

Relationship Quality and Its Effect on Loyalty: Customer Retention as a Mediator in PT. Bank BTN Malang Sharia Branch

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Article Info:

Abstract

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Competence which the more this demand increases every so that banks are capable of competing, maintaining and guarding customer loyalty. Wrong one strategy which needed for Thing the is strategy Relationship Quality . This study was conducted to know the influence of Relationship Quality facing customer loyalty. This study was conducted to customers of PT. Bank BTN Branch Sharia Poor with use sampling technique. The sample size taken is as much as 100 respondents. This study consists of three variables which are the free variable (X) which is connection quality (Relationships Quality), bound variable (Y) which is customer loyalty, and intervention variable (Z) which is customer retention . The data collected use a questionnaire and then the data is processed using an analysis description and analysis of the SEM-PLS. Research conducted at PT. Bank BTN Malang Sharia Branch gives the result that a well-managed relationship quality with customers will have implications in the form of direct loyalty and also provide encouragement for the bank's customer retention. This situation can be seen in the average response of respondents who agreed that relationship quality has a significant effect on customer retention.

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INTRODUCTION

The rapid development of banking in the world has provided a new alternative for consumers who use banking services to enjoy banking products using interest and non-interest methods. This shows that the international banking world has also adapted the economic principles offered by Islam (sharia), because current developments and information can make it easier for customers to switch to using certain products, services or brands. Today's customers are starting to dare to try switching to other products, services or banking. Banks must be able to provide a sense of security to their customers regarding the funds stored or funds managed by the bank. The current rapid development of the economy has encouraged the growth of the banking industries. This has led to intense competition among banking companies, especially in terms of acquiring and retaining customers. For this reason, banks must understand and have a strategy so

that their customers remain loyal. This is evidenced by a decrease in the number of savings customers at PT. Bank BTN Malang Sharia Branch in the September 2022 period below:

Table 1. Number of Savings Customers of PT. Bank BTN Malang Sharia Branch Period September 2022

Year	Number of Customers
2020	718
2021	1.302
2022	798

Source: Savings Summary of PT. Bank BTN Malang Sharia Branch year 2022.

In Table 1 it can be seen that PT. Bank BTN Malang Syariah Branch has a number of customers that will continue to increase in 2020 and 2021 but will decrease in 2022. In the table, it can be seen that the efforts made by banks in building quality relationships through convenience, satisfaction in service, and promised commitments are not always directly proportional to the expected increase in customers. One of the methods carried out by PT. Bank BTN Malang Sharia Branch in an effort to maintain customer loyalty is to continue to foster good relationship quality with each customer, where customers are invited to build a closer relationship by creating two-way communication so that it can generate trust, satisfaction, even commitments that can ultimately lead to a commitment between customers and banking companies Huang (2012). In this case, it is one of the efforts of the BTN Syariah bank in developing an economic system based on the value of activities to provide the best service and value-added solutions to all customers and as a partners. As well as being able to create good conditions as a place of pride to create achievements and can be seen from the direction of BTN Syariah policies to achieve future business plans. At this time the focus of marketing has begun to change from transaction-based to relationship-based. The relationship quality strategy is a marketing strategy that prioritizes long-term relationships with consumption Kotler & Armstrong (2001).

Retaining customers is also known as customer retention or customer retention. Creating customer retention in an Islamic bank requires support so that the results are satisfactory, the key to customer retention is customer satisfaction (Kotler, 2002). According to In an effort to create customer retention, companies need to pay attention, track, and study customer satisfaction. With the implementation of relationship quality, it is expected to be able to maintain customers (customer retention). explained that "customer retention is the length of relationship with customers. The customer retention rate is the percentage of customers who have fulfilled a certain number of repeat purchases over a limited period of time. In the context of Islam, relationship quality relates to the relationship between humans, the environment, other living things and of course with God. By establishing silaturahmi, we do a relationship of affection. Friendship can make us communicate in two directions and in the end be able to know and understand what the customer's needs and desires are.

