THE INFLUENCE OF TECHNOLOGY BASED MARKETING STRATEGIES AND SERVICE QUALITY AS MEDIATION VARIABLES ON CUSTOMER LOYALTY

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ABSTRACT

Keywords:
Technology Based Marketing, Service Quality, Customer Loyalty

Marketing strategy is a form of directed planning in the marketing sector to obtain optimal results. Service quality is generally seen as a result of the overall service system that consumers receive. Loyalty as a condition in which customers have a positive attitude towards a brand The objectives of this study are: i) Knowing and analyzing technology-based marketing strategies that affect service quality. ii) Knowing and Analyzing Technology-Based Marketing Strategies affect Customer Loyalty. iii) Knowing and Analyzing Service Quality affects Customer Loyalty. iv) Knowing and analyzing the significant influence of Technology-Based Marketing Strategies on customer loyalty by mediating service quality in Bank Jatim. This type of research uses a quantitative research approach. The sample used was 44 respondents. The analysis used is Path Analysis. The results showed that: i) Technology-Based Marketing Strategy has a positive effect on the Service Quality of Bank Jatim Main Branch. ii) Marketing strategy has a positive effect on Customer Loyalty in Bank Jatim Main Branch. iii) Service Quality has a positive effect on Customer Loyalty in Bank Jatim Main Branch. iv) Technology-Based Marketing Strategy has a significant effect on Customer Loyalty by mediating Service Quality.

INTRODUCTION

The development of banking is currently experiencing a significant increase. This change occurred due to the rapid growth and development of technology, information, machinery and heavy equipment, especially communication technology. Banks can create products that customers want and need. Information technology, especially the internet, plays a big role in the business world, especially the world of marketing.

The phenomenon is one that really feels this competition is competition in the banking world which is increasingly felt, especially what is happening at Bank Jatim. Various methods are used to attract as many customers as possible. With the friendliness of the bank officers and the services provided will improve the quality of services provided. Each company makes various efforts to provide satisfaction to consumers, as well as in the banking service business. To achieve customer satisfaction is not easy. The customers they face today are different from those of a few decades ago. Now customers are more educated and aware of their rights. Therefore, there are customers who are not

satisfied. Likewise, with banking products, there are many varieties and service facilities offered to customers, thereby making the competition between banks stronger. In the midst of increasingly fierce competition, it requires hard efforts to maintain and increase customer loyalty.

Banks as financial institutions that produce products in the form of financial services also need a strategy to market their products. Marketing strategy is a form of directed plan in the field of marketing to obtain optimal results. In developing marketing, every step in formulating a marketing strategy must be oriented towards efforts to achieve customer satisfaction. If the marketing strategy implemented by the company is able to market its products well, this will affect the company's goals (Sentot Imam Wahjono, 2010). According to Kotler and Keller, basically, the marketing mix strategy or known as the marketing mix consists of 4 components, namely product (product), price (price), place (place), and promotion (promotion) (Keller & Kotler, 2012).

According to Lovelock and Wright (2007: 97), service quality is a customer's long-term cognitive evaluation of the delivery of a company (Moguluwa & Ode, 2013). In general, the services provided by good companies will result in high satisfaction and very high repeat purchases. Seeing the increasing competition between banks, banks are increasingly competing to get customers by improving services and optimal performance. According to (Akbar & Parvez, 2009), today's companies must be aware of the need to learn and understand the various service qualities (eg switching costs, trust, company image, and customer satisfaction) from customer loyalty that might help them to develop a loyal customer base. As stated in the literature by (Siddiqi, 2011), relevant that high-quality service helps to generate customer satisfaction, if the real service they feel is the same as expected then the service quality is declared satisfactory. However, if the real service quality they feel is below what is expected, the service quality is said to be of poor quality (Octavia, 2019).

Loyalty literally means loyalty, namely one's loyalty to an object. According to Marsalis (2005: 111-112) defines loyalty as a condition in which the customer has a positive attitude towards a brand, has a commitment to the brand, and intends to continue his purchase in the future. Given that customer behavior is very complex and difficult to predict, a basic approach can be taken by the bank by instilling trust and building commitment to its customers. In line with the opinion of Ramadan (2002:35) loyalty is the goal of the marketing mix. To maintain this loyalty, the company can not only rely on the satisfaction felt by the customer but more than that, trust and commitment are the keys to building loyalty. Loyalty can make customers make purchases consistently against the selection of a brand. Customers will try to minimize the risk, time, and decision-making process. Experience is also important because it relates to habits in decision-making (Van Der Meer, Kurth-Nelson, & Redish, 2012).

