

The Influence of Problem Handling, Commitment, Trust, and Communication on Customer Loyalty at Rural Banks

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Abstract. This study's purpose is to determine whether problem-solving, commitment, trust, and communication affect customer loyalty. This study uses primary data obtained from customers of the Banda Raya Rural Bank. The data obtained were analyzed using regression analysis and the results obtained that part, the variables of problem handling, commitment, trust, and communication have a significant effect on customer loyalty, also simultaneously have a significant effect on customer loyalty at Bank Perkreditan Rakyat Banda Raya.

Keywords: Handling Problems, Commitment, Trust, Communication, Loyalty, and complaint handling one tcustomer.

1 Introduction

Rapid economic growth has increasingly encouraged many financial activities to also grow rapidly, especially banking. This creates competition between banks in Indonesia. This is shown by the emergence of many banks in Indonesia, one of which is the Rural Bank. Banking companies in Indonesia must be good at retaining customers to face competition from the industry and banking institutions. Several financial institutions distribute unsecured loans that can pose a threat to the banking industry in Indonesia, one of which is Rural Bank.

One of the banks in Batam is BPR Banda Raya which has four branches in Batam. Although many private banks and banks owned by State-Owned Enterprises and Regional-Owned Enterprises Banks are located in Batam. The increasing level of competition and the emergence of many new industries require marketers to develop marketing concepts that focus on customer satisfaction.

The results of this study are the same as research, which shows a significant influence between trust, commitment, loyalty. Seeing this phenomenon, companies must study and understand to improve and formulate strategies what are the supporting factors that can maintain customer

loyalty [1]. Certain factors can affect customer loyalty, such as trust, commitment, communication, and conflict handling [2].

The results of this study indicate that customer loyalty can be built, improved, and developed through the right marketing strategy and focuses on marketing development carried out by the company [2]. Based on the description of the background above, the researchers are interested in conducting a study entitled "The influence of Problem Handling, Commitment, Trust, and Communication on Customer Loyalty in Rural Banks"

2 Literature Review and Hypothesis

2.1 Problem Handling

Consumer complaints can be the main concern for a company. The customer's voice reflects consumer expectations about the characteristics of the company about customer satisfaction [1]. Also, put forward, consumer complaint behavior is a term that includes all the different actions that consumers take when they are not happy with a purchase or service [1]. Dissatisfaction caused by differences in expectations and actual capabilities of products and services received by consumers causes adverse effects that are thought to affect consumer loyalty [1]. To avoid these negative impacts, the company must resolve the conflict. Conflict handling is a special action when interacting with customers [3].

Dispute management is an aspect of relational marketing where one party gives or returns what has been earned or received. Defines conflict resolution as the ability to avoid potential conflicts where they can be resolved by open handling [2]. Concludes that the probability that a particular case will occur depends on the satisfaction of the previously created relationship, the magnitude of the customer's expectations in the relationship, and the evaluation of available alternatives [2].

2.2 Commitment

Commitment is a strong desire or desire to maintain and maintain a relationship that is considered important and has long-term value [4]. Commitment is usually reflected in cooperative and positive actions to maintain the relationship that is built. Commitment is an important element of the power of relational marketing and helps us to know the level of customer loyalty and predict the frequency of future purchases [2]. This shows that commitment is the result of a successful, mutually satisfying, and beneficial relationship. Likewise [2].

Commitment is an attitude that is intended to maintain a long-term relationship so that the relationship is considered valuable and beneficial. Relational benefits focus on the benefits derived from the basic services that are offered. Relationship quality, on the other hand, focuses on natural relationships (satisfaction and commitment).

This dual describes two approaches to understanding loyal customers and positive word-of- This dual describes two approaches to understanding loyal customers and positive word-of-mouth [1]. Commitment is at the heart of relationship marketing. Commitment can be obtained by a company that makes its customers a long-term priority and is based on a mutually beneficial relationship.

