

## The Antecedents of the Rural Bank Patronage in Indonesia

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### ABSTRACT

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**Objectives:** The objective of the studies is to test the causal models of rural banking patronage behavior are still under research and this study is also aimed at filling the empirical gap. This study operationalizes constructs that better reflect the characteristics and uniqueness of rural banking business processes.

**Methodology:** Data collection was carried out directly by distributing questionnaires to consumers or customers of BPR BKK banks in Banyumas Regency, Purbalingga Regency, and Banjarnegara Regency. The number of samples in this study was determined by the purposive sampling method of as many as 373 people. The analysis tool used is Structural Equation Modeling (SEM) and processed using AMOS software.

**Finding:** The findings of this study stated, among others, the following: (1) Relational benefits have a positive effect on business friendship (2) Relational benefits have a positive effect on brand intimacy (3) Business friendship mediates the effect of relational benefits on brand intimacy (4) Business friendship has a positive effect on brand intimacy (5) Brand intimacy has a positive effect on patronage intention.

**Conclusion:** Customer loyalty to the bank greatly determines the sustainability of the bank's business, especially rural banks which generally have fewer resources than national banks. This study confirms the importance of bank management paying attention to five antecedent variables, namely relational benefits (symbiotic benefits, special treatment benefits, and confidence benefits), business friendships, and brand intimacy.

**Keywords:** Brand Intimacy; Business Friendship; Patronage Intention; Rural Bank, Relational Benefits.

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## INTRODUCTION

The financial service sector has been fundamentally disrupted by technological developments. Banking business processes that were previously based on human interaction have changed to become more mechanistic/digitalized in nature. These changes in business processes make the role of technology increasingly dominant, even though in many ways, the role of direct interaction between banks and consumers cannot be ignored. This can be seen from the consistency of the banking sector in developing various patronage and loyalty programs continuously to build closeness and retain customers, for example giving gifts, providing direct credit, and so on (Evanschitzky et al., 2012).

There are many types of rural banks, one of which is popular in rural areas in Indonesia, is the People's Credit Bank (BPR) (Hidajat, 2020). BPRs serve people who live in districts or sub-districts with services and facilities that are more limited than commercial/national banks (Anwar et al., 2020).

BPRs and other types of rural banks face a huge challenge nowadays since large or national banking is increasingly entering the rural segment and the emergence of various new financial institutions. A study shows that the presence of several large banks in rural areas can to a certain extent influence the performance of rural banks (Cyree & Spurlin, 2012). The most common limitation of BPR services and facilities encountered is the lack of availability of ATMs and support for mobile banking or Internet banking services. Even though urban banking is supported by strong information technology, the level of customer satisfaction is lower than that of rural banking customers (Singh & Kaur, 2011). However, their study only compares rural bank and urban bank customer satisfaction in six aspects (namely employee behavior and skills, service time, diversified products, tangibles, cost and return, technology and promotion), so it cannot be known the causal relationship between the variables and consumer patronage intentions. (Owusu-Frimpong, 1999) found that nine attributes are relevant to understanding rural banking patronage behavior.

### Research Gap

Even though there is quite a lot of documented literature investigating patronage behavior in the context of rural banking, studies that test the causal relationship model determining patronage behavior are still under-research (see Owusu-Frimpong (2008); Awo & Akotey (2019); Owusu-Frimpong (1999); Ahmed (2015); Effendi et al. (2020)). Several studies on rural banks are still limited to efficiency analysis (Wasiaturrahma et al., 2020), rural financial inclusion (Lal, 2019), performance evaluation (Ahmed, 2015), and penetration rate into rural areas (Bapat, 2010). In contrast, empirical evidence from studies of patronage behavior in the banking sector at the large or national banking level is relatively easier to obtain. This *empirical gap* motivated researchers to investigate the determinants of patronage behavior in rural banks. The behavior of rural banks is very likely to be different compared to large banks due to differences in various aspects such as access, technology, commitment, and risk management (Westergaard, 2006). The authors use a relationship marketing perspective because it is suitable for use in the context of continuous relationships such as banking. The authors believe that consumers' decisions in choosing banking services are influenced by their perception of quality

in various aspects, such as relational benefits (Hennig-Thurau et al., 2002), the quality and closeness of relationships (Shukla and Pattnaik, 2020).

