



Research Paper

The Influence of E-Banking Service Quality, E-Customer Relationship Management, and Experiential Quality on Customer Trust, Customer Satisfaction, and Customer Loyalty in Bank Jatim

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ABSTRACT

The purpose of the study was to analyze the effect of e-BSQ, e-CRM, and experiential quality on customer trust, customer satisfaction, and customer loyalty in Bank Jatim. The study design uses explanatory research. The research sample was Bank Jatim customers in the City of East Java who use mobile banking, and a sample of 380 employees was obtained. Data analysis techniques using Structural Equation Modeling (SEM).

The results show e-BSQ has a significant effect on customer trust and customer satisfaction. e-CRM has a significant effect on customer trust, while the effect on customer satisfaction is known to be not significant. Experiential quality has a significant effect on customer satisfaction, while the effect on customer trust is known to be not significant. Customer trust has a significant effect on customer satisfaction and customer loyalty. Finally, customer satisfaction has a significant effect on customer loyalty.

Keywords: e-BSQ, e-CRM, experiential quality, customer trust, customer satisfaction, customer loyalty, mobile banking.

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I. PRELIMINARY

The competition in the banking industry is getting tighter, making the banking industry environment change very rapidly, so the implementation of a marketing strategy within a bank is continually changing. These changes have forced banks to continue to adapt to developments in the surrounding environment. Strategies are created to be able to win the competition by offering clear concepts and distinctive advantages of products and services. (Yaksaprawira, 2017: 1).

The banking industry realizes that customer trust is still an essential factor in maintaining customer loyalty (Sativa and Astuti, 2016). Theoretically, referring to the results of previous research, it is believed that customer trust can have a positive impact on customer loyalty, so that the sustainability of the bank can be maintained, both in the short and long term (Zhang et al., 2018).

Trust is a willingness or belief of an exchange partner to establish a long-term relationship to produce positive work (Wu et al., 2019). A trust exists when a group believes in the trustworthiness and integrity of partners. Sativa and Astuti (2016), Caceres and Paparoidamis (2007), and Victor, Jorie, and Sumarauw (2015) in their research also show that strong customer trust is the key to increasing satisfaction and loyalty.

Apart from trust, customer satisfaction is also the goal of banking companies. Jonathan (2013) argues that when the customer feels satisfied, the customer will indirectly feel respected, cared for, and appreciated so that in the end, it can create high loyalty to the bank.

The next factor in maintaining customer loyalty is service quality. The rapid development of technology has made service quality transformed into e-service quality because service to customers is not only direct but also indirectly through the bank's website and mobile application. E-service quality is defined by Zeithaml et al. (2013) as the ability of websites or other online applications to provide effective and efficient product and service experiences.

The next factor is customer relationship management (CRM), which is an alternative approach that is currently being used by many companies. CRM is a marketing principle that emphasizes and strives to find customers and maintains good long-term relationships with customers (Alma, 2014). e-CRM is a development of CRM, which, according to Chaffey (2009) defines the use of digital communication technology to maximize sales to customers and encourage the use of online services. e-CRM is also a strategy on how to optimize profitability by obtaining customer satisfaction. In this case, e-CRM is a strategy that focuses on anything related to customer focus through online service.

The next factor is the quality of experience (experiential quality). Hollyoake (2009) explains that experiential quality is about how companies understand customer expectations for the experience of each contact at all levels when the business relationship is built. Experiential quality is an impression that arises from customers who have used bank products and services, which are felt when interacting with companies, where after consumers have felt from the bank they no longer hesitate to continue using the products/services of the bank, with this, of course, will shape the satisfaction and loyalty of its customers.

II. FORMULATION OF THE PROBLEM

Based on the description that has been submitted in the background, which provides an overview of the relationship between the variables of e-banking service quality, e-CRM, experiential quality, customer trust, customer satisfaction, and customer loyalty to Bank Jatim, the formulation of the problem can be presented as follows:

- 1) Do e-banking service quality, e-CRM, and experiential quality affect customer trust in Bank Jatim?
- 2) Do e-banking service quality, e-CRM, and experiential quality affect customer satisfaction at Bank Jatim?
- 3) Do e-banking service quality, e-CRM, experiential quality, customer trust, and customer satisfaction affect customer loyalty at Bank Jatim?

