Product Advantage, Customer Relationship Marketing, and Service Quality on Customer Satisfaction of Bank Syariah Mandiri in Surabaya

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ABSTRACT

This paper discusses the causal relationship between product advantages (PAs), customer relationship marketing (CRM), service quality (SQ), and customer satisfaction (CS) of Bank Syariah Mandiri in Surabaya. The population in this study is a customer savings Bank Syariah Mandiri, which is in 3 branches offices and 15 sub-branches in Surabaya. From the test results in the model in this study, with generalized least square estimation, structural equation model analysis, convenience sampling method and Amos 22 software aid, on 300 respondents. The results showed that the PA affects on CS. CRM affects on SQ. CRM affects CS. SQ affects CS. Research shows CRM dominant influence on consumer satisfaction. Suggested for bank management should pay attention to the product owned considering the role of product superiority to CS.

Keywords: Product Advantage, Customer Relationship Marketing, Service Quality, Customer Satisfaction
JEL Classifications: L15, M31

1. INTRODUCTION

The success of marketing a product is often not enough simply by offering various advantages possessed by the service. Precisely the most important is whether the provision of these products are in accordance with the wishes and can meet customer needs so as to increase customer value. For the customer, what the company produces, it does not really matter because the customer thinks of what he will buy to satisfy his needs on the basis of value judgment. The success of marketing can only be achieved through the implementation of marketing strategies that involve companies and customers. More precisely, in order to succeed in marketing, the company must make good connections with customers.

Customer relationship marketing (CRM) refers to all marketing activities directed at establishing, developing, and maintaining successful relationships between companies and their customers (Too et al., 2000). CRM has evolved into a new paradigm for marketing strategy. CRM is able to empower the power of customer desire with the pressure of information technology

to give satisfaction to the customer. The stimuli that want to be generated from the concept of CRM are the methods of attracting attention, maintaining customer satisfaction (CS) and improving and strengthening the relationship of satisfaction with the customer. In other words, CRM seeks to extend the life of the customer (Khoe, 2002).

Customer-oriented marketing strategy, make the company must understand and meet customer needs to be able to satisfy the customer. CS is considered by the company because it will impact on sales performance. Kotler and Armstrong (2008) state that satisfied customers will buy back and they will tell others about the good experience of the product. CS contributes to a number of crucial aspects, such as customer loyalty, increased corporate reputation, reduced price elasticity, reduced future transaction costs, and increased employee efficiency and productivity (Anderson et al., 2002; Edvardson and Ovretveit, 2005; Tjiptono, 2014).

One of the main ways to differentiate a service company is to provide a higher quality service than a competitor consistently.

The key is to meet and exceed the expectations of customer service quality (SQ) target (Kotler, 2008). In this study the SQ is defined as the degree of mismatch between normative expectations, on service and customer perception on service performance received. That the level of product performance can be measured from the level of importance based on the key attributes that have been identified customer (Mowen, 2006). Decisions about these attributes affect the customer's reaction to a product (Kotlet and Armostrong, 2008). So the customer will feel satisfied if the key attributes of a product that is assessed, in accordance with the wishes and expectations of the customer.

In using a product or service, the customer will compare the cost incurred with the benefits obtained by the customer so as to create customer value. Woodall (2003), Sofjan (2012), states that the value for the customer reflects the value of customer itself, it explains what is received and what can be given by the customer.

Islamic Banking is a new phenomenon in the world of modern economy, its emergence in line with the vigorous efforts made by Islamic experts in supporting the Islamic economy is believed to be able to replace and improve the conventional economic system based on interest and easily wavered by the crisis. The Sharia Bank system implements an interest free system in its operations, and therefore the most prevalent formula for defining Sharia Bank is a bank operating in accordance with Islamic Sharia principles (Karmen and Antonio, 1992; Sherif and Amir, 2016).

The development of sharia banking has given widespread influence to economic improvement efforts, and a new awareness to adopt and expand Islamic financial institutions. The banking crisis has proven that banks operating on sharia principles can survive amidst volatile exchange rate and high interest rates. This awareness is supported by the characteristics of the sharia bank's business activities that prohibit bank interest, and the imposition of a profit-sharing ratio as well as prohibiting speculative financial transactions (Al Gharar) and without being based on real business activities.

