

## **The Analysis of Relationship Marketing Influence on Loyalty Through Customer Satisfaction of Martabe Savings by Bank of Sumatera Utara in Medan**

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**Abstract:** Business competition requires company to improve quality of service to achieve customer loyalty after creating customer satisfaction. Loyal customers are consistent source of income of company through repeated purchases and reduced cost by lowering promotion cost to increase profits. Customer satisfaction cannot be achieved for granted it requires a long process, one of them through relationship marketing strategy. By providing satisfaction to customers, then customer loyalty will be built. The study design is descriptive quantitative and the study population is Martabe savings customers of Sumatera Utara Bank in Medan with a total sample of 150 customers. Respondents were determined by accidental sampling method. Descriptive statistical analysis is used as analytical tool and path analysis is used to test hypothesis. The results show that relational marketing strategy consists of trust, bonding, empathy and reciprocity have simultaneous positive and significant influence on satisfaction and loyalty of Martabe savings customers of Sumatera Utara Bank in Medan. Partially, trust has no significant influence on customer satisfaction, bonding has positive and significant effect on customer satisfaction and empathy has positive and significant impact on customer satisfaction reciprocity has positive and significant influence on customer satisfaction. Trust and empathy have positive and significant impact on customer loyalty while bond and reciprocity have positive and insignificant effect on customer loyalty and customer satisfaction has positive and significant effect on customer loyalty.

**Key words:** Relationship marketing, satisfaction, customer loyalty, strategy, insignificant effect, descriptive

### **INTRODUCTION**

Bank of Sumatera Utara as one service company plays an important role in the progress and development of economy in Sumatera Utara area as a tool of regional autonomy in banking sector and the bank acts as regional account holder that save regional money as well as one source of local revenue by doing business activities as commercial banks ([www.banksumut.com](http://www.banksumut.com)). Bank of Sumatera Utara seeks to create a variety of strategies in banking industry to achieve and to increase customer satisfaction which in turn creates customer loyalty. One of business that can be done by Bank of Sumatera Utara is by implementing relationship marketing in understanding the needs and wishes of its customers.

There are four approaches that can be done by Bank of Sumatera Utara to maintain and develop relationships with customers, i.e., trust, bonding, empathy, reciprocity. The approaches are interconnected in creating a closer relationship with customers, so, a familial bond can establish.

Trust is a confidence or assurance given by company to its customers which refers to knowledge and courtesy of employees and providing quality products and provide good service to customers. Bonding is a relationship that arises between two parties, bank and customers who form a familial bond to provide good service to the customers. Empathy is a company ability to see a problem from the viewpoint of others, to provide a quick response in responding to wishes or problems experienced by customers. Reciprocity is a relationship between parties to identify exchanges.

To create customer loyalty, Bank of Sumatera Utara should hear the voice of consumers. This means that Bank of Sumatera Utara have to interact with consumers in order to obtain feedback in the form of consumer feedback about facilities and infrastructure associated with services provided as control and measure of success. Based on customer satisfaction survey done on 30 customers of Bank of Sumatera Utara on Desember 2015, the result are shown in Table 1.

Table 1: Customer satisfaction data of PT Bank Sumut Medan Branch 2015

Components/Factors	Satisfied (%)	Dissatisfied (%)
<b>Employees</b>		
Friendliness	73.3	26.7
Appearance	83.3	16.7
Services	76.7	23.3
Responsiveness	63.3	36.7
<b>Bank facilities</b>		
ATM	53.3	46.7
Convenience	66.7	33.3
Security	83.3	16.7
Network	56.7	43.3

Bank of Sumatra Utara Branch Office (KCP) (data processing)

From Table 1, the results of the study on customer satisfaction in the Bank of Sumatra Utara Medan Branch shows that the level of customer satisfaction is high on the appearance factor of employees of the Bank of Sumatra Utara by 83.3%, followed by services by 76.7%, friendliness by 73.3%, responsiveness by 63.3% and the dissatisfaction are high in the response factor of employees by 36.7%, friendliness by 26.7%, services by 23.3%, appearances by 16.7%. In terms of facilities, customer satisfaction is high in safety factor of 83.3%, followed by convenience by 66.7%, network by 56.7%, ATM by 53.3% and the dissatisfaction is high in ATM by 46.7% and network by 43.3%, convenience by 33.3% and security by 16.7%.

