The Influence of Relational Benefits and Bank Brand Image to Customer Loyalty Through Sharia Bank Customer Satisfaction (A Study on PT Bank Syariah Mandiri Kediri Branch)

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Abstract: This study aims to examine the influence of relational benefits and bank brand image on customer loyalty through sharia bank customer satisfaction at PT Bank Syariah Mandiri Kediri Branch. This study uses survey method and questionnaire is used to collect the data. The sample of this study is individu who are customers of PT Bank Syariah Mandiri Kediri Branch and are chosen by using convenience sampling technique. The data analysis uses Partial Least Square (PLS) through SmartPLS version 2.0 software. The findings of this study show that: (1) Relational benefits has no influence to customer satisfaction, (2) Relational benefits has influence to customer loyalty, (3) Relational benefits has influence indirectly to customer loyalty through customer satisfaction, (4) Satisfaction has influence to customer loyalty, (5) Bank brand image has influence to customer satisfaction, (6) Bank brand image has influence to customer loyalty, (7) Bank brand image has no influence indirectly to loyalty through customer satisfaction.

Key Words: Relational Benefits; Bank Brand Image; Customer Satisfaction; Customer Loyalty; Islamic Bank

1. Introduction

The banking industry has developed very rapidly, because every bank is required to create a sustainable competitive advantage. Especially in the Islamic Banking Business. Under Law No. 10 of 1998 on Amendments to the Law No. 7 of 1992 concerning Banking "bank financial institutions consist of commercial banks and rural banks (BPR). Commercial banks and rural banks may choose to conduct its operations on the basis of a conventional bank or banks based on Islamic principles". Activity of Islamic bank are to collect and distributes funds based on Islamic principles. Islamic bank also give a reward based on Islamic principles, namely profit sharing.
now turning towards activity relationship in order to get closer to consumers and more aware of what the current needs and can provide benefits to consumers on relationships woven by the company and consumer (Hennig-Thurau et al., 2002).

This study examined the influence of relational benefits and bank brand image to customer loyalty through customer satisfaction in Islamic Bank. These contribution have theoretical and practical implication. Theoretically, this research adds to the literature in marketing management. To predict customer satisfaction, we can use bank brand image. Attribution theory support the research that customer satisfaction influence on customer loyalty. From practical standpoint, PT Bank Syariah Mandiri Kediri Branch can improve the satisfaction and loyalty customer through Customer Relationship Marketing (CRM) implementation.

2. Literature Review and Hypotheses

Development

Relational Benefits

Relational benefits is a benefit or reward to the results received from a relation. According to Zeithaml et al. (2006: 183) relational benefits will be felt by the customer when receiving services with a higher value than they expected from service providers. Bank delivered a value consistently from customer perspective. So, customer will receive a benefit clearly. Thus, it will encourage them to maintain a relationship with the bank. Dimensions of relational benefits are social benefits, confidence benefits, special treatment benefits.

Social benefits focus on the relationship between providers services and consumers than products services (Hennig-Thurau et al., 2002). The benefit is customer can feel social benefit of a long-term relationship with the bank employees. Customers who feel the social benefit of banking services, they will feel more satisfied. Prayoga et al., (2015); Semadi et al., (2012); Ardyansyah (2007) found that social benefits has positive and significant influence on customer satisfaction. Based on the above, it can be concluded that the social benefits has positive and significant influence on customer satisfaction.

Confidence benefits is defined as feelings of reduced anxiety, trust, and confidence in the provider (Gwinner et al., 1998). It means that relieves anxiety, gives confidence and trust to the company. So with confidence benefits, the customer will feel anxious as well as trust and confidence with the company service provider in the delivery of services. Customers who feel confidence benefit from bank services, they will feel more satisfied. Prayoga et al., (2015); Semadi et al., (2012); Hennig-Thurau et al., (2002); Yen and Gwinner (2003) found that confidence benefits has positive and significant influence on satisfaction. Based on the above, it can be concluded that the relational benefits has positive and significant influence on customer satisfaction. Therefore, the research hypotheses is formulated as follows.

