

The Effect of Customer Relationship Management, Service Quality, and Satisfaction with Complaint Resolution on Corporate Image, Customer Confidence and Customer Loyalty of Individual Giro Customerat PT. Bank Pembangunan Daerah Jawa Timur TBK.

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Abstract:- Fintech's presence further tightened competition between banks and non-bank, as evidenced by slowing growth in banking transactions through debit cards and credit cards. The challenging of Bank Jatim's performance due to intense competition, making loyalty a very important thing, in order to keep customers loyal using bank services, does not move to other banks. The purpose of this study is to analyze customer loyalty at Bank Jatim, as well as the factors that influence it, namely CRM, service quality, satisfaction with complaint resolution, corporate image, and customer confidence.

The study design uses explanatory research. The research sample was Bank Jatim Individual Giro customers, and a sample of 365 employees was obtained. Data analysis techniques using Structural Equation Modeling (SEM).

The results show CRM and service quality both significantly effect on corporate image and customer confidence, but its effect on customer loyalty are not significant. Satisfaction with complaint resolution significantly effect on corporate image, customer confidence, and customer loyalty. Corporate image has a significant effect on customer confidence but not on customer loyalty. Finally, customer confidence has a significant effect on customer loyalty.

The recommendation for further research is that the model analysis can be grouped based on the mild nature of the severity of customer complaints, severe complaints if able to be resolved properly will be able to change negative customer attitudes into positive attitudes. Conversely, a mild complaint does not affect the customer's attitude because the resolution of the complaint is considered easy.

Keywords:- CRM, Service Quality, Satisfaction with Complaint Resolution, Corporate Image, Customer Confidence, Customer Loyalty.

I. INTRODUCTION

The condition of the decrease in the number of customer funds from Individual Giro makes loyalty very important to keep Individual Giro customers loyal to using the services of Bank Jatim, not moving to another bank. In a competitive market, customer loyalty is an important issue facing the Indonesian banking sector. Griffin (2005: 31) explains that loyal customers make regular repeat purchases, purchase between product and service lines, refer to others, and show immunity to the pull of competitors.

Getting loyal customers is the goal of every bank. According to Alma (2016: 275), there are six reasons why companies must retain and retain their customers, and namely existing customers have greater prospects to provide benefits for the company, the costs incurred by the company in maintaining and keeping existing customers are much smaller. Instead of looking for new customers, customers who trust an institution in a business deal are more likely to trust other business problems. The company will benefit from efficiency, existing customers have many positive experiences, reduce psychological costs and socialization, also as old customers, will try to refer the company to friends and the environment.

Kotler and Keller (2016:16) explained that the existence of CRM is very important for banks to maintain and develop beneficial and profitable long-term relationships between banks and their customers. These benefits can be in the form of financial benefits, social benefits, and structural ties. Financial benefits in the form of marketing programs in the state of rewards and special discounts to customers who often make large transactions. Social benefits provide social benefits that touch the needs of customers more personally, such as each bank employee

greet customers and can remember what services customers like based on the stored database. Furthermore, structural ties benefit by building profitable long-term relationships with customers through the provision of online portals, such as websites, social media, internet banking, and mobile banking, making it easier for customers to communicate and transact with banks.

Patawayati et al. (2013) added that the service quality provided by the company and customer satisfaction is closely related to the advantages that will be made by the company. With the quality of service that meets consumer preferences so that the company is embedded in the consumer's mind, this is certainly beneficial for the company because consumers can do promotions indirectly to friends, family, or others to consume products or services from the company. In turn, consumers can create loyalty to the company and trust and pride in the company.

Good handling of complaints will result in confidence and commitment from customers over the company, and ultimately, the company's image will be positive (Malian, 2016). This opinion is also supported by Tejaningtyas research (2015), which shows that handling complaints has a significant effect on the company's image. Proper handling of complaints will provide an opportunity to turn a dissatisfied person into a satisfied customer so that the customer will be loyal; this means that the complaint actually offers the opportunity to increase loyalty.

