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The Effect of Brand Image and Omni Channel Marketing on Customer Satisfaction and Customer Loyalty in Digital Saving Opening of Bank BRI

Kristina Natalina^{1*}

¹kristinanatalina29@gmail.com

Postgraduate Marketing Management Program
Perbanas Institute

Dr. Sri Wahyuni²

²sri.wahyuni@perbanas.id

Lecturer of Magister Management
Perbanas Institute

*Corresponding Author: Kristina Natalina

Email: kristinanatalina29@gmail.com

ABSTRACT

This research was conducted to determine descriptively and empirically the effect of brand image and omni channel marketing on customer satisfaction and customer loyalty in digital saving opening of Bank BRI. The population in this research is Bank BRI customers who have at least used a BRI Bank account for 5 years. Methods of data collection using the survey method. Data analysis used SPSS version 22 and SEM (Structural Equation Model) from the statistical package LISREL 8.7 to process and analyze the research data. The results of the descriptive test explained that the brand image and omni channel marketing provided were good based on customers satisfaction. Therefore, the customers were satisfied and tended to be loyal in digital saving opening of Bank BRI. The results of hypothesis testing indicate that: (1) brand image affects customer satisfaction positively and significantly; (2) omni channel marketing affects customer satisfaction positively and significantly; (3) brand image affects customer loyalty positively and significantly; (4) omni channel marketing affects customer loyalty positively and significantly; (5) customer satisfaction affects customer loyalty positively and significantly; (6) brand image and omni channel marketing affect customer loyalty through customer satisfaction as a mediating variable; and (7) customer satisfaction has positive effect on customer loyalty.

Keywords: *Brand Image, Customer Satisfaction, Customer Loyalty, Digital Saving, Omni Channel Marketing*

INTRODUCTION

The banking system is a financial intermediary institution that collects funds from the public and distributes them to the public. The bank is public trust institutions to save their money and entrust bank to manage their finances. In implementing its operations, banks are divided into 2 types, these are conventional bank and sharia bank. According to Law No. 10/1998 concerning banking described that banks are business entities that collect funds from the public in savings and distribute them to the public in the form of credit or other forms in order to improve people's living standards.

Rapid technological developments have directed banks to further improve services by establishing digital banking. It aimed to maximize their services to customers and improve their operational quality. Then the banks can develop their own digital banking. Digital banking is designed for customers to facilitate their transactions independently, such as opening accounts, obtaining information, transactions, closing accounts and other needs from customers. The development of digital banking by using the already large penetration of mobile phones. Nowadays, mobile phone users in Indonesia have reached 95% of the total population, meanwhile those who can access banking facilities are only 20%.

In digital banking, a new model is required because customer priorities in obtaining direct services may not apply, such as courtesy, friendliness and personal care. Therefore, the latest omni channel marketing to moderate customer satisfaction in digital banking have developed.

Customer experience is a set of interactions between the customer, the product and the company or part of the organization that elicits a reaction (eg rational, emotional, sensory, physical, and spiritual). The customers compare their service expectations and their experience in interacting with the company's offerings during the delivery of different services. Banks must be able to seek customer opinions on digital banking to improve their experience and increase customer satisfaction and loyalty and their impact on the financial performance of the organization.

In conducting research related to financial performance and its relationship with digital banking, it can be known based on bank financial ratios through Return On Equity (ROE), Net Interest Margin (NIM), and Cost-to-Income Ratio. There are several ratios that can be done in conducting research related to bank financial performance such as Return on Assets (ROA) or Investment (ROI). Financial performance measures are not at all equivalent between banks in percentage terms. Therefore, this research analyzed the percentage size, such as ROE, NIM and Cost-to-income ratio. Appropriate with technological developments in the banking sector, banking services in implementing their functions for 24 hours are very important, one of which is ATM services. The main objectives in this research is to

look for positive and significant factors that affects to customer loyalty of Bank BRI customers.

LITERATURE REVIEW

Marketing

Marketing is engaging customers and managing profitable customer relationships for the company with the aim of creating value for customers. There are five steps in the marketing process, such as understanding customer needs, designing marketing strategies derived from customer value, integrated marketing programs to building customer relationships and bringing value to the company (Kotler & Armstrong, 2020).