H1: Relational benefits has influence to customer satisfaction

Relational benefit is a benefit or reward to the results received from a relation. Dimensions of relational benefits are social benefits, confidence benefits, special treatment benefits. Hennig-Thurau et al (2002) found that social benefits has positive and significant influence on customer loyalty. Semadi et al (2010), Hennig-Thurau et al (2002), Yen and Gwinner (2003) found that confidence benefits has positive and significant influence on customer loyalty. Yen and Gwinner (2003) and Ardyansyah (2007) found that special treatment benefits has positive and significant influence on customer loyalty. Customers who feel the special treatment benefits can increase customer loyalty. Based on the above, it can be concluded that the relational benefits has positive and significant influence on customer loyalty. Therefore, the research hypotheses is formulated as follows.

H2: Relational benefits has influence to customer loyalty

Hennig-Thurau et al (2002) found that social benefits has positive and significant influence on loyalty. Semadi et al (2010), Hennig-Thurau et al (2002), Yen and Gwinner (2003) found that confidence benefits has positive and significant influence on loyalty. The indirect effect of relational benefits on loyalty through customer satisfaction PT Bank Syariah Mandiri Kediri Branch. Therefore, the research hypotheses is formulated as follows.

H3: Relational benefits has influence to customer loyalty through customer satisfaction
Customer Satisfaction
Assael (1995) said that the creation of optimal customer satisfaction will encourage customer loyalty in mind. Customer loyalty is seen as a relative strength of the relationship between a person and repeat business. It is also consistent with studies conducted by Bowen and Chen (2011) in which satisfaction has a non linear relationship and asymmetric and customer loyalty. If the satisfaction of reaching a certain point, the loyalty will be increased. But, if satisfaction decreases automatically loyalty will experience decline. When the customer is satisfied with the bank services, then they have emotional feelings and more commit to the bank. Prayoga et al., (2015); Orel and Kara (2014), Sudarti and Atika (2012); Bloemer et al., (1998), Oloughlin, O.Christina and Germa Coenders (2002) found that customer satisfaction has positive and significant influence on customer loyalty. Based on the above, it can be concluded that satisfaction has positive and significant influence on customer loyalty. Therefore, the research hypothesis is formulated as follows.

H4: Customer satisfaction has influence to customer loyalty

Bank Brand Image
According to Kotler (2003: 35), brand image is a way of preparing people (think) the company or its products. Companies designing an identity or determination of the position (positioning) to form the image of public perception. Brand image is influenced by external information. Companies with a good brand image is the main factor. People more satisfied with a good brand image. Sudarti and Atika (2012); Onyancha (2013); Bloemer et al., (1998), and Qomariah (2012) found that brand image has positive and significant influence on satisfaction. Based on the above, it can be concluded that the bank brand image has positive and significant influence on customer satisfaction. Therefore, the research hypothesis is formulated as follows.

H5: Bank brand image has influence to customer satisfaction

The company is expected to communicate clearly about how the company meet market demand. People can portray the company positively. The Company that have a good image or reputation that will encourage consumers to buy the products offered, encourage employee morale, and increase customer loyalty (Istijanto, 2005: 185). Saputra (2013); Bloemer et al., (1998) and Oloughlin et al. (2002) found the brand image has a positive and significant influence on loyalty. Therefore, the research hypothesis is formulated as follows.

H6: Bank brand image has influence to customer satisfaction

Puspatingrum (2013) found that customer satisfaction mediates the influence of the bank brand image on customer loyalty. These results are supported by Saputra (2013); Bloemer et al., (1998) and Oloughlin et al. (2002) concluded that the image influence on loyalty. Therefore, the research hypothesis is formulated as follows.

H7: Bank brand image has influence indirectly to loyalty through customer satisfaction

3. Research Methodology
The data of this study were collected through a survey to customer PT Bank Syariah Mandiri Kediri Branch. One problem of survey methods is respondents did not understand the questionnaire. The sample are chosen using convenient sampling technique. The questionnaire were delivered directly to PT Bank Syariah Mandiri Kediri Branch.

Questionnaire
The participans receives a cover letter explaining the purpose of the study. The instrument in indonesian version. Information of respondents demographic characteristics include gender, age, education, past position, how long to be a customer in PT Bank Syariah Mandiri Kediri Branch, and revenue each month. Pre test was tested against the respondents who have similar backgrounds and is made to issue a statement invalid item. Shipping questionnaire delivered to PT Bank Syariah Mandiri Kediri Branch. Researcher gave questionnaires directly to the respondents, customers of PT Bank Syariah Mandiri Kediri Branch. The survey results are taken directly by the researcher. This is done to prevent the response rate is low.

