Maintaining Bank Customer Loyalty during Covid-19 Pandemic through Promotion, Service Quality and Customer Relationship Management

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Abstract

Promotion, Service Quality, and Customer Relationship Management are three important factors that define Customer Loyalty. This study was conducted to analyze the influence of promotion, service quality and customer relationship management (CRM) on customer loyalty of PT Bank Central Asia Tbk. in the pandemic era. The research method used is quantitative method, using a questionnaire as a research instrument. The population in this research is customers of PT Bank Central Asia Tbk in Indonesia. The sample consisted of 100 people, chosen using purposive sampling method. The data was processed using the application of IBM SPSS Version 25 to examine the influence of promotion, service quality, and CRM on customer loyalty. The findings reveal that promotion as well as CRM do not have influence on Customer Loyalty. On the other hand, service quality was proven to have influence on Customer Loyalty. Moreover, the result of the F test shows that promotion, service quality, and customer relationship management simultaneously effect customer loyalty.

Keywords: Promotion, Service Quality, Customor Relationship Management (CRM), Customer Loyalty.

1.   Introduction

The Covid-19 pandemic, which has been going on since 2020, has had many impacts on the economy and made losses in several sectors in Indonesia. However, the banking sector remains one of the sectors that can survive, because the banking sector is a sector that is widely used and needed by the public to carry out financial transactions even in everyday life.

With the Covid-19 pandemic, competition between businesses is getting tougher, so banks need to think of the right strategy to   be able to survive and multiply their customers. Banks need to increase customer satisfaction in various ways ranging from making promotions, improving service quality and implementing customer relationship management (CRM) in their companies.   By doing this, it can make it difficult for customers to move and switch to other banks. If the customer is satisfied, it will also directly affect increasing customer loyalty.
 Business competition also makes banks need to improve and maximize the quality of service in order to meet the needs and desires of their customers.   By providing   maximum service quality , the relationship between customers and banks will be well established.

2.   Literature Review

Approaching customers can be through communication in the form of writing or voice online or offline, creating interesting content for customers and prospective customers. By implementing customer   relationship management (CRM) can further build customer loyalty to a bank and the products or services offered.

2.1 Promotion
Promotion is an effort to introduce, offer and inform the products or services offered to the public or the public. According to Laksana (2019) promotion is a communication from sellers and buyers that comes from the right

information that aims to change the attitude and behavior of buyers, who were not familiar with it to get to know so that they become buyers and keep the product in mind. Promotion is one of the strategies that is considered quite effective to retain existing customers and help attract new potential customers.

Promotion is one of the important variables and greatly affects customer loyalty because the promotion makes customers interested in continuing to use the services offered and can have a positive impact on customer loyalty. According to Luta, Samari, & Ratnanto (2018) promotion describes how a company persuades or informs customers about the product being offered directly and indirectly.

Promotions are useful for introducing new products to existing customers and also attracting new potential customers. Promotion can be done using advertising media, cooperating with companies or other parties and so on. The promotions that are carried out need to be made as attractive as possible so that more and more potential new customers are interested in joining. Promotions can be in the form of discounts, cashback coupons, introducing products or services to the public, giving free gifts and so on.

Promotions have a mix commonly called *a promotion mix*. The promotion mix consists of advertising, *personal selling*, publicity or *public relations* (PR) and sales *promotion.*

2.2 Service Quality

According to Kotler (2016) service is any act or activity that can be offered by one party to another, essentially intangible and does not result in any ownership. So it can be concluded that service quality is the company's ability to provide the best quality service compared to its competitor Rusydi (2017). According to Tjiptono (2019) Service quality is the expected level of excellence and control over that level of excellence to meet consumer desires.

There are five main dimensions in service quality which include *tangibility*, reliability, *responsiveness*, *assurance* and empathy. Tangibility is the ability of a company to provide the best service to each of its customers. Existence can be how good and attractive the company building is, theneatness of the building, the completeness of technological and communication equipment, and the appearance of each employee. Reliability is how consistently the company delivers the promised quality of service in accordance with the expectations and wishes of customers. Responsiveness is the speed of service staff in serving customers and handling the needs and desires of each customer. Responsiveness can also be measured by how quickly service staff provide information related to products or services. Assurance is a form of certainty provided by the company to build and increase customer trust in the company. Empathy is a form of attention that service staff show to their customers.

