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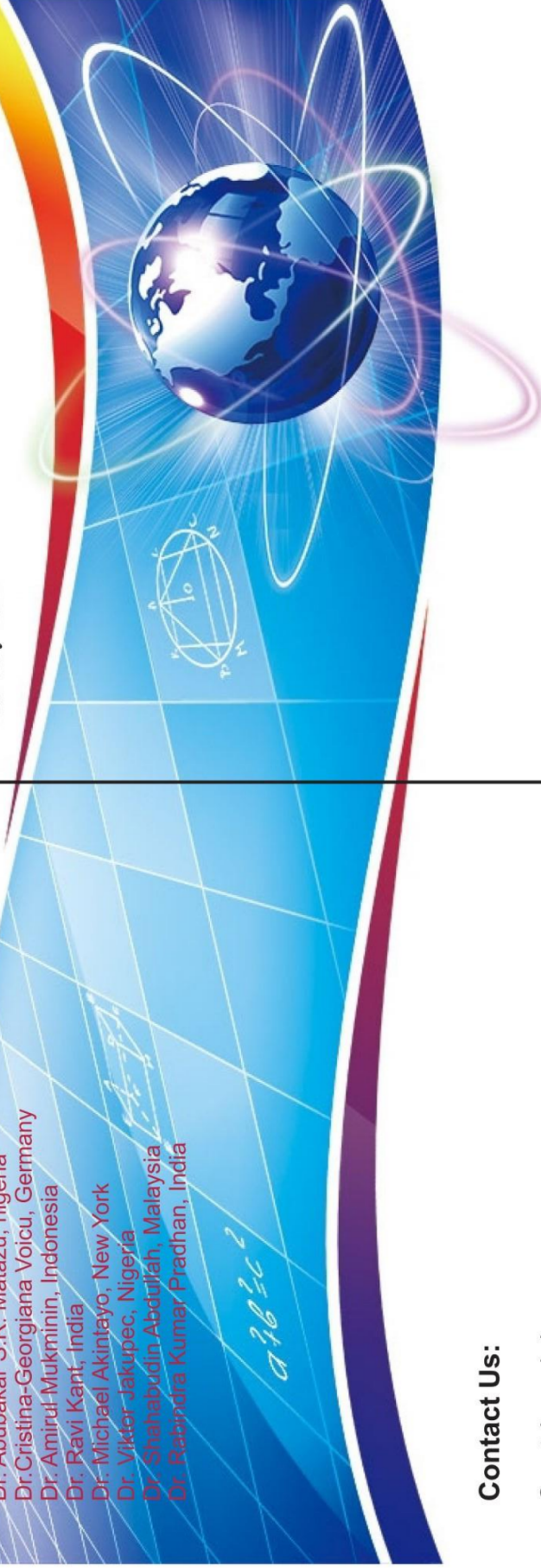
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Widyanayati[1], Sularso Andi*[2], Halik Abdul[3]

[1](Doctoral Program in Economics, faculty of economics and business, University of 17 Agustus 1945 Surabaya, Indonesia)
[2](Faculty of Economics and Business, University of Jember, Indonesia)
[3](Faculty of economics and business, University of 17 Agustus 1945 Surabaya, Indonesia)
Corresponding Author: Sularso, Andi (manajemen1234@yahoo.com)

Research Paper

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ABSTRACT

This study took Bank Jatim in Indonesia as the study object which emphasize on the mobile banking by analyzing online marketing variable such as Relationship Marketing, Self-Service Technology, Customer Satisfaction, Loyalty, and Customer Retention. This study used Partial Least Square (PLS) analysis method with explanatory research type. This study used primary data obtained through survey by using questionnaire. The population was the mobile banking user of Bank Jatim at the Main Branch Offie Surabaya, Branch Office Malang, Branch Office Kediri, and Branch Office Jember. The 395 customer became the samle which was obtained through proportional random sampling. Based on the analysis, this sudy concluded that Relationship Market had a major positive influence on customer's satisfaction, loyalties, and retention; and self service technology has a significant positive influence on customer satisfaction, loyalty, and retention. The novelty of this study contributes to the mobile banking knowledge development by proving that Relationship Marketing had a significant affirmative impact towards customer's retention; and self-service technology had a significant affirmative impact towards customer's retention.