Bank of Sumatra Utara provides ease in opening a new account, souvenir/gift, competitive interest rates, lottery drawn twice a year, life insurance, security guarantee of fund, ATM facilities and SMS Banking in order to stimulate people to save money in Bank of Sumatra Utara. The most reliable savings products and has the largest number of customers is Martabe saving. Bank of Sumatra Utara also apply a motto of "THE BEST" service to pay attention to its customers to maintain customer loyalty. The problems in this research are:

- Does relationship marketing that consists of trust, bonding, empathy, reciprocity has a direct positive and significant effect either simultaneously or partially to customer satisfaction of Martabe savings by Bank of Sumatra Utara in Medan?
- Does relationship marketing that consists of trust, bonding, empathy, reciprocity has direct positive and significant effect either simultaneously or partially to customer loyalty of Martabe savings by Bank of Sumatra Utara in Medan?
- Does customer satisfaction has direct positive and significant effect on customer loyalty of Martabe savings by Bank of Sumatra Utara in Medan?
- Does relationship marketing that consist of trust, bonding, empathy, reciprocity has significant positive effect on loyalty through customer satisfaction of Martabe savings by Bank of Sumatra Utara in Medan?

**Literature review:** Relationship marketing is a way of marketing efforts on customers that improve company long-term growth and maximise customer satisfaction. Good customer will become an asset if they are handled and served well and it will provide income and long-term growth of a company.

Tandjung states that "Relationship marketing is a long term growth, development and maintenance lead to cost-effective relationship with customers, suppliers, employees and other partners with mutual benefit". Relationship marketing is a practice of building long-term relationships that satisfy key stakeholders including customers, suppliers and distributors in order to maintain long-term business preferences.

According to Chan, "Relationship marketing is aimed at creating recognition for each customer to move to another product. Eakuru and Mat (2008) found that loyalty has relationship with success and profitability of company. Zeithaml *et al.* (1996) suggest a multi-dimensional framework that is comprehensive enough to measure customer loyalty. Zeithaml *et al.* (1996) found that loyal customers will have high buying interest (repurchase) not be sensitive to price, provide feedback to company, buy more often and unwanted. The main objective to deliver value to customers is to build customer loyalty to increase frequency and amount of purchase and not move to other products (Rust *et al.*, 2000).

Customer satisfaction is the degree to which the perceived performance of a product will suit customer expectation. If the performance of product is much lower than the expectations of customers, the buyers or consumers will be dissatisfied. Conversely, if the performance matches or even exceeds expectation, then there will be satisfaction from the consumers.

Siregar (2014) found that relationship marketings consisting of financial benefits, social benefits and structural ties have positive and significant impact on customer satisfaction in Bank of Sumatra Utara USU Branch Office Medan. Furthermore, Manurung and Rini (2013) suggest that relationship marketing has positive and significant effect on customer loyalty in PT., Melia Sehat.

## MATERIALS AND METHODS

The research is associative research that means this research examines direct influence of variables of trust, bonding, empathy and reciprocity towards customer satisfaction and customer loyalty. The research population is all customers of Martabe saving by Bank of Sumatra Utara in Medan with a total sample of 150 customers. Bank of Sumatra Utara branch offices that served as the focus of this research are Medan Branch, USU Branch, Puteri Hijau Branch and Petisah Branch.

There are three variables independent variables consist of trust, bonding, empathy and reciprocity, dependent variable that is customer loyalty and intervening variable that is customer satisfaction. Data analysis method used is descriptive statistical analysis and path analysis.

## RESULTS

The simultaneous test results are described in Table 2. From the F-test results in Table 2, it can be seen that trust, bonding, empathy and reciprocity have simultaneous positive and significant impact on customer satisfaction of Sharia Banks in Medan. This is demonstrated by the significant value of  $0.000 < 0.05$  or  $F_{\text{count}} (19.860) > F_{\text{table}} (2.75)$ .

From F-test results in Table 3, it can be seen that trust, bonding, empathy and reciprocity have simultaneous positive and significant impact on customer loyalty of Sharia Banks in Medan. This is demonstrated by the significant value of  $0.000 < 0.05$  or  $F_{\text{count}} (16.895) > F_{\text{table}} (2.75)$ .

From the test results of determination, the results are obtained and described in Table 4. From Table 4, it can be seen that  $R^2$  value of 0.354. This means that the influence of trust, bonding, empathy and reciprocity toward customer satisfaction is simultaneously 0.354% while the remaining 0.746 is influenced by other variables.

