

Brand image model and customer loyalty: Customer Relationship Management and Service Quality (Case Study in Micro Credit Loan PT Bank Mandiri Jakarta Bintaro Jaya Unit 1)

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Article History

Received: 01.07.2018

Accepted: 12.07.2018

Published: 30.07.2018

DOI:

10.21276/sjbms.2018.3.7.2



Abstract: PT. Bank Mandiri (Persero) unit Jakarta Bintaro Jaya 1 is a branch under the coordination of Regional V Jakarta 3 area of Jakarta beautiful cottage consisting of 12 units of micro office. Where this Bank has a commitment to provide ease of credit distribution as additional business capital for UM or UMKM entrepreneurs. More than 80 percent of business units in Indonesia are UM/UMKM. During the period of 5 years (2010-2014) the provision of UM/UMKM credit has decreased. In addition, the number of non-performing loans (NPLs) from the UM/UMKM sector has increased significantly. The relationship quality management (CRM) index has declined over the last five years, so there needs to be an effort to improve relationship quality (CRM) and service quality. Thus it will be able to improve the image of banking (brand image) so that the bank can build and maintain customer loyalty (customer loyalty). The purpose of this research is to develop brand image and customer loyalty with CRM and service quality). Analytical unit of micro credit business loan debtor, population 558 and samples 85 customers with *slovin* technique. Analysis method with quantitative analysis. Analysis technique with Path analysis with 2 sub-structures, followed by determination analysis (R Square), Partial test of hypothesis (t test) and simultaneous (F test) with alpha 5 percent. Before the analysis with multiple linear regression first in the test of research questionnaire with validity and reliability test and classical assumption. SPSS version 22.0 analysis tool. The result of this research is that Customer Relationship Management and Service Quality have an effect on Brand Image and Customer Loyalty either partially or simultaneously. Brand Image and Customer Loyalty are still influenced by other variables apart from Customer Relationship Management and Service Quality, therefore further research is needed.

Keywords: Brand Image, Customer Loyalty, Customer Relationship Management and Service Quality.

INTRODUCTION

Background Research

More than 80 percent of business units in Indonesia are micro businesses. Micro or Small and Medium Enterprises (MSMEs) dominate the total business in Indonesia while the medium and large business sectors only take a fraction of the total business units. Micro-sector sector can contribute to the national economy, especially in terms of providing employment Opportunity. *PT. Bank Mandiri (Persero) unit Jakarta Bintaro Jaya 1* is a branch under the coordination of Regional V Jakarta 3 area of Jakarta Pondok Indah consisting of 12 units of micro office. Where this Bank has a commitment to provide ease of credit distribution as additional business capital for UM / UMKM.

During the period of 5 years (2010-2014) from table 1 below, it is known that the development of credit (Baki Debet) to UM or UMKM has decreased by *PT Bank Mandiri* this decrease can be seen from the realization of targets set by the management of the year 2010 sebesar 111% continues to decline in 2014 to 94% .In addition to the amount of credit declining, non-performing loans (NPL) or non-performing loans (NPL)) also experienced a high enough warning, fluctuations% increase in bad loans from the year 2010-2014 continues to increase with NPL 4.22% in 2010 and continue to increase in 2011 by 9.90%, in 2012 at 6.37% as well as in 2014 with NPL 4.74%, so it can be said the deterioration of credit quality. Beside that it also decreased total account borrowers of MSME loans for the last 5 years from 2010 loan accounts 886 until 2014 with 569 debtors account.

Table-1: The Development of Micro Business Loan (UM / UMKM) Jakarta Bintaro Jaya 1

Year	REALIZATION OF MICRO CREDIT DISTRIBUTION						NPL (%)
	Tray Debit (Rp.million)	Target (Rp.million)	% Target	Debtor	Average Credit (Rp million/ Debtor)	Tray Debit NPL (Rp million)	
2010	12.457	11.243	111%		886	14	956
2011	19.667	13.43	146%	765	26	1.946	9,90%
2012	11.555	15.54	74%	725	16	736	6,37%
2013	16.337	17.324	94%	653	25	174	1,07%
2014	21.446	23.657	91%	569	38	1.016	4,74%

Source: Portfolio of PT Bank Mandiri 2010-2014

In addition to the above phenomenon, Jakarta *Bintaro Jaya 1* unit is a branch under the coordination of Regional V Jakarta 3 Jakarta *Pondok Indah* area consisting of 12 units of micro office. Area of Jakarta *Pondok Indah* periodically evaluates every service quality of every micro branch office under its

coordination, Table 2 shows that in 2014 unit of Micro *Bintaro Jaya 1* is ranked 10th. In addition, service quality tends to decrease since January - December 2014 where the valuation range the higher the value the worse the quality of a service to the customer.