The next strategy is to increase customer loyalty by strengthening the company's image in the minds of its customers. According to Dowling in Nha Nguyen (2006: 63), corporate image is the consumer's response to the overall offering provided by the company and is defined as some beliefs, ideas, and general impressions of an organization. The image will have an impact on the success of the company's business and marketing activities. A bad image will have a negative effect on the company's business operations. A good and strong corporate image will have benefits to loyalty. Arlan (2006) suggests that image is an important factor that is interrelated with image and loyalty. Sari (2018) also states that an image is expected to be an important factor in customer confidence. Other researchers, namely Sutrisno, Brahmasari, and Panjaitan (2016), also show that company image affects customer confidence and loyalty.

The next strategy to increase customer loyalty is to increase customer confidence in using company services. Samuel (2012: 35) explains, confidence is an important factor that can overcome crises and difficulties between business partners; besides that, it is also an important asset in developing long-term relationships between organizations. Organizations that can identify and control the factors that form confidence can create and make effective customer relationships.

II. FORMULATION OF THE PROBLEM

Based on the description that has been provided in the background, which provides an overview of the relationship between customer relationship management, service quality, satisfaction with complaint resolution, corporate image, customer confidence, and customer loyalty to customers of PT. East Java Regional Development Bank Tbk., Then the formulation of the problem can be conveyed as follows:

1. Does customer relationship management have a significant effect on the corporate image at PT. East Java Regional Development Bank Tbk.?
2. Does service quality have a significant effect on the corporate image at PT. East Java Regional Development Bank Tbk.?
3. Does the satisfaction with complaint resolution have a significant effect on the corporate image at PT. East Java Regional Development Bank Tbk.?
4. Does customer relationship management have a significant effect on customer confidence in PT. East Java Regional Development Bank Tbk.?
5. Does service quality have a significant effect on customer confidence in PT. East Java Regional Development Bank Tbk.?
6. Does the satisfaction with complaint resolution have a significant effect on customer confidence in PT. East Java Regional Development Bank Tbk.?
7. Does customer relationship management have a significant effect on customer loyalty at PT. East Java Regional Development Bank Tbk.?
8. Does service quality have a significant effect on customer loyalty at PT. East Java Regional Development Bank Tbk.?
9. Does satisfaction with complaint resolution affect customer loyalty at PT. East Java Regional Development Bank Tbk.?
10. Does the corporate image have a significant effect on customer confidence at PT. East Java Regional Development Bank Tbk.?
11. Does the corporate image have a significant effect on customer loyalty at PT. East Java Regional Development Bank Tbk.?
12. Does customer confidence have a significant effect on customer loyalty at PT. East Java Regional Development Bank Tbk.?

III. LITERATURE REVIEW

According to Kotler and Keller (2016: 5), marketing is identifying and meeting human and social needs. One good and short definition of marketing are "making ends meet profitably." American Marketing Association (AMA), the purpose of marketing is an organizational function and a set of processes for creating, communicating, and providing value to customers to manage customer relationships that benefit the organization and its stakeholders.

Furthermore, according to Wilde (2011: 45), managing, processing existing knowledge about customers, it can enable companies to build and maintain satisfaction and profit. Through high customer loyalty, the company can make a profit continuously.

Application of Customer Relationship Management with the hope of meeting consumer needs appropriately, to encourage consumer satisfaction with a product. Customer satisfaction is an important factor in creating loyalty. By feeling satisfied with a product, consumers will automatically come back to buy and consume the product.

Service quality is the difference between the expectations and the reality of customers for the service they receive. By comparing customer perceptions of the service they receive with the actual service they expect, is identifying service quality. Service quality is the main thing that companies pay serious attention to, which involves all company resources.