2.3 Customer Relationship Management (CRM)

Customer Relationship Marketing is considered as a new version of transitional marketing. Therefore, Customer Relationship Marketing can be seen as external customer relationship (Mollah, 2014). There are a lot of concepts of relationship marketing. The most general and easy to understand relationship marketing is a form of building, developing, and maintaining high-value, and cost-effective relationships with customers, employees, and partners for the benefit enduring of the two sides (Kotler et al, 2019). Customer relationship marketing has transformed into a new paradigm for marketing strategy. CRM seeks to lengthen customers' lifetime (Karyose et al, 2017).

2.4 Customer Loyalty

Customer loyalty can provide many benefits and value to the company. Even so, many companies often ignore customer loyalty, making their customers unloyal to the company. Customer loyalty can have a positive influence and impact on the company. Fitriani and Wahyuni (2018) stated that loyalty is a customer commitment to buy or use a product in the future. However, the commitment does not depend on the market situation that can change the behavior of market participants. Fitriani (2018) mentioned that "*Quality is closely related to the needs, therefore the word quality implies the existence of certain requirements in accordance with the expected customer. For companies that sell services, quality is more related to the process. In this case, consumers have an important role in the process of building a quality*". This means that quality is closely related to customer expectations and how customers rate a product.

According to Griffin (2009) there are four classifications of types of customer loyalty based on the level of loyalty, namely *inertia* loyalty, latent loyalty, and premium *loyalty*. Customers on weak loyalty criteria have a
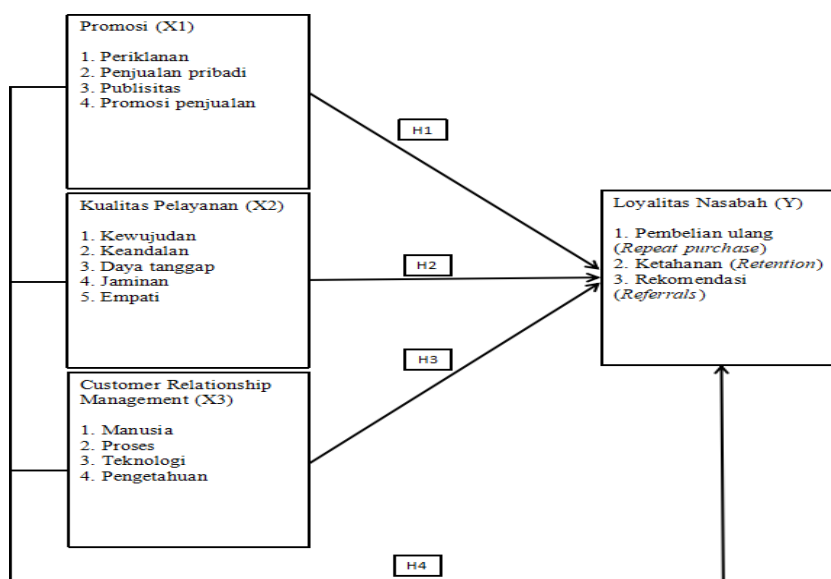
low level of attraction but have a high repurchase rate. Usually customers of this type buy products or services because they are used to it, not because they feel satisfied. Buyers with a weak level of loyalty usually easily turn to competitors' products or services. Therefore, companies need to increase customer loyalty by approaching , offering, and providing benefits to customers so that they are able to build customer loyalty. Customers in the hidden loyalty category have a high level of attachment to the product or service offered but with a low repurchase rate. Customers in this type have a low repurchase rate due to certain situations related to the products or services provided, buyer limitations and so on. Customers on premium loyalty types tend to have a high level of attachment with a repurchase rate that is also high. Buyers of this type also have a sense of pride in the *brand* or products and services offered so as to allow buyers' recommendations to people around them voluntarily.