## LITERATURE REVIEW

Prior research has shown several antecedent factors of patronage intention at national or commercial banks, including relational benefits, business friendships, and brand intimacy. This research will examine these variables in banks with different levels, banks that operate in villages, or so-called retail or rural banks.

Consumer perceptions of sellers are the starting point in the relationship between patronage intentions and other related variables according to studies (Zeithaml et al., 1996) formed based on the value obtained through aspects of a product or service, both economic aspects and other aspects. Consumers who feel they get the appropriate value or even more from the aspects of a product or service will feel satisfied and tend to maintain their relationship with the product or service (Valenzuela et al., 2010). Previous studies support this statement and explain that the value obtained through aspects of a product or service, both economic and other aspects, or what is referred to as relational benefits in several studies can trigger satisfaction/pleasure, trust, intimacy, and loyalty (Vázquez-Carrasco and Foxall, 2006; Yen and Gwinner, 2003). Bell (1981), Fischer (1982), Rawlins (1992), and Tesch and Martin (1983) categorize satisfaction or pleasure, trust, intimacy, and loyalty as features or dimensions of business friendship. The proposed hypotheses are as follows:

**H1a: Symbiotic benefit has a positive effect on business friendship.**

**H2a: Special treatment benefit has a positive effect on business friendships.**

**H3a: Self-confidence benefit has a positive effect on business friendships.**

Exchanges that occur within the scope of relational benefits between consumers and companies according to Kollock et al. (1994) not only focus on economic aspects, such as money, and relationships. Other aspects such as social aspects, traditional aspects, and functional aspects can also be included in it. These aspects can be in the form of symbiotic benefits, special treatment benefits, or confidence benefits according to a consumer's perception (Shukla and Pattnaik, 2020).

Alteration theory and several previous studies state that these various dimensions of relational benefits can lead to positive input and behavior from consumers (Bagozzi, 1995; De Wulf et al., 2001). Positive behaviors that are likely to emerge include cooperation, business cooperation, advocacy, and gift-giving (Berry and Bendapudi, 1997; Christy et al., 1996). This indirectly shows the relational benefits affect brand intimacy (Shukla and Pattnaik, 2020). The proposed hypotheses are as follows:

**H1b: Symbiotic benefit has a positive effect on brand intimacy.**

**H2b: Special treatment benefit has a positive effect on brand intimacy.**

**H3b: Self-confidence benefit has a positive effect on brand intimacy.**

Equity theory in interpersonal relationships by Adams (1963) states that consumer perceptions of components and processes in relational benefits can bring closer and maintain consumer and company friendship ties. This theory further alludes to the possibility of intimacy arising if the bonds of friendship between consumers and companies are maintained. Several previous studies also confirmed the truth of this theory and revealed a relationship between relational benefits to brand intimacy mediated by friendship bonds. The proposed hypotheses are as follows:

**H1c: Business friendship mediates the influence of symbiotic benefits on brand intimacy.**

**H2c: Business friendship mediates the influence of special treatment benefits on brand intimacy.**

**H3c: Business friendship mediates the influence of self-confidence benefits on brand intimacy.**

Customers who feel closeness in a business relationship will become more productive and dedicated (Haytko, 2004), because of the commitment that arises from the friendship or closeness felt by the customer. Studies in relational marketing clearly explain that friendship can function as a crucial factor in the development of shared commitment which in the future will have an impact on many things, such as the minimum possibility of conflict, the high probability of cooperation between customers and a business, as well as the emergence of productivity and dedication. Customers as mentioned in the previous sentence (Grayson, 2007; Heide and Wathne, 2006). This shared commitment according to Kjeldskov et al., (2004), furthermore, is one of the eight forms of brand intimacy. The proposed hypothesis is as follows:

**H4: Business friendship has a positive effect on brand intimacy.**

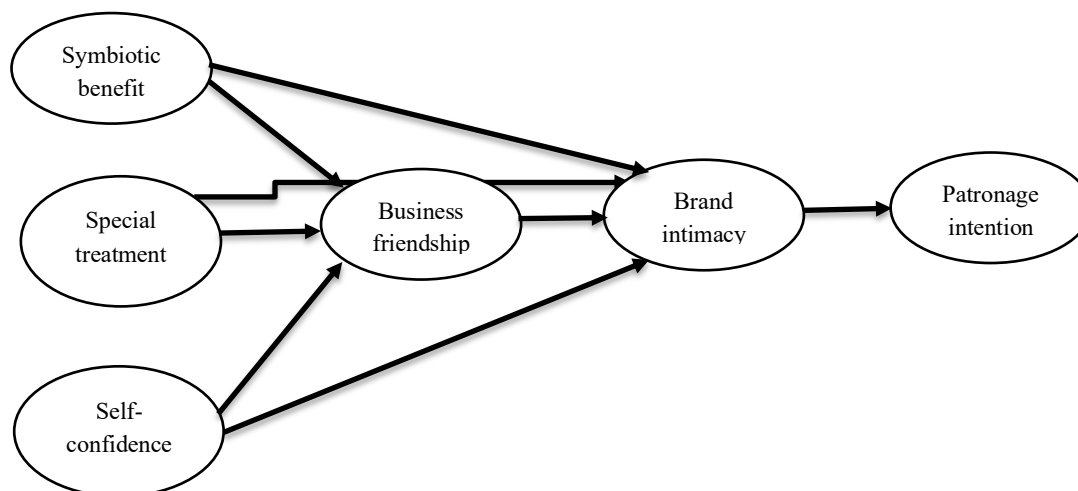
The operational continuity of a business is often determined by the closeness between consumers and brands. consumer closeness to a brand both in perception and feeling which is then followed by various efforts from consumers to support the brand is interpreted by Keh, HT et al., (2007) as brand intimacy. According to several studies, this brand intimacy arises as a result of a mutualistic relationship between consumers and a brand. In detail, this mutualism relationship occurs when there is an effort to disclose consumer self-disclosure and brand responsiveness (Reis & Shaver, 2018).

Almubarak et al., (2018) in their journal stated that brand intimacy can lead to the desire to buy and word of mouth. This is also confirmed by Albert et al., (2008), Batra et al., (2012), Carroll and Ahuvia (2006), and Shimp and Thomas J. Madden (1988) in their research. The desire to buy and exchange is defined by Baker et al., (2002) as patronage intention. The proposed hypothesis is as follows:

**H5: Brand intimacy has a positive effect on patronage intention.**

Based on the theoretical discussion above, we propose a research model as follows:

Fig 1. Research Model



## METHOD

The population consists of BPR BKK savings and credit customers in the Banyumas, Purbalingga, and Banjarnegara regencies. The restriction on the types of banks was imposed because of the consideration that BPR BKK is a type of rural bank whose existence is quite rooted in Indonesia, although currently, various national banks are also available at the sub-district level and several sub-districts/villages. The distribution of questionnaires was carried out personally and administered using the services of an undergraduate enumerator. Researchers did not use online questionnaires to avoid potential inconvenience for respondents who felt that their confidentiality as customers was known to parties outside the bank. Enumerators were waiting at several BPR bank branch offices who agreed to join in this research. The bank only gave two weeks for data collection.

A total of 500 questionnaires were distributed but after sorting, there were several statements that respondents did not respond to, resulting in 373 questionnaires.

Sampling used a purposive approach with the criteria being that respondents were at least 17 years old and had been customers for at least 3 years. Researchers set a limit of 3 years by considering the possible intensity of the interaction. Enumerators approach potential respondents who meet the criteria and give them a questionnaire to fill out if they say they are willing to be respondents. The analysis tool used is Structural Equation Modeling (SEM) and processed using AMOS software.