Indonesia is the country with the largest Muslim population in the world. From this side should be a strong potential assets if coupled with adequate human resource quality. Unfortunately, the population potential is so large that it does not automatically smooth the implementation of socialization of sharia banking. The majority of Muslim societies are still blind about sharia banks as well as academics, professionals, and even ulama.

Sharia economic system has several advantages, among them: First, sharia economy has the foundation of tauhid and unity of the ummah, meaning sharia economic activity should refer to the basic rules. Second, sharia economy is built and run on the principle of justice. Third, in addition to the doctrine of help, there is also the concept of zakat, infaq and alms and waqf, all of which can be a very strong bridge for the creation of a harmonious relationship between the rich and the poor. Fourth, sharia economics applies moral values in every economic activity and every relationship between one community group and another.

At first glance there is no difference between conventional bank system and Syariah bank. However, when observed, there are a number of advantages of sharia banking. The advantage is based on Syariah base underlying the operation of sharia banking. In conventional banking, banks become debtors and customers become creditor. On the basis of savings and loans the bank pays interest to the customer with a predetermined interest rate, regardless of how much the bank earns or the losses suffered by the bank. In sharia banking the customer is a bank partner as well as an investor for the bank. As an investor he is entitled to receive investment returns from banks. The results obtained by the customer rise and fall proportionately, following the acquisition of the bank. Muamalah based on the concept of partnership and togetherness in the benefits and risks, will be more realizing a more just and transparent economy.

Another advantage lies in how customer funds are used. In conventional banks customers do not know, and have no right to know where the bank funds will be distributed. The sharia bank selects the projects to be funded, not only in terms of business feasibility but also on the halal or unlawful business. All customers, both depositors and debtors, avoid the usual moral hazard practices derived from the usury system.

Another advantage that is not less important is sharia banking is able to provide early warning of danger. When customer-generated revenue-sharing continues to decline, the sharia bank customers get a signal that something bad happens to the bank so that it can anticipate. From the legality aspect of sharia bank transaction agreement has provisions: First, there are sellers, and buyers, and there are prices and transactions. Second, goods and services must be clear and lawful.

Syariah banking has been present in Indonesia since 1992 with the establishment of Bank Muamalat Indonesia until to date has been developing various types of banks that use the principles of sharia. One of the very fast sharia banks is Bank Syariah Mandiri. With the potential of a large Muslim population, religious customer characteristics, supported by the 2003 MUI fatwa, forbidding bank interest. With the enactment of Law No. 21 of 2008 on sharia banking, the development of sharia banking has a strong legal foundation.

In the service industry, especially banking services, service elements have a vital role in maintaining CS (Beerli et al., 2008; Ruyter and Bloemer, 1999). Satisfied customers of the company's service will have a positive impact on the company (Chan et al., 2006), even that is an indicator to assess the success of a company (Rahman, 2004). Many researchers agree that SQ can be measured by CS (Robledo, 2001; Tsoukatos and Rand, 2006). Parasuraman proposes a model of confirmation and scale of SERVQUAL (Tsoukatos and Rand, 2006). The discountfirmatori model in question is that CS is defined as the gap between perceptions and customer expectations (Robledo, 2001). The customer will have a positive perception if the service provider meets or exceeds what the customer is expecting (Robledo, 2001). Banking which is one service company, then the SERVQUAL concept needs to be adopted to improve the quality of its services (Othman and

Owen, 2002). By improving the SQ will benefit banks. Where SQ will increase CS, which will further increase profitability, and bank performance.

SQ is a key factor that will be the competitive advantage in the banking world today. This happens because the bank as a service company, has a characteristic of easy to imitate a product that has been marketed. The method of measuring SQ commonly used to measure quality in conventional banking and widely used is SERVQUAL method. The SERVQUAL method is based on the "Gap Model" developed by Parasuraman et al. (1988). SERVQUAL method is based on five dimensions of tangible, reliability, responsiveness, assurance, and empathy. But the five dimensions of SQ are general, so if applied to companies that have special characteristics such as sharia banking need to get modifications.