Loyal consumers according to Griffin (2016:142) are "one who makes regular repeat purchases, purchase across product lines, refers others and demonstrates on immunity to the pull of the competition". Thus there are several indicators of customer loyalty, namely (1) making regular purchases (makes regular repeat purchases); (2) purchases across product and service lines; (3) recommend other products (refers other); (4) demonstrate immunity from the attractiveness of similar products from competitors (demonstratesan immunity to be the full of the competition).

2.5 Research Framework
The research framework of this study can be seen as follows.

Figure 1 Research Framework

3.   Research Method

The method that is used in this study is quantitative method. The type of data used in this study is primary data. The program used for processing research data is SPSS and all research instruments are tested using validity and reliability tests. The population in this study is customers of PT Bank Central Asia Tbk. (Bank BCA) in Indonesia. The sample in the study was 100 respondents who were customers of PT Bank Central Asia Tbk. (BCA Bank), which is determined using the Slovin formula.

4. Results And Discussion

4.1   Profil of Responden

Table 1.   Respondent Profile By Gender

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Gender	Number of Respondents	Percentage
Man	46	46%
Woman	54	54%

Source: *Google Form Summary* author (2022)

Based on the data above consisting of 100 respondents, it can be concluded that there are 46 people (46%) respondents consisting of men and 54 people (54%) respondents consisting of women.
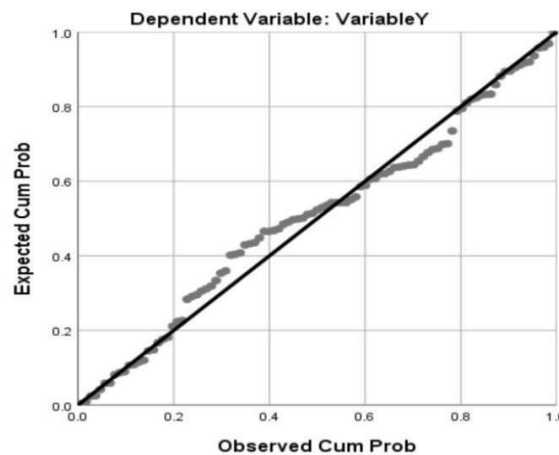
Tabel 2. Respondents Profile by Age

age	Number of Respondent	Percentage
< 20	16	16%
20 - 29	41	41%
30 - 39	20	20%
40 - 50	11	11%
> 51	12	12%

4.2 Classical Assumptions Test

4.2.1 Normality Test Results

The Normality Test is performed to analyze and determine whether the residual values on free variables and bound variables are normally distributed or abnormally. Normality Test in this study used P-Plot normal chart analysis by identifying spot scatters and diagonal lines. Here is a diagram and table of normality test results using probability plots.

Figure 2, P-Plot Graph

Sumber: SPSS *Statistics Calculations* (2022)

Based on the P-plot graph above, it can be concluded that the results of the normality test of free variables and bound variables are distributed normally, this is because the points are around the graph and the spread follows a diagonal line So that this study can meet the assumption of normality.

4.2.2 Multicholinearity Test Results

Table 3. Multicholinearity test results

Coefficients^a

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	1.114	2.641		.422	.674		
	Promosi	-.038	.047	-.063	-.808	.421	.616	1.622
	Kualitas pelayanan	.571	.048	.791	11.869	.000	.858	1.166
	Customer Relationship Management (CRM)	.091	.107	.068	.856	.394	.602	1.661

a. Dependent Variable: Loyalitas Nasabah

Source: SPSS *Statistics Calculations* (2022)

Based on the above data, it can be concluded that there is no intercorrelation or close relationship between independent (free) variables. This is because the VIF (*Variance Inflation Factor*) value < 10 and the tolerance value for the promotion, service quality and *customer relationship management* (CRM) variables > 0.10.

4.2.3 Autocorrelation Test Results

The autocorrelation test is carried out with the aim of conducting an analysis and proving the presence of correlations in the regression equation. In autocorrelation testing, the regression model can be said to be good if there are no autocorrelation problems. In this study, the autocorrelation test will be carried out based on the Durbin - Watson test. The basis for making autocorrelation test decisions can be concluded as follows.