III. REVIEW OF LITERATURE

The term customer loyalty, according to Swastha (2014: 73), comes from brand loyalty which reflects customer loyalty to a particular brand. Customers who are loyal to certain brands tend to be tied to that brand and will repurchase the same product even though there are many alternatives available (Tjiptono, 2015: 386). according to Griffin (2013: 22-23), there are four types of loyalty, namely:

- 1) Without Loyalty
- 2) Weak Loyalty
- 3) Hidden Loyalty
- 4) Premium Loyalty

Bloemer et al. (1998) show that customer satisfaction is a critical element in fostering the emergence of bank customer loyalty. Customer satisfaction is an attitude after the final process of a purchase which is formed psychologically based on a comparison between what is expected and the reality obtained (Ueltschy et al., 2007).

Customer trust is defined as customer confidence in the quality and reliability of the goods or services offered (Garbarino & Johnson, 1999). Trust is a company's willingness to depend on business partners (Kotler, 2009).

E-service quality in the banking industry is also known as the variable e-banking service quality, including indicators of reliability, privacy and security, website design, and CS support (Shankar and Jebarajakirthy, 2019).

According to Kotler and Keller (2016: 144), Customer Relationship Management (CRM) is a Process of managing detailed information about individual customers and carefully managing all customers Touch point "to maximize customer loyalty. A customer touch point is any occasion on which a customer encounters the brand and product-from actual experience to personal or mass communications to casual observation. " Customer Relationship Management (CRM) has several objectives, according to Luke (2001), including:

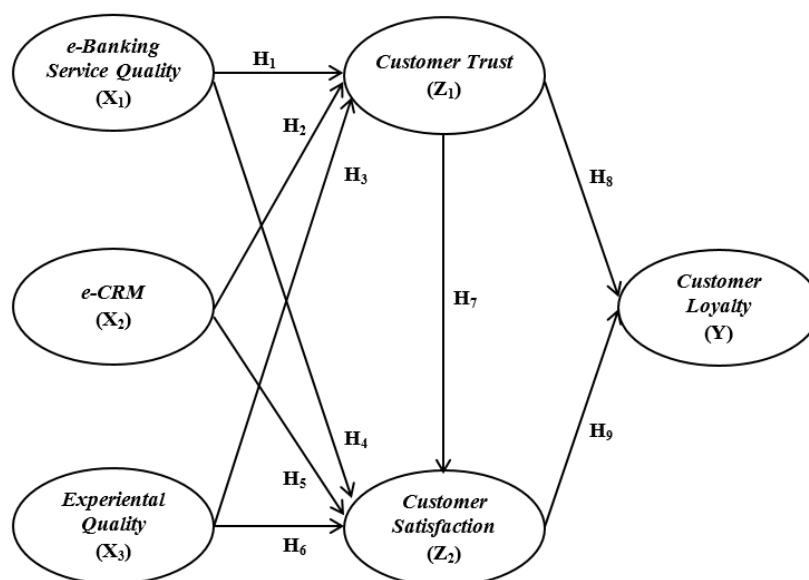
- 1) Getting customers
- 2) Knowing the customer
- 3) Maintain and develop profitable customers.
- 4) Turning unprofitable customers into profitable ones.

Experiential quality is defined as the quality of a customer's real experience with a brand, product or service. According to Chen & Lin (2014), customer experiential is defined as the result of the consumer's interaction with the company physically and emotionally. The results of this interaction can make an impression on the minds of consumers and influence consumer assessment of the company. There are several categories of

experiential quality, such as Robinnete& Brand (2006) which divides customer experience into several categories, namely:

1. Experience in Product
2. Experience in Environment
3. Experience in Loyalty Communication
4. Experience in Customer Service and Social Exchanged Experience
5. Experience in Events

IV. FRAMEWORK and HYPOTHESIS



With the following hypothesis:

- H1: e-banking service quality has a significant effect on customer trust in Bank Jatim.
- H2: e-CRM has a significant effect on customer trust in Bank Jatim.
- H3: Experiential quality has a significant effect on customer trust in Bank Jatim.
- H4: e-banking service quality has a significant effect on customer satisfaction at Bank Jatim.
- H5: e-CRM has a significant effect on customer satisfaction at Bank Jatim.
- H6: Experiential quality has a significant effect on customer satisfaction at Bank Jatim.
- H7: customer trust has a significant effect on customer satisfaction at Bank Jatim.
- H8: customer trust has a significant effect on customer loyalty at Bank Jatim.
- H9: Customer satisfaction has a significant effect on customer loyalty at Bank Jatim.

V. METHOD of RESEARCH

The population in this study are all customers of Bank Jatim in Kota Besar East Java, who have registered with the mobile banking service. In this study, the study population will be limited to customers registered with the mobile banking service. Thus, the total population in this study were all customers of Bank Jatim in Kota Besar East Java who were registered with the mobile banking service, namely 65,766 customers. The sample in this study were some of the customers of Bank Jatim in Kota Besar East Java who were registered in the mobile banking service. Based on calculations using the formula proposed by Slovin, the sample found is at least 397.6 and will be rounded to 400 samples. The analysis technique used to answer the hypothesis in this study is SEM (Structural Equation Modeling).

VI. HYPOTHESIS TESTING

This research begins with testing the tools. In tools with physical measurements (e.g. rulers, thermometers, and scales), the testing of tools uses calibration techniques. In a tool whose measurement is non-physical (latent variable) using a questionnaire, then testing the tool uses validity and reliability techniques. Testing the validity and reliability of the questionnaire uses at least 30 respondents of data. Normality testing is carried out to determine whether the data distribution meets the normality assumption. If the data is declared normality, then the data can be further processed by SEM. Model modification in SEM can be done with the help of the

modification index issued by AMOS software and also adjusted to theoretical support. The results of the SEM model modification are presented in Figure 1 below:

FIGURE 1

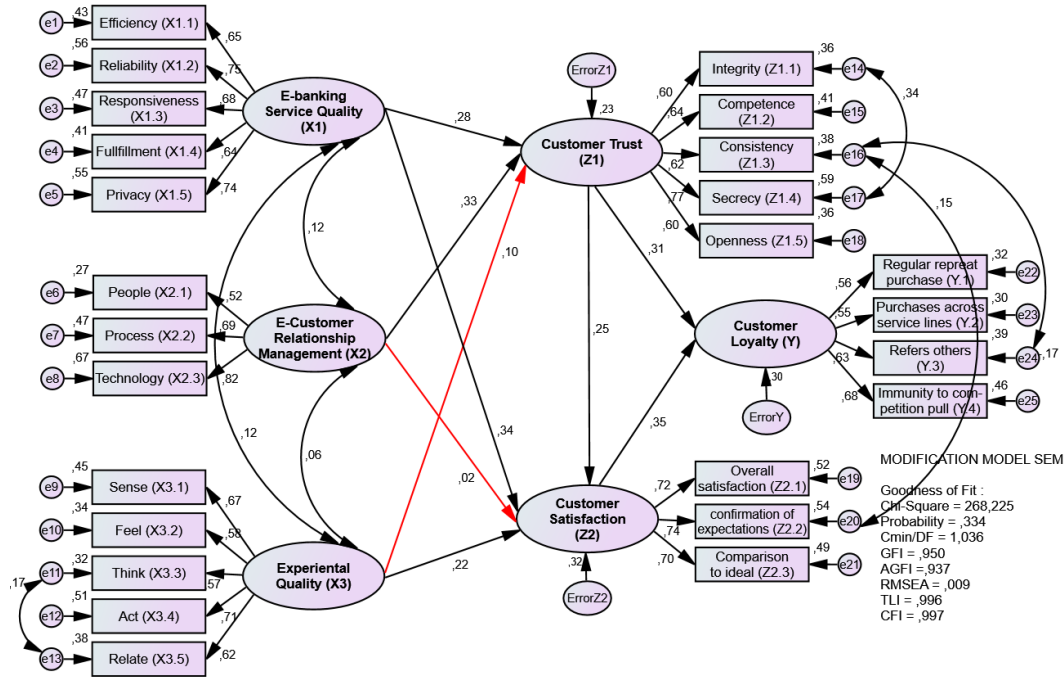


TABLE 1
Direct Effect Testing With Weight Regression

Hip.	Causality Relationship	Std. Estimate	C.R.	P value	Note
H ₁	E-Banking Service Quality (X ₁) → Customer Trust (Z ₁)	0,279	4,331	0,000	s
H ₂	E-Customer Relationship Management (X ₂) → Customer Trust (Z ₁)	0,325	4,499	0,000	s
H ₃	Experiential Quality (X ₃) → Customer Trust (Z ₁)	0,103	1,664	0,096	ns
H ₄	E-Banking Service Quality (X ₁) → Customer Satisfaction (Z ₂)	0,341	5,062	0,000	s
H ₅	E-Customer Relationship Management (X ₂) → Customer Satisfaction (Z ₂)	0,024	0,372	0,710	ns
H ₆	Experiential Quality (X ₃) → Customer Satisfaction (Z ₂)	0,221	3,574	0,000	s
H ₇	Customer Trust (Z ₁) → Customer Satisfaction (Z ₂)	0,245	3,255	0,001	s
H ₈	Customer Trust (Z ₁) → Customer Loyalty (Y)	0,309	3,872	0,000	s
H ₉	Customer Satisfaction (Z ₂) → Customer Loyalty (Y)	0,348	4,337	0,000	s

Note: s (significant); ns (non significant)

Based on Figure 1 and Table 1 above, it can be explained as follows:

1. The results of research and testing using SEM with AMOS v.24 software show a significant effect of e-banking service quality on customer trust at Bank Jatim. The estimation result of the parameter of the effect of e-banking service quality on customer trust shows a significant effect with a CR value of 4.331 (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 0.279 (positive), meaning that the higher the quality of e-banking services, the higher customer trust. Thus, the first hypothesis which states that e-banking service quality affects customer trust in Bank Jatim is acceptable (**H1 is accepted**).