The importance of loyalty from members requires PT. Bank BTN Malang Sharia Branch will be more innovative to gain a wider market share. PT. Bank BTN Malang Sharia Branch must be able to compete with other superior banks, such as Bank Syariah Indonesia, Bank BCA, and Bank Panin iSyariah which are located close to each other. This is PT. Bank BTN Syariah Branch is expected to be able to maintain its existence by paying attention to, creating and fostering good relationships in order to provide satisfaction for customers, so that customers remain loyal and carry out marketing strategies. This relationship can be done by creating two-

way communication so as to generate trust, satisfaction and generate commitment between customers and banking companies. This will have an impact on bank customer loyalty, because customers who feel comfortable and satisfied with the services of a bank will publish and inform others and influence others to become customers at the bank. The success of establishing relationships with customers is influenced by factors such as: trust, satisfaction with products or services, perceptions of value, effectiveness of communication and social ties or friendship. Customer trust in the bank, customer satisfaction with products or services, customer perceptions of the value of products or services, effective communication between customers and the bank as well as social or friendship ties that exist between customers and parties are very important to maintain and maintain so that customers feel comfortable always in touch with the bank in every transaction made.

In research conducted by Hasany (2013), the results showed that the importance of developing trust, commitment, satisfaction and communication as factors that managers need to consider in an effort to increase customer loyalty. This is important because the level of competition in the banking world is getting higher and the dynamic needs and desires of customers. states that relationship quality consisting of trust, satisfaction and commitment has a positive effect on customer loyalty. Therefore, relationship quality needs to be continuously improved by banks, because with relationship quality, customer loyalty to remain a customer of the bank is increasing. Other research conducted by still minimal, the loyalty of respondents in terms of length of relationship. However, on the other hand, it is a challenge for banks to retain their customers so they don't switch to other banks. In research also shows that the 3 dimensions of commitment, communication and conflict management have an effect on loyalty and one trust variable that has no effect on loyalty. Building on the background provided, the authors are keen to undertake further research to examine the impact of relationship quality on loyalty, with customer retention serving as an intervening variable.

LITERATURE REVIEWS

Relationship Quality

Relationship or relationship is an important fabric for the bank, because by establishing a relationship, especially with customers, it will have an influence on the bank's life cycle. Relationships that are maintained properly will help the sustainability of the bank and will lead to satisfaction and comfort for customers. The quality of the relationship (Relationship quality) is the customer's perception and willingness of consumers to maintain their relationship with the bank so that the expectations, predictions, goals and desires of customers can be achieved on the quality of the relationship. Relationship quality can be seen from activities related to maintaining good relationships with customers to create long-term relationships (Mekar, 2018). According to Kumar, Scheer and Sreenkamp in the journal Farida Jasfar, Relationship quality is related to matters that include problems of conflict, trust, continuity of relationships in the future. With a good quality relationship, it will reduce the level of conflict that will occur and will further increase trust and also commitment to long-term relationships.

From the several definitions that have been presented, it can be concluded that relationship quality is the quality of relationships carried out by banks to establish good relationships with customers through several aspects, namely satisfaction, trust, and commitment which have an important role for sustainability of long-term relationships between banks and customers which will lead to customer loyalty to the bank. Many previous studies have examined the quality of relationships, and in this study used Huang's theory regarding the quality of relationships, namely high-order constructions or buildings with components or dimensions of trust, satisfaction, and commitment (Huang, 2012). Thus, the research hypothesis for this variable is

relationship quality has an effect on customer retention of PT. Bank BTN Malang Sharia Branch (H1).