1. If d $<$ dl or d $>$ 4-dl then there is an autocorrelation.
2. If du $<$ d $<$ 4-du then there is no autocorrelation.
3. If dl $<$ d $<$ du or 4-du $<$ d $<$ 4-dl then there is no conclusion.

Here are the results of autocorrelation testing in this study:

TAbel 4. Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.794[a]	.631	.619	.04901	1.976

a. Predictors: (Constant), Customer Relationship Management (CRM), Kualitas Pelayanan, Promosi

b. Dependent Variable: Loyalitas Nasabah

Source: SPSS *Statistics Calculations* (2022)

Table 5. Autocorrelation Test Calculation

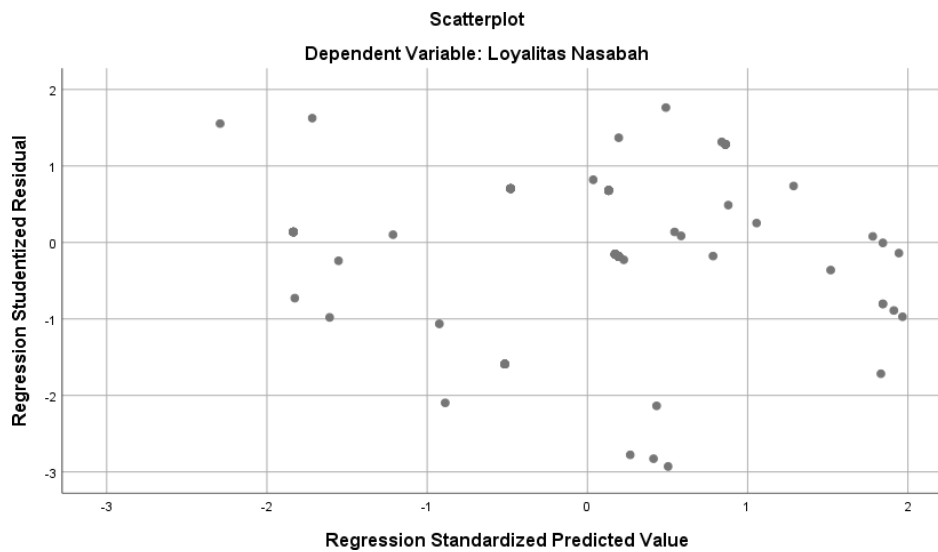| d	dl	du	4-dl	-du
1,976	1,736	1,592	2,264	,408

Source: SPSS *Statistics Calculations* (2022)

Based on the table above, it can be seen that the value on Durbin - Watson is 1.976. It can be concluded that this study does not have autocorrelation because du $<$ d 4-du $<$ so that the autocorrelation test results are 1,592 $<$ 1,976 $<$ 2,408.

4.2.4 Heteroskedasticity Test Results

According to Ghozali (2016) the heteroskedasticity test aims to see the similarity or inequality of variance from the residual of one observation to another. Regression models can be said to be good if heteroskedasticity does not occur. The study was conducted by analyzing *a scatter plot* chart. The basis for making decisions on the heteroskedasticity test can be concluded as follows:
1. If the *resulting scatter plot* or points form a regular pattern, then heteroskedasticity has occurred.
2. If the *resulting scatter plot* or points spread above and below 0 and do not form a pattern, then heteroskedasticity does not occur.

Table 6, Heteroskedasticity Test Results

Scatterplot
Dependent Variable: Loyalitas Nasabah

Source: *Statistics Calculations* (2022)

Based on the scatter plot chart above, it can be seen that the *scatter plot* or points produced are spread above and below 0 and the points do not form a pattern. So it can be concluded that in this study there is no heteroskedasticity.

4.2.5   Correlation Coefficient Test

The correlation coefficient analysis test aims to conduct an analysis and test the relationship between free and bound variables. The basis of decision making on the correlation coefficient test is as follows.

