other account or banking services.

The result of this research was supported by Chavan (2013) that explain service quality and customer loyalty are connected, but this research was not supported by Ivanauskienė (2014) which explained service quality has a positive impact on customer loyalty. Loyalty of customers of BNI were decrease as a result of the indicators which owned by service quality increase, this indicator are reliability, responsiveness, assurance, empathy and tangible.

5. The impact of customer satisfaction on customer loyalty

Result of calculation variable of customer satisfaction has a significant impact on customer loyalty. The impact was indicated by the value of the path coefficient (β) accounted 0.528 with p-value with the number of 0.000 ($p < 0.05$). The significant impact means, when the customer satisfaction level of BNI increase the customer loyalty will be increase too. The result of this research was supported by Rezvani (2012) which explained customer satisfaction influence customer's loyalty. The result of this research also was confirmed by Rizan (2014) and Akbar (2009) that explained customer loyalty has significant affect on customer satisfaction. The result of this research also confirmed by another study was conducted by Mozahab (2010) that explained the the customer satisfaction plays the role of a mediator in the effects of service quality on service loyalty. Customer will be satisfied, if the product or services that was expected by the customer in accordance with the performance of BNI. Based on the research result, it can be concluded the increasing customer satisfaction can be used as strategy to increase customer loyalty of BNI customer.

CHAPTER V

CONCLUSION AND RECOMMENDATION

A. Conclusion

This research is to examine cause and effect the independent variables and intervening variable affect on dependent variable. The variable has been used by this research are relationship marketing and service quality as dependent variables, customer satisfaction as intervening variable and customer loyalty as dependent variable. The research data as provision model was accounted 68.6 % from relationship of coefficient of determination. Based on research that has been conducted by path analysis can be concluded as follows:

1. Relationship marketing significantly has a positive impact on customer satisfaction with path coefficient (β) accounted 0.210 with p-value 0.028 ($p < 0.05$). Based on direct effect (DE), it has accounted 0.210.
2. Service quality significantly has a positive impact on customer satisfaction with path coefficient (β) accounted 0.540 with p-value 0.000 ($p < 0.05$). Based on direct effect (DE), it has accounted 0.540. Based on result of path coefficient, this result has the most positive impact than the others.
3. Relationship marketing significantly has a positive impact on customer loyalty with path coefficient (β) accounted 0.389 with p-value 0.000 ($p < 0.05$). Based on direct effect (DE), it has accounted 0.389, indirect effect (IE) accounted 0.111, and total effect accounted 0.500. This



result will more strengthen the positive impact if customer satisfaction used as intervening variable.

4. Service quality significantly has a negative impact on customer loyalty with path coefficient (β) accounted -0.306 with p-value 0.012 ($p < 0.05$). Based on direct effect (DE), it has accounted -0.306, indirect effect (IE) accounted 0.285, and total effect accounted -0.021. This result will more strengthen the positive impact if customer satisfaction used as intervening variable.
5. Customer satisfaction significantly has a positive impact on customer loyalty with path coefficient (β) accounted 0.528 with p-value 0.000 ($p < 0.05$). Based on direct effect (DE), it has accounted 0.528.

B. Recommendation

Based on the conclusion, the variable has been used by this research relationship marketing and service quality as dependent variables, customer satisfaction as intervening variable and customer loyalty as dependent variable, issues should be taken into account by BNI and future research, as follows:

1. Management of BNI at Malang Branch Office should be able to maintain and improve the indicators of relationship marketing, because relationship marketing has a significant impact on customer satisfaction and customer loyalty. Strategies that can be used by the BNI to increase the relationship marketing as follows:

- a. BNI should more intents monitoring of suspicious transactions, auditing the security systems, educate and remind customers to maintain the importance of personal identities.
 - b. Increase easiness ways to the customers to choose products and services what they want and needs.
 - c. Improve consistency of performance.
2. Management of BNI at Malang Branch Office should be able to maintain and improve not all of the indicators of service quality, because service quality significantly has a positive impact only on customer satisfaction, whereas service quality significantly has a negative impact only on customer loyalty, it because the indicator related inter-line purchase of services and refer the bank to others decrease the impact of the variables. Strategies that can be used by the BNI to increase the service quality as follows:
- a. Employees of BNI should have to increase neatness and good perception to customers.
 - b. Create comfortable atmosphere to customers as customer want, because when customers feel comfortable, it was increasing service quality of BNI.
3. The future research is expected to examine the other of variable beyond in this research that have been investigated, to obtain complete overall of pictures or image the relationship marketing and service

quality as independent variables, customer satisfaction as intervening variable and customer loyalty as dependent variable.



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