### *Measurement*

Each variable in this study uses indicators adapted from several previous studies. Patronage intention is measured by three indicators by Deb et al., (2021), brand intimacy is measured by five indicators by Huaman-Ramirez et al., (2022), business friendship is measured by six indicators by Gao et al., (2016) as well as Price and Arnould (1999), the benefits of symbiosis were measured by four indicators from Yang et al., (2018), the benefits of special services are

measured by four indicators from Ruiz-Molina et al., (2015), and self-confidence benefits measured by five indicators from the same study, Ruiz-Molina et al., (2015). Each variable and indicator is measured using a 5-point Likert scale ranging from 'strongly disagree' to 'strongly agree'. Descriptive statistical analysis was also carried out to understand the characteristics of the research respondents. Other analyses, such as statistical tests and suitability, normality, and hypothesis testing, were carried out by SEM with the AMOS software statistical tool. Details of each of these indicators in detail can be seen in the table below.

**Table 1.** Operationalization

Construct		Statement
Patronage Intention		I will speak well of this bank to others I would encourage others to attend bank-promoted events I would encourage others to support this bank
Brand Intimacy		This bank understands my needs in the financial services category I feel comfortable sharing detailed personal information about myself with this bank I feel close to this bank This bank is convenient There is something special in my relationship with this bank
Business Friendship		I feel meeting with the bank is like meeting with one of my friends I feel like I know the personnel of this bank well The bank staff seemed to care about me Bank staff generally respond, categorize, and accommodate my needs as a top priority if something unusual happens The bank staff gave me a special service This bank understands what we want to achieve
Relational Benefits	Symbiotic Benefits	This bank understands what we want to achieve This bank and I are perfect for each other This bank and I work together in collaboration There is a real mutual understanding between this bank and me
	Special Treatment	I get better value deals than most clients This bank gives me real value
	Benefit	I got very good value for the money I paid The interest charged by this bank is very fair
	Confidence Benefit	I know what to expect when I use this bank's services
		The employees of this bank are very honest and true The employees of this bank can be trusted completely The employees of this bank have high integrity
I know the procedures of this bank very well		

The researcher did not pre-test the questionnaire because the instruments used had been tested for validity and reliability in various previous studies, but the validity and reliability tests by looking at the factor loading, AVE, and critical value (CR) values were still being carried out

again to ensure that the measurements made were valid. and trustworthy. Descriptive statistical analysis was also carried out to understand the characteristics of the research respondents.

## **RESULTS AND DISCUSSION**

### ***Results***

#### **Descriptive Analysis**

The characteristics of the respondents in this study were divided into several categories, such as gender, age, duration, and type of customer. Respondents were dominated by men because in general men played a more important role in some of the main family decisions than women, one of which was decisions related to finance, employment, and business. The age distribution of the majority of respondents is in the range of 41-45 years, then the order of the second and third highest range of respondents is in the range of 36-40 years and 46-50 years. This is possible because respondents in this age range are considered adults and can wisely determine and take action regarding their finances. The average duration of the majority of respondents, whether borrowing credit, saving, or doing both, is over 5 years. This confirms the statement in previous studies that the relationship between rural communities as customers and the bank is not just a transactional relationship, but a relational relationship that is important to be continuously maintained. The majority of types of customers who conduct transactions with BPRs are depositors or savers as well as borrowers. This indirectly shows that rural communities who save at BPR banks understand more or less matters related to finance The average duration of the majority of respondents, whether borrowing credit, saving, or doing both, is over 5 years. This confirms the statement in previous studies that the relationship between rural communities as customers and the bank is not just a transactional relationship, but a relational relationship that is important to be continuously maintained. The majority of types of customers who conduct transactions with BPRs are depositors or savers as well as borrowers. This indirectly shows that rural communities who save at BPR banks understand more or less matters related to finance This confirms the statement in previous studies that the relationship between rural communities as customers and the bank is not just a transactional relationship, but a relational relationship that is important to be continuously maintained. The majority of types of customers who conduct transactions with BPRs are depositors or savers as well as borrowers. This indirectly shows that rural communities who save at BPR banks understand more or less matters related to finance This confirms the statement in previous studies that the relationship between rural communities as customers and the bank is not just a transactional relationship, but a relational relationship that is important to be continuously maintained. The majority of types of customers who conduct transactions with BPRs are depositors or savers as well as borrowers. This indirectly shows that rural communities who save at BPR banks understand more or less matters related to finance This confirms the statement in previous studies that the relationship between rural communities as customers and the bank is not just a transactional relationship, but a relational relationship that is important to be continuously maintained. The majority of types of customers who conduct transactions with BPRs are depositors or savers as well as borrowers. This indirectly

shows that rural communities who save at BPR banks understand more or less matters related to finance.