Customer Retention

Griffin (2003) explains that customer retention is the length of relationship with customers. The customer retention rate is the percentage of customers who have fulfilled a number of repeat purchases over a limited period of time. Resilience is how to retain the customers we want by fulfilling and satisfying their needs. To retain customers is much easier than finding customers. Furthermore, focusing on how to handle for customers to survive voluntarily. If customers ask because they have no alternative or we lock them in with programs such as bounty programs, then this does little to help the development of a long-term relationship. Often once customers can free themselves from situations that feel shackled to them, Customer retention is a form of loyalty related to behavior (behavioural loyalty) which is measured based on consumer buying behavior which shows the high frequency of consumers buying a product. Meanwhile, loyalty can be interpreted more about attitude (attitudinal loyalty) which is measured based on the components of attitudes, beliefs, feelings, and the will to make purchases.(Hennig-Thurau & Thurau, 2003). In this case also stated by Ennew and Binks (1996) that loyalty and retention are different things. These researchers believe that this loyalty is an attitudinal construct or related to customer attitudes towards banking and retention is a behavioral construct or related to their behavior towards banking.

In this study, focus is on how to retain consumers by providing good service when customers complain and provide special services, but what is measured is also how many, often and how many customers make transactions and persist in using banking services, as the indicators used by Zulkifli, (2012) according to their recommendations. Thus, the research hypothesis for this variable is customer retention has an effect on customer loyalty at PT. Bank BTN Malang Sharia Branch (H2).

Loyalty

One of the goals of someone building a business is to create and retain existing customers. Loyal customers are the most valuable assets for banks. Consumer loyalty according to Oliver as quoted by(Sangadji & .., 2013)namely loyalty is a customer's commitment to persist to re-subscribe or re-purchase consistently in the future, even though the influence of the situation and marketing efforts have the potential to cause behavior changes. Loyalty according to Morais as quoted(Sangadji & .., 2013)states that customer loyalty is a customer's commitment to a store brand, or supplier, based on a very positive attitude and is reflected in consistent repeat purchases. Lovelock and Wright in the works book(Priansa & Cahyani, 2015)states that loyalty is a decision taken by a consumer voluntarily to continue to subscribe to a certain bank for a long period of time. Dick and Basu define consumer loyalty as a relationship between relative attitudes and repeated attitudes. From the several definitions above, it can be concluded that consumer loyalty is a consumer behavior that is shown by making voluntary continuous purchases over a long period of time.

Based on the definition above, it can be concluded that customer loyalty is the loyalty of those who use products or services both for their own needs and as intermediaries for the needs of other parties to continue to subscribe to a company in the long term, by buying and using products or services repeatedly and voluntarily recommend the company's products and services to colleagues. The indicators are repurchasing, competitor rejection, not being affected by the attractiveness of other goods, and recommending to others. Thus, the research hypothesis for this variable is relationship quality has an effect on customer loyalty at PT. Bank BTN Malang

Sharia Branch (H3). and relationship quality affects loyalty with customer retention as an intervening variable for PT. Bank BTN Malang Sharia Branch (H4)

METHOD

This type of research is a quantitative description. This research was conducted with research objects at PT. Bank BTN Malang Syariah Branch which is located at Jl. Attorney General Suprpto No. 87, Rampal Celaket, Kec. Klojen, Malang City. Sampling in this study using simple random sampling. With a total sample of 100 respondents. This study uses the SEM-PLS analysis tool. SEM-PLS analysis usually consists of two sub-models, namely a measurement model or often called the outer model and a structural model called the inner model. The measurement model shows how the manifest or observed variable represents the latent variable to be measured.