Goodwin and Ross (1995) state that when every consumer gets the opportunity to express his feelings and opinions on an object to a business actor, the consumer will feel more satisfied. Middle and upper-middle business actors such as large companies and online shopping services mostly provide customer service through toll-free numbers and websites for customers or consumers who will file

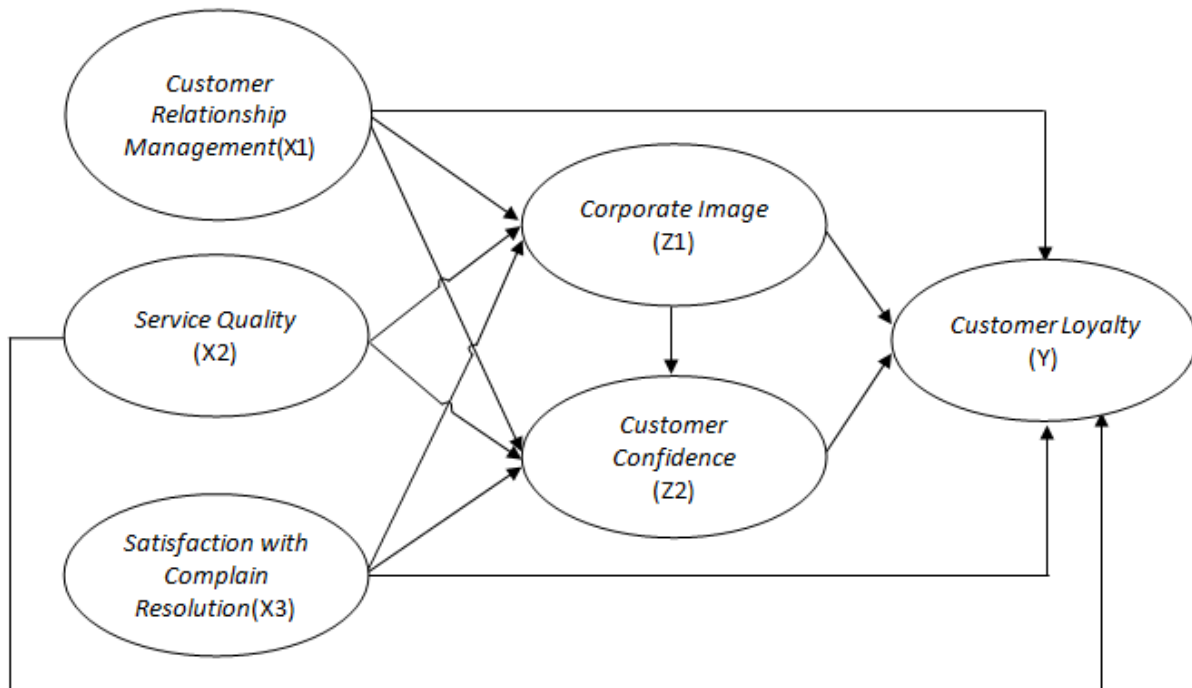
complaints to be handled (Kotler and Keller, 2016), while for medium-sized businesses to the bottom, complaints are usually conveyed right away directly to the business actor.

Corporate image is the perception of a company, which is reflected in the associations contained in memory. According to Nguyen and Leblanc (2001), corporate image is related to physical and company-related attributes such as name, building, product/service, to influence everyone's quality so that they are attracted to the company.

Trust has an important role in shaping the relationship between consumers and providers of goods or services. Sangadji and Sopiah (2013: 201), there are two kinds of attributes, namely: intrinsic characteristics related to the actual properties of the product and extrinsic attributes obtained from external aspects of the product, such as brand name, packaging, and label. Trust is also related to attitudes, behavior, and product attributes.

According to Griffin (2005: 5), loyalty related to attitudes and actions reveals that the concept of customer loyalty is more associated with behavior than with attitudes. If a person is a loyal customer, he shows non-random buying behavior, where he knows what to buy and from whom to buy and requires the purchase to occur no less than twice.