Measure
All scale items were score based on five-point Likert scale, (1) strongly disagree, (2) disagree, (3) neutral, (4) agree, (5) strongly agree. Two main parameters in the instrument test are validity and reliability testing. Validity testing are Average Variance Extracted (AVE) and Communality, which should be above 0.5. For outer loading by loading score of 0.5-0.7, the indicators do not to be removed along the AVE and Communality score above 0.5 (Hartono, 2009: 80).

Relational benefits measured by indicators developed by Hennig-Thurai et al., (2002).

4. Result And Discussion

A total of 160 questionnaires were sent to PT Bank Syariah Mandiri Kediri Branch, started from 23 to 27 November 2015. The number of questionnaires returned was 160 questionnaires, 150 questionnaires can be used and 10 questionnaires are ineligible. Questionnaires were ineligible is a questionnaire that had incomplete answers. The response rate was 100%. The response rate was high because researcher gave questionnaires directly to customers of PT Bank Syariah Mandiri Kediri Branch. Researcher waiting until the respondents complete the questionnaire. However, researcher tried as much as possible not to interference to the respondent.

The samples consisted of 77 male respondents (51.33%) and 73 female respondents (48.66%). The most respondents aged 41-50 years old is 68 respondents (45.33%), 31-40 years old is 50 respondents (33.33%), over 50 years old is 22 respondents (14.67%), 21-30 years old is 9 respondents (6%), and 17-20 years old is 1 respondent (0.67%).

The respondents compositions are 77 respondents (51.33%) bachelor’s degree, 41 respondents (27.33%) senior high school, 31 respondents (20.67%) diploma, and 1 respondent (0.67%) junior high school.

Based on the work, 42 respondents (28%) are entrepreneur, 27 respondents (18%) are privat employees, 25 respondents (16.67%) are housewife, 23 respondents (15.33%) are BUMN employees, 16 respondents (10.67%) are civil/military/police, 7 respondents (4.67%) are pensionary, 2 respondents (1.33%) are students, and 8 respondents (5.33%) are the others.

There were 107 respondents (71.33%) to become customer in PT Bank Syariah Mandiri Kediri Branch over 3 years, 35 respondents (22.33%) 1-2 years, and 8 respondents (5.33%) 1 year.

Based on the income of each month, 78 respondents (52%) earn Rp 5,000,000-Rp 10,000,000, 39 respondents (26%) earn > Rp 10,000,000, 28 respondents (18.67%) earn Rp 1,500,000-Rp 5,000,000, 5 respondents (3.33%) earn < Rp 1,500,000.

This study uses Partial Least Square (PLS) with program SmartPLS version 2.0. At the output of the PLS model, hypothesis testing is done by looking at the value of the estimates path coefficients and the value of the critical point (t-statistic) with significance α = 5%. If the t-statistic value is higher than t-table at 1.69 for two-tailed hypothesis, it means the hypothesis is supported. The results of hypothesis testing reported in Table 1.

Testing the indirect effect is made to explain the hypothesis 3 and 7 that relational benefits on loyalty through customer satisfaction. Then indirect influence on the bank brand image to loyalty through satisfaction can be explained as follows. There are several steps to be followed in testing the indirect effect, namely (1) to test the main effects (independent influence on the dependent), the result should be significant, (2) to test the effect independent of mediating variables, the results should be significant, (3) it was examined collectively the effect of the main effects and the effect of mediation on the dependent variable. The expectation is main effect was not significant, whereas the effect of mediation on dependent is significant (Baron and Kenny in Hartono and Abdillah, 2009: 117). However, according to Shrout and Bolger (2002) required the testing of mediation is to test the independent influence on mediating variables that the results must be significant and test the effect of mediation on the dependent variable results should be significant. For phase 1 to 3 are for testing whether mediation models is perfect or not. The results of testing the indirect effect reported in Table 2.

Hypothesis 1 states that relational benefits has influence to customer satisfaction. Accordance with the value of t-statistics at 0.7733 (<1.96), which means insignificant. Therefore, the hypothesis that the relational benefits has influence to customer satisfaction is not supported. This means that relational benefits does not affect customer satisfaction.