2. The results of research and testing using SEM with AMOS v.24 software also show a significant effect of e-customer relationship management on customer trust at Bank Jatim. The estimation results of the parameter of the effect of e-customer relationship management on customer trust also show a significant effect with a CR value of 4.499 (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 0.325 (positive), meaning that the better the relationship management with customers, the higher customer trust. Thus, the second hypothesis, which states that e-customer relationship management has an effect on customer trust in Bank Jatim, is also acceptable (**H2 is accepted**).
3. The results of research and testing using SEM with AMOS v.24 software showed no significant effect of experiential quality on customer trust in Bank Jatim. The estimation result of the parameter of the effect of experiential quality on customer trust shows an insignificant effect with a CR value of 1.664 (less than 1.96) and a significance value (*p-value*) of 0.096 (greater than the 5% real level). The resulting coefficient of influence is only 0.103, meaning that the higher the quality of customer experience in using Bank Jatim services, it is not able to have a real impact on increasing customer trust. Thus, the third hypothesis, which states that experiential quality affects customer trust in Bank Jatim, cannot be accepted (**H3 is rejected**).
4. The results of research and testing using SEM with AMOS v.24 software show a significant effect of e-banking service quality on customer satisfaction at Bank Jatim. The estimation result of the parameter of the effect of e-banking service quality on customer satisfaction shows a significant effect with a CR value of 5.062 (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 0.341 (positive), meaning that the higher the quality of e-banking services, the higher customer satisfaction. Thus, the fourth hypothesis, which states that e-banking service quality has an effect on customer satisfaction at Bank Jatim, is acceptable (**H4 accepted**).
5. The results of research and testing using SEM with AMOS v.24 software show that there is no significant effect of e-customer relationship management on customer satisfaction at Bank Jatim. The estimation result of the parameter of the effect of e-customer relationship management on customer satisfaction shows an insignificant effect with a CR value of 0.372 (less than 1.96) and a significance value (*p-value*) of 0.710 (greater than the real level of 5%). The resulting coefficient of influence is only 0.024, meaning that the better the relationship management with customers is not able to have a real impact on increasing customer satisfaction. Thus, the fifth hypothesis, which states that e-customer relationship management has an effect on customer satisfaction at Bank Jatim, cannot be accepted (**H5 is rejected**).
6. The results of research and testing using SEM with AMOS v.24 software showed a significant effect of experiential quality on customer satisfaction at Bank Jatim. The estimation result of the parameter of the effect of experiential quality on customer satisfaction shows a significant effect with a CR value of 3.574 (greater than 1.96) and a significance value (*p-value*) of 0.000 (smaller than the real level of 5%). The resulting coefficient of influence is 0.221 (positive), meaning that the higher the quality of customer experience in using Bank Jatim services, the more customer satisfaction will be. Thus, the sixth hypothesis, which states that experiential quality affects customer satisfaction at Bank Jatim is acceptable (**H6 accepted**).
7. The results of research and testing using SEM with AMOS v.24 software show a significant effect of customer trust on customer satisfaction at Bank Jatim. The estimation result of the parameter of the influence of customer trust on customer satisfaction shows a significant effect with a CR value of 3.255 (greater than 1.96) and a significance value (*p-value*) of 0.001 (smaller than the 5% real level). The resulting coefficient of influence is 0.245 (positive), meaning that the higher customer trust in Bank Jatim, the higher the satisfaction. Thus, the seventh hypothesis, which states that customer trust has an effect on customer satisfaction at Bank Jatim is acceptable (**H7 accepted**).
8. The results of research and testing using SEM with AMOS v.24 software show a significant effect of customer trust on customer loyalty at Bank Jatim. The estimation result of the parameter of the effect of customer trust on customer loyalty shows a significant effect with a CR value of 3.872 (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 0.309 (positive), meaning that the higher the customer's trust in Bank Jatim, the higher the loyalty. Thus, the eighth hypothesis, which states that customer trust affects customer loyalty at Bank Jatim is acceptable (**H8 accepted**).
9. The results of research and testing using SEM with AMOS v.24 software show a significant effect of customer satisfaction on customer loyalty at Bank Jatim. The estimation result of the parameter of the effect of customer satisfaction on customer loyalty also shows a significant effect with a CR value of 4.337 (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 0.348 (positive), meaning that the higher customer satisfaction with Bank Jatim, the higher the loyalty. Thus, the ninth hypothesis, which states that customer satisfaction has an effect on customer loyalty at Bank Jatim, is also acceptable (**H9 accepted**).

VII. CONCLUSION

The research objective was to analyze the effect of e-banking service quality, e-customer relationship management, and experiential quality on customer trust, customer satisfaction, and customer loyalty at 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. E-banking service quality has a significant effect on customer trust in Bank Jatim, the better the quality of online service, the stronger customer trust in Bank Jatim.
2. E-CRM has a significant effect on customer trust in Bank Jatim, the better the bank manages its relationships with customers, the stronger customer trust in the bank.
3. Experiential quality has no significant effect on customer trust in Bank Jatim, the better the quality of customer experience in utilizing banking services, does not have a significant impact on increasing customer trust in Bank Jatim.
4. E-banking service quality has a significant effect on customer satisfaction at Bank Jatim, the better the online service quality, the higher customer satisfaction to Bank Jatim.
5. E-CRM has no significant effect on customer satisfaction at Bank Jatim, the better the bank manages its relationships with customers; it does not have a real impact on increasing customer satisfaction with Bank Jatim.
6. Experiential quality has a significant effect on customer satisfaction at Bank Jatim. The better the quality of customer experience in utilizing banking services, customer satisfaction at Bank Jatim will also increase.
7. Customer trust has a significant effect on customer satisfaction at Bank Jatim, the stronger customer trust in the bank, the customer satisfaction will also increase.
8. Customer trust has a significant effect on customer loyalty at Bank Jatim, the stronger customer trust in the bank, the customer loyalty to the bank will also increase.
9. Customer satisfaction has a significant effect on customer loyalty at Bank Jatim, the higher customer satisfaction with the bank, the customer loyalty to the bank will also increase.

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