Because the relationship has important implications, commitment can also be interpreted as a promise or pledge to maintain a good relationship [3]. Being able to demonstrate its commitment by continuously learning to provide customer needs and service quality to improve customer satisfaction allows companies to have close relationships with customers is said to be built [3].

2.3 Trust

Trust is defined as a willingness to rely on the ability, integrity, and motivation of other parties to meet their own needs and interests. These needs and interests are mutually agreed upon explicitly or implicitly [4]. Trust is one of the dimensions of relational marketing. Trust is used to understand the feelings of one party and is related to the integrity and commitment of the other party. Trust is the basis of a partnership strategy [3], which is when there are parties who want to commit or limit their relationship. Trust is a factor forming commitment because commitment includes factors of trust and sacrifice.

Without trust, no promises will be formed. Suggests that trust is a company's willingness to join a business partner. Trust depends on many interpersonal relationships and inter-organizational factors, such as competence, integrity, honesty, and business friendliness. Corporate trust is the extent to which the company is considered honest, reliable, and sensitive to customer needs [5]. To gain customer trust, companies must communicate effectively, adopt norms that customers believe in, and stay away from negative judgments. The biggest failure in the relationship between consumers and marketers is a lack of trust. The relationship between consumers and companies requires trust to be a long-term relationship [3]. Suggests that trust can be built by keeping promises to customers to provide security in every transaction [3].

2.4 Communication

Communication is an interactive dialogue between companies and customers, which occurs at the pre-sales, sales, consumption, and post-sales stages [2]. Communication is a company's early work that raises awareness, develops consumer preferences (by promoting value, performance, and functionality), persuades buyers, and drives decisions. That the marketing communication process consists of five stages, namely:

1. The sender of the message. The first time a communication message is sent by the sender, the sender of the marketing message is sent to the customer. To achieve the benefits of personal communication, the credibility of the source must be considered.
2. Encoding is the whole process from designing the message to determining the type of promotion used.
3. Decoding is the process in which the recipient of the message responds. Interprets the received message.
4. In action, the marketer assesses whether the message is being communicated. It means responding and acting by expectations.

Successful relationship marketing requires all messages to be included in marketing communications. It is necessary to build, maintain and expand customer relationships. Through written communication with company employees before, in the transaction, and after the transaction [3].

2.5 Hypothesis and Conceptual Framework

Research on problem-solving, commitment, trust, and communication on customer loyalty. Customers who have problems that can be handled by the bank and their satisfaction in enjoying the facilities and services at a bank will increase customer loyalty. Based on this explanation, the hypotheses to be tested are:

H₁: Problem handling has a significant influence on customer loyalty

H₂: Commitment has a significant influence on customer loyalty

H₃: Trust has a significant influence on customer loyalty

H₄: Communication has a significant influence on customer loyalty

H₅: Problem handling, commitment, trust, and communication have a significant influence on customer loyalty

