

Relationship of Customer Relationship Learning to Service Quality of Regional Development Banks

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Abstract

The aim of this research is to examine the relationship between customer relationship learning and service quality at Bank East Java Regional Development Plc in Surabaya. This thesis incorporates quantitative approaches in combination with a descriptive analysis methodology. With 307 respondents, the population was 1,329 savings customers from the Bank East Java Regional Development Plc network in the Surabaya region, covering the eastern, western, northern, and southern regions of Surabaya. The findings revealed that consumer experience learning had an effect on the level of service provided by PT Bank Pembangunan. East Java Plc's Surabaya region, this demonstrates that with a customer relationship learning approach, it would be able to enhance service quality. The totality of the attributes of products and services that reflect their capacity to meet consumer demands is referred to as service quality.

Keywords: Customer Relationship Learning, Service Quality, Bank

Introduction

Consumer experience is the mechanism by which users benefit about the acts or behaviors of others, as well as the effects of such actions or behaviors (Cialdini & Griskevicius, 2010). Consumers can mimic the behavior of others. Consumer experience is a subset of customer behavior that reflects on the learning phase of consumers. Marketers have been attracted to customer learning because it offers an important way to inform people about their position as customers. Marketers may guarantee that their goods and services are chosen to their rivals by educating them. Learning is characterized as behavior change that arises as a consequence of practice, according to Schiffman et al., (2017), Cialdini & Griskevicius, (2010), and Kahneman et al. (2011). Learning is distinguished from reflexes, which are spontaneous behaviors that arise in reaction to a stimuli, according to this description. The following are some key points to consider from this definition: (1) User learning is a phase, meaning it is still evolving and improving as a consequence of learned information or real experience. (2) For the participant, new insight and personal interactions act as reciprocity and serve as a benchmark for potential actions in comparable circumstances.

Learning is a reasonably long-term shift in actions brought about by practice (Schiffman & Kanuk, 2004; Jones et al., 2013). It is a mechanism through which an individual acquires information, such as buying and consumption knowledge, that can be extended to similar activities in the future (Schiffman & Kanuk, 2004). Learning is a phase in which one's awareness, perceptions, and behaviour shift as a result of their experiences (Engel et al., 2012). Learning is a reasonably lasting shift in actions that happens as a consequence of practice

(Jones et al., 2013). The entirety of characteristics of products and services that indicate their capacity to meet consumer desires, both visible and secret, is referred to as service quality. When a business is in the service industry, delivering high-quality offerings to consumers is a necessity if the company is to survive.

Quality is a state of being able to achieve and surpass demands in terms of goods, facilities, individuals, procedures, and ecosystems (Goetsch & Davis, 2014; Tjiptono et al., 2015). According to Gronroos, service is an operation or a set of events that arise as a consequence of encounters with customers and workers or other things offered by service companies that are meant to address user / customer issues that are not observable (cannot be felt) (Gronroos, 2011).

According to Kotler (2015), service quality is the aggregate of all characteristics of products and services that indicate their capacity to fulfill both visible and secret consumer needs. When a business is in the service industry, delivering high-quality offerings to consumers is a necessity if the company is to succeed.

Methods

This thesis utilizes quantitative methodology and a descriptive analysis style. The method of gathering and processing study data is known as research design. This study involves both preparing and carrying out research. This article uses causal research as its approach. Causal analysis seeks proof of a cause-and-effect interaction in order to establish if one or more variables cause or impact shifts in other variables. The demographic requirement in this analysis is to hold the population to a minimum. A community of 1,329 savings customers was obtained based on the parameters in 10 locations of Bank East Java Regional Development Plc's Surabaya network, Surabaya, covering the eastern, western, northern, and southern regions of Surabaya, with 307 respondents. Koesiner and literature review were used to gather data in this study. The review of Structural Equation Modeling (SEM) using Amos 24 is discussed in this report.

Customer relationship learning is described in this study as the mechanism through which a Bank East Java Regional Development Plc customer acquires buying and consumption information that will be added to similar activities in the future. The consumer interaction learning variable is operationally calculated by three indicators: repetition, stimulus generalization, and stimulus discrimination (Solomon, 2013; Schiff and Kanuk, 2017).

In this report, service quality refers to the level of service offered to customers by Bank East Java Regional Development Plc in terms of technology, staff, and facilities. Hawkins et al (2013) created six (six) metrics to operationally quantify this service quality variable, namely capacity, presence, focus, precision, friendliness, and comfort.

Result and Discussion

Variable Customer relationship learning

Indicators of variable customer relationship learning consist of: repetition, stimulus generalization and stimulus discrimination. Analysis using factor analysis to find the factors forming the variable customer relationship learning, it can be seen that the dominant factors that make up customer relationship learning are repetition (0.734), generalization stimulus (0.711), and stimulus discrimination (0.596) as shown in Figure 1.