Various efforts have been made by Bank Jatim to improve marketing strategies and services to its customers, among others, by adding a service network, pampering its customers with various forms of service quality that further optimize service products and service attributes offered, as well as the use of information technology in every effort to get customer loyalty. Bank Jatim has also developed a Marketing Action Program (MAP) which is a web-based application that is used as a means to report marketing activities/activities. With this application, it is hoped that it will make it easier for Branch Managers or Head Offices to monitor or evaluate the activities of marketing officers so that marketing activities can run normally (Sukmadinata, 2019).

Bank Jatim is one of the best Regional Development Banks (BPD), because according to the Info Bank Research Bureau there are ten BPDs with large own capital, namely Banks: West Java, East Java, Central Java, North Sumatra, Riau, DKI, East

Kalimantan, Bali, South Sulawesi, and Papua (Bank Info, February 2004). Based on the financial report published in Bisnis Indonesia Daily (https://m.bisnis.com/amp/read/20200730/90/1273014/bank-jatim-bukukan-laba-rp77015-miliar-), where the profit of Bank Jatim is supported by an increase in net interest income of 1.67% year on year (yoy) to Rp2 trillion. The company also issued operating expenses other than interest in the period amounting to Rp1.29 trillion. shown from the increase every year it can be concluded that more and more customers are using the products and services provided by Bank Jatim. Therefore, to retain customers who already need attention to improve the quality of existing services so that customers' expectations can be fulfilled. On the other hand, if the customer's expectations are the same or less than the level of service received, the customer will be satisfied (Muslih, Wibowo, & Purwanto, 2017).

RESEARCH METHODS

This study uses a quantitative approach in an effort to test the hypotheses that have been prepared. Quantitative research is required to use numbers, starting from data collection, interpretation of these numbers, and the appearance of the results (Arikunto, 2002:12). This research was conducted at Bank Jatim Main Branch as the object of research, namely customers. The reason the researcher chose the research location was because the place was easily accessible by researchers and was the center of Bank Jatim in Surabaya. The time of this research was carried out in July 2020. The population here are customers at Bank Jatim Main Branch, totaling 176 customers. The sample is part of the population. Arikunto (2010:174) says that the sample is part or representative of the population being studied. If the number of respondents is less than 100, all samples are taken so that the research is a population study. Meanwhile, if the number of respondents is more than 100, then the sampling is 10%-15% or 20%-25% or more (Arikunto, 2010)a. So the sampling in this study is 25% of the existing population, because the total population exceeds 100, namely 176 customers. Means 176 X 25% / 100 = 44, so the sample used in this study was 44 customers. In this study, the scale that will be used for variable measurement is a Likert scale. The Likert Scale is a scale used to measure the subject's response to 5 points with the same interval scale. The data collection method used is a list of questions or questionnaires and documentation which is used in order to meet the data or information needed for the benefit of the research variables that have been previously designed then the research data were analyzed using Path Analysis (Cheng & Phillips, 2014).

RESULTS AND DISCUSSION

The hypotheses proposed in this study are 1) Technology-Based Marketing Strategy has an effect on Service Quality. 2) Technology-Based Marketing Strategy affects Customer Loyalty. 3) Service Quality affects Customer Loyalty. 4) There is a significant effect of Technology-Based Marketing Strategy on customer loyalty by mediating service quality. The results of testing this hypothesis are presented in the following table:

Tabel 1.
Hasil Uji Sub Struktur 1

Variabel	Koefisien regresi		Nilai t	Nilai p
Strategi Pemasaran	0,520		3,941	0,000**
	R = 0,530			
	R square (R^2) = 0,270			

Tabel 2.
Hasil Uji Sub Struktur 2

Variabel	Koefisien regresi		Nilai t	Nilai p
Strategi Pemasaran	0,606		5,774	0,000**
	R = 0,804			
	R square (R^2) = 0,647			

Tabel 3.
Hasil Uji Sub Struktur 3

Variabel	Koefisien regresi		Nilai t	Nilai p
Kualitas Layanan	0,301		2,774	0,008**
	R = 0,804			
	R square (R^2) = 0,647			

Tabel 4.
Hasil Analisis Pengaruh Langsung, Tidak Langsung dan Total dari Analisis Jalur

Hipotesis	Jalur	Pengaruh Langsung	Pengaruh Tidak Langsung	Pengaruh Total	Sig. T
1	Strategi Pemasaran → Kualitas Layanan	0,520	-	-	0,000*
2	Strategi Pemasaran → Loyalitas Nasabah	0,606	-	-	0,000*
3	Kualitas Layanan → Loyalitas Nasabah	0,301	-	-	0,008*
4	Strategi Pemasaran → Kualitas Layanan → Loyalitas Nasabah	0,606	0,520 x 0,301 = 0,156	0,762	-