**Table-2: Quality of Service Rating and Customer Relationship Index
PT. Bank Mandiri Jakarta Bintaro Jaya 1 Year 2010 - 2014**

Period (Year)	Quality of Service Rating	Rank Customer Relationship Index
2010	2	2
2011	4	3
2012	6	3
2013	7	4
2014	9	5

Source: PT Bank Mandiri Bintaro Jaya 1

On the other hand, based on the Customer Relationship Index and its relationship with the quality of relationship with customers of Micro unit of *Bintaro Jaya 1* are likely to rank 5 and experience the decrease in the last 5 years as shown in Table 1.2 indicates that unit of *Micro Bintaro Jaya 1* has not maximized maintaining quality of relationship with customers.

From the above problem of this research is supported also from the results of research sourced from international journals and reputable namely:

- Hapzi & Adji [1], Flavian Torres & Guinaliu [2], and Malik, Ghafoor [3], that Customer Relationship Management (CRM) and Service Quality have a positive and significant impact on Brand Image and Customer Loyalty either partially or simultaneously;
- Ghane *et al.*, [4], Hapzi, Baruna, & Chree [5], and Hafez and Muhammad [6], that Service Quality positively and significantly affects Customer Loyalty either partially or simultaneously;
- Stan, Caemmerer, Jallet [7], Ndubisi, Wah [8], that CRM, Service Quality and Brand Image influence positively and significantly to Customer Loyalty either partially or simultaneously;
- Hapzi & Adji [1], Kambiz and Safoura [9], there is a significant relationship between brand image and customer loyalty, that Brand Image has positive and significant impact on Customer Loyalty.

Identification of problems

Based on the background of the problem can be identified as follows:

- During the period of 5 years (2010-2014) the provision of credit to UM/UMKM decreased from 111% decreased in 2014 to 94%.
- The last five years the number of non-performing loans (NPLs) from the UM / UMKM sector has a high enough warning. Fluctuations in the percentage of non-performing loans from 2010 with 4.22% NPLs continue to increase in 2011 by 9.90% and 6.37% in 2012 as well as in 2014 with NPL 4.74%.
- Total accounts of loan customers (credit) of UM / UMKM for the last 5 years endured also from 2010 loan account 886 until 2014 with 569 debtors account.
- The quality of service (service quality) of *Bintaro Jaya 1* unit tends to decrease from 2010 to 2014.
- Relatively low quality relationship (Customer Relationship Management) index is faced with the need for good relationship quality with customers to build and retain customers

Research purposes

Based on background and problem formulation above, the purpose of this research is to analyze:

- The effect of CRM on Brand Image;
- The effect of Service Quality on Brand Image;

- The effect of CRM and Service Quality affect Brand Image simultaneously;
- The Effect of CRM on Customer Loyalty;
- The Effect of Service Quality on Customer Loyalty;
- The Effect of Branding Image on Customer Loyalty;
- The Effect of CRM and Service Quality on Customer Loyalty simultaneously;

LITERATURE REVIEW

Customer Loyalty

Customer loyalty or loyalty (customer loyalty) is defined as a person's loyalty to an object or institution. Mowen and Minor [10] define loyalty as a condition in which the customer has a positive attitude towards a brand or institution, has a commitment to the brand or institution, and intends to continue purchasing in the future. Loyalty shows the tendency of customers to use a certain brand with a high degree of consistency [11].

Kotler, Hayes and Bloom [12] mentions six reasons why an institution needs to gain customer loyalty. First: existing customers are more prospective, meaning loyal customers will provide substantial benefits to the institution. Second: the cost of acquiring new customers is much greater when compared to maintaining and retaining existing customers. Third: customers who already believe in the institution in an affair will believe also in other affairs. Fourth: operational costs are more efficient if they have many loyal customers. Fifth: institutions can reduce psychological and social costs because old customers have had many positive experiences with the institution. Sixth: loyal customers will always defend the institution even try also to attract and give advice to others to become customers.

Kotler and Keller [13] declared loyalty built with three elements, namely repeat, retention, and referral, or re-transactions, loyal to the institution and recommendations to other institutions.

Brand Image

The image of the brand or in this context is the image of banking merek (Brand Image) according to Flavian, Torres, and Guinaliu in Hapzi Ali [14], that banking image measurement is produced with four elements that can form bank image, access to services, offered services, personal contact, security and reputation, which will be used in this study.

Access to services consists of an indicator of ease of use of services, timeliness of transactions, service convenience, bank operating schedule, and possibility to file a complaint / protest. The services offered consist of an indicator of the availability of the number of products and services, the attractiveness of

the products and services offered, the attractiveness of the product of the deposit service, the interest of the loan payment, and the payment of the service charge. Personal contacts consist of employee warm-up indicators, individual attention, personal contact, financial advisory assistance, ease of consultation. Security consists of security indicators in transactions, security in saving money, security in data. The company's reputation consists of indicators of trust in banking promises, reputation of services offered, trust in selected banks over other institutions [2].