Dimensions of relational benefits consisted of social benefits, confidence benefits, special treatment benefits. The results of the study are not consistent with the results of research conducted by Prayoga et al., (2015); Semedi et al., (2012); Ardyansyah (2007) that the social benefits has positive and significant influence on customer satisfaction. Social benefits focus more on the relationship between providers and consumers than products services produced. Social benefits can be in the form of personal recognition by employees, intimacy between customers, and the development of friendships with the service provider. The results of this study do not support the study of Ardyansyah (2007); Prayustika and Andriani (2010) that special treatment benefits has positive and significant influence on satisfaction. The
results of the study are not consistent with the results of research conducted by Prayoga et al., (2015); Semedi et al., (2012); Hennig-Thurau et al., (2002); Yen and Gwinner (2003). Confidence benefits can be interpreted as the customer's trust over the reputation of the company that makes the customer to be comfortable and confidence in the products provided by the company. PT Bank Syariah Mandiri Kediri Branch customer are not feel any confidence benefit from bank services, so there is no a sense of satisfaction.

Hypothesis 2 states that relational benefits has influence to customer loyalty. Accordance with the t-statistics value at 2.5923 (> 1.96), it means significant. Therefore, the hypothesis states the relational benefits has influence to customer loyalty supported. This means that relational benefits has influence to customer loyalty. The results of this study support Hennig-Thurau et al (2002) found that social benefits has positive and significant influence on loyalty. Further research Semedi et al (2010), Hennig-Thurau et al (2002), Yen and Gwinner (2003) found that confidence benefits has positive and significant influence on loyalty. Yen and Gwinner (2003) and Ardyansyah (2007) found that special treatment benefits has positif and significant influence on loyalty. Customers who feel the special treatment benefits can increase customer loyalty. Relational benefit is a benefit or reward to the results received from a relationship. PT Bank Syariah Mandiri Kediri Branch receive connections created between customers and service providers with a positive impact. So it can make customer more loyal than before.

Hypothesis 3 states that relational benefits has influence to loyalty through customer satisfaction. The results of this study support Hennig-Thurau et al (2002) found that social benefits has positive and significant influence on loyalty. Further research Semedi et al (2010), Hennig-Thurau et al (2002), Yen and Gwinner (2003) found that confidence benefits has positive and significant influence on loyalty. The indirect effect of relational benefits on customer loyalty PT Bank Syariah Mandiri Kediri Branch could be mediated by satisfaction. The calculations show that the coefficient of the indirect effect is greater than the direct effect. In theory, the higher the relational benefits will increase customer satisfaction and ultimately increase loyalty. PT Bank Syariah Mandiri Kediri Branch should improve customer satisfaction first by fixing relational benefits.

Hypothesis 4 states that customer satisfaction has influence to customer loyalty. Accordance with t-statistics value at 2.7953 (> 1.96), which means significant. Therefore, the hypothesis that customer satisfaction has influence to customer loyalty is supported. This means that customer satisfaction has influence to customer loyalty. This results support Prayoga et al., (2015); Orel and Kara (2014), Sudarti and Atika (2012); Bloemer et al., (1998), Oloughlin, O.Christina and Germa Coenders (2002). By the time the customer is satisfied with the bank services, then appeared emotional feelings and commitment to the bank. This shows the commitment of the customer to the bank, as reflected in customer loyalty still use the services of the PT Bank Syariah Mandiri Kediri Branch.

The results of the study support the attribution theory, attribution theory has three dimensions (causes) in determining the success or failure of a result (outcome) (Weiner in Tjiptono and Chandra, 2004). Based on these dimensions can be determined whether a purchase satisfactory or unsatisfactory. PT Bank Syariah Mandiri Kediri Branch customer felt that the products offered by banks have to meet expectations. So in the future, customers tend to buy the same product. Thus, customers will continue to use the products of PT Bank Syariah Mandiri Kediri Branch.

Hypothesis 5 states that the bank brand image has influence to customer satisfaction. Accordance with t-statistics value at 4.2851 (> 1.96), it means significant. Therefore, the hypothesis that the bank brand image has influence to customer satisfaction is supported. This means that the bank brand image has influence on customer satisfaction. This results support Sudarti and Atika (2012); Onyancha (2013); Bloemer et al., (1998), and Qomariah (2012). The bank brand image is embedded in customer perception. Customer will more satisfied with the better bank brand image. The better the image of the bank, customers will be more satisfied. It seems that the respondents view the image PT Bank Syariah Mandiri Kediri Branch good as expected. That is, there is no gap between what is expected by the customer with the bank brand image. Based on empirical test results show that the bank brand image has positive and significant influence on customer satisfaction. That is, the bank brand image can improve customer satisfaction. Bank brand image can improved by giving a good service to customer.