IV. CONCEPTUAL FRAMEWORK



H₁: Customer relationship management has a significant effect on the corporate image at PT. East Java Regional Development Bank Tbk.

H₂: Service quality has a significant effect on the corporate image at PT. East Java Regional Development Bank Tbk.

H₃: Satisfaction with complaint resolution has a significant effect on the corporate image at PT. East Java Regional Development Bank Tbk.

H₄: Customer relationship management has a significant effect on customer confidence in PT. East Java Regional Development Bank Tbk.

H₅: Service quality has a significant effect on customer confidence in PT. East Java Regional Development Bank Tbk.

H₆: Satisfaction with complaint resolution has a significant effect on customer confidence in PT. East Java Regional Development Bank Tbk.

H₇: Customer relationship management has a significant effect on customer loyalty at PT. East Java Regional Development Bank Tbk.

H₈: Service quality has a significant effect on customer loyalty at PT. East Java Regional Development Bank Tbk.

H₉: Satisfaction with complaint resolution has a significant effect on customer loyalty at PT. East Java Regional Development Bank Tbk.

H₁₀: Corporate image has a significant effect on customer confidence in PT. East Java Regional Development Bank Tbk.

H₁₁: Corporate image has a significant effect on customer loyalty at PT. East Java Regional Development Bank Tbk.

H₁₂: Customer confidence has a significant effect on customer loyalty at PT. East Java Regional Development Bank Tbk.

V. RESEARCH METHODOLOGY

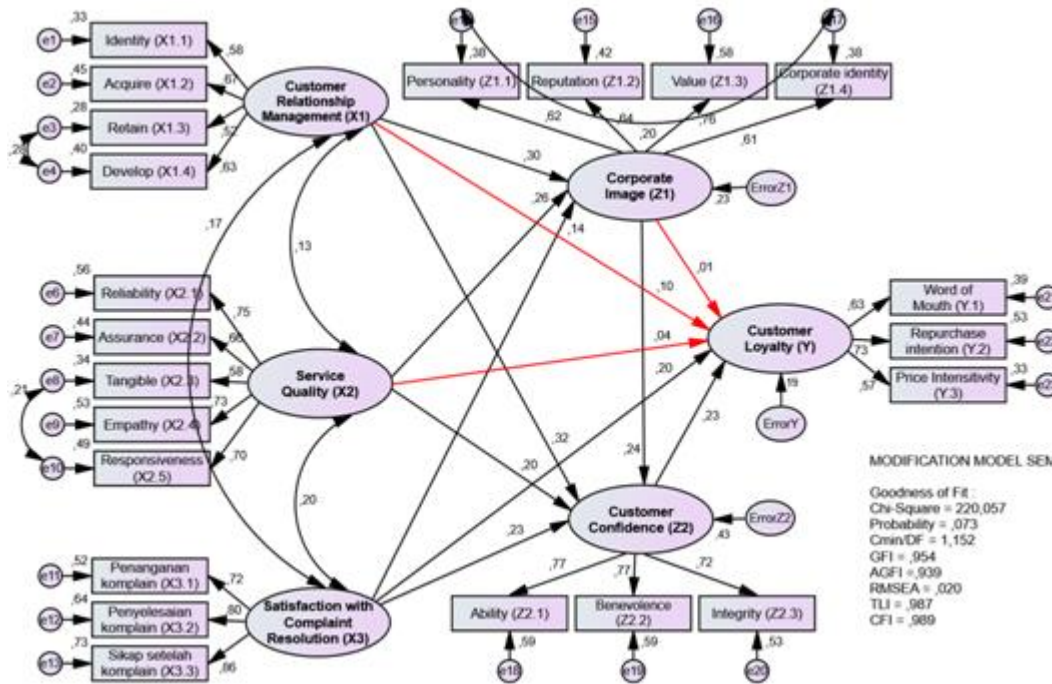
The population in this study were third party customers (DPK) specifically for Individual Giro at PT. East Java Regional Development Bank Tbk., With restrictions on first-class branches according to the BI working area in East Java, Surabaya, Malang, Kediri, and Jember. With a total of 4,151 customers (results of the 2019 Bank Jatim annual report). Based on calculations using the Slovin formula, the minimum sample size is 364.84 and will be rounded to 365 samples.