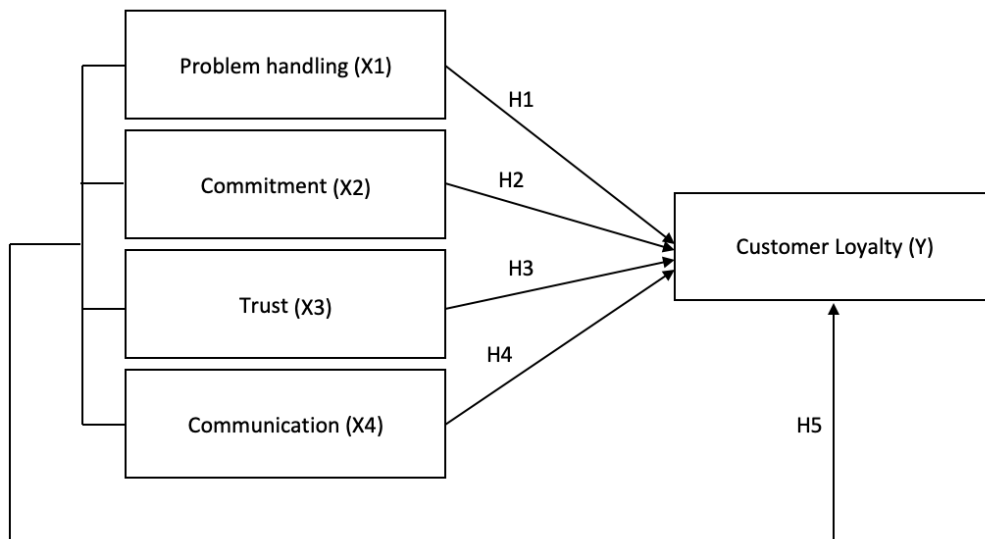


Fig. 1. Conceptual Framework

3 Research Method

Quantitative analysis with multiple linear regression is the analysis used in this study and the researcher uses problem handling, commitment, trust, and communication as independent variables and the dependent variable is customer loyalty. The author uses primary data as the instrument used. The population in this study were all BPR Banda Raya customers who met the respondent's criteria. The Purposive sampling technique was used in 110 respondents in this study.

4 Research Result

In this study, 110 respondents participated. Based on these results, the authors only use 100

Criteria	Total	%
Gender:		
Man	68	62%
Woman	42	38%
Education:		
Elementary	1	0,90%
Junior High School	13	11%
Senior High School	44	40%
Diploma	52	47%
Job:		
Soldier/Police	0	0%
BUMN Employee	16	14%
Government Staff	19	17%
Businessman	50	45%
College Student	21	19%
Income:		
<1.000.000	6	5,50%
1.000.000-2.500.000	14	13%
2.500.000-5.000.000	46	42%
>5.000.000	44	40%
Age:		
17 - 26 Years old	33	30%
27 - <36 Years old	62	56%
37 - <46 Years old	13	12%
>47 Years old	2	2%
Customer based on period:		
1-3 years	60	55%
4-6 years	42	38%
7-10 years	8	7,30%

respondents as research data. The following is a description of the characteristics of the respondents:

Table 1. Respondence Characteristic

Source: Processed Data, 2022

Table 1 shows that most of the respondents are male, the most educated are diplomas, the most occupations are entrepreneurs/traders, the average income is 2,500,000-5,000,000, the majority are 27-<36 years old, and have been customers for about 1-3 years.

4.1 Data Instrumen Test

Validity and Reliability Test

The indicators of problem-solving, commitment, trust and loyalty have valid results because the value of $r_{count} > r_{table}$ (0.185).

The basis for this assessment uses Cronbach's Alpha and each variable is 0.60 so that these variables have adequate reliability.

4.2 Descriptive Analysis

Based on the descriptive statistics that have been analyzed, it is known as follows:

Table 2. Descriptive Analyst

Question Item	Total	Mean	Result
X1.1	368	3,35	Very High
X1.2	375	3,41	Very High
X1.3	390	3,55	Very High
X1.4	362	3,29	Very High
X1.5	368	3,35	Very High
X1.6	386	3,51	Very High
Mean Variable Problem Handling		3,74	Very High

Question Item	Total	Mean	Result
X2.1	362	3,29	Very High
X2.2	368	3,35	Very High
X2.3	386	3,51	Very High
X2.4	358	3,25	High
X2.5	361	3,28	Very High
X2.6	375	3,41	Very High
Mean Variable Commitment		3,68	Very High

Question Item	Total	Mean	Result
X3.1	378	3,44	Very High
X3.2	390	3,55	Very High
X3.3	378	3,44	Very High
X3.4	367	3,34	Very High
X3.5	372	3,38	Very High
X3.6	382	3,47	Very High
X3.7	390	3,55	Very High
Mean Variable Trust		3,79	Very High