Keywords: Bank Jatim, Relationship Marketing, Self-Service Technology, Satisfaction, Loyalty, and Retention

I. PRELIMINARY

In this era of technology, the consumer behavior shifted from conventional to digital. Most of people choose digital platform to do banking transaction. Digital banking service is becoming an essential need in the society that shall be fulfilled by the bank company. Bank Jatim realizes it and is now transforming into a digital bank that the transaction can be carried out from the distance.

Various innovations have been made by Bank Jatim such as the ease of payment process, loan, and also the ease of accessing the saving services of fund management. Britto (2011) explained that the rapid progress of information technology has turned the relationship between customer and loyalty into the crucial factor in marketing. Internet has caused switching-cost for buyers to shift from one brand to another and become more insignificant that it is pushed to use a marketing which emphasize on the aspect of "relationship", that is Relationship Marketing (RM).

Generally, the success of RM is related to the customer loyalty and retention. To attract and keep the loyal customers, Bank Jatim shall pay attention to several things, especially those related to customer satisfaction (Kotler, 2003; Carpenter and Fairhurst, 2005; Ranaweera and Prabhu, 2003). The last key of success in RM, according to Chirica (2013), is increasing customer retention and satisfaction.

II. PROBLEM FORMULATION

The use of Self-Service Technology has been discovered to increase customer satisfaction in several services, including banking service (Mols, 1998). Meuter et al (2002) showed that satisfaction with Self-Service

Technology is especially related to the capacity of customizing the service. The research of Buell et al (2010) concluded that the usage of self-service technology (SST) has a direct impact on customer's satisfaction, while having an indirect influence on loyalty (retention and switching cost). Sous and Voss (2006) found that selfservice technology has an insignificant influence on customer loyalty due to the service failure. Proenca & Rodrigues (2011) also stated that self service technology did not directly influence the customer loyalty, but through customer satisfaction, that if the customer feels satisfied, loyalty it will create loyalty. This is different to the finding of Ganguli and Roy (2011) and Beatson et. al. (2006) which concluded that self-service technology had affirmative and major impact towards customer's satisfaction as well as loyalty.

Customer's satisfaction is often considered as mediation to the relationship of RM and Loyalty; where to get loyal customers, first, satisfaction shall be prioritized. Some researchers also stated customer's satisfaction had positive impact towards loyalty (Bloemer and Ruyter, 1998; Oliver, 1999; Zeithaml et al., 1996). Fornell (1992) said that increasing customer's satisfaction would increase loyalties to the corporation and that consumers are more at risk to the competitors' offers.

In the research model proposed by Sohail (2012), customer retention is considered as the part of Customer Loyalty. However, in this study, customer retention is a separated and independent variable, and is the novelty of this study. The company's ability to decrease or prevent the possibility of customer change their choice to the competitor's product (customer defection) is generally started from gaining loyalty. It means only loyal customers who tend to stay in the same product despite the alternative products from competitors.

Based on the explanation above, we can identify a research gap which causes different opinions. The research gap later becomes the reason to conduct a future research to answer the opinion difference. The originality of this study is the development from previous studies concerning RM with self-service technology that is by integrating variables which influence the customer satisfaction, loyalty, and retention. This study is conducted to comprehensively understand the influence of relationship marketing and self-service technology on satisfaction, loyalty, and retention.

III. FRAMEWORK AND HYPOTHESIS

The writer develops a research framework model as the reference for constructing model and hypothesis based on the previous studies which used common variables with some weaknesses and by noticing the research gap of referred study result, as well as referring to the supporting theories. This study is expected to be able to explain the influence of relationship marketing and self-service technology towards customer's satisfaction, loyalty, as well as retention such as presented in the Figure 1
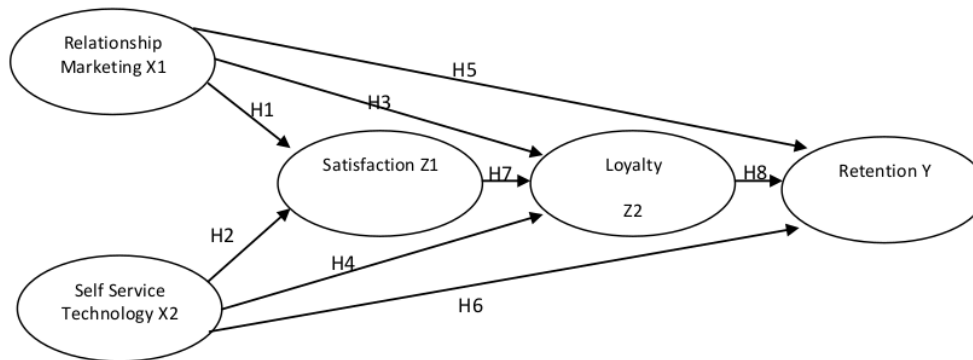