Brand

A strong brand gives meaning to a product. A brand is something in the minds of consumers. Then, the brand is also what the company stands for. A brand can be a name, symbol, icon, design, or a combination of these, that identifies the maker or marketer of a product. A brand is a word, metaphor, analogy, concept or something look alike that has a presence and a personality. A brand name is used to identify a company, one of the company's products or a product line. When it is used for the company as a whole, the terms used are trade names. A brand is more than just a trade name. Brands have status and values, personality, therefore they involve consumers' emotions. However, the brand is not real. A brand is untouchable and nothing more than an idea that generates most of the revenue for the company (Armstrong et al., 2015).

Brand Image

Mothersbaugh, Hawkins, Kleiser (2020) defined that brand image as a person's schematic memory about a brand that includes the target audience's interpretation of product characteristics, product benefits, usage situations, users and characteristics of the manufacturer or marketer of the brand. The brand image must convey the benefits and distinctive positioning of the product. Developing a strong and distinctive image requires creativity and hard work (Armstrong et al., 2015).

Corporate image is a description of the public's view of the company based on their experience using the company's products or services and based on others' opinions about the product. Corporate image is usually a unique sign of the company that is formed into a brand.

Omni Channel Marketing

Omnichannel comes from the word of *omnis* which means universal. Omnichannels combine relevant communication channels together in a single interface to create a comprehensive timeline of the company's interactions with customers. Omni channel is a cross channel content strategy that companies use to

improve user experience (Alfina et al., 2021). Omnichannel marketing is a consistent and coordinated strategy to interact with customers and potential customers by providing the best service to customers using the right channels at the right time in the right situation. Omnichannel is a business model that combines operations and services across all sales channels owned by the company in one overall system. Omnichannel combines all store marketing channels both online and offline to facilitate customers in seek information, process, and make decisions in purchasing products.

Omnichannel allows customers to visit in physical stores by making online reservations, to make it easier for consumers to make purchases or delivery by courier, to review products purchased, make complaints, or return products that have been purchased.

Customer Satisfaction

Kotler & Keller (2015) defined that satisfaction as a person's feelings of pleasure or disappointment resulting from comparing the product's perceived performance with their expectations. Customer satisfaction is the overall assessment process of the perceptions felt by consumers.

Customer satisfaction depends on the perceived product performance compared to consumer expectations. If the product quality is far from expectations, then the customer is dissatisfied. On the other hand, if the product quality is in accordance with expectations, the customer is satisfied and if the product quality exceeds expectations, the customer will be very satisfied or happy (Armstrong et al., 2015).

Satisfied consumers will make repeat purchases and share their satisfied experiences with others. Meanwhile, dissatisfied consumers will switch to competitors and do not recommend the product to others (Armstrong et al., 2015).

Customer Loyalty

Tjiptono (2019) stated that customer loyalty is a customer's commitment to a brand, store or supplier based on positive characteristics in long-term purchases. Customer loyalty is a measure of customer attachment to a brand. Loyalty gives an idea whether or not a consumer may switch to another brand.

There are a lot of studies showed that there is a big difference in the customer loyalty who are less satisfied, quite satisfied and very satisfied. Even there is a slight drop from full satisfaction can create a drastic drop in the customer loyalty measure (Armstrong et al., 2015).

Digital Saving of Bank BRI

Bank Rakyat Indonesia (BRI) strengthens services in digital saving. This service makes it easy for customers to open a BritAma account through BRI Digital Saving and also provides benefits in the form of personal accident insurance without having to pay a premium with a cover value of up to IDR 150,000,000 and

also get cashback of up to IDR 150,000 for every BRI Digital Saving opening account on the SPOT application belonging to Sucor Sekuritas.

Previous Research

There is relationship between the variable studied shown in previous researches. According to Iqbal & Indradewa (2021) indicated that brand image and service quality affect customer loyalty and customer satisfaction affects customer loyalty. Meanwhile, based on Abbas et.al (2021) indicated that brand image and customer loyalty have a significant effect on customer satisfaction and brand awareness. In addition, in Grace Phang & Fam (2021) indicated that the aspect of conformity have an important role in affecting customer involvement and customer involvement affects customer transactional loyalty (repurchase intention) and emotional (intention in spreading positive word in the mouth).