Question Item	Total	Mean	Result
X4.1	368	3,35	Very High
X4.2	375	3,41	Very High
X4.3	390	3,55	Very High
X4.4	358	3,25	High
X4.5	367	3,34	Very High
X4.6	362	3,29	Very High
X4.7	358	3,25	High
X4.8	363	3,30	Very High
Mean Variable Communication		3,67	Very High

Question Item	Total	Mean	Result
Y1.1	360	3,27	Very High
Y1.2	356	3,24	High
Y1.3	357	3,25	High
Y1.4	361	3,28	Very High
Y1.5	368	3,35	Very High
Y1.6	375	3,41	Very High
Y1.7	390	3,55	High
Mean VariableLoyalty		3,20	High

Source: Processed Data, 2022

4.3 Classic Assumption Test

1) Normality Test

Table 3. Normality Test

One-Sample Kolmogorov-Smirnov Test	
N	110
Normal Parameters ^{a,b}	Mean 0.000000
Most Extreme Differences	Std. Deviation 131.558465
	Absolute .055
	Positive .029
	Negative -.055
Test Statistic	.055
Asymp. Sig. (2- tailed)	.200

Source: Processed Data, 2022

From table 3, it shows where the division occurs normally and is significant at 0.200

2) Multicollinearity Test

Found that there is no multicollinearity symptom for all independent variables because the VIF for each unit variable is < 10.00 and the Tolerance value is > 0.100.

5 Multiple Linear Analysis

Table 4. Multiple Linear Analysis

Model	Coefficients ^a			T	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
(Constant)	10,29	1,464		6.963	.000
1 Problem Handling (X1)	.671	.152	.714	4.415	.000
Commitment (X2)	-.256	.111	-.319	-2.318	.022
Trust (X3)	-.215	.100	-.276	-2.147	.034
Communication (X4)	.366	.094	.502	3.905	.000

a. Dependent Variable: Customer Loyalty

Source: Processed Data, 2022

Based on the table above, it is known that the regression formula is as follows:

$$Y = 10,290 + 0,671X_1 - 0,256X_2 - 0,215X_3 + 0,366X_4 \quad (1)$$

6 Determine Coefficient

Based on the descriptive statistics that have been analyzed, it is known as follows:

Table 5. Determine Coefficient

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.697 ^a	.485	0.466	1.34

a. Predictors: (Constant), Communication, Trust, Commitment, Problem Handling

Source: Processed Data, 2022

Based on the SPSS "Model Summary" output table above, it is known that the coefficient of determination or R square is 0.485.

7 Hypothesis Test

Table 6. Hypothesis Test

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	10,290	1,464		6.963	0
	Problem Handling	0.671	0.152	0.714	4.415	0
	Commitment	-0.256	0.111	-0.319	-2.318	0.022
	Trust	-0.215	0.1	-0.276	-2.147	0.034
	Communication	0.366	.094	0.502	3.905	0

a. Dependent Variable: Customer Loyalty

Source: Processed Data, 2022

The table above, explains the results of the first hypothesis is that the problem-handling variable shows a significant effect with a value of 0.00 < 0.05 and explains that this variable has an effect on customer loyalty at BPR Banda Raya. The second hypothesis shows a significant influence with a value of 0.022 < 0.05 and explains that the commitment variable has a significant effect on loyalty.

Then the third hypothesis shows that the significant value is 0.034 < 0.05 so that it has a significant effect so the trust variable has a significant effect on customer loyalty. The fourth hypothesis, which is worth 0.000 < 0.05, indicates a significant influence between communication and customer loyalty at BPR Banda Raya.

Table 7. Simultaneous Test

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	117.901	4	44.475	24.754	.000 ^b
	Residual	188.653	105	1.797		
1	Total	366.555	109			

a. Dependent Variable: Customer Loyalty
b. Predictors: (Constant), Communication, Trust, Commitment, Problem Handling

Source: Processed Data, 2022

According to table 7, the results obtained from the significance value are 0.000 < 0.05 where which explains how it is known that all independent variables affect the dependent variable simultaneously.