Othman and Owen (2002) developed a model of SQ measurement to measure the SQ carried out on the basis of sharia principles, in particular sharia banking business. This model is referred to as the CARTER Model. The CARTER model is a measurement of the quality of sharia banking services with six dimensions: Compliance, assurance, reliability, tangible, empathy, and responsiveness, which overall consists of 34 items (Othman and Owen, 2001). So it can be seen that the difference in quality measurement on Parasuraman's SERVQUAL model and CARTER model lies in the compliance dimension. This compliance dimension means the ability of companies to fulfill Islamic law and operate under Islamic economic and banking principles.

Basically, the products offered by syariah banking can be divided into three major parts, namely the product of financing, funding and service or service products (Karim and Affif, 2006). Financing is one of the bank products that must be marketed. After obtaining customer financing, the main task of the bank is to provide facilities to provide funds to meet customer needs.

In accordance with its principles, sharia banking was created to provide superior products in accordance with Islamic Shari'a. However, although these products excel in sharia, there are still many people who doubt the professionalism of his ministry. Superior in the product is still not sufficient to maintain customer. In today's increasingly critical society, in addition to products, services provided also affect the company's viability (Rahman, 2004). Superior SQ will affect CS (Babin et al., 2005; Mohammed et al., 2016). The consequence of high CS is to give a high profit to the company (Chan et al., 2006). One of the advantages is to increase CS (Bloemer et al., 1998; Chan et al., 2006; Beerli et al., 2008) which will further increase the company's profits (Al-Tamimi, 2010).

In general, customers have a negative perception about the facilities of Islamic banks than conventional banks (Karim and Affif, 2006). The results of research conducted in Jordan show that the satisfaction level of services offered by the highest Islamic banks is the name and image of the bank, followed by the ability to make customers believe, the wide network of facilities offered, the skills of bank employees (Jalaludin, 2003). Negative perceptions

of customers regarding the services of Islamic banks show the dissatisfaction felt by the customer. What distinguishes between sharia banks and conventional banks are the special attributes attached to sharia banks, such as no element of usury, profit sharing system, halal, and conducting activities according to sharia. These attributes of sharia banking products are the main reasons customers choose to use sharia banks and become indicators of valuation for customers. Then the satisfaction will be felt by the customer if the existing syariah value on the attributes of Islamic banking products higher.

Associated with the SQ in Islamic banks, there are still many criticisms, especially regarding the implementation of profit sharing system. Some of them still doubt the suitability of Islamic banks with Islamic Shari'a. In addition, several complaints of service in the front office that seemed less professional too much public. This kind of thing must be immediately resolved to maintain customer loyalty who prioritize the principles of sharia as a motivator to use Islamic banks. Efforts that make it possible to do is to improve and improve the services of Islamic banks in which also involves the conformity of products with the principles of sharia which became the differentiation of sharia banks with conventional banks.

The low rating of SQ of a business entity can be measured from the customer perception on the quality of the service, customer perception on the SQ provided either then the customer will feel satisfied, so also the customer will not be satisfied if the perception on the SQ provided poor. Customer perception will be obtained from the results obtained after using the services that have been given, after comparing with the expectations of the customer. Because the better the service is done then the customer will be more satisfied, even more loyal and continue to use the services provided. The more easy and modern services provided then the customer will be more interested in the products provided for providing comfort to the customer (Table 1).

Based on CS index of sharia bank (Infobank, 2016), consistently BNI Syariah, Mandiri Syariah, and Mega Syariah are at the top of syariah bank which give CS since 2011. In 2015 Bank Muamalat ranked first as bank giving the best CS, followed by BNI Syariah, Mandiri Syariah. However, in 2014 the position of Mandiri Syariah is ranked third down the ranking than in 2013.