Ziethaml *et al.*, [15] A favorable and well know image corporate local is an asset for any organization because image can impact to Banking quality, satisfaction, and loyalty. The above statement is clear that a good image will increase customer loyalty.

Customer Relationship Management

Customer Relationship Management (CRM): The concept of customer relationship is a method for maintaining customer satisfaction in order to maintain sustainable customer relationships. Kenna in Hapzi Ali [16] reveals the existence of five principles in the application of customer relationship marketing namely:

- Placing the market as a mecca of the marketing organization.
- Marketing is the creation of the market (market creation) and not the market share.
- Marketing is a process issue and not a promotional tactic.
- Marketing is qualitative rather than quantitative.
- Marketing is the job or job of everyone.

Customer relationship has two important elements, namely trust and commitment. Customer's trust will be trust and commitment (customer), so that finally the company image will be built. Image is the whole of a person's perception of one thing that is formed through the process of information obtained from various sources. Banwari Mittal [17] says that the main core of relationship is trust. Some other opinions that say "commitment" and "trust", are the central role of relational marketing proposed by Boyle *et al.*, in Hapzi Ali [18, 34, 35].

Service Quality

Quality of service (servqual): as the nature of product performance and performance is a major part of corporate or institutional strategy in order to achieve sustainable advantage, either as a market leader or as a strategy to continue to grow. The superiority of a service product is dependent on the uniqueness or traits characteristic and the quality shown by the service, whether it is in accordance with the expectations and desires of consumers [19]. Quality of service centered on efforts to meet the needs and desires of consumers and the accuracy of delivery to balance consumer expectations. According to Wyckof in Tjiptono [20],

service quality is the expected level of excellence and control over the level of excellence to satisfy consumer desires. Consumers who consume and enjoy the services of a company should determine the quality of service provided. If services received by consumers exceed or equal their expectations, it may be stated that the services provided by the service provider are good or satisfactory and vice versa.

Tjiptono [20] states that the quality of service is an attitude or way employees in serving consumers satisfactorily. A company's way of staying competitive is to provide services of a higher quality than its competitors consistently. Consumer expectations are shaped by past experience, word-of-mouth talks conducted by service companies, and then compared.

Lovelock and Wright [21] explained that consumers will assess service quality through five dimensions of service as a benchmark, this opinion is supported also by the results of research from Cronin and Taylor [22]. These five dimensions are:

- Tangible (Tangible), is something that looks or real that is the appearance of employees and other physical facilities such as equipment and equipment that support the implementation of the service.
- Reliability (Reliability) is the ability to provide precisely and correctly the type of service that has been promised to consumers.
- Responsiveness (Responsiveness), namely awareness or desire to quickly act to assist consumers in providing services on time.

- Assurance (Assurance), namely knowledge and courtesy of compensation and trust of employees. The warranty dimension has the characteristics of compensation to provide service, courtesy, and respect for the consumer.
- Empathy (Empathy), is giving special attention to the individual. This empathy dimension has the characteristics of a willingness to approach, provide protection and effort to understand consumer wants, needs, and feelings.

Conceptual Framework

Framework for thinking to design the influence or relationship between variables. That Customer Relationship Management (CRM) and service quality have a positive and significant influence on the brand image both partially and simultaneously: Hapzi & Adji [1], Flavian Torres & Guinaliu [2], and Malik and Ghafoor [3].

CRM and service quality have a positive and significant influence on customer loyalty both partially and simultaneously: Ghane *et al.*, [4], Hapzi, Baruna, & Chree [5], and Hafez and Muhammad [6]. CRM, service quality and brand image have positive and significant impact on customer loyalty both partially simultaneously: Stan, Caemmerer, Jallet [7], Ndubisi, Wah [8], and Hapzi, Baruna, & Chre [5].

Based on Research Formulation, Research Objectives, Literature Review, Past research and research road map, the research framework for this 3-year period is like figure-1 below.

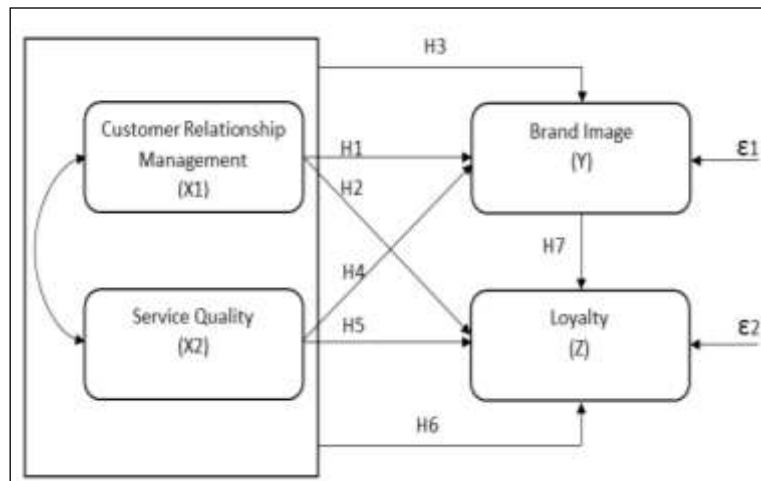


Fig-1: Conceptual Framework

Hypothesis

Based on the research objectives, the research hypothesis is as below: *effect on Brand Image*;