Marketing Strategy on Service Quality

The results showed that the Marketing Strategy variable had a positive effect on service quality. It is proven from the results of the analysis conducted by researchers where the beta coefficient value, marketing strategy on service quality is 0.520 and p-value is 0.000. The p value is greater than 0.05 at a significance of 5% ($\square$ = 5%). The company's success in providing quality services can be determined by the service quality approach that has been developed by Parasuraman, Berry and Zenthaml (Lupiyoadi, 2014: 181). One of the important factors that determine customers in utilizing the quality of service is the marketing strategy that is applied, it is important for Bank Jatim Main Branch to have the right marketing strategy, with the programs or products offered can be done to improve the quality of service so that customers will be satisfied on the quality of services provided by Bank Jatim Main Branch which means that in the survival of the

company the quality of service must be considered because customers are one of the keys to the company's success. By providing quality services, it will create a positive perception from customers and will lead to satisfaction after experiencing the services provided. The results of this study are in accordance with and in line with (Amelia, Salamah, & Sofyan, 2019) which states that marketing strategy has a positive effect on service quality.

Marketing Strategy for Customer Loyalty

The results of this study indicate that the Marketing Strategy variable has a positive effect on Customer Loyalty. It is proven from the results of the analysis conducted by researchers where the regression coefficient or marketing strategy beta value on customer loyalty is 0.606 and the p-value is 0.000. The p value is greater than 0.05 at a significance of 5% ($\square$ = 5%) meaning that the more the marketing strategy is carried out by the bank, the more loyal customers are (Ferdinand, 2014). Thus, related to the results of this study, the influence of marketing strategy on customer loyalty affects customers to remain loyal and will not move. With the overall research results, that one way to face the competition that occurs, the main branch of the bank Jatim trying to establish a marketing strategy that is in accordance with good customer loyalty so that it can be accepted by customers and prospective customers later. The results of this study are consistent and in line with Faiz Abrar in 2019 showing that the marketing mix affects customer loyalty and Dertaida Panjaitan, Retno Setyorini in 2019 shows that marketing strategies affect customer loyalty.

The Influence of Service Quality on Customer Loyalty

The results of the study indicate that Service Quality has a positive effect on Customer Loyalty (Ghozali, 2006). It is proven from the results of the analysis conducted by researchers where the regression coefficient or beta of service quality is 0.606 and the p-value is 0.008. The p value is greater than 0.05 at a significance of 5% ($\square$ = 5%). The results of this study confirm the statement according to Gronroos (2000: 46), that service is a process consisting of a series of activities in fewer or more numbers which normally, but do not have to be continuous, occur in interactions between customers and services from workers. and/or physical resources or goods or from the service provider's system, where solutions are provided for customer problems. Where the higher the quality of services provided by the Bank to the public, it will have an impact on increasing the loyalty of the Bank (Utami, 2010). The results of this study are consistent and in line with Feliks Anggia B.P, Nurul Eka Rachmawati in 2016 showing that service quality affects customer loyalty.

Effect of Marketing Strategy on Customer Loyalty through Service Quality

The results showed that the marketing strategy on customer loyalty through service quality . It is proven from the results of the analysis where if the total effect is greater than the direct effect, then the service quality variable is an intervening variable (Veithzal, 2012). The total effect of 0.762 is greater than the direct effect of 0.606. This means that the marketing strategy carried out by Bank Jatim Main Branch can affect service quality and customer loyalty to customers at Bank Jatim Main Branch. However, several things are still needed that can improve service quality and customer loyalty from the implementation of this marketing strategy. Whether or not the quality of service is good depends on the ability of service providers to consistently meet customer expectations. Because the main factor in assessing the quality of public services is the customer's perception of the service received (perceived service) and the service that is

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actually expected or desired (expected service). This means that a good quality image based on the customer's point of view or perception will increase customer loyalty to Bank Jatim Main Branch. The results of this study are consistent and in line with Feliks Anggia B.P and Nurul Eka Rachmawati in 2016 showing that service quality significantly affects customer loyalty, which indirectly through bank relationship marketing, Sukarni Novita Sari 2016 shows that marketing strategy significantly affects satisfaction, which indirectly through service quality.

CONCLUSION

Based on the results of research and discussions that have been carried out, it can be concluded that technology-based marketing strategies have a positive effect on service quality. Technology-Based Marketing Strategy has a positive effect on Customer Loyalty. Service Quality has a positive effect on Customer Loyalty Technology-Based Marketing Strategy has a significant effect on Customer Loyalty with Service Quality mediation.

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