VI. HYPOTHESIS TESTING

Model modification in SEM can be done with the help of the modification index issued by AMOS software and adjusted with theoretical support. The results of the SEM model modification are presented in the following Figure:

Hip.	Causality Relationship		Std. Estimate	C.R.	P-value	Note
H ₁	Customer Relationship Management (X1)	→ Corporate Image (Z1)	0,322	3,795	0,000	S
H ₂	Service Quality (X2)	→ Corporate Image (Z1)	0,122	4,096	0,000	S
H ₃	Satisfaction with Complaint Resolution (X3)	→ Corporate Image (Z1)	0,093	2,214	0,027	S
H ₄	Customer Relationship Management (X1)	→ Customer Confidence (Z2)	0,443	4,440	0,000	S
H ₅	Service Quality (X2)	→ Customer Confidence (Z2)	0,121	3,415	0,000	S
H ₆	Satisfaction with Complaint Resolution (X3)	→ Customer Confidence (Z2)	0,201	4,103	0,000	S
H ₇	Customer Relationship Management (X1)	→ Customer Loyalty (Y)	0,188	1,136	0,256	NS
H ₈	Service Quality (X2)	→ Customer Loyalty (Y)	0,036	0,601	0,548	NS
H ₉	Satisfaction with Complaint Resolution (X3)	→ Customer Loyalty (Y)	0,243	2,836	0,005	S
H ₁₀	Corporate Image (Z1)	→ Customer Confidence (Z2)	0,310	3,405	0,000	S
H ₁₁	Corporate Image (Z1)	→ Customer Loyalty (Y)	0,027	0,179	0,858	NS
H ₁₂	Customer Confidence (Z2)	→ Customer Loyalty (Y)	0,312	2,267	0,023	S

Note: S (Significant); NS (NotSignificant)



Following are the results of hypothesis testing using standardized regression weight structural equation modelling modified by SEM:

1. The estimation result of the parameter of the influence of customer relationship management on corporate image shows a significant effect with a CR value of 3,795 (greater than 1.96) and a significance value (*p-value*) of 0,000 (smaller than the 5% real level). The resulting coefficient of influence is 0.322 (positive), meaning that the better the relationship management between Bank Jatim and its customers, the stronger the image of Bank Jatim in its customers' minds. Thus, the first hypothesis, which states that customer relationship management has a significant effect on the corporate image of Bank Jatim, is acceptable (**H₁ accepted**).
2. The estimation result of the parameter of the effect of service quality on the corporate image also shows a significant effect with a CR value of 4.096 (greater than 1.96) and a significance value (*p-value*) of 0.000 (less than the 5% real level). The resulting coefficient of influence is 0.122 (positive), meaning that the better the quality of Bank Jatim service to its customers, the stronger the image of Bank Jatim in its customers' minds. Thus, the second hypothesis, which states that service quality has a significant effect on the corporate image of Bank Jatim, is also acceptable (**H₂ is accepted**).
3. The estimation result of the parameter of the effect of satisfaction with complaint resolution on the corporate image also shows a significant effect with a CR value of 2,214 (greater than 1.96) and a significance value (*p-value*) of 0.027 (less than the 5% real level). The resulting coefficient of influence is 0.093 (positive), meaning that the higher the customer satisfaction with handling complaints to Bank Jatim, the stronger the image of Bank Jatim in the minds of customers. Thus, the third hypothesis, which states that satisfaction with

complaint resolution has a significant effect on the corporate image of Bank Jatim, is also acceptable (**H₃ accepted**).