8 Discussion

8.1 The influence of the problem handling variable on customer loyalty

Hypothesis 1 test shows that there is a significant effect between problem handling and customer loyalty. The hypothesis is accepted because the results of the T-test prove that the t count is $4,415 > t \text{ table } 11,982$ and $\text{Sig. } 0.0001 < 0.05$. This means that the problem handling variable has a significant effect on customer loyalty. Based on the respondent's answers on handling problems, it shows that the third statement, namely the customer always provides suggestions and criticisms to the bank, has a variable mean of 3.55, which is the item that dominates or is the most dominant effect of problem-solving. This response shows that customers have a high awareness to provide criticism and suggestions to the bank rather than being able to handle problems quickly.

Based on the results of the study it was found that the problem handling variable had a positive and significant effect on customer loyalty [6]. These results are following current research which states that problem handling has a significant effect on customer loyalty.

8.2 The influence of commitment variable on customer loyalty

Hypothesis 2 test shows that there is a significant influence on a commitment to customer loyalty. The hypothesis is accepted because the results of the T-test prove that the count is $2,318 > \text{table } 1,982$ and $\text{Sig. } 10.022 < 0.05$. This means that the commitment variable has a significant effect on customer loyalty. Based on the respondent's answer to the commitment, it shows that the third statement, namely the customer always gives advice and criticism to the bank, has a variable mean of 3.51 which is the item that most dominates or most influences commitment. This response shows that BPR Banda Raya offers personal services to meet customer needs.

Based on the results of the study it was found that the commitment variable has a significant effect on customer loyalty [7]. These results are by current research which states that commitment has a significant effect on customer loyalty.

8.3 The influence of the trust variable on customer loyalty

Hypothesis 3 test shows that there is a significant influence between trust and customer loyalty. The hypothesis is accepted because the results of the T-test prove that the count is $2.147 > \text{table } 1.982$ and $\text{Sig. } 0.034 < 10.05$. This means that the trust variable has a significant effect on customer loyalty. Based on the respondent's answer to the commitment, it shows that the second and seventh statements are that the customer believes that BPR Banda Raya is a good bank and deposits at BPR Banda Raya are guaranteed to be secure.

This response shows that BPR Banda Raya can maintain the savings of its customers. Based on the results of the study it was found that the trust variable had a significant effect on customer loyalty [8].

8.4 The influence of communication variable on customer loyalty

Hypothesis test 4 shows that there is a significant influence between problem handling on

customer loyalty. The hypothesis is accepted because the results of the T-test prove that count $3.905 > \text{table } 1.982$ and $\text{Sig. } 0.000 < 0.00$. This means that the communication variable has a significant effect on customer loyalty. Based on respondents' answers to communication, it shows that the third statement, namely the information provided is always accurate, has a variable mean of 3.55, which is the item that most dominates or most influences the handling of problems. This response shows that customers feel helped by the information provided by BPR Banda Raya regarding credit which is always accurate.

Based on the results of the study it was found that the communication variable has a positive and significant effect on customer loyalty [6]. These results are by current research which states that communication has a significant effect on customer loyalty.

9 Conclusion

1. The results of this study prove that the variable problem handling (X1) partially has a significant effect on customer loyalty at BPR Banda Raya. That is, if the handling of problems has increased, then customer loyalty will also increase.
2. The results of this study prove that the trust variable (X3) partially has a significant effect on customer loyalty at BPR Banda Raya. That is, if customer trust increases, customer loyalty will also increase
3. The results of this study prove that the communication variable (X4) partially has a significant effect on customer loyalty at BPR Banda Raya. This means that if the communication between the BPR and its customer's increases, the loyalty of the BPR's customers will also increase.
4. The results of this study prove that the variables of problem handling (X1), commitment (X2), trust (X3), and communication (X4) simultaneously have a significant effect on customer loyalty.

10 References

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