RESEARCH METHODOLOGY

In this research, the method used by the researcher is a method of collecting data using an instrument such a questionnaire. Malhotra stated that the survey method is a structured questionnaire given to respondents designed to obtain specific information. Based on the time dimension, this research used a cross-sectional study according to Downes et al., (2016), that is the data collection and information to respondents which was conducted in only once. The method used in this research is quantitative research. According to Downes et al, quantitative method is a research methodology that seeks to quantify the data and typically applies some form of statistical analysis. Explanatory research design with descriptive and causal research type which means that the researcher will test the hypotheses and test the effect of the independent variable on the dependent variable, such as service quality, customer satisfaction and customer loyalty. The research method is a survey method using a structured questionnaire, whose questions have been prepared and the questionnaire will be given directly to the respondents.

The types and sources of data used in this study are primary and secondary data. Primary data according to Robert K. Yin (2017) is data originated by the researcher specifically to address the research problem. In this research, primary data was collected through distributing questionnaires to be filled out by respondents in order to obtain information about the variables to be studied. This data was collected by the researchers themselves through the distribution of questionnaires either directly or online to 200 prospective respondents who met the criteria, those are existing customers of Bank BRI.

RESULT AND DISCUSSION

Research Object Description

This research used a sample of 200 respondents who are existing customers of Bank BRI in the Jakarta area. One of the data collection techniques used to obtain data from distributing questionnaires using a google form in the form of statements to respondents. From all statements given by respondents, it is hoped that a true definition of the conditions can be obtained in the research area.

Descriptive Statistical Test

Descriptive statistics are statistics used to analyze data by describing the data that has been collected as it is without intending to make conclusions that apply to the public or generalize (Sugiyono, 2019). Descriptive statistic in this research aims to determine the maximum, minimum, average (mean), and standard deviation of the research data. The results of descriptive statistical tests can be described in Table 4.1 below:

Table 4.1. The Result of Descriptive Statistical Test

| | N | Minimu m | Maximu m | Mean | Std. Deviation |
|-----------------------------------|-----|-------------|-------------|--------|----------------|
| <i>Brand Image</i> | 200 | 2,92 | 6,00 | 4,7793 | 0,55054 |
| <i>Omni Channel Marketing</i> | 200 | 3,20 | 6,00 | 4,8575 | 0,51113 |
| <i>Customer Statisfaction</i> | 200 | 3,40 | 6,00 | 4,7040 | 0,56083 |
| <i>Customer Loyalty</i> | 200 | 3,13 | 6,00 | 4,7592 | 0,59255 |
| Valid N (listwise) | 200 | | | | |

Source: Data Processing Result used SPSS 24 (2022)

Based on Table 4.1 above, it can be known that the brand image variable has a minimum value of 2.92 and a maximum value of 6.00, obtaining a mean value of 4.7793 with a standard deviation of 0.55054. Furthermore, the omni channel marketing variable has a minimum value of 3.20 and a maximum value of 6.00, obtaining a mean value of 4.8575 with a standard deviation of 0.51113.

The customer satisfaction variable has a minimum value of 3.40 and a maximum value of 6.00, obtaining a mean value of 4.7040 with a standard deviation value of 0.56083. While the customer loyalty variable has a minimum value of 3.13 and a maximum value of 6.00, obtaining a mean value of 4.7592 with a standard deviation value of 0.59255.

Hypothesis Test

Hypothesis testing in this research used the structural equation model (SEM) analysis method which includes elements of the model suitability index test, and the critical ratio (CR) test to answer the research hypothesis.

The Compatibility in Overall Model

Structural model analysis in SEM begins with testing the overall model fit based on the statistical goodness-of-fit index (GFI) indicator of LISREL output (Hair et al., 2019). Overall, a summary of the critical values of the overall model fit test can be seen from Table 4.3.