Decrease in satisfaction perceived by Mandiri Syariah customers. This should be of concern to Mandiri Syariah by improving the SQ, adding value to the customer, and paying attention to the attributes

Table 1: Customer Satisfaction Index of Bank Syariah year 2011-2015

Ranking	Bank	2015	2014	2013	2012	2011
1	Muamalat	77.4	75.2	75.2	74.9	71.4
2	BNI Syariah	76.6	78.5	75.3	75.8	72.0
3	Mandiri Syariah	76.5	77.4	75.5	75.4	76.4
4	Mega Syariah	76.2	77.3	75.1	73.1	68.7
5	BRI Syariah	75.4	69.8	73.9	74.3	70.6

Source: Infobank January 2016

of Islamic products which is the main reason of customers in choosing Islamic banks so that CS will increase again.

Bank Syariah Mandiri in Surabaya has 18 offices, consisting of 3 branches and 15 sub-branches spread across Surabaya, which is the object of research. In the context of this research, CRM can provide benefits to customers and enable complicate obstacles for competitors, so the company can increase CS (Feliks, 2013; Hennig-Thurau and Kevin, 2002). This research is done to know the relationship of CRM as marketing strategy by company to maintain and increase CS through product advantage (PA).

2. LITERATURE REVIEW AND HYPOTHESIS

2.1. PA
The product becomes a vital instrument for achieving success and prosperity in the modern enterprise. Technological developments, increasing global competition, and the dynamics of market needs and desires require companies to continuously develop products. There are only 2 choices that are successful in product development so as to produce a superior product, or fail in achieving its business objectives because the product is not able to compete in the market. Cronin et al. (2000) suggests that performance criteria provide better measures for theoretical models than using expectations, experience and knowledge of a product or service class will likely be an important determinant of how customers perceive product/service performance. In the end, the important attributes assessed by the customer will also affect the attitude of satisfaction/dissatisfaction with the product/service.

Cronin et al. (2000) suggest that product attributes such as: Product quality, reliability, latest and uniqueness, provide a more tangible picture of a company's ability to meet customer needs. According to Feliks (2013), the differences between alternatives to the important attributes provide a clear advantage. Feliks (2013) argues that negative performance in attribute products has a negative effect on overall satisfaction, and positive work has a positive effect on the same attribute and overall satisfaction shows a reduction in sensitivity at attribute performance levels.

Basically the opportunity of a company in deciding to create a new product is based on the gap between CS with customer expectations of a product. Stanton (2003) suggests that the most important thing in new product development is the ability to change the distance of demand with vague or unclear expectations into a well-defined product. In filling the gap can be filled by innovating existing products or by developing a completely new product. In addition to new product development efforts the company should also consider that new products developed can excel in competition. The characteristics of the benefits of new products in the competition can be recognized from several things: (a) The quality of the product concerned; (b) unique shapes and packaging; (c) satisfactory after sales service; (d) product pioneering function; (e) multifunctional or multifunctional products etc. Companies wishing to have competitive products must be technology-oriented (Kotler, 2008).

Kotler and Armstrong (2008), stated that product attributes are the development of a product and service requires defining the benefits to be offered. These benefits are communicated and conveyed by product attributes such as, quality, features, and style and design. The decision about this attribute affects the customer's reaction to a product.

According to Iqbal (2007), the Islamic financial system includes, interest prohibition, for risk, money as potential capital, prohibition of speculative behavior, conducting lawful contracts, activities according to sharia. Research conducted by Anderson et al. (2002), Fornell (1996) states that the attributes of a product are closely related to CS because the higher the customer's assessment of product attributes the higher the perceived CS.

In the channeling of funds that have been collected from customers or the public, Islamic banks offer many kinds of banking products (Karim and Affif, 2006). In addition, Islamic banks in the contract in the financing using the main principles, namely: (1) For results or shirkah (profit sharing). (2) Sale and purchase or ba'i (sale and purchase). (3) Rent-rent (ijarah). (4) complementary principles.

The complementary principle in sharia banks is basically the principle of tabaru' (goodness). Thus, there is no agreed benefit on the contract agreement. Transactions are not profit-motivated, but are allowed to charge an administration fee.