The characteristics of the respondents are summarized as follows:

Table 2. Respondent Profile

Gender	F	%
Woman	139	37.3%
Man	234	62.7%
Age (Years)		
25-30 years	40	10.7%
31-35 years	47	12.6%
36-40 years	82	22.0%
41-45 years	117	31.4%
46-50 years	76	20.4%
51-55 years	11	2.9%
> 55 years	0	0.0%
Duration (Year)		
< 1 year	16	4.3%
1-5 years	149	39.9%
> 5 years	208	55.8%
Customer Type		
Credit	20	5.4%
Savings	84	22.5%
Both of them	269	72.1%

### Conformity Test and Statistics

Table 3 indicates that the goodness of fit of this research model is quite good because five indicators are above a predetermined cut-off value. The five indicators include RMSEA (0.042), GFI (0.914), CMIN/DF (1.654), TLI (0.963), and CFI (0.968).

Table 3. Goodness of Fit Test Value

Goddnes of Fit indicator	Cut Off - Value	Research result	Conclusion
CMIN (X2)	At df=285, X2 count = 325.374	471,346	Bad fit
Prob.	>0.05	0.000	Bad fit
RMSEA	< 0.08	0.042	Good fit
GFI	≥ 0.90	0.914	Good fit
AGFI	≥ 0.90	0.895	Marginal fit
CMIN/DF	≤ 2.00	1,654	Good fit
TLI	≥ 0.95	0.963	Good fit
CFI	≥ 0.95	0.968	Good fit



### Convergent and Discriminant Validity Test

The convergent validity of each variable indicator in this study was tested by looking at the loading factor values. The results of the convergent validity test for each variable indicator show a loading factor value above 0.5. This indicates that the indicators used in this study are valid. The discriminant validity test of the research model was carried out by comparing the AVE root value with the correlation value between constructs. The results of the discriminant validity test show that all constructs have good discriminant validity because there is no correlation value between the two constructs that is greater than the AVE root value. The results of the validity test, both convergent and discriminant in detail can be seen in Tables 4 and 5 below.

**Table 4.** Convergent Validity Test Results

Indicator	$\Lambda$	Conclusion	
Relational Benefits	sb1	0.759	Valid
	sb2	0.741	Valid
	sb3	0.868	Valid
	sb4	0.915	Valid
	stb1	0.796	Valid
	stb2	0.806	Valid
	stb3	0.763	Valid
	stb4	0.797	Valid
	cb1	0.830	Valid
	cb1	0.830	Valid
	cb2	0.716	Valid
	cb3	0.787	Valid
Business Friendship	cb4	0.821	Valid
	cb5	0.708	Valid
	bf1	0.845	Valid
	bf2	0.826	Valid
	bf3	0.832	Valid
Brand intimacy	bf4	0.809	Valid
	bf5	0.828	Valid
	bi1	0.789	Valid
	bi2	0.849	Valid
	bi3	0.851	Valid
Patronage Intention	bi4	0.784	Valid
	bi5	0.853	Valid
	pi1	0.793	Valid
	pi2	0.835	Valid
	pi3	0.771	Valid

**Table 5.** Discriminant Validity Test Results

	CB	STB	SB	BF	BI	PI
CB	<b>0.779</b>					
STB	0.155	<b>0.790</b>				
SB	0.067	0.147	<b>0.824</b>			
BF	0.188	0.209	0.209	<b>0.824</b>		
BI	0.237	0.329	0.306	0.350	<b>0.829</b>	
PI	0.115	0.159	0.148	0.170	0.485	<b>0.800</b>

### Reliability Test

Table 6 shows the results of the reliability composite test that the CR value for each construct is 0.894 for the symbiotic benefit construct (SB), 0.869 for the special treatment benefit construct (STB), 0.885 for the confidence benefit construct (CB), 0.914 for the business friendship construct (BF), 0.917 for the brand intimacy construct (BI), and 0.842 for the patronage intention construct (PI). A CR value greater than 0.7 indicates that a construct is said to be reliable or in other words, each of the above constructs is declared to have passed or fulfilled the reliability test criteria.