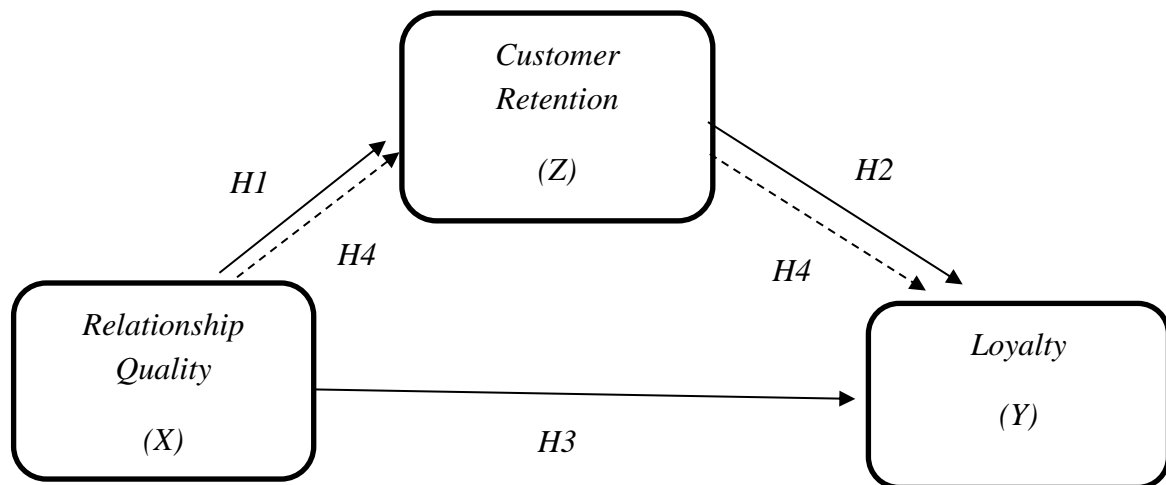
Based on theoretical studies, the operational definitions of variables in this study are listed in the following table 2.

Table 2. Operational Definition

Variable	Dimensions	Indicator	Source
Relationship quality (X)	Satisfaction	a. Satisfied with the services provided	Walsh (2007)
		b. Satisfied with the overall experience	
		c. The services provided are in accordance with customer expectations.	
	Trust	a. Security guarantee	Ndubisi, (2007)
		b. Trusted promise	
		c. Quality service	
Commitment	d. Respectful employee	Ndubisi, (2007)	
	e. Fulfillment of obligations		
	a. The bank's ability to adjust to customer wishes		
Loyalty (Y)	Loyalty	b. Offer personal service	Griffins (2005)
		c. Service flexibility	
		a. Recurring transactions	
		b. Buy a single product or service	
Customer Retention (Z)	Customer Retention	c. Referring to others.	Zulkifli, (2012)
		d. Not affected by offers from competitors	
		a. Length of relationship with banking	
		b. Always use the service	
		c. Frequent transactions	

The large number of sharia banking businesses in Indonesia has resulted in increasingly intense competition. Therefore, Islamic banking is required to improve quality, one of which is the quality of relationships (relationship quality) to increase customer loyalty to the bank. In relationship quality, there are several variables that are considered to increase customer loyalty, including satisfaction, trust, and commitment. These three variables have a direct influence on customer loyalty, or indirectly through customer retention as an intervening variable. The following is the conceptual framework for research on the effect of relationship quality on savings customer loyalty at PT. Bank BTN Malang Sharia Branch with customer retention as an intervening variable.

Figure 1. Research Conceptual Framework



Description:

H1: Relationship quality has an effect on customer retention of PT. Bank BTN Malang Sharia Branch

H2: Customer retention has an effect on customer loyalty at PT. Bank BTN Malang Sharia Branch

H3: Relationship quality has an effect on customer loyalty at PT. Bank BTN Malang Sharia Branch

H4: Relationship quality affects loyalty with customer retention as an intervening variable for PT. Bank BTN Malang Sharia Branch

RESULTS AND DISCUSSION

Description of Respondent Data Characteristics

Respondents in this study were savings customers of PT. Bank BTN Malang Sharia Branch as many as 100 people. Based on the distribution of questionnaires to respondents, the characteristics of the respondents were obtained, as follows table 3.