2.2. SQ
SQ is a statement of attitudes, the resulting relationship of comparison between expectations and performance (outcome). Another definition of SQ is the measure of the extent to which a given service can meet customer expectations (Lupiyoadi, 2009). SQ is an effort to meet the needs and desires of the customer and the accuracy of delivery to compensate for customer expectations.

According Tjiptono (2014), SQ is the level of excellence expected and control over the level of excellence to meet customer desires. In other words there are "two main factors affecting the SQ, i.e., the SQ expected and the SQ received or perceived." If the services received or perceived in accordance with the expected, then the SQ perceived good and satisfactory. If services received or perceived exceed customer expectations, then the SQ is perceived as the ideal quality. Conversely, if the service received is lower than expected then the SQ is perceived as poor quality.

Quality must start from customer needs and end in customer perception. This means that the image of good quality is not based on the perspective or perception of the service provider, but based on the point of view or the perception of the customer. Customer determining the quality or not of a service. Thus, whether or not the SQ depends on the ability of service providers to meet customer expectations consistently.

According to Laksana (2008), quality can also be defined as the expected quality level and diversity control in achieving that quality to meet customer needs. Service is any action or activity which may be offered by one party to another that is essentially intangible and does not result in any ownership (Kotler, 2008). Service is the

behavior of producers in order to meet customer needs and desires in order to achieve CS itself. In general, high service will result in high satisfaction, as well as frequent re-purchase.

From the definitions of SQ can be concluded that the SQ is all forms of activities undertaken by the company to meet customer expectations. Service in this case is defined as services or services delivered by the owner of services in the form of ease, speed, relationship, ability and hospitality are addressed through the attitude and nature in providing services for CS. SQ can be known by comparing the perceptions of the customers for the services they actually receive with the services they actually expect against the attributes of a company's services.

As a service company, the bank must be able to provide good SQ for its customers. These services can be ease, speed, relationship, ability, and hospitality shown through the attitude and nature of employees in providing services for CS. Therefore, the SQ for the banking industry is very influential on the success of the banking business itself.

In measuring the quality of sharia bank services can be used CARTER model. The CARTER model is an instrument that can be used to define and measure Islamic banking quality services and is useful as a quality assessment tool. The success of the company in providing quality services to its customers, the achievement of high market share, and the increase in profits of the company is determined by the approach used (Zeithaml et al., 1996). One approach to SQ that is widely used as a reference in marketing research is the SERVQUAL model. SERVQUAL is built on the comparison of two main factors, namely customer perceptions of the real service they receive with the actual service expected (Parasuraman et al., 1998).

2.3. CRM

Stanton, (2003) states that CRM is a process whereby a company builds long-term alliances with customers and potential customers, working together to achieve a defined goal. These goals are met by understanding customer needs, treating customers as partners, ensuring that employees meet CS and deliver good quality to customers. CRM is an ongoing process provided that the company keeps in touch with customers to ensure goals are achieved, and incorporates the relationship marketing process into strategic plans that enable the company to manage resources well and meet customer needs in the future.

The main purpose of CRM is to find the life time value of the customer. After the life time value obtained, the next goal is how to keep the life time value of each customer group can continue to be enlarged from year to year. After that, the third goal is how to use the profit gained from the first two goals to get new customers with relatively low cost. Thus, the long-term goal is to generate continuous profits from two customer groups: Current customers and new customers.

CRM is measured by three programs: Sustainable marketing, individual marketing and collaborative programs. CRM formulated by Stanton, (2003), is to understand customer expectations, build partnership services, integrated quality management, empower employees, and result marketing relationships that include CS, customer loyalty product quality, increased profitability. Research Tandri (2011), Christiara (2015) proves the existence of a CRM relationship with SQ. While Mirnalia et al. (2013), Tandri (2011) proves the existence of CRM relationship with CS.

2.4. CS

CS is important for the service provider, because the customer will disseminate his/her satisfaction to the prospective customer, so that will raise the reputation of the service provider. Tse and Wilton (1988) stated that CS is a customer response to the evaluation of nonconformities that are felt after its use. Engel (2005) defines CS as a full-time evaluation where the chosen alternative is at least equal or exceeds the customer's expectation, while dissatisfaction arises when results do not meet customer expectations. While Kotler (2008) states that CS is the level of state of one's feelings that is the result of comparison between performance appraisal / final product results in relation to customer expectations.