- CRM effects on Customer Loyalty;
- 2) Service Quality effect on Brand Image;
- 3) CRM, and Service Quality effect on Customer Loyalty simultaneously;

- 4) Service Quality effects on Customer Loyalty;
- 5) Brand Image effect on Customer Loyalty;
- 6) Brand Image effect on Customer Loyalty
- 7) CRM and Service Quality affect Brand Image and Customer Loyalty simultaneously;

RESEARCH METHODE

Objects and Research Instruments

This research was conducted at *PT. Bank Mandiri*, with a case study on Debtor on Micro Business Loan *PT Bank Mandiri Jakarta Unit Bintaro Jaya 1*, is a branch under the coordination of Regional V Jakarta 3 area of Jakarta beautiful cottage consisting of 12 units of micro office. The research will be conducted for three Academic Year (TA), starting from FY 2015/2016 until FY 2017/2018, or from October 2016 until September 2018. Instrument used is a questionnaire using a *likert* scale with a score of 1-5 expressed from the most negative, neutral to the most positive.

Methods and Analysis Tools

Method of analysis of this research is quantitative method and its analysis tool with Path Analysis followed by determination analysis (R Square), Partial test of hypothesis (t test) and simultaneous (F test) with alpha 5 percent (0,05). Before the analysis with Path analysis first in the test instrument (questionnaire) with validity and reliability test as well as classical assumptions. SPSS version 22.0 analysis tool.

Path analysis is a statistical technique used to test the relationship or influence between variables. Path analysis is one of the analytical tools developed by Sewall Wright (Dillon and Goldstein [24] in Hapzi Ali & Nandan Limakrisna [25] .Wright developed a method

for knowing the direct and indirect effects of a variables, in which there are influencing variables (exogenous variables) and variables that are affected (endogenous variables).

CRM and service quality as independent variable, brand image as intervening variable and loyalty as dependent variable. To test intervening variable used path analysis method, as an extension of multiple linear regression analysis.

Path analysis method can be described as in figure 1. above with structure and sub line structure as below:

$$Y = \text{Pyx}_1 \cdot X_1 + \text{Pyx}_2 \cdot X_2 + \epsilon_1$$

$$Z = \text{Pzx}_1 \cdot X_1 + \text{Pzx}_2 \cdot X_2 + \text{Pzy} \cdot Y + \epsilon$$

Description: X1 = Customer Relationship Management (CRM); X2 = Service Quality (Servqual); Y = Brand Image; Z = Customer Loyalty; and ϵ = epsilon (other factors that affect)

RESULT AND DISCUSSION

Result

Substructure Line Analysis 1

To know whether customer relationship management and service quality have an effect on brand image, it is done by using path analysis by using SPSS 21.0 software tool. The results of the first substructure path analysis as follows:

Table-3: Coefficients Regression CRM and Service Quality effect on Brand Image

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.169	1.572		2.651	.009
	X1_Customer_Relationship_Management	.217	.082	.340	2.641	.010
	X2_Service_Quality	.105	.037	.367	2.853	.005

Dependent Variable: Y_Brand_Image

Statistically the output of the above coefficients table obtained the following equation.

$$Y = \text{Pyx}_1 \cdot X_1 + \text{Pyx}_2 \cdot X_2 + e_1$$

$$Y = 0,340 \cdot X_1 + 0,367 \cdot X_2 + e_1$$

The result of the above equation is inserted into the picture of structural equation as below:

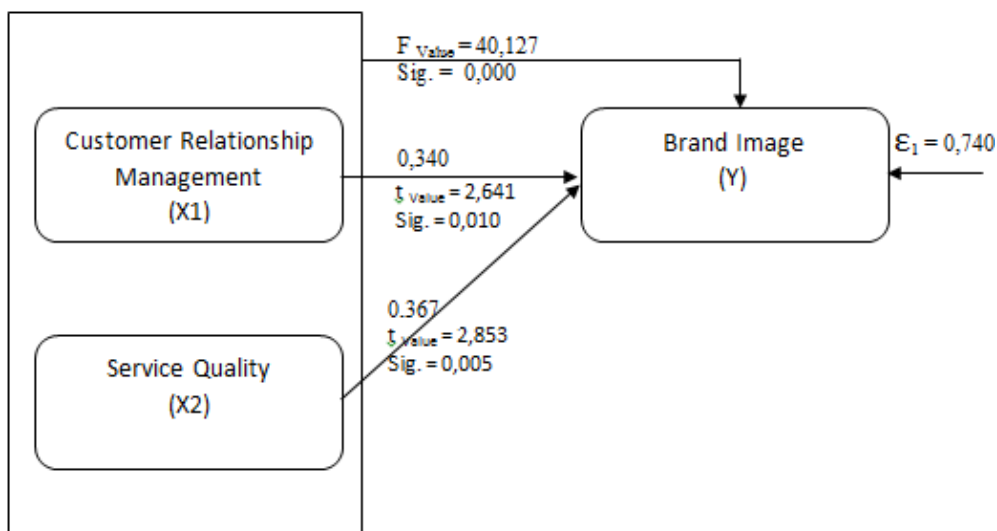


Fig-2: Results of Line Sub Structure Analysis 1

Hypothesis Testing First

H0: Customer Relationship Management has no effect on Brand Image

H1: Customer Relationship Management effect on Brand Image

From the result of path analysis as shown in Fig-2, it can be concluded that Customer Relationship Management influence to brand image. Based on the explanation H0 therefore rejected and H1 accepted, it means Customer Relationship Management effect on brand image.

Second Hypothesis Testing

H0: Service Quality has no effect on Brand Image

H1: Service Quality has an effect on Brand Image

From result of path analysis as shown in Fig-2, it can be concluded that Service Quality has an effect on brand image. Based on the explanation H0 is therefore rejected and H1 accepted, it means Service Quality effect on brand image.

Third Hypothesis Testing

H0: Customer Relationship Management and Service Quality have no effect on Brand Image

H1: Customer Relationship Management and Service Quality have an effect on Brand Image

From the result of path analysis as shown in Fig. 2, the value of Fcount is 40.127 with p-value probability 0.000, since the significance level is much more <0.05 (0.000 <0.05) Therefore H0 is rejected and H1 is accepted, so it can be concluded that the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted it means that the variable of Customer Relationship Management and Service Quality together significantly influence the brand image variable. Where the contribution of Customer Relationship Management and Service Quality to the brand image of 45.3%, while the rest of 54.7% influenced by other variables that are not included in this model.

Substructure Line Analysis 2

To know whether independent variable that is Customer Relationship Management, Service Quality, and Brand Image influence to Customer Loyalty, done by using path analysis (path analysis) by using tool software SPSS version 21.0. The results of the first substructure path analysis as follows:

Table-4: Coefficients Regression CRM, Service Quality, and Brand Image against Customer Loyalty

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.135	1.037		3.023	.003
	X1_Customer_Relationship_Management	.136	.054	.263	2.506	.014
	X2_Service_Quality	.107	.024	.463	4.395	.000
	Y_Brand_Image	.136	.065	.168	2.103	.038

a. Dependent Variable: Z_Customer_Loyalty

Statistically the output of the above coefficients table obtained the following equation.

$$Z = PzX_1 \cdot X_1 + PzX_2 \cdot X_2 + PzX_3 \cdot X_3 + e_2$$

$$Z = 0,263 \cdot X_1 + 0,463 \cdot X_2 + 0,168 \cdot X_3 + e_2$$

The result of the above equation is inserted into the picture of structural equation as below:

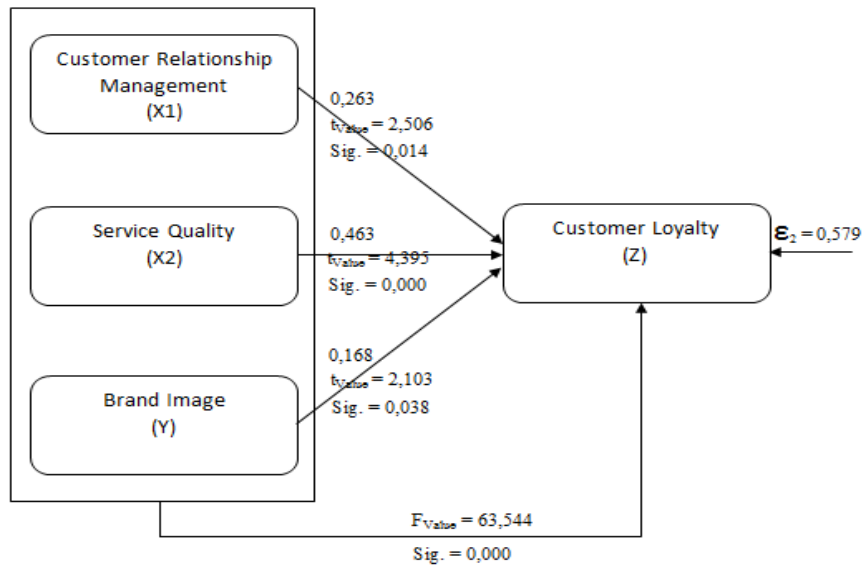


Fig-3: Results of Analysis of Sub Structures Path 2

Hypothesis Testing Fourth

H0: Customer Relationship Management has no effect on Customer Loyalty

H1: Customer Relationship Management affects Customer Loyalty

From the results of path analysis as shown in Figure 5.2 obtained the value of t count value variable X1 of 2.506, with a significance level of 0.014, due to the significance level of more <0.05 (0.014 <0.05) it can be concluded that Customer Relationship Management effect on Customer Loyalty. Based on the explanation H0 is therefore rejected and H1 accepted, it means Customer Relationship Management effect on Customer Loyalty.