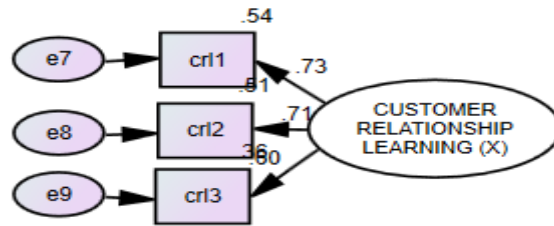


Figure 1. Variable Diagram of Customer relationship learning

Based on the results of statistical tests in AMOS version 24, the value of the CR (critical ratio) for each indicator that forms the customer relationship learning variable is greater than 2 (Jöreskog & Sörbom, 1996). These three indicators are indicators that significantly establish customer relationship learning.

Table 1. Loading factors for customer relationship learning

<i>Regression Weights</i>			<i>Estimate</i>	<i>Standard Estimate (λ)</i>	<i>S.E.</i>	<i>C.R.</i>	<i>P</i>
cr1	←	CRL	1.000	0.734			
cr3	←	CRL	0.739	0.596	0.106	6.999	0,000
cr2	←	CRL	0.799	0.711	0.113	7.080	0,000

Table 2. shows that the biggest contribution in establishing customer relationship learning is the indicator of repetition, meaning that respondents prefer repetition in customer relationship learning activities in the form of employees of PT. Bank East Java Regional Development Plc, provide understanding to consumers, ways of conducting banking transactions, as well as respondents being guided by employees, when they first filled out the form to become a customer of PT. East Java Regional Development Bank Plc. This is followed by a generalization stimulus indicator which means that the red and white color reminds the respondent of the PT. East Java Regional Development Bank Plc, and every respondent will conduct financial transactions, always remembering Bank East Java Regional Development Plc. The next indicator is stimulus discrimination which means that Bank East Java Regional Development Plc remind respondents about comfortable financial transactions, and according to respondents, safe financial transactions are at PT. East Java Regional Development Bank Plc.

Variable Service quality

Indicators of service quality variables consist of: ability, appearance, attention, accuracy, friendliness, and comfort.

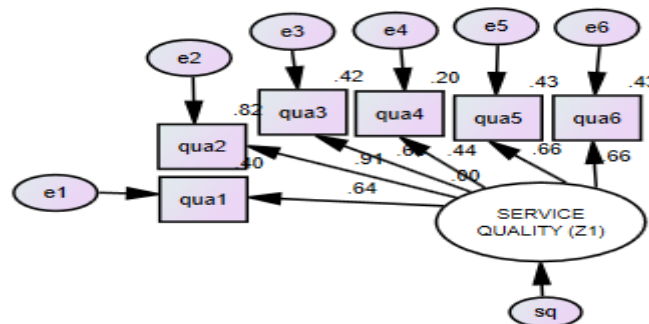


Figure 2. Variable Diagram of Service Quality

The dominant variables that make up service efficiency, as seen in Figure 2, are presence (0.908), friendliness (0.659), ease (0.656), concentration (0.651), capacity (0.635), and accuracy (0, 443).

The value of the CR (critical ratio) for each indicator forming the service quality vector is greater than 2 Jöreskog & Sörbom, based on the results of statistical testing in AMOS version 24. (1996). As a consequence, the six metrics are indicators that have a direct effect on service efficiency. Quality metrics play the most significant part in shaping service quality, with respondents prioritizing service quality in terms of presentation, with staff of PT. East Java Regional Development Bank Plc looking pleasantly while servicing clients, as well as PT. East Java Regional Development Bank Plc appearing in vivid colors. Employees of PT. East Java Regional Development Bank Plc are really polite, and employees of PT. East Java Regional Development Bank Plc are full of smiles, which is followed by a friendliness indicator. The convenience metric, namely transaction facilities at PT. East Java Regional Development Bank Plc are quite convenient, as are transactions at PT. East Java Regional Development Bank Plc since it has a wide parking space, is the next largest contributor.

The next metric is focus, which indicates the staff of PT. East Java Regional Development Bank Plc are really serious with consumer desires, as is the management of PT. East Java Regional Development Bank Plc. The next criterion is skill, specifically the ability of PT. East Java Regional Development Bank Plc employees to serve customers, which is very strong, and the ability of PT. East Java Regional Development Bank Plc employees to serve customers is very proficient. The last metric is precision, with workers at PT. East Java Regional Development Bank Plc providing very specific service, and service employees at PT. East Java Regional Development Bank Plc providing very precise service. Table 3 displays the results.