CS is when a product or service meets even beyond customer expectations (Gerson, 2002). If the customer is not satisfied, it will stop the business and move to another agency. Measuring CS can be the basis for determining performance standards and achievement standards to be achieved, which will lead them to improved quality and increased CS. Measurements provide immediate feedback to the company, especially when the customer itself measures the performance of the company providing the service. Measurement tells what to do to improve the quality and CS and how to do it.

Measuring CS is measuring quality and service activity to determine CS level and will develop the company to improve customer bond. The term quality is very important for a company, considering the quality of a company's product will involve the company's reputation, cost reduction, market share increase, product liability, international impact, product or service appearance and perceived quality.

2.5. Conceptual Framework and Hypothesis

The conceptual framework of research is shown in Figure 1.

The hypothesis proposed to analyze the relationship of PA, CRM, SQ, and CS of Bank Syariah Mandiri in Surabaya are:

H_1: High product advantage leads to higher CS

H_2: High CRM leads to higher SQ

H_3: High CRM leads to higher CS

H_4: High SQ leads to higher CS.

3. RESEARCH METHODS

This research is a causal research. The population of research is the savings customer of Bank Syariah Mandiri, which is in 3 branches and 15 sub branches in Surabaya. Using SEM analysis with Amos help. Estimated generalized least square estimation, and the number

of samples studied by 300 respondents, obtained by number (3 × 50) from branch offices, and a number (15 × 10) from sub-branches. While the sampling method uses convenience sampling.

4. DATA ANALYSIS

The study used questionnaire instruments where CRM instruments used 5 indicators adopted from Gronroos (2006), SQ using 6 indicators adopted from CARTER in Othman and Owen (2002), PA using 3 indicators adopted from Narver and Slater (2000), Song and Parry (1997). CS using 4 indicators adopted from Oliver (1997) (Table 2).

Descriptive data analysis on 300 respondents showed that: Characteristics of respondents by age are in the age range 17-40 years = 81.7% of respondents, and dominant in the age range 17-270 years = 43.0%. Characteristics of respondents by sex shows more predominantly male that is 66.6% compared to women 39.4%. The education level of the majority of respondents is bachelor degree which reach 46.4%, while the rest is educated by diploma 32.3% and high school a 21.3%. The length of respondents to Bank Syariah Mandiri customers is in the range 1-2 years 35.3%, <1 year 30.6%, 2-5 years 22.3%, and more than 5 years as much as 11.6%.

5. RESULT AND DISCUSSION

5.1. Test the Validity and Reliability of the Instrument
5.1.1. Validity test
From the result of Pearson product moment correlation, it is known that all question items in the questionnaire have a significant correlation at the error rate of 5%, so it can be said all the question items are valid.

5.1.2. Reliability test
With cronbach alpha test (α) in this research indicate that all research variables are reliable, because all of alpha coefficient value from each research variable is bigger than standardized (0.6), so that each question item in measurement instrument can used. The value of corrected total correlation items of all question items is >0.3 (Table 3).

5.2. Confirmatory Factor Analysis
Table 4 shows the overall confirmatory factor analysis/construct validity of the measurement model of the study. The validity and reliability of the constructs are two tests to evaluate the ability of the measured variables (manifest) in forming latent variables, in the Table 4 all manifests have a loading factor with probabilities of <0.05, meaning significant in forming latent variables. Also, each latent variable has a construct critical ratio of more than 0.2, which means it comes from one dimension (unidimensional).