Figure 1 Conceptual Framework

With the following hypothesis:
1.   H1 : Relationship Marketing had major impact towards satisfaction
2.   H2 : Self service technology had major impact towards satisfaction
3.   H3 : Relationship Marketing had major impact towards loyalties
4.   H4 : Self service technology had major impact towards loyalties
5.   H5: Relationship Marketing has a significant influence on retention.
6.   H6 : Self-service technology has a significant influence on retention.
7.   H7 : Satisfaction had major impact towards loyalties
8.   H8 : Loyalty has a significant influence on retention

IV.   METHOD OF RESEARCH

The population of this study is the customer of Bank Jatim in the big cities of East Java who has been registered in the mobile banking representing the first class branch offices divided into 4 (four) regions: Surabaya (main branch), Malang, Kediri, and Jember with total 44.843 customers. Refers to the Slovin formula with 5% tolerance, the adequate amount of sample is 396 respondents taken through proportional random sampling method. This study uses Partial Least Square (PLS) analysis tool in the WarpPLS software.

V.   HYPOTHESIS TESTING

The validity test result on the instrument showed smaller significance than 5% and the reliability test showed a bigger value than 0,60 that it is concluded that all items in the instrument are valid and reliable. Hypothesis testing was based on the PLS-SEM model analysis result to the whole variables supporting the hypothesis test. The PLS model contains the relationship marketing and self service technology towards customer's satisfaction, loyalty, as well as retention. Direct influence among variables are shown in the Figure 2 and Table 1

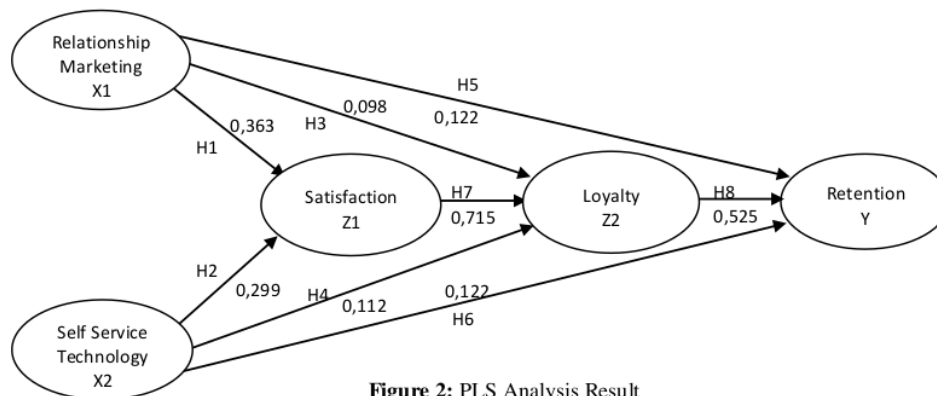The direct influence among variables are shown in the Figure 2 and Table 1

Figure 2: PLS Analysis Result

Table 1
Path Coefficient of Direct Influence and Hypothesis Testing

Inter-variable Impact	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Stat	P Values	Hypothesis Testing
Satisfaction_Z1_ -> Loyalty_Z2_	0,715	0,718	0,050	14,167	0,000	Significant
Loyalty_Z2_ -> Retention_Y_	0,525	0,526	0,056	9,416	0,000	Significant
Relationship Marketing_X1 -> Satisfaction_Z1_	0,363	0,368	0,050	7,239	0,000	Significant
Relationship Marketing_X1 -> Loyalty_Z2_	0,098	0,097	0,032	3,048	0,002	Significant
Relationship Marketing_X1 -> Retention_Y_	0,122	0,123	0,056	2,194	0,029	Significant
Self Service Technology_X2_ -> Satisfaction_Z1_	0,299	0,292	0,052	5,757	0,000	Significant
Self Service Technology_X2_ -> Loyalty_Z2_	0,112	0,110	0,047	2,406	0,016	Significant
Self Service Technology_X2_ -> Retention_Y_	0,122	0,120	0,061	1,986	0,048	Significant

Source: Analysis Result

The direct influence among variables is explained as follows:
1. Relationship Marketing on Satisfaction

The calculation result showed that path coefficient of 0,363 (p < 0,05) decided that Relationship Marketing had a major impact towards customer's satisfaction. This also stated that increasing Relationship Marketing will increase customer Satisfaction.