If the significant value of F change < 0.05, then there is a correlation.
If the significant value of F change > 0.05, then there is no correlationi

Tabel 7. Hasil Uji Koefisien Korelasi

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.794[a]	.631	.619	.04901	.631	54.663	3	96	.000

Model Summary

a. Predictors: (Constant), Customer Relationship Management (CRM), Kualitas Pelayanan, Promosi

Source: SPSS *Statistics Calculations* (2022)

Based on the table above, a significant value of F change of 0.000 which means $0.000 < 0.005$, it can be concluded that there is a correlation between free variables and bound variables. Based on the data from the correlation coefficient test, the pearson correlation value of 0.794 is included in the strong correlation so this means that between the variables in this study there is a strong correlation.

4.2.6   Multiple Linear Regression Analysis

Multiple linear regression analysis aims to analyze the effect of promotion, service quality, customer *relationship management* (CRM) on customer loyalty. The following are the results of multiple linear regression analysis in this study:

Table 7. Result of Multiple Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.114	2.641		.422	.674
	Promosi	-.038	.047	-.063	-.808	.421
	Kualitas pelayanan	.571	.048	.791	11.869	.000
	Customer Relationship Management (CRM)	.091	.107	.068	.856	.394

a. Dependent Variable: Loyalitas Nasabah

Source: SPSS *Statistics Calculations* (2022)

Based on the table above, the following are the results of the regression equation of promotion variables, service quality, customer *relationship management* (CRM) to customer loyalty:

$$Y = \alpha + b_1X_1 + b_2 X_2 + b_3 X_3$$

$$Y = 1{,}114 + (-0{,}038)X_1 + (0{,}571)X_2 + (0{,}091)X_3$$

1. The value of the constant is 1.114 which means that if all free variables are valued at 0, then the value of the customer loyalty variable is 1.114.
2. The regression value of B1 (promotion) is - 0.038 which means that if the promotion variable increases by 1 unit it will affect customer loyalty by -0.038.
3. The regression value of B2 (service quality) is 0.571 which means that if the service quality variable increases by 1 unit, it will affect the customer loyalty variable by 0.571.
4. The regression value of B3 (customer relationship *management*) is 0.091 which means that if the customer relationship variable increases by 1 unit, it will affect the customer loyalty variable by 0.091.

4.2.7 Hypothesis Test

4.2.7.1. T Test Results

The T test is carried out to analyze whether or not there is an effect of promotion (X1), service quality (X2) and customer relationship management (X3) partially affecting customer loyalty (Y). The basis for making the decision of the T test can be concluded as follows:
1. If a significant value < 0.05 or T count > T of the table, then it can be concluded that there is a simultaneous influence between the free variable (X) and the bound variable (Y).
2. If a significant value > 0.05 or T count < T of the table, then it can be concluded that there is no simultaneous influence between the free variable (X) and the bound variable (Y).

The following are the results of the T test in this study:

Table 8. T Test Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.114	2.641		.422	.674
	X1	-.038	.047	-.063	-.808	.421
	X2	.571	.048	.791	11.869	.000
	X3	.091	.107	.068	.856	.394

a. Dependent Variable: Y

Source: SPSS *Statistics Calculations* (2022)

Formula and calculation T table T - table = T ($\alpha/2$; n - k - 1)
T - table = T (0,05 ; 100 - 3 - 1) T - table = T (0,025 ; 96)
T - table = 1,985

Based on the results of the T test, it can be concluded as follows:
1.   The promotion variable (X1) has a calculated t value of - 0.808 with a table t value of 1.985 and a significant value of 0.421 so that it can be concluded that the value of t -0.808 < 1.985 and the significance value of 0.421 < 0.05. Then this means that H1 is rejected and the promotion has no effect on customer loyalty.
2.   The service quality variable (X2) has a calculated t value of 11.869 with a table t value of 1.985 and a significant value of 0.000 so that it can be concluded that the t value is 11.869 > 1.985 and the significance value is 0.000 < 0.005. So this means that H2 is accepted and the quality of service has an influence on customer loyalty.
3.   The *customer relationship management* variable (X3) has a calculated t value of 0.856 with a table t value of 1.985 and a significant value of 0.394 so that it can be concluded that the t value is 0.856 < 1.985 and the significance value is 0.394 > 0.005. So this means that H3 is rejected and customer *relationship management* has no influence on customer loyalty