4. The estimation result of the parameter of the effect of customer relationship management on customer confidence shows a significant effect with a CR value of 4.440 (greater than 1.96) and a significance value (*p-value*) of 0.000 (less than the 5% real level). The resulting coefficient of influence is 0.443 (positive), meaning that the better the management of the relationship between Bank Jatim and its customers, the higher its trust in Bank Jatim. Thus, the fourth hypothesis states that customer relationship management has a significant effect on customer confidence in Bank Jatim Individual Current Accounts, which is acceptable (**H₄ accepted**).
5. The estimation result of the parameter of the effect of service quality on customer confidence also shows a significant effect with a CR value of 3,415 (greater than 1.96) and a significance value (*p-value*) of 0,000 (smaller than the 5% real level). The resulting coefficient of influence is 0.121 (positive), meaning that the better the quality of Bank Jatim's service to its customers, the higher its trust in Bank Jatim. Thus, the fifth hypothesis which states that service quality has a significant effect on customer confidence in Bank Jatim Individual Giro customers is also acceptable (**H₅ accepted**).
6. The estimation result of the parameter of the effect of satisfaction with complaint resolution on customer confidence also shows a significant effect with a CR value of 4.103 (greater than 1.96) and a significance value (*p-value*) of 0.000 (less than the 5% real level). The resulting coefficient of influence is 0.201 (positive), meaning that the higher customer satisfaction with complaint handling, the higher customer trust in Bank Jatim. Thus, the sixth hypothesis, which states that satisfaction with complaint resolution has a significant

- effect on customer confidence of Bank Jatim, Individual Current Account customers, is also acceptable (**H₆ accepted**).
7. The estimation result of the parameter of the effect of customer relationship management on customer loyalty shows an insignificant effect with a CR value of 1.136 (less than 1.96) and a significance value (*p-value*) of 0.256 (greater than the 5% real level). The resulting coefficient of influence is only 0.188, meaning that the better the relationship management between Bank Jatim and its customers cannot have a big impact on increasing customer loyalty of Bank Jatim. Thus, the seventh hypothesis states that customer relationship management has a significant effect on customer loyalty of Bank Jatim Individual Giro customers, which cannot be accepted (**H₇ is rejected**).
 8. The estimation results of the parameter of the effect of service quality on customer loyalty also showed an insignificant effect with a CR value of 0.601 (less than 1.96) and a significance value (*p-value*) of 0.548 (greater than the 5% real level). The resulting coefficient of influence is only 0.036, meaning that the better the quality of Bank Jatim's service to its customers does not necessarily increase customer loyalty. Thus, the eighth hypothesis which states that service quality has a significant effect on customer loyalty of Bank Jatim Individual Giro customers, cannot be accepted (**H₈ is rejected**).
 9. The estimation result of the parameter of the effect of satisfaction with complaint resolution on customer loyalty shows a significant effect with a CR value of 2.836 (greater than 1.96) and a significance value (*p-value*) of 0.005 (smaller than the 5% real level). The resulting coefficient of influence is 0.243 (positive), meaning that the higher customer satisfaction with complaint handling, the higher customer loyalty to Bank Jatim. Thus, the ninth hypothesis, which states that satisfaction with complaint resolution has a significant effect on customer loyalty of Bank Jatim Individual Giro customers, is acceptable (**H₉ accepted**).
 10. The estimation results of the parameter of the influence of corporate image on customer confidence show a significant effect with a CR value of 3.405 (greater than 1.96) and a significance value (*p-value*) of 0.000 (smaller than the 5% real level). The resulting coefficient of influence is 0.310 (positive), meaning that the stronger the image of Bank Jatim in its customers' minds, the higher the customer's trust in Bank Jatim. Thus, the tenth hypothesis which states that corporate image has a significant effect on customer confidence in Bank Jatim Individual Giro customers is acceptable (**H₁₀ accepted**).
 11. The estimation results of the parameter of the effect of corporate image on customer loyalty show insignificant influence with a CR value of 0.179 (less than 1.96) and a significance value (*p-value*) of 0.858 (greater than the 5% real level). The resulting coefficient of influence is only 0.027, meaning that the stronger image of Bank Jatim in the minds of its customers cannot have a good impact on increasing customer loyalty. Thus, the eleventh hypothesis which states that corporate image has a significant effect on customer loyalty of Bank