5.3. Goodness of Fit Test
Results of data processing using a sample of 300 shows Chi-square is 107.495 with probability 0.082. Meanwhile, from goodness of fit index (GFI), adjusted GFI, Tucker-Lewis-index, comparative fit index, root mean square error of approximation and CMIN/DF 0.915, 0.901, 0.949, 0.953, and 0.063 respectively are within acceptable range ranges. The results are shown in Figure 2 and Table 5.
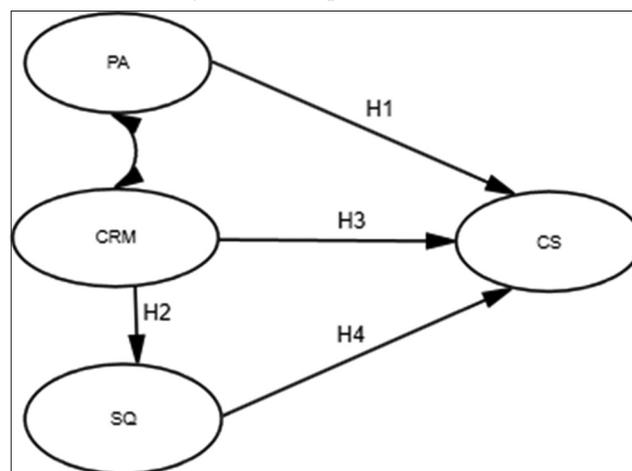
Figure 1: Conceptual framework

Table 2: Distribution of sample by age, sex, education, and long been a customer

Characteristics	Amount (%)
Age	
17-25	129 (43.0)
26-40	116 (38.7)
41-50	55 (18.3)
Gender	
Male	182 (60.6)
Female	118 (39.4)
Education	
High school	64 (21.3)
Diploma	97 (32.3)
Bachelor	139 (46.4)
Long been a customer saving (year)	
<1	92 (30.6)
1-2	106 (35.3)
>2-5	67 (22.3)
>5	35 (11.6)

Table 3: Reliability test

Variable	Indicator	Coefficient alpha (α)	Conclusion
CRM	CRM1	0.667	Reliabel
	CRM2	0.793	
	CRM3	0.744	
	CRM4	0.657	
	CRM5	0.707	
CS	CS1	0.832	Reliabel
	CS2	0.717	
	CS3	0.710	
	CS4	0.812	
	CS5	0.800	
	CS6	0.650	
PA	PA1	0.808	Reliabel
	PA2	0.628	
	PA3	0.609	
CS	CS1	0.711	Reliabel
	CS1	0.667	
	CS1	0.879	
	CS1	0.711	

CRM: Customer relationship marketing, PA: Product advantage, SQ: Service quality, CS: Customer satisfaction

5.4. Hypothesis Testing

Hypothesis testing conducted based on the value of significance estimation of research model parameters. There is a relationship between CRM and SQ of 0.960, with P = 0.00. There is a relationship between PA and CS of 0.389, with P = 0.00. There is

a relationship between SQ and CS of 0.267, with P = 0.00. There is a relationship between CRM and CS of 0.359, with P = 0.00. This indicates that H_1, H_2, H_3, and H_4 are accepted.

6. CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

Research conclusions are: Product superiority affect CS, this proves that superior product will be able to increase CS. CRM affects the SQ, this proves that with CRM program, can improve the quality of customer service. CRM is a continuous process undertaken by Bank Syariah Mandiri in Surabaya, which maintains regular communication with customers to ensure the goals are achieved, and integrate them into strategic plans so that banks can manage resources well and meet customer needs. CRM affects CS, it proves that with CRM program, can improve the quality of customer service. SQ influence on CS, Quality of good service, can increase CS. SQ is a measure of the extent to which a given service can meet customer expectations, fulfillment of customer needs and desires and accuracy of delivery to compensate for customer expectations.

It is recommended for the bank management to pay attention to the products owned considering the role of the superiority of the product to CS, it is suggested that the bank to always improve the

Table 4: Confirmatory factor analysis

Variable	Relationship	C.R	Loading factor (λ)
CRM	CRM → CRM1	2.000	0.703
	CRM → CRM2	6.155	0.617
	CRM → CRM3	5.251	0.490
	CRM → CRM4	3.896	0.532
	CRM → CRM5	3.765	0.512
SQ	SQ → SQ1	2.000	0.643
	SQ → SQ2	10.486	0.929
	SQ → SQ3	8.340	0.612
	SQ → SQ4	6.356	0.542
	SQ → SQ5	8.720	0.640
	SQ → SQ6	6.832	0.587
PA	PA → PA1	2.000	0.590
	PA → PA2	6.750	0.820
	PA → PA3	5.001	0.828
CS	CS → CS1	2.000	0.596
	CS → CS2	3.716	0.471
	CS → CS3	3.050	0.566
	CS → CS4	4.753	0.663