4.2.7.2 F Test Results

Uji F dilakukan untuk menganalisis dan menguji pengaruh promosi (X1), kualitas pelayanan (X2) dan customer relationship management (X3) berpengaruh secara simultan terhadap loyalitas nasabah (Y). Dasar pengambilan keputusan uji Fdapat disimpulkan sebagai berikut:
1.   If a significant value < 0.05 or F calculate > F of the table, then it can be concluded that there is a simultaneous influence between the free variable (X) and the bound variable (Y).
2.   If a significant value > 0.05 or F count < F of the table, then it can be concluded that there is no simultaneous influence between the free variable (X) and the bound variable (Y).
The following are the results of the F test in this study:

Table 9. F Test Result

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	279.293	3	93.098	55.547	.000^b
	Residual	160.897	96	1.676		
	Total	440.190	99			

a. Dependent Variable: Loyalitas Nasabah

b. Predictors: (Constant), Customer Relationship Management (CRM), Kualitas pelayanan, Promosi

Source: SPSS *Statistics Calculations* (2022)

Formula and calculation of F table.

F - table = F (k ; n - k) F - table = F

(3 ;   100 – 3)

F - table = F (3 ; 97) F – table = 2 .69

Based on the table of F test results above, it can be seen that the calculated F value is 55.547 with a significant value of 0.000. Then based on the data, a significant value of 0.000

< 0.05 and F values calculate > F table (55,547 > 2.69) so that it can be concluded that promotion (X1), quality of service (X2) and customer relationship management (X3) simultaneously affect customer loyalty (Y).

4.2.8   Coefficient of Determination Test

The coefficient of determination test aims to measure the strength and ability of free variables to clarify bound variables. So in conclusion, the higher the value of the coefficient of determination, the better the   free   variable (*independent*) explains the variation in changes to the bound variable (*dependent*). The following are the results of the coefficient of determination test in this study:

Table 10. Coefficient of Determination Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.794[a]	.631	.619	.049

a. Predictors: (Constant), Customer Relationship Management (CRM), Kualitas Pelayanan, Promosi

Source: SPSS *Statistics Calculations* (2022)

Based on the table of coefficient of determination test results above, it can be concluded:

1. The value of R Square is .631 so that this value is close to the number 1 which means that the *independent* variable consisting of promotion, service quality, customer *relationship management* (CRM) has a strong and significant influence on the dependent variable, namely, customer loyalty.

2. The Adjusted R Square value based on the table, namely, .619 or 6.19% so that it can be concluded, free variables including promotion, service quality and customer *relationship management* (CRM) make a fairly strong contribution to customer loyalty worth 6.19%. Swhile 3.81% (10% - 6.19%) based on factors not studied in researchers

5. Conclusion

This research was conducted with the aim of analyzing the effect of promotion, service quality, customer relationship management (CRM) on customer loyalty of PT Bank Central Asia Tbk. (Bank BCA) in the pandemic era. Based on the analysis that has been carried out can be concluded as follows:

1. Based on the results of the hypothesis test using the t test (t - test) between the promotion variable and customer loyalty, it proves that the promotion does not have a significant effect on customer loyalty.

2. Based on the results of the hypothesis test using the t test (t - test) between the variables of service quality and

customer loyalty, it proves that the quality of service has a significant effect on customer loyalty.

3. Based on the results of the hypothesis test using the t (t-test) test between the variables of customer relationship management (CRM) and customer loyalty, it proves that customer relationship management (CRM) does not have a significant effect on customer loyalty.

4. Based on the results of the f test, it proves that promotion, service quality and customer relationship management (CRM) have a significant effect on customer loyalty to PT Bank Central Asia Tbk. (Bank BCA). So it can be concluded that promotion, service quality and customer relationship management (CRM) have an influence in increasing customer loyalty to PTBank Central Asia Tbk. (Bank BCA).

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