Based on Table 5, it can be seen that  $R^2$  value is 0.318. This means the influence of trust, bonding, empathy and reciprocity on customer loyalty by 0.318 while the remaining 0.682 is influenced by other variables. Based on Table 6, it can be seen that the  $R^2$  value is 0.214. This means the influence of satisfaction on customer loyalty by 0.214 while the remaining 0.786 is influenced by other variables. From Table 7, it can be observed that: confidence variable has positive and insignificant effect on customer satisfaction. This is evident from the significant value (0.973) is  $> 5\%$  and the value of  $t_{\text{count}} (0.034) < t_{\text{table}} (1.980)$ . This means that although the confidence is enhanced, the satisfaction of customers of Martabe savings by Bank of Sumatra Utara will not increase.

Bonding variable has positive and significant impact on customer satisfaction. It can be seen from the significant value (0.004)  $< 5\%$  and the value of  $t_{\text{count}} (2.965) > t_{\text{table}} (1.980)$ . This means that if the bonding is increased, the satisfaction of customer of savings by Bank of Sumatra Utara will increase.

By looking at significant value (0.021)  $< 5\%$  and the value of  $t_{\text{count}} (2.328) > t_{\text{table}} (1.980)$ , it is known that empathy variable has positive and significant impact on the satisfaction of customer of Martabe savings by Bank of Sumatra Utara. This means that if the empathy is increased, the satisfaction of customer of Martabe savings by Bank of Sumatra Utara will increase.

Table 2: Analysis of F-test equation 1 ANOVA<sup>a</sup>

Models	Sum of squares	df	Mean square	F-value	Sig.
Regression	895.198	4	223.800	19.860	0.000 <sup>b</sup>
Residual	1633.975	145	11.269	-	-
Total	2529.173	149	-	-	-

<sup>a</sup>Dependent variable: satisfaction; <sup>b</sup>Predictors: (constant), reciprocity, empathy, bonding, trust

Table 3: Analysis of F-test equation ANOVA<sup>a</sup>

Models	Sum of squares	df	Mean square	F-value	Sig.
Regression	215.884	4	53.971	16.895	0.000 <sup>b</sup>
Residual	463.189	145	3.194	-	-
Total	679.073	149	-	-	-

<sup>a</sup>Dependent variable: loyalty; <sup>b</sup>Predictors: (constant), reciprocity, empathy, bonding, trust

Table 4: Determination coefficient of first equation model summary

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	SE of the estimate
1	0.595 <sup>a</sup>	0.354	0.336	3.35690

<sup>a</sup>Predictors: (constant), reciprocity, empathy, bonding, trust

Table 5: Determination coefficient test of second equation model summary<sup>b</sup>

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	SE of the estimate
1	0.564 <sup>a</sup>	0.318	0.299	1.78729

<sup>a</sup>Predictors: (constant), reciprocity, empathy, bonding, trust

Table 6: Determination coefficient test of third equation

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	SE of the estimate
1	0.463 <sup>a</sup>	0.214	0.209	1.89874

<sup>a</sup>Predictors: (constant), satisfaction

Table 7: Partial test (t-test) of first equation coefficients<sup>a</sup>

Model 1	Unstandardized coefficients		Standardized coefficients		Sig.
	B	SE	$\beta$	t-values	
(Constant)	14.684	2.278		6.445	0.000
Trust	0.009	0.259	0.004	0.034	0.973
Bonding	0.761	0.257	0.287	2.965	0.004
Empathy	0.458	0.197	0.215	2.328	0.021
Reciprocity	0.547	0.259	0.194	2.114	0.036

<sup>a</sup>Dependent variable: satisfaction

Table 8: Partial test (t-test) of second equation coefficients<sup>a</sup>

Model 1	Unstandardized coefficients		Standardized coefficients		Sig.
	B	SE	$\beta$	t-values	
(Constant)	5.943	1.213		4.899	0.000
Trust	0.335	0.138	0.259	2.433	0.016
Bonding	0.092	0.137	0.067	0.672	0.503
Empathy	0.331	0.105	0.300	3.163	0.002
Reciprocity	0.018	0.138	0.013	0.133	0.894

<sup>a</sup>Dependent variable: loyalty

By looking at significant value (0.036)  $< 5\%$  and the value of  $t_{\text{count}} (2.114) > t_{\text{table}} (1.980)$ , it is known that variable reciprocal positive and significant impact on customer satisfaction savings Martabe by Bank of Sumatra Utara. This means that if the reciprocal is enhanced, customer satisfaction will increase. While from Table 8, it can be observed that.

Confidence variable has positive and significant impact on customer loyalty. This is evident from the significant values (0.016)  $< 5\%$  and the value of  $t_{\text{count}}$

Table 9: Partial test (t-test) of third equation coefficients<sup>a</sup>

Model 1	Unstandardized coefficients		Standardized coefficients	t-values	Sig.
	B	SE	$\beta$		
Constant	7.010	1.285	-	5.455	0.000
Satisfaction	0.240	0.038	0.463	6.353	0.000

<sup>a</sup>Dependent variable: loyalty

(2.433) >  $t_{table}$  (1.980). This means that if confidence is increased, customer loyalty of Martabe savings by Bank of Sumatra Utara will increase.