Hypothesis 6 states that the bank brand image has influence to customer loyalty. Accordance with the t-statistics value at 3.0135 (> 1.96), it means significant. Therefore, the hypothesis that the bank brand image has influence to customer loyalty is supported. The results of this study are consistent with Saputra (2013); Bloemer et al., (1998) and Oloughlin et al. (2002) found the image has positive and significant influence on loyalty. This results found that the bank brand image has positive and significant influence on loyalty. PT Bank Syariah Mandiri Kediri Branch can build customer loyalty by improving the bank brand image. Bank can design an identity or
determination of the position (positioning) to form the image of public perception of the bank and its products.

Positioning PT Bank Syariah Mandiri Kediri Branch in the public is very well. It is proved that the Third Party Fund Bank Syariah Mandiri per September 2015 reached Rp 59.71 trillion. The composition 48.70% consist of low-cost funds. The growth of low-cost funds sourced from demand deposits which grew 12.81% to Rp 5.88 trillion and savings grew 7.04% to Rp 23.19 trillion (www.Syariahmandiri.co.id). So many people save their money in PT Bank Syariah Mandiri Kediri Branch, because this bank has a good image.

Hypothesis 7 states bank brand image has influence indirectly to loyalty through customer satisfaction. According to Table 2, the results of path coefficient calculation direct influence and indirect influence variable the bank brand image, satisfaction, and loyalty, the obtained results that the influence of the bank brand image on loyalty can not be mediated by satisfaction. Because the indirect effect coefficient of 0.1626, the value is less than the value of direct influence coefficient of 0.2750. Thus, the hypothesis 7 which states that bank brand image has influence in directly to loyalty through customer satisfaction is not supported.

The results of this study are not consistent with Puspaningrum (2013), Saputra (2013); Bloemer et al., (1998) and Oloughlin et al., (2002). Results of the analysis found that the bank brand image has influence indirectly to loyalty cannot be mediated by satisfaction. The coefficient value direct effect is greater than the coefficient value indirect effect. If PT Bank Syariah Mandiri Kediri Branch wants to build customer loyalty, management can improve the bank brand image. Bank can design an identity or determination of the position (positioning) to form the image of public perception of the bank and its products.

5. Conclusion

This study examined the influence of relational benefits and bank brand image to loyalty through customer satisfaction. The results of empirical research shows that customer satisfaction is influenced by bank brand image, while relational benefits is not proven influence customer satisfaction. Customer satisfaction has influence to customer loyalty. This study can add empirical evidence against the science of marketing management. To test the customer satisfaction can use the bank brand image. Attribution theory is proven to support the research that affect customer satisfaction on customer loyalty. This study has several limitations. First, the results of the study only focused on the PT Bank Syariah Mandiri Kediri Branch. The data used in the study is a cross section, so it can not generalize the results in general. Second, the data collected is the perception of the customer, so the results might occur bias. Third, researchers can not use simple random sampling, because of the unavailability of information on population size.

6. References


[13] Infobanknews


Appendix

Table 1: Hypotheses Testing Output

| Hypotheses | Uraian       | Original Sample (O) | T Statistics (|O/STERR|) | Information |
|-------------|--------------|---------------------|----------------|-------------|
| H1          | RB -> KEP   | 0,0574              | 0,7733         | Not supported |
| H2          | RB -> LOYAL | -0,1466             | 2,5923         | Supported    |
| H4          | KEP -> LOYAL| 0,3323              | 2,7953         | Supported    |
| H5          | CITRA -> KEP| 0,4896              | 4,2851         | Supported    |
| H6          | CITRA -> LOYAL | 0,2750           | 3,0135         | Supported    |

Note: CITRA= bank image, KEP= customer satisfaction, LOYAL= customer loyalty, RB=relational benefits

Table 2: Indirect effect testing

| Hypotheses | Constructs | Direct effect | Indirect Effect | T Statistics (|O/STERR|) | Information |
|-------------|------------|---------------|-----------------|----------------|-------------|
| Step 1      | RB -> LOYAL| -0,1466       |                 | 2,5923         | Signifikan   |
| H3          | RB -> KEP -> LOYAL | 0,0574 X 0,3323 = 0,0190 |             |                 |             |
| Step 1      | CITRA -> LOYAL | 0,2750         |                 | 3,0135         | Signifikan   |
| H7          | CITRA -> KEP -> LOYAL | 0,4896 X 0,3323 = 0,1626 |             |                 |             |

Note: CITRA= bank image, KEP= customer satisfaction, LOYAL= customer loyalty, RB=relational benefits