Table 4.3. Model Fit Test Results

| Size Degree of Fit | Score | Acceptable Match Rate | Description |
|---|-------|---------------------------------|-----------------|
| CMIN/DF | 1,915 | ≤ 2.00 | <i>Good Fit</i> |
| Root Mean Square Error of Approximation (RMSEA) | 0,074 | RMSEA $\leq 0,08$ (good fit) | <i>Good Fit</i> |
| Goodness of Fit Indices (GFI) | 0,93 | GFI $\geq 0,9$ | <i>Good Fit</i> |
| Root Mean Square Error (RMR) | 0,032 | $< 0,05$ | <i>Good Fit</i> |
| Comparative Fit Index (CFI) | 0,96 | CFI $> 0,90$ | <i>Good Fit</i> |
| Adjusted GFI (AGFI) | 0,90 | AGFI $\geq 0,90$ | <i>Good Fit</i> |
| Incremental Fit Index (IFI) | 0,96 | IFI $> 0,90$ | <i>Good Fit</i> |

Source: Data Processing Result used LISREL 8.80 (2022)

Based on table 4.3 above, it can be described that the construct or variable deserves to be tested at the full model stage. The calculation results of CMIN/DF, RMSEA, GFI, RMR, CFI, AGFI and IFI have met the criteria, then the model is known as good fit.

Furthermore, based on several test results regarding the model suitability test index, it can be concluded that the model used in this research has met the criteria of good fit, then it can be continued in the next test.

Hypothesis Test Result

Hypothesis testing in this research was analyzed by observing at the critical value (CR) at the 95% confidence level or 5% error, then the CR value received was 1.96 (Hair et al., 2019).

Table 4.4 Hypothesis Test Result

| Variable Relations | | | | | Coefficient | Error | Critical Ratio (CR) | Conclusion |
|--------------------|---|-----|---|-----|-------------|-------|---------------------|----------------|
| BMI | → | CST | | | 0,47 | 0,084 | 5,59 | H1 Accepted |
| OCM | → | CST | | | 0,36 | 0,082 | 4,40 | H2 Accepted |
| BMI | → | CLO | | | 0,24 | 0,074 | 3,26 | H3 Accepted |
| OCM | → | CLO | | | 0,51 | 0,080 | 6,37 | H4 Accepted |
| BMI | → | CST | → | CLO | 0,11 | 0,040 | 2,74 | H5 Accepted |
| OCM | → | CST | → | CLO | 0,08 | 0,030 | 2,67 | H6 Accepted |
| CST | → | CLO | | | 0,23 | 0,073 | 3,10 | H7 Accepted |

Description: Brand Image (BMI); Omni Channel Marketing (OCM); Customer Satisfaction (CST); Customer Loyalty (CLO)

Source: Data Processing Result used LISREL 8.80 (2020)

In determining a significant relationship between variables, then the critical ratio (CR) value must be greater than 1.96. There is no definite measure of how big the level of significance is, but generally the level of significance is 1%, 5% and 10%. In a large sample size (greater than 150), if the resulting t value is greater than the t table value at the 5% level, which is ± 1.960 , then the relationship between the variables is significant (Ghozali, 2016).

Based on the data described in Figure 4.5 and Table 4.4 above, an analysis of the results of the research can be implemented. The following is a discussion of each hypothesis test based on the test results which are summarized in Table 4.4.

H1 : Brand Image have a positive effect on Customer Satisfaction

Based on the results of hypothesis test in Table 4.4 above, it describes that the brand image variable on customer satisfaction produces a coefficient value of 0.47 and the critical ratio (CR) obtained is $5.59 > 1.96$. Thus, the first hypothesis is accepted. It can be concluded that brand image has a positive effect on customer satisfaction of Bank BRI customers.

H2 : Omni Channel Marketing have a positive effect on Customer Satisfaction

Based on the results of hypothesis test in Table 4.4 above, it describes that the omni channel marketing variable on customer satisfaction produces a coefficient value of 0.36 and the critical ratio (CR) obtained is $4.40 > 1.96$. Thus, the second

hypothesis is accepted. It can be concluded that omni channel marketing has a positive effect on customer satisfaction of Bank BRI customers.

H3 : Brand Image have a positive effect on Customer Loyalty

Based on the results of hypothesis test in Table 4.4 above, it describes that the brand image variable on customer loyalty produces a coefficient value of 0.24 and the critical ratio (CR) obtained is $3.26 > 1.96$. Thus, the third hypothesis is accepted. It can be concluded that brand image has a positive effect on customer loyalty of Bank BRI customers.

H4 : Omni Channel Marketing have a positive effect on Customer Loyalty

Based on the results of hypothesis test in Table 4.4 above, it describes that the omni channel marketing variable on customer loyalty produces a coefficient value of 0.51 and the critical ratio (CR) obtained is $6.37 > 1.96$. Thus, the fourth hypothesis is accepted. It can be concluded that omni channel marketing has a positive effect on customer loyalty of Bank BRI customers.