Based on table 3 it is known that the number of female respondents was 55 respondents (55%) and male respondents were 45 respondents (45%). It can be concluded that more male respondents are customers of PT. Bank BTN Malang Sharia Branch. Then the respondents aged 16-25 years were 32 respondents (32%), aged 26-35 years were 29 respondents (29%), aged 36-45 years were 28 respondents (28%), and aged >45 years were 11 people. It can be concluded that respondents aged 16-25 years are more customers of PT. Bank BTN Malang Sharia Branch. Then the respondents who work as students are 28 respondents, civil servants are 20 respondents, private employees are 33 respondents, self-employed are 11 respondents, 4 honorary teachers, 2 housewives and 2 retirees. It can be concluded that most of the respondents work as students/students who are customers of PT. Bank BTN Malang Syariah Branch's savings. Then respondents with income < 1,800,000 were 21 respondents (21%), income 1,800,000-3,000,000 were 30 respondents (30%), income 3,000,000-5,000,000 were 40 respondents (40%), income > 5,000,000 as many as 9 respondents (9%). It can be concluded that respondents with an income of 3,000,000-5,000.00 are the most customers of PT. Bank BTN Malang Sharia Branch's savings. Then respondents with 1-3 years as customers were 62 respondents (62%), 3-4 years were 20 respondents (20%), 4-5 years were 10 respondents (10%), income > 5 years as many as 8 respondents (8%). It can be concluded that respondents with 1-3 years of experience as customers are the most frequent customers of PT. Bank BTN Malang Sharia Branch's savings.

Table 3. Description of Respondent Data Characteristics

No	Gender	Number of Respondents	Percentage
1	Man	33	33%
2	Woman	36	36%
Amount		69	69%
No	Age	Number of Respondents	Percentage
1	16-25 years	20	20%
2	26-35 years	21	21%
3	36-45 years	21	21%
4	≥ 45 years	7	7%
Amount		69	69%
No	Work	Number of Respondents	Percentage
1	Student / student	17	17%
2	Government employees	17	17%
3	Private sector employee	17	17%
4	Self-employed	11	11%
5	Honorary teacher	4	4%
6	Housewife	2	2%
7	Retired	1	1%
Amount		69	69%
No	Income	Number of Respondents	Percentage
1	< Rp. 1,800,000	17	17%
2	Rp. 1,800,000-Rp. 3,000,000	16	16%
3	Rp. 3,000,000-Rp. 5,000,000	27	27%
4	≥ Rp. 5,000,000	9	9%
Amount		69	69%
No	duration	Number of Respondents	Percentage
	1-3 years	42	42%
	3-4 years	15	15%
	4-5 years	4	4%
	≥ 5 years	8	8%
amount		69	69%

Source: primary data processed, 2023

Description of Respondents Answer Score

Based on table 4, there are 3 dimensions in the relationship quality variable which can be summarized as follows: The satisfaction dimension has the highest mean value of 4.17 in item X1.3 with the statement "Employees/officers are able to provide satisfaction with the services provided" and the lowest mean value is 4.05 in item X1.3 with the statement "Employees/officers able to provide services that have been provided in accordance with the expectations of customers of the BTN Syariah Malang Branch to provide satisfaction with the services provided. This means that the implementation of employees giving satisfaction with the services that have been provided is considered good by the respondents.

Table 4. Description of the respondent variable Relationship Quality (X)

STATEMENT	SCORING SPREAD										TOTAL	MEAN	
	5		4		3		2		1				
	F	%	F	%	F	%	F	%	F	%			
X1.1	38	38%	47	47%	9	9%	6	6%	0	0%	100	100	4.17
X1.2	41	41%	39	39%	13	13%	4	4%	3	3%	100	100	4.11
X1.3	38	38%	38	38%	18	18%	3	3%	3	3%	100	100	4.05
X2.1	31	31%	51	51%	10	10%	6	6%	2	2%	100	100	4.08
X2.2	33	33%	41	41%	20	20%	3	3%	3	3%	100	100	3.98
X2.3	32	32%	45	45%	16	16%	4	4%	3	3%	100	100	3.99
X2.4	35	35%	38	38%	17	17%	7	7%	3	3%	100	100	3.96
X2.5	31	31%	45	45%	17	17%	6	6%	1	1%	100	100	4
X3.1	26	26%	50	50%	14	14%	9	9%	1	1%	100	100	3.91
X3.2	25	25%	48	48%	14	14%	10	10%	3	3%	100	100	3.82
X3.3	28	28%	50	50%	14	14%	6	6%	2	2%	100	100	3.9
OVERALL AVERAGE												3.997273	

Source: Smart PLS Output, Primary data processed, 2023

The trust dimension has the highest mean value of 4.08 in item X2.1 with the statement "Employees/officers are able to provide security guarantees" and the lowest mean value is 3.96 in item X2.4 with the statement "Employees/officers are able to pay attention to me while doing a transaction at Bank BTN". This means that the implementation of employees who are able to provide security guarantees is considered good by respondents.