2. Self-Service Technology on Satisfaction

The calculation result showed that path coefficient of 0,299 (p<0,05) decided that Self-Service Technology has major impact towards customer's satisfaction. This also stated better Self-Service Technology will increase customer Satisfaction.

3. Relationship Marketing on Loyalty

The calculation result showed that path coefficient of 0,098 (p < 0,05) decided that Relationship Marketing had a major influence on consumer's Loyalties. This also stated that a better Relationship Marketing will increase customer Loyalty.

.4. Self-Service Technology on Loyalty

The calculation result showed that path coefficient of 0,112 (p<0,05) decided that Self-Service Technology had major impact towards consumer's Loyalties. This also stated that a better Self-Service Technology will increase customer Loyalty.

5. Relationship Marketing on Retention

The calculation result showed that path coefficient of 0,122 (p < 0,05) decided that Relationship Marketing had a major impact towards consumer's Retention. This also stated that a better Relationship Marketing will increase customer Retention.

6. Self-Service Technology on Retention

The calculation result showed that path coefficient of 0,122 (p<0,05) decided that Self-Service Technology has a significant influence on customer Retention. This also stated that a better Self-Service Technology will increase customer Retention. 7. Customer Satisfaction on Loyalty

The calculation result showed that path coefficient of 0,715 (p<0,05) decided that Customer Satisfaction has a significant influence on customer Loyalty. This also stated that a better Customer Satisfaction will increase customer Loyalty.

8. Customer Loyalty on Retention

The calculation result showed that path coefficient of 0,525 (p<0,05) decided Consumer's Loyalty had major impact towards customer's Retention. This also stated that a better Customer Loyalty will create a better customer Retention.

VI. CONCLUSION

The direct influence among variables is explained as follows:

1.   Relationship Marketing has major impact towards customer's satisfaction. This also stated increasing Relationship Marketing will increase customer Satisfaction. This strengthens and supports the result of Udegbe, et al., (2010), Ghani (2012), and Dabaghi, et al. (2013).

2.   Self-Service Technology has major impact towards customer's satisfaction. This also stated better Self Service Technology would rise customer Satisfaction. This supports the study of Ganguli and Roy (2011) and Beatson et. al., (2006) concluded that Self Service Technology had major impact towards satisfaction.

3.   Relationship Marketing had major impact towards customer's Loyalty. This also stated that a better Relationship Marketing will increase customer Loyalty. This result supports the study of Zulkifli (2012) and rejected the result of Pradana (2018) which stated that RM has a negative and insignificant effect towards customer's loyalties.

4.   Self-Service Technology had major impact towards customer's Loyalty. This also stated that a better SelfService Technology would rise customer Loyalties. This study supports the findings of Ganguli and Roy (2011); Beatson et al., (2006); Proenca and Rodrigues (2011) which stated that Self-Service Technology had major impact towards customer's Loyalties. However, it rejects the result of Buell et al. (2010), Sousa and Voss (2006), which showed that Self-Service Technology has no significant influence towards consumer's Loyalties.

5.   Relationship Marketing has a significant influence on customer Retention. This also stated that a better Relationship Marketing will increase customer Retention. This supports the study of Mulidwa (2005); Rootman, et al. (2011); Esi (2012); Zulkifli (2012) which stated that Relationship Marketing had major impact towards consumer's Retention. 6. Self Services Technology had major impact towards consumer's Retention. This also stated that a better SelfService Technology will increase customer Retention. It is different to the result of Buelle et. al. (2010) that concluded the self service technology usage has a direct effect on consumer's loyalty, but has indirect influence on loyalty (retention and switching cost).

7.   Customer Satisfaction has a significant influence on customer Loyalty. This also stated that a better Customer Satisfaction will increase customer Loyalty. This result supports the result of (Bloemer and Ruyter, 1999; Oliver, 1999; Zeithaml et al., 1996; Wong, 2014).

8.	Customer Loyalty has a significant influence on customer Retention. This also stated that a better Customer Loyalty will create a better customer Retention. It is different to the result of Jayantha and Geetha (2014) which found that the loyalty program variable did not significantly influence the customer retention.

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