Bonding variable has positive and insignificant effect on customer loyalty. It can be seen from the significant values (0.503) > 5% and the value of  $t_{count}$  (0.672) <  $t_{table}$  (1.980). This means that if bonding is increased, customer loyalty of Martabe savings by Bank of Sumatra Utara will not increase.

By looking at significant values (0.002) < 5% and the value of  $t_{count}$  (3.163) >  $t_{table}$  (1.980), it is known that empathy variable has positive and significant impact on customer satisfaction of Martabe savings by Bank of Sumatra Utara. This means that if empathy is increased, customer satisfaction of Martabe Savings by Bank of Sumatra Utara will increase.

By looking at significant values (0.894) > 5% and the value of  $t_{count}$  (0.133) >  $t_{table}$  (1.980), it is known that reciprocal variable has positive and insignificant effect on customer loyalty of Martabe savings by Bank of Sumatra Utara. This means that if reciprocal is enhanced, customer loyalty will increase.

From Table 9, it can be seen that: satisfaction variable has positive and significant impact on customer loyalty. This is evident from the significant values (0.000) < 5% and the value of  $t_{count}$  (6.353) >  $t_{table}$  (1.980). This means that if satisfaction is enhanced customer loyalty of Martabe savings by Bank of Sumatra Utara will increase. The path analysis equation is:

$$\begin{aligned} X_4 &= 0.004X_1 + 0.287X_2 + 0.215X_3 + 0.194X_4 + \epsilon_1 \\ X_5 &= 0.259X_1 + 0.067X_2 + 0.30X_3 + 0.013X_4 + \epsilon_2 \\ X_5 &= 0.463X_4 + \epsilon_3 \end{aligned}$$

The Indirect Effect (IE) contained in the path equations model is as follows (Fig. 1). The effect of trust variable on customer loyalty through customer satisfaction:

$$IE: X_1 \rightarrow X_4 \rightarrow X_5 = (0.004 \times 0.463) = 0.001852$$

The effect of bonding variable on customer loyalty through customer satisfaction:

$$IE: X_2 \rightarrow X_4 \rightarrow X_5 = (0.287 \times 0.463) = 0.132881$$

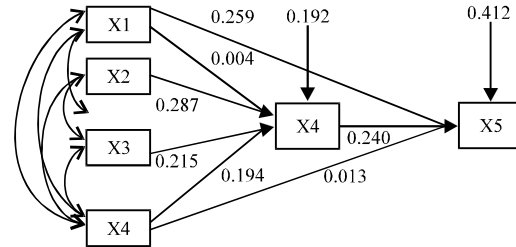


Fig. 1: Effect of trust variable on customer loyalty through customer satisfaction

The effect of empathy variable on customer loyalty through customer satisfaction:

$$IE: X_3 \rightarrow X_4 \rightarrow X_5 = (0.215 \times 0.463) = 0.099545$$

The effect of Variable reciprocal on customer loyalty through customer satisfaction:

$$IE: X_3 \rightarrow X_4 \rightarrow X_5 = (0.194 \times 0.463) = 0.089822$$

## DISCUSSION

### The influence of trust variable in customer satisfaction:

Trust has significant positive effect on customer satisfaction. Attitude and confidence are factors that influence views and behaviors of consumers to make purchases and usage of a product. Trust in the bank is indicated by a well-known credibility, a trusted security system and comfortability by bank customers and reliable employees. If these three indicators are believed to be in a bank, then bank customers will be satisfied. Satisfied customers mean the perceived performance of bank services is in line with expectations. This is in accordance with what is stated by Morgan and Hunt (1994) who state that when a party has faith that the other party involved in the exchange has reliability and integrity, there will be trust and this trust will affect customer satisfaction. The results of the study shows it has insignificant effect because customers of Islamic banks usually consider that Islamic bank is in compliance with Sharia and it does not use interest (Riba) system forbidden by religion.

**The influence of bonding on customer satisfaction:** The results show that bonding has positive and significant effect on customer satisfaction. Customer-related development is a relationship marketing activities that facilitate customers to be able to improve the link between customers and banks, causing exchange of value for the company. Customers will feel a bonding with bank if bank employees establish a good relationship with customers, engage clients in any occasion or client special program

and always give advice about products according to customer character. If these things can be met by bank, the customer will be satisfied.