**Table 6.** Reliability Test Results

Construct	Indicator	$\lambda$	$\lambda^2$	$1-\lambda$	CR
SB	sb1	0.760	0.578	0.422	0.894
	sb2	0.744	0.554	0.446	
	sb3	0.868	0.753	0.247	
	sb4	0.912	0.832	0.168	
$\sum\lambda$		<b>3,284</b>	<b>2,716</b>	<b>1,284</b>	
$\sum\lambda^2$		<b>10,785</b>			
STB	stb1	0.800	0.640	0.360	0.869
	stb2	0.799	0.638	0.362	
	stb3	0.761	0.579	0.421	
	stb4	0.801	0.642	0.358	
$\sum\lambda$		<b>3.161</b>	<b>2,499</b>	<b>1,501</b>	
$\sum\lambda^2$		<b>9,992</b>			
CB	cb1	0.852	0.726	0.274	0.885
	cb2	0.741	0.549	0.451	
	cb3	0.785	0.616	0.384	
	cb4	0.810	0.656	0.344	

Construct	Indicator	$\lambda$	$\lambda^2$	$1-\lambda$	CR
	cb5	0697	0.486	0.514	
	$\sum\lambda$	<b>3,885</b>	<b>3,033</b>	<b>1967</b>	
	$\sum\lambda^2$	<b>15,093</b>			
BF	bf1	0.856	0.733	0.267	
	bf2	0.803	0.645	0.355	
	bf3	0.838	0.702	0.298	0914
	bf4	0.793	0.629	0.371	
	bf5	0.829	0.687	0.313	
	$\sum\lambda$	<b>4,119</b>	<b>3,396</b>	<b>1,604</b>	
	$\sum\lambda^2$	<b>16,966</b>			
BI	bi1	0.786	0.618	0.382	
	bi2	0.841	0.707	0.293	
	bi3	0.859	0.738	0.262	0917
	bi4	0.809	0.654	0.346	
	bi5	0849	0.721	0.279	
	$\sum\lambda$	<b>4,144</b>	<b>3,438</b>	<b>1,562</b>	
	$\sum\lambda^2$	<b>17,173</b>			
PI	pi1	0.796	0.634	0.366	
	pi2	0.831	0691	0.309	0.842
	pi3	0.772	0.596	0.404	
	$\sum\lambda$	<b>2,399</b>	<b>1920</b>	<b>1080</b>	
	$\sum\lambda^2$	<b>5,755</b>			

The result of the normality test shows that the distribution of the observed variables can be said to be normal in a multivariate manner because the CR value obtained is 2.544 which is still within the normality assumption acceptance range, namely -2.58 and 2.58. This normally distributed data can then be used to test an assumption or hypothesis.

### Hypothesis testing

Table 8 shows that there is no hypothesis with a critical ratio (CR) value that is smaller than the threshold value (1.96) and a probability significance value greater than 0.05. This indicates that the proposed hypotheses are supported. Sobel test is used to examine the mediating effect in this study (H1c, H2c, and H3c) with the results as follows:

1. The path coefficient value and standard error value on the symbiotic benefit relationship (SB) to business friendship (BF) respectively are 0.231 and 0.074, then, the path coefficient value and standard error value on business friendship relationship (BF) to brand intimacy (BI) respectively -each is 0.215 and 0.050. The Sobel test results also show that the statistical t value in the relationship of symbiotic benefits (SB) to brand intimacy (SB) mediated by business friendship (BF) has a score of 2.526 with a sig value of 0.011. A sig value lower than 0.05 proves that H1c or the mediating effect of business friendship (BF) variables or conjecture related to symbiotic benefits (SB) has an indirect effect on brand intimacy (BI) through business friendship (BF) being accepted.
2. The path coefficient value and a standard error value on the relationship of special treatment benefits (STB) to business friendship (BF) respectively are 0.169 and 0.063, then, the path coefficient value and a standard error value on business friendship relationship (BF) to brand intimacy (BI) are 0.215 and 0.050 respectively. The Sobel test results also show that the statistical t value in the relationship of symbiotic benefits (SB) to brand intimacy (BI) mediated by business friendship (BF) has a score of 2.276 with a sig value of 0.023. A sig value lower than 0.05 proves that H2c or the mediating effect of the business friendship (BF) variable or the presumption regarding the benefits of special treatment (STB) has an indirect effect on brand intimacy (BI) through business friendship (BF) being accepted.
3. The path coefficient value and a standard error value on the benefit relationship of confidence (CB) to business friendship (BF) respectively are 0.152 and 0.057, then, the path coefficient value and standard error value on business friendship relationship (BF) to brand intimacy (BI) are 0.215 and 0.050 respectively. The Sobel test results also show that the t statistical value in the relationship of symbiotic benefits (SB) to brand intimacy (BI) mediated by business friendship (BF) has a score of 2.226 with a sig value of 0.023. A sig value lower than 0.05 proves that H3c or the mediating effect of the business friendship (BF) variable or the assumption related to the benefits of self-confidence (CB) has an indirect effect on brand intimacy (BI) through business friendship (BF) being accepted.

**Table 8.** Hypothesis Test Results

Hypothesis		Standardized	SE	CR	P	Conclusion
H1a	BF <--- SB	,175	,074	3,122	,002	Supported
H1b	BI <--- SB	,229	.066	4,251	***	Supported
H2a	BF <--- STB	,154	,063	2,672	,008	Supported
H2b	BI <--- STB	,239	.056	4,330	***	Supported
H3a	BF <--- CB	,151	,057	2,671	,008	Supported
H3b	BI <--- CB	,134	.049	2,563	,010	Supported
H4	BI <--- BF	,232	.050	4,268	***	Supported
H5	PI <--- BI	,495	.059	8,298	***	Supported

Table 9. BF Mediation Test Results

No.	hypothesis	Statistical Tests	std. Error	P -Value
1.	The relationship between SB and BI through BF	2.5261463	0.01966038	0.01153214
2.	The relationship between STB and BI through BF	2.2759683	0.01596463	0.02284791
3.	CB's relationship with BI through BF	2.26624981	0.0144203	0.02343609

### Discussion

People's Credit Banks (BPR BKK) as banks operating in rural areas (rural banks) have high service complexity and are not visible, in contrast to product-based service characteristics. Most customers, the majority of whom live in villages or sub-districts, also have limited knowledge about the products offered and enjoyed. The interaction between the villagers as customers and the bank is generally sustainable for a long duration of time so the treatment or service of customers is very important in maintaining the continuity of the institution's operations.

The study results confirm that relational benefits have a positive effect on business friendships. This indicates that the better the service/treatment of consumers by rural credit banks, the more value or results the customer receives and this will ultimately have an impact on the high probability of business friendships between the two parties. The good service/treatment of consumers by rural credit banks is not always determined by matters related to the economy, such as high interest rates on bank deposits, especially since there has been a shift in the market orientation paradigm from transactional to relational recently. Service/treatment of these consumers can be in the form of responsive and good communication as described in the study of Chr. Whidya (2006). The results of this study are in line with a study conducted by Boles et al., (2000), which found the effect of relational marketing on future interaction expectations. Other studies such as Nyaga and Whipple (2011) also found and confirmed one-way findings, namely a positive effect on consumer satisfaction.

Statistical testing confirms that relational benefits affect brand intimacy positively. This indicates that when consumers feel that they are being cared for more, the closer the consumer's relationship with a brand or company becomes. Attention to customers According to Devi and Kotni (2021) what needs to be prioritized is the privacy and security of transactions included in the confidence dimension of relational benefits. The privacy and security of this transaction can be managed, one of which is through a quick and clear response to complaints. The next concern that needs to be considered carefully is the bank's atmosphere which is included in the symbiotic or social dimension. The atmosphere of the bank includes the convenience of transactions and bank infrastructure. The results of this study are in line with a study conducted by Hennig-Thurau et al., (2002), who found the influence of relational marketing on one form of brand intimacy, namely customer commitment to the company. Recent studies such as Chang and Lu (2019) also found and confirmed one-way findings, namely a positive effect on commitment satisfaction.