Fifth Hypothesis Testing

H0: Service Quality has no effect on Customer Loyalty

H1: Service Quality affects Customer Loyalty

From result of path analysis as shown in Fig-3, it can be concluded that Service Quality has an effect on Customer Loyalty. Based on the explanation H0 is therefore rejected and H1 accepted, means that Service Quality affects Customer Loyalty.

Testing of the Seventh Hypothesis

H0: Brand Image has no effect on Customer Loyalty

H1: Brand Image affects Customer Loyalty

From the result of path analysis as shown in Fig-3, it can be seen that the value of t count variable Y is 2,103, with significance level equal to 0,038, because the level of significance is more <0.05 (0.038 <0.05) it

can be concluded that Brand Image influence to Customer Loyalty. Based on the explanation H0 is therefore rejected and H1 accepted, means that Brand Image effect on Customer Loyalty.

Testing the Sixth Hypothesis

H0: Customer Relationship Management, Service Quality, and Brand Image have no effect on Customer Loyalty.

H1: Customer Relationship Management, Service Quality, and Brand Image affect Customer Loyalty.

From the result of path analysis as shown in Fig. 3, we get the value of Fcount of 63,544 with the p-value probability 0.000, because the level of significance is much more <0.05 (0.000 <0.05) Therefore H0 is rejected and H1 accepted, so it can be concluded that the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted it means that the variable of Customer Relationship Management, Service Quality, and Brand Image together significantly influence Customer Loyalty variable. Where the contribution of Customer Relationship Management, Service Quality, and Brand Image to Customer Loyalty of 66.5%, while the remaining 33.5% influenced by other variables that are not included in this model.

DISCUSSION

Influence Customer Relationship Management Against Brand Image

From hypothesis testing conducted by using partial test (t test), known Customer Relationship Management (CRM) has a positive and significant impact on Brand Image. The results of this study show

the same results with research conducted by Flavian, Torres, and Guinaliu in Hapzi Ali [2] where the results of his research show there is a significant relationship between customer relationship with bank image. Furthermore Kenna in Hapzi Ali [16] also expressed the same thing if customer relations have a positive and significant effect on the company image. In addition Hapzi Ali and Adj Djojo [1] suggests CRM have a positive and significant impact on the image banking or brand, either partially or simultaneously. Then Hapzi Ali [18] also explains the debtor's relation positively and positively affects the Brand image or partial banking institution partially.

This means that if a company wants to improve its corporate brand image through Customer Relationship Management, the company can build a customer savings commitment by increasing the frequency of communicating with customers in order to remain willing to save (retention), dealing with customers to remain willing to commit / save in Banking even when faced with attraction / influence competitors, maintaining the quality of the product, so that the customer still wishes to save even if the interest is lower than from other banks, and keep the contents of the agreement with the customer's savings on the prevailing provisions. In addition, the company can also build customer trust services by building trust of customers in Banking (trustworthiness), building customer trust in Banking honesty and integrity, building customer trust in Banking reputation, and building customer trust in your Bank compared to other Bank.

Effect of Service Quality on Brand Image

From hypothesis testing performed by using partial test (t test), known service quality has a positive and significant impact on Brand Image. The results of this study show similar results with research conducted by Flavian, Torres, and Guinaliu, in Hapzi Ali [2] where the results of his research show There is a significant relationship between service quality and bank image. Further Malik and Ghafoor [3] also expressed the same thing if the quality of service has a positive relationship to the brand image. In addition, Normasari, Kumadji and Kusumawati [25], Stan, Caemmerer and Jallet [7], and Zikmund, William G. 2003, in Hapzi Ali [26] found if service quality had positive and significant to the company image.

This means that if the company wants to improve the brand image of the company through service quality, the company can fix the Tangible which is the appearance of the employees and other physical facilities such as equipment and equipment that support the implementation of the service. Then Reliability (Reliability) is the ability to provide precisely and correctly the type of service that has been promised to consumers. Next Responsiveness (Responsiveness), namely awareness or desire to quickly act to help

consumers in providing services on time. Next Assurance (Assurance), namely knowledge and courtesy of compensation and trust of employees. The warranty dimension has the characteristics of compensation to provide service, courtesy, and respect for the consumer. And the last Empathy (Empathy), is giving special attention to the individual. This empathy dimension has the characteristics of a willingness to approach, provide protection and effort to understand consumer wants, needs, and feelings.