The commitment dimension has the highest mean value of 3.91 in item X3.1 with the statement "Bank's ability to adjust to customer wishes" and the lowest mean value of 3.82 in item X3.2 with the statement "Employees/officers are able to offer services in a personal. This means that the implementation of employees providing service offers personally is considered good by respondents.

Table 5. Description of the respondent's loyalty variable (Y)

STATEMENT	SCORING SPREAD										TOTAL	MEAN	
	5		4		3		2		1				
	F	%	F	%	F	%	F	%	F	%			
Y1.1	26	26%	47	47%	21	21%	5	5%	1	1%	100	100	3.92
Y1.2	25	25%	45	45%	17	17%	10	10%	3	3%	100	100	3.78
Y1.3	27	27%	43	43%	23	23%	6	6%	1	1%	100	100	3.87
Y1.4	20	20%	29	29%	22	22%	27	27%	2	2%	100	100	3.4
OVERALL AVERAGE												3,472	

Source: Smart PLS Output, Primary data processed, 2023

Based on table 5 in the loyalty variable, it can be concluded as follows: The loyalty variable has the highest mean value of 3.92 in item Y1.1 with the statement "I use repeated services/transactions" and the lowest mean value of 3.4 in item Y1.4 with the statement "I am not affected by other Islamic bank offers ". This means that the implementation of customers who are not affected by the offers of other Islamic banks is considered good by respondents.

Table 6. Description of the variable customer retention (Z)

STATEMENT	SCORING SPREAD										TOTAL	MEAN	
	5		4		3		2		1				
	F	%	F	%	F	%	F	%	F	%			
Z1.1	28	28%	50	50%	18	18%	2	2%	2	2%	100	100	3.99
Z1.2	24	24%	35	35%	26	26%	14	14%	14	14%	100	100	3.66
Z1.3	33	33%	31	31%	23	23%	12	12%	12	12%	100	100	3.8
OVERALL AVERAGE												3,816	

Source: Smart PLS Output, Primary data processed, 2023

Based on table 6 in the customer retention variable, it can be concluded as follows:

The customer retention variable has the highest mean value of 3.99 in item Z1.1 with the statement "I use BTN Syariah products/services for more than one year" and the lowest mean value of 3.66 in item Z1.2 with the statement "All transactions involving my bank using the services of Bank BTN Syariah" This means that the implementation of all transactions involving banks using the services of Bank BTN Syariah is considered good by the respondents.

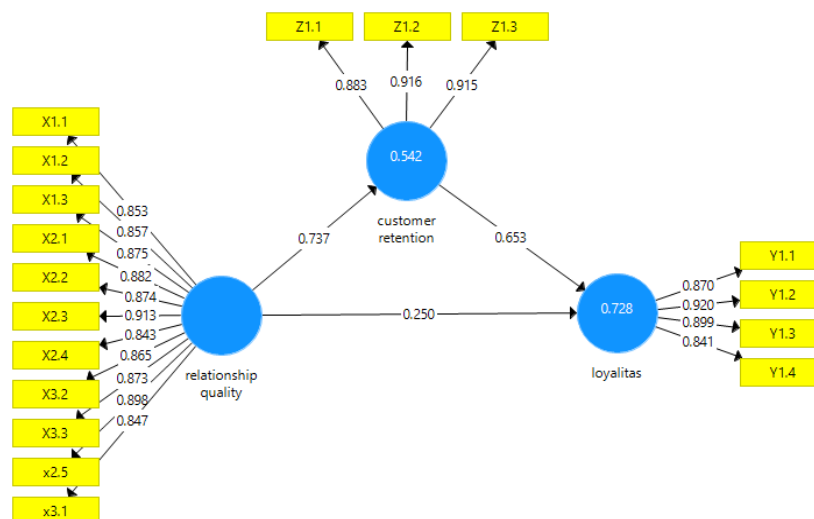
Measurement Model Analysis (Measurement Model)

Validity

Convergent Validity

The expected value is > 0.7, but the outer loading value between 0.5 – 0.6 is considered sufficient to meet the requirements of convergent validity (Ghozali & Hengky, 2014: 76).