Business Friendship was also found to act as a mediator in the causal relationship between Relational Benefits and Brand Intimacy. This mediating effect was confirmed using a Sobel calculator. This indirectly indicates and supports that (1) There is the fulfillment of needs, both social and other forms of needs by the BPR, so that commitment to customers is formed (2) significant and positive relational benefits to business friendships and brand intimacy (3) significant business friendships and positive towards brand intimacy. The ability of business friendship to mediate a relationship also shows the theory of equity in interpersonal relationships by Adams (1963) still relevant today. The results of this study are in line with a study conducted by Hennig-Thurau et al., (2002), which states that Business Friendship mediates the effect of Relational Benefits on Brand Intimacy.

This study found that business friendship influences brand intimacy positively. This indicates that pleasure/satisfaction, trust, and loyalty can develop into a commitment if they are continuously maintained properly. People's credit banks can maintain these business friendship features through functional and psychological policies. Functional policies include special offers for bank products and discounts. The bank's psychological policy includes giving gifts to customers with high savings and creditors who repay loans on time. The results of this study are in line with a study conducted by Hennig-Thurau et al., (2002), who found that there is an influence of satisfaction which is part of business friendships, affects brand intimacy. In other research, Ahn et al., (2014), also found and confirmed the same findings, namely the positive influence of business friendship features, and trust, on commitment.

This study found that brand intimacy influences patronage intention positively. This indicates that the closer a customer is to a brand or company, the higher the customer's patronage intention will be. Commitment which is a component of brand intimacy makes customers continue to strive to introduce and maintain the brand they love. This can happen, one of which is due to the high consumer perception of the quality of the brand served by the company/institution, in this case, the People's Credit Bank. Hem et al., (2003) and Holbrook and Chaudhuri (2001) confirmed this relationship in their journal and stated that consumer perception is the main factor that indirectly causes patronage intention. The results of this study are in line with a study conducted by Hennig-Thurau et al., (2002), who found the influence of brand intimacy on one form of patronage intention, namely WOM. Recent studies such as Almubarak et al., (2018) also found and confirmed the same findings, namely the positive effect of brand intimacy on purchase intention and WOM which is included in patronage intention.

## **CONCLUSION**

This study contributes to the rural banking literature, especially in terms of testing empirical models that have so far been mostly applied to large banking contexts. Findings show that the relational benefits (symbiotic benefits, special treatment benefits, and confidence benefits) affect business friendships, relational benefits affect brand intimacy, friendship business mediates the effect of relational benefits on brand intimacy, business friendship influences brand intimacy, and brand intimacy benefits influence patronage intention. This study also

strengthens the perspective of relationship marketing theory for use in the rural banking context. Various constructs that better reflect the characteristics of rural banking businesses have the potential to emerge.

This study confirms the importance of bank management paying attention to five antecedent variables, namely relational benefits (symbiotic benefits, special treatment benefits, and confidence benefits), business friendships, and brand intimacy. Compared to another study, there is no difference in the determinants of consumer patronage behavior in general that occurs in rural banks and higher levels of financial institutions/banks (Fang et al., 2014).

Several managerial implications include, first, focusing on their authentic market segments, second, adapting bank services to the social and cultural environment in place, and third, establishing cooperation with cooperatives and village organizations to promote rural economic development (Fang et al., 2014; and Guo and Jia, 2009). These implications can be used as a reference by rural credit banks so that all activities carried out by BPRs can be easily accepted and in the minds of the public and the maximum profit obtained from the market segment and not be taken by other banks/financial institutions.

Further studies are recommended to add the factors of age, gender, and knowledge of online technology because these factors may affect someone in terms of the ease of transaction and are suspected of having an impact on the related bank/financial institution (Tobbins, 2012). Subsequent studies can also investigate the determinants of consumer behavior in rural communities towards rural people's credit banks qualitatively because the number of studies on this topic is still limited.

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