Influence of Customer Relationship Management and Service Quality to Brand Image

Customer Relationship Management and Service Quality jointly have a positive and significant impact on brand image. This shows if PT Bank Mandiri is able to implement Customer Relationship Management well, and able to improve Service Quality together, it will be able to improve the image of self-supporting bank in the form of Bank is known to provide convenience in transaction by customer, Bank product offered attractive to customers, Bank employees are known to be easy to contact by customers, the Bank is known to be safe to transact by customers, and the Bank is known to have a good reputation by customers.

The results of this study support the results of previous research conducted by Hapzi & Adj [1], Flavian Torres & Guinaliu [14], and Malik and Ghafoor [3]. Where the results of his research shows Customer Relationship Management and Service Quality together to increase brand image.

In the world of customer relationship or customer relation (Customer Relationship Management (CRM): The concept of customer relationship is a method of maintaining customer satisfaction in order to establish sustainable customer relationships, while good service quality reflects all the dimensions of supply that generate benefits for customers. If the company is able to improve its relation with the customer, and give the best service to the customer, so that finally the image of the company will be built The image is the whole of one's perception towards one thing formed through information process obtained from various sources.

Influence Customer Relationship Management to Customer Loyalty

From hypothesis testing conducted by using partial test (t test), known Customer Relationship Management has a positive and significant influence on Customer Loyalty. The results of this study show similar results with research conducted by Long, Khalafinezhad, Ismail and Rasid [27] where the results of his research showed There is a significant relationship between customer relationship with customer loyalty.

This means that if the company wants to improve customer loyalty through Customer Relationship Management, the company can build a customer savings commitment by increasing the frequency of communicating with customers in order to remain willing to save (retention), associated with customers to remain willing to commit/save in Banking despite the attraction/influence competitors, maintaining the quality of the product, so that the customer still wishes to save even if the interest is lower than from other banks, and keep the contents of the agreement with the customer's savings on the prevailing provisions. In addition, the company can also build customer trust services by building trust of customers in Banking (trustworthiness), building customer trust in Banking honesty and integrity, building customer trust in Banking reputation, and building customer trust in your Bank compared to other Bank.

Influence Service Quality To Customer Loyalty

From hypothesis testing performed by using partial test (t test), known service quality has a positive and significant influence on Customer Loyalty. The results of this study show the same results with research conducted by Ghane *et al.*, [4], where the results of his research explain E-Service Quality directly affect the loyalty of e-banking customers. Furthermore, Hadiyati [28] describes service quality consisting of direct evidence, reliability, responsiveness, assurance and attention, proved to have a significant influence both simultaneously and partially on customer loyalty. In addition, Josee Bloemer, Ko De Ruyter, Pascal Peeters [29], Dewi *et al.*, [30], Hafez and Muhammad [6], Lin and Sun [31], Lou, Cheung, Lam and Chu [32], and Normasari, Kumadji and Kusumawati [25] also suggested that service quality has an influence on customer loyalty.

This means that if the company wants to increase customer loyalty through service quality company, the company can fix the Tangible which is the appearance of the employees and other physical facilities such as equipment and equipment that support the implementation of the service. Then Reliability (Reliability) is the ability to provide precisely and correctly the type of service that has been promised to consumers. Next Responsiveness (Responsiveness), namely awareness or desire to quickly act to help consumers in providing services on time. Next Assurance (Assurance), namely knowledge and courtesy of compensation and trust of employees. The warranty dimension has the characteristics of compensation to provide service, courtesy, and respect for the consumer. And the last Empathy (Empathy), is giving special attention to the individual. This empathy dimension has the characteristics of a willingness to approach, provide protection and effort to understand consumer wants, needs, and feelings.

The Influence of Brand Image on Customer Loyalt

From hypothesis testing performed by using partial test (t test), known service quality has a positive and significant influence on Customer Loyalty. The results of this study show similar results with studies conducted by Kambiz and Safoura [9], Neupane [33], Normasari, Kumadji and Kusumawati [25], and Stan, Caemmerer and Jallet [7] where the results of his research showed There is a significant relationship between the brand image with customer loyalty. This means that if the company wants to increase Customer Loyalty through brand image, the company can provide easiness in transaction by the customer, the Bank's offered product is attractive to the customer, the Bank Officer can easily be contacted by the customer, and safe in transaction. If the company is able to implement it all then the company will have a good reputation by the customer.

Influence of Customer Relationship Management, Service Quality and Brand Image to Customer Loyalty

Customer Relationship Management, Service Quality, and Brand Image together have a positive and significant impact on customer loyalty. This shows that if PT Bank Mandiri is able to implement Customer Relationship Management well, able to improve Service Quality, and have a good brand image together, it will be able to increase customer loyalty in the form of repeat transaction, loyalty to the institution and recommendation to other institution.