CRM: Customer relationship marketing, PA: Product advantage, SQ: Service quality, CS: Customer satisfaction

Table 5: Testing the structural model

Hypothesis	Relationship	Standardized regression	SE	CR	P	Decision
H_1	PA → CS	0.389	0.181	4.353	0.000	Accepted
H_2	CRM → SQ	0.960	0.150	7.459	0.000	Accepted
H_3	CRM → CS	0.359	0.161	3.661	0.000	Accepted
H_4	SQ → CS	0.267	0.173	2.634	0.000	Accepted

CRM: Customer relationship marketing, PA: Product advantage, SQ: Service quality, CS: Customer satisfaction, SE: Standard error

Figure 2: Structural model of research
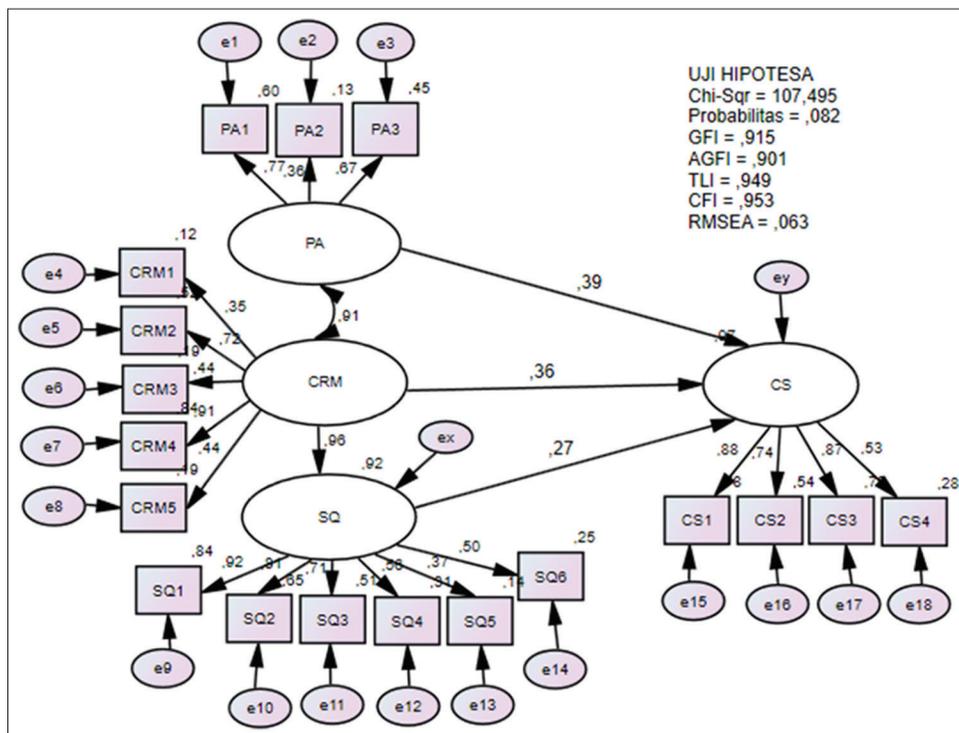
quality of the product, but also the product must have uniqueness than the product from other banks, so that the products are superior. This can be done by always improving product attributes such as: Product quality, more uniqueness of products owned, and providing multifunctional products, which will ultimately provide a more real picture of the company's ability to meet customer needs. In addition, CRM program and SQ need to be improved because it can create CS.

This research is only conducted at Bank Syariah Mandiri in Surabaya, so the result of research can not be generalized. Therefore further research is suggested that the model in this study be applied on a wider scale. This study is conducted only on the customer with the category of savings. Therefore further research can be directed to customers who have not been covered in this study.

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