H5 : Brand Image have a positive effect on Customer Loyalty mediated by Customer Satisfaction

Based on the results of hypothesis test in Table 4.4 above, it describes that the brand image variable on customer loyalty mediated by customer satisfaction produces a coefficient value of 0.11 and a critical ratio (CR) obtained by $2.74 > 1.96$. Thus, the fifth hypothesis is accepted. It can be concluded that brand image has a positive effect on customer loyalty which is mediated by customer satisfaction of Bank BRI customers.

H6 : Omni Channel Marketing have a positive effect on Customer Loyalty mediated by Customer Satisfaction

Based on the results of hypothesis test in Table 4.4 above, it describes that the omni channel marketing variable on customer loyalty mediated by customer satisfaction produces a coefficient value of 0.08 and the critical ratio (CR) obtained is $2.67 > 1.96$. Thus, the sixth hypothesis is accepted. It can be concluded that omni channel marketing has a positive effect on customer loyalty mediated by customer satisfaction of Bank BRI customers.

H7 : Customer Satisfaction have a positive effect on Customer Loyalty

Based on the results of hypothesis test in Table 4.4 above, it describes that the variable customer satisfaction on customer loyalty produces a coefficient value of 0.23 and the critical ratio (CR) obtained is $3.10 > 1.96$. Thus, the seventh hypothesis is accepted. It can be concluded that customer satisfaction has a positive effect on customer loyalty of Bank BRI customers.

Coefficient of Determination Test

According to Ghozali (2016), the coefficient of determination (R^2) essentially measures how far the model's ability to explain the influence of the independent variable on the dependent variable. The value of the coefficient of determination is between zero and one. A value close to one means that the independent variables provide almost all the information needed to predict the variation of the dependent variable. The results of the coefficient of determination test can be seen in Table 4.5 below.

Coefficient of Determination Test Result

| Variable | R Square |
|-----------------------|----------|
| Customer Satisfaction | 0,590 |
| Customer Loyalty | 0,790 |

Source: Data Processing Result used LISREL 8.80 (2020)

Based on Table 4.5 above, it is known that the results of the determination test (R-Square) aim to see how big the contribution of brand image and omni channel marketing variables, these results show an R-Square value of 0.590 or 59%. It can be interpreted that the existence of brand image and omni channel marketing in influencing customer satisfaction is 59%, while the remaining 41% is influenced by other factors outside this research.

Furthermore, for the brand image model, omnichannel marketing and customer satisfaction, the R-Square value is 0.790 or 79%. It means that customer loyalty is formed by brand image, omni channel marketing and customer satisfaction by 79%, while the remaining 21% is influenced by other factors outside this research.

CONCLUSION

Based on the results of the tests that have been conducted in previous descriptions, then the conclusions in this research such following below: (1) brand image has a positive effect on customer satisfaction of Bank BRI customers. The result indicated that the better the brand image owned by Bank BRI, the higher the level of customer satisfaction expressed by Bank BRI customers; (2) omni channel marketing has a positive effect on customer satisfaction of Bank BRI customers. The result indicated that the better omni channel marketing provided by Bank BRI, the higher the level of customer satisfaction expressed by Bank BRI customers; (3) brand image has a positive effect on customer loyalty of Bank BRI customers. It is indicated that the higher brand image, the higher the loyalty to the brand offered; (4) omni channel marketing has a positive effect on customer loyalty of Bank BRI customers. It is indicated that the higher the quality of omni channel marketing, the higher the brand loyalty offered; (5) brand image has a positive effect on customer loyalty mediated by customer satisfaction of Bank BRI customers. It is indicated that the higher the customer satisfaction, the stronger the influence of the brand image on the creation of customer loyalty; (6) omni channel marketing has a positive effect on customer loyalty mediated by customer satisfaction of Bank BRI customers. It is indicated that the higher the customer satisfaction, the stronger the influence of omni channel marketing on the creation of customer loyalty; (7) customer satisfaction has a positive effect on customer loyalty of Bank BRI customers. It is indicated that the higher the customer satisfaction with a brand, the higher the loyalty to the brand offered.

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