The results of this study support the results of previous studies conducted by Long, Khalafinezhad, Ismail and Rasid [27], Ghane *et al.*, [4], Dewi *et al.*, [30], Hafez and Muhammad, Lin and Sun [31], Lou, Cheung, Lam and Chu [32], and Normasari, Kumadji and Kusumawati [25], where his research results show Customer Relationship Management and Service Quality together to increase customer loyalty.

Kotler, Hayes and Bloom [12] mentions six reasons why an institution needs to gain customer loyalty. First: existing customers are more prospective, meaning loyal customers will benefit the institution greatly. Second: the cost of acquiring new customers is much greater when compared to maintaining and retaining existing customers. Third: customers who already believe in the institution in an affair will believe also in other affairs. Fourth: operational costs are more efficient if they have many loyal customers. Fifth: institutions can reduce psychological and social costs because old customers have had many positive experiences with the institution. Sixth: loyal customers will always defend the institution even try also to attract and give advice to others to become customers.

CONCLUSIONS AND RECOMMENDATIONS CONCLUSION

This study aims to examine the influence of Customer Relationship Management and Quality to Customer brand image, Customer Relationship Management and Service Quality to customer loyalty, and the influence of brand image to customer loyalty. Based on the results of data analysis and discussion that has been done can be drawn some conclusions, namely:

- There is a positive and significant influence partially from Customer Relationship Management variable to brand image. The results of this study indicate that the variable Customer Relationship Management has a positive and significant impact on brand image through factors such as Building a Saving Customer Commitment and build customer confidence savings services. The biggest factor that encourages the creation of brand image is the factor of building customer trust. It can be interpreted that the higher level of customer confidence in the company, it will increase the company's brand image.
- There is a positive and significant influence partially from Service Quality variable to brand image. The results of this study indicate that the variable Service Quality has a positive and significant impact on brand image through factors such as Tangible, Reliability, Responsiveness, Assurance and Empathy. It can be interpreted that the better the quality of service provided by the company, it will be able to improve the company's brand image.
- There is a positive and significant influence simultaneously from Customer Relationship Management variable and Service Quality to Brand Image. Where the variable Service Quality has a more dominant influence in creating brand image *PT. Bank Mandiri* compared variable Customer Relationship Management.
- There is a positive and significant influence partially from Customer Relationship Management variable to customer loyalty. The results of this study indicate that variable Customer Relationship Management has a positive and significant impact on customer loyalty through factors such as building a customer commitment savings and build customer confidence savings services. The biggest factor that encourages the creation of customer loyalty is the factor of building the commitment of savings customers. It can be interpreted that the higher the build up of the customer's commitment to savings, it will increase customer loyalty.
- There is a positive and partially significant effect of Service Quality variable on customer loyalty. The results of this study indicate that the variable Service Quality has a positive and significant impact on customer loyalty through factors such as Tangible, Reliability, Responsiveness, Assurance and Empathy. It can be interpreted that the better

Software System Deposit Services used by customers, it will be able to increase customer loyalty.

- There is a positive and significant influence partially from the brand image variable to customer loyalty. The results of this study indicate that brand image variables have a positive and significant impact on customer loyalty through factors such as Bank known to provide convenience in the transaction by customers, Bank products offered attractive to customers, Bank employees are known easy to contact by customers, known Bank safe to transact by the customer, and the Bank is known to have a good reputation by the customer. The biggest factor that encourages the creation of customer loyalty is a factor of Bank Product System offered attractive to customers. It can be interpreted that the more attractive the product that is held by the banking to the customer, then it will be followed also by increasing customer loyalty.
- There is a positive and significant influence simultaneously from variable Customer Relationship Management, Service Quality, and Brand Image to customer loyalty. Where the variable Service Quality has a more dominant influence in improving customer loyalty than variable Customer Relationship Management and Brand Image.

Suggestion

From the results of this study put forward some suggestions, namely:

Recommendation for management of *PT Bank Mandiri*

For the management of *PT Bank Mandiri*, based on the results of field research followed by descriptive analysis obtained information that dimensions Building customer confidence deposit services on variable Customer Relationship Management has a low value. Therefore, it is expected that the management of *PT Bank Mandiri* will be able to build and increase customer confidence even more intensely, by improving transaction security, responding to customer criticism and suggestions, and providing useful and useful information for customers. In addition to improving the quality of its services, *PT. Bank Mandiri* must be able to improve the quality of its services both in terms of Database System Deposit Services, System Hardware Deposit Services, and System Software Deposit Services. Because the best quality of service that will be able to provide a sense of satisfaction for customers, and satisfaction that will be realized with the stronger brand image and customer loyalty.

For Academics

In further research, researchers can research with other variables that are not in carefully such as

product mix, promotion, human, physical evidence, process and customer satisfaction. Besides, it can also be meticulously with analytical techniques apart from path analysis, so that more accurate results can be obtained that can add or complement the results of existing research. Finally hopefully the results of this research can help banking companies and the like in improving brand image in today's rapidly changing business environment.

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