Jatim Individual Giro customers, cannot be accepted (**H₁₁ is rejected**).

12. The estimation results of the parameter of the effect of customer confidence on customer loyalty show a significant effect with a CR value of 2.267 (greater than 1.96) and a significance value (*p-value*) of 0.023 (smaller than the 5% real level). The resulting coefficient of influence is 0.312 (positive), meaning that the higher the customer's trust in Bank Jatim, the higher the customer loyalty. Thus, the twelfth hypothesis which states that customer confidence has a significant effect on customer loyalty of Bank Jatim Individual Giro customers, is acceptable (**H₁₂ accepted**).

VII. CONCLUSION

The research objective was to analyze the effect of customer relationship management, service quality, and satisfaction with complaint resolution on corporate image, customer confidence, and customer loyalty to individual Giro customers of Bank Jatim. Based on the research objectives, as well as the results of the research and discussion that have been described in the previous chapter, it can be concluded as follows:

1. Customer relationship management has a significant effect on the corporate image of Bank Jatim. The better the relationship management between Bank Jatim and customers, the stronger the image of Bank Jatim in customers' minds.
2. Service quality has a significant effect on the corporate image of Bank Jatim. The better the service quality of Bank Jatim to customers, the stronger the image of Bank Jatim in customers' minds.
3. Satisfaction with complaint resolution has a significant effect on the corporate image of Bank Jatim. The higher the customer satisfaction with the settlement of complaints, the stronger the image of Bank Jatim in customers' minds.
4. Customer relationship management has a significant effect on customer confidence in Bank Jatim Individual Current Account customers. The better the relationship management between Bank Jatim and customers, the higher the confidence of individual Giro customers in Bank Jatim.
5. Service quality has a significant effect on customer confidence in Bank Jatim Individual Giro customers. The better the service quality of Bank Jatim to customers, the higher the confidence of individual Giro customers in Bank Jatim.
6. Satisfaction with complaint resolution has a significant effect on customer confidence in Bank Jatim Individual Giro customers. The higher the customer satisfaction with the complaint resolution, the higher the individual Giro customer trust in Bank Jatim.
7. Customer relationship management has no significant effect on customer loyalty to Bank Jatim Individual Giro customers. The better the relationship management between Bank Jatim and customers does not have a real impact on increasing customer loyalty to Bank Jatim.
8. Service quality has no significant effect on customer loyalty to Bank Jatim Individual Giro customers. The

- better the service quality of Bank Jatim to customers does not have a real impact on increasing customer loyalty to Bank Jatim.
9. Satisfaction with complaint resolution has a significant effect on customer loyalty to Bank Jatim Individual Giro customers, the higher customer satisfaction with complaint resolution, the higher customer loyalty to Bank Jatim.
 10. Corporate image has a significant effect on customer confidence in Bank Jatim Individual Giro customers. The stronger the image of Bank Jatim in customers' minds, the higher customer confidence in Bank Jatim.
 11. Corporate image has no significant effect on customer loyalty to Bank Jatim Individual Giro customers. The stronger the image of Bank Jatim in customers' minds does not have a real impact on increasing customer loyalty to Bank Jatim.
 12. Customer confidence has a significant effect on customer loyalty to Bank Jatim Individual Giro customers. The higher the customer's trust in Bank Jatim, the higher the customer loyalty to Bank Jatim.

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