Table 3. Loading Factors Quality of service

<i>Regression Weights</i>	<i>Estimate</i>	<i>Standard Estimate (λ)</i>	<i>S.E.</i>	<i>C.R.</i>	<i>P</i>
qua5 ← SER	0.748	0.659	0.085	8.850	0,000
qua6 ← SER	0.905	0.656	0.105	8.623	0,000
qua1 ← SER	1.000	0.635			
qua3 ← SER	1.165	0.651	0.136	8.568	0,000
qua4 ← SER	0.680	0.443	0.106	6.416	0,000
qua2 ← SER	1.333	0.908	0.118	11.313	0,000

With a vital ratio (CR) of 4.516 and a likelihood value of 0.000, the vector direction coefficient of consumer experience learning on the service quality of Bank East Java Regional Development Plc Surabaya area is 0.391. The likelihood value is less than 0.05, indicating that the customer interaction learning predictor has a meaningful or accurate impact on the service quality of Bank East Java Regional Development Plc in the Surabaya sector. Although the positive meaning of beta suggests that the impact is unidirectional, this implies that the performance of Bank East Java Regional Development Plc, which has applied successful customer relationship learning intensively and consistently, contributes to improving the service quality of Bank East Java Regional Development Plc in the Surabaya sector, and vice versa, failure to enforce customer relationship learning contributes to improving the service quality of Bank East Java Regional Development Plc in the Surabaya area. The proportion of this contribution that was rendered was 39.1%.

In the descriptive description, it is known that, the customer relationship learning that was successfully built by Bank East Java Regional Development Plc Surabaya area reached a strong level (average value = 4.006 in the scale range 1 to 5). In addition to showing this level is not optimal, but in another sense it shows there is still an opportunity to improve customer relationship learning Bank East Java Regional Development Plc through service quality (service quality) Bank East Java Regional Development Plc Surabaya region.

Analysis using factor analysis is known that the dominant factor that forms customer relationship learning is an indicator of repetition, meaning that the respondent prefers repetition in customer relationship learning activities in the case that employees of Bank East Java Regional Development Plc provide understanding to customers, ways conducting banking transactions, as well as customers guided by employees, when they first fill out the form to become a customer of Bank East Java Regional Development Plc. The second dominant factor that forms customer relationship learning is the generalization stimulus indicator, meaning that red and white reminds customers of the Bank East Java Regional Development Plc building, also that every customer wants to make financial transactions, always reminds of Bank East Java Regional Development Plc. The next indicator is the stimulus discrimination indicator which shows that Bank East Java Regional Development Plc reminds respondents about comfortable financial transactions, and also according to respondents, safe financial transactions are at Bank East Java Regional Development Plc.

Learning is a comparatively long-term shift in action that occurs as a function of practice. Consumer learning is a medium, which means it is continually evolving and shifting as new information is gleaned through reading, conversation, evaluation, and thought cycles, as well as one's own insights. The importance of knowledge of learning does not imply that all learning is deliberate. While most learning is deliberate, that is, acquired as a consequence of a thorough quest for knowledge, most of it is accidental or gained with little effort. As a consequence of previous interactions, customer learning can be described as a shift in behaviour. Consumers' actions can be affected by their prior encounters.

An area that necessitates the use of customer experience learning in order to inform customers about the value of bank services in facilitating the smooth functioning of their everyday activities. The banking system itself is prone to different types of rivalry, with the aim of each business being able to attract clients. This will be done if the client and the company have a mutually advantageous partnership. Relationship learning and absorption ability have a positive impact on firm results, according to Chen, Lin, and Chang (2009). According to Eng (2005), a firm's willingness to learn from its network of customer partnerships is a key source of long-term competitive advantage.

Because the superiority of indicators involving repetition in marketing practices on the vector consumer interaction learning in this report, the Bank East Java Regional Development Plc Surabaya region needs to pay more attention to indicators of repetition in this marketing operation, because by giving understanding to clients, forms of performing purchases, the Bank East Java Regional Development Plc Surabaya region deserves to pay more attention to indicators of repetition in this marketing activity. When a consumer first fills out the form to become a customer of Bank East Java Regional Development Plc, and with employee feedback, it will make it simpler for customers to make purchases for the first time, hence the learning phase will occur, and customers will react favorably to this learning experience. This can also be accomplished by consistently engaging with customers and reminding them of the products and activities programs offered by Bank East Java Regional Development Plc in the Surabaya sector.

The findings of this analysis support Bell et al. (2005)'s assertion that an organisation can improve its learning capacity by focusing on specific consumer relationships. Selnes and Sallis (2009) state that a company can improve its learning ability by focusing on specific customer relationships. Managers must then define the key goals and frameworks for how the learning phase can be approached before adopting relationship learning techniques.

Conclusion

Customer relationship learning affects the quality of service (service quality) Bank East Java Regional Development Plc in the Surabaya area, this shows that with a customer relationship learning strategy, will be able to increase the quality of service (service quality) Bank East Java Regional Development Plc.

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