**The influence of empathy on customer satisfaction:**

Empathy has positive and significant impact on customer satisfaction. Empathy means provide genuine and individual concern given to customers with seeks to understand customer wishes. Bank of Sumatra Utara is empathetic to customers by giving attention to customers, studying their needs and wishes individually. Understanding of each customer conditions will increase positive view of each customer. This will further provide higher satisfaction.

**The influence of reciprocity on customer satisfaction:**

Reciprocity has positive and significant impact on customer satisfaction. Long-term relationship should be mutually give and take. In addition to benefiting from products and services provided by bank, customers will feel appreciated when given the opportunity to give advice about products and services and provide a critique of damage or poor service. With the opportunity, it means the banks pay attention and appreciate every contribution provided by customer. Banks will also be able to produce products and services that fit the needs and wishes of customers and ultimately to make customers satisfied.

**The effect of trust variable in customer loyalty:** Trust has positive and significant impact on customer loyalty. Trust is a very important point in the relationship between bank and customers because the relationship is characterized by high confidence that customers will want to carry out a commitment for the relationship. When personal selling emphasizes on relational quality that is belief, it can reduce the sense of insecurity and uncertainty experienced by customers. Basically, this can create customers trust and will affect future customer interactions. It can be concluded that trust has positive effect on future interest.

**The effect of bonding variable on customer loyalty:**

Bonding has positive insignificant effect on customer loyalty. Dependence between the two sides must be strong enough, so that, their relationship can last a long time. A customer who does not have a strong dependence of the seller, then it is likely that the customers will often change suppliers. That is why, company must improve ties with customers, so that, the customers feel cared for and needed which ultimately will be happy to promote the bank to their peers.

**The effect of empathy variable against customer loyalty:** Empathy has positive insignificant effect on

customer loyalty. Bank must have empathy to its customers which means bank should be concerned about problems faced by customers and pay attention to customers view in overcoming problems.

**The influence of reciprocal variable on customer loyalty:**

Reciprocity has positive and significant impact on customer loyalty. Long-term relationship should be mutual give and take. That is both bank and customers benefit each other. Customers who want to benefit by being a customer of a bank must be offset by also benefiting bank by giving feedback and criticism about products and services provided. That is why, Bank of Sumatra Utara reward customers for positive contribution they provide. No matter how small the contribution provided by a customer to the bank, it would be appreciated because it is an appreciation from the banks to customers to be loyal to the bank. Loyal customers means customers will not switch to another bank.

**The influence of satisfaction on customer loyalty:** From the partial test results, it is known that satisfaction has positive and significant impact on customer loyalty. Satisfaction is the level of feeling that someone claims the comparative results on products (services) performance accepted and expected. Customer satisfaction is experienced after the customer evaluating after purchase, where the perception of the performance of alternative products/services chosen have met or exceed expectations before purchase (Kotler and Keller, 2009). Satisfaction is customer response of need fulfillment. This means the assessment of special form of product or service provides a level of comfort associated with the fulfillment of needs including the needs below expectations or meeting the needs exceed customer expectations. In this study, the customers of Islamic Bank of Sumatra Utara are satisfied with the sharia system applied by the Bank, for example, in the case of the amount of profit-sharing system, transparency in the calculation for profit sharing and the sense of security provided by the Islamic Bank of Sumatra Utara. The satisfied and confident feeling of what has been obtained from Islamic Bank of Sumatra Utara causes the customers to be loyal and they do not need to choose another bank and are happy to recommend Islamic Bank of Sumatra Utara to others.

## CONCLUSION

Relationship marketing consisting of trust, bonding, empathy and reciprocity simultaneously has direct, positive and significant influence on customer satisfaction of Martabe savings by Bank of Sumatra Utara in Medan.

Partially, relationship marketing consisting of trust, bonding, empathy and reciprocity has direct positive and significant effect on customer satisfaction of Martabe savings by Bank of Sumatra Utara in Medan while confidence has insignificant effect.

Relationship marketing consisting of trust, bonding, empathy and reciprocity simultaneously has direct positive and significant influence on customer loyalty of Martabe savings by Bank of Sumatra Utara in Medan.

Partially, relationship marketing consisting of trust and reciprocal has direct positive and significant effect on customer loyalty of Martabe savings by Bank of Sumatra Utara in Medan while bonding and empathy has insignificant effect. Customer satisfaction has direct positive and significant effect on customer loyalty of Martabe savings by Bank of Sumatra Utara in Medan.

Relationship marketing consisting of trust, bonding, empathy and reciprocity has significant positive effect on loyalty through customer satisfaction of Martabe savings by Bank of Sumatra Utara in Medan.

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