Figure 2. OuterModel



Source: Smart PLS Output, Primary data processed, 2023

Loading Factor Test (Outer Loading)

Table 7. Loading Factor

Variable	Statement Items	Loading Factor	Information
Relationship Quality	X1.1	0.853	Valid
	X1.2	0.857	Valid
	X1.3	0.875	Valid
	X2.1	0.882	Valid
	X2.2	0.874	Valid
	X2.3	0.913	Valid
	X2.4	0.843	Valid
	X2.5	0.898	Valid
	X3.1	0.847	Valid
Loyalty	X3.2	0.865	Valid
	X3.3	0.873	Valid
	Y1.1	0.870	Valid
	Y1.2	0.919	Valid
Customer Retention	Y1.3	0.901	Valid
	Y1.4	0.841	Valid
	Z1.1	0.882	Valid
	Z1.2	0.916	Valid
	Z1.3	0.916	Valid

Source: Smart PLS Output, Primary data processed, 2023

The results of the Convergent Validity loading factor test can be seen in Figure 1 and Table 6 above which shows that all indicators of the variables used in this study, namely relationship quality, loyalty and customer retention, have a loading factor value of > 0.5 . This means that each indicator is valid, which is highly correlated.

Average Variation Extraxted (AVE) Test

Based on table 8, the results show that the validity test of the AVE value of all variables, consisting of three variables, shows an AVE value of > 0.50 . The highest AVE value is the customer retention variable of 0.819.

Table 8. Avarange variance extracted (AVE)

Variable	AVE
Relationship quality	0.759
Loyalty	0.780
Customer Retention	0.819

Source: Smart PLS Output, Primary data processed, 2023

Discriminant Validity

Table 9. Cross Loading

	X	Y	Z
X	0.905		
Y	0.836	0.883	
Z	0.736	0.731	0.871

Source: Smart PLS Output, Primary data processed, 2023

Based on table 9 it is known that the cross loading value of the indicator that measures the variable in question is greater than the indicator that measures other variables. All values > 0.5, it can be concluded that the results of this research instrument fulfill discriminant validity.

Reliability

Table 10. Composite Reliability and Cronbach's Alpha

	Composite reliability	Cronbach's Alpha
Relationship quality(X)	0.931	0.889
Loyalty (Y)	0.934	0.905
Customer Retention(Z)	0.972	0.968

Source: Smart PLS Output, Primary data processed, 2023

Based on table 9, it shows that the results of Composite Reliability and Cronbach's Alpha output of all constructs are > 0.7. So it shows that each construct or variable has good reliability.

Structural Model Analysis (Inner Model)

Testing the structural model (inner model) functions to determine the relationship between constructs, the R-Square value and the significance value of the research model. Testing the feasibility of the model is measured using the R-Square on each independent latent variable

on the dependent variable. The results of testing the R-Square value using SmartPLS can be seen in the following table:

Table 11. R-Square table

Variable	R-Square
Loyalty (Y)	0.728
Customer retention (Z)	0.542

Source: Smart PLS Output, Primary data processed, 2023

The goodness of fit test on the structural model uses the predictive-relevance Q-square value (Q^2). Mark (R^2) each endogenous variable in this study is obtained by the Q-square value of predictive relevance obtained by the formula:

$$(Q^2) = 1 - (1 - 0.542)(1 - 0.728)$$

$$(Q^2) = 1 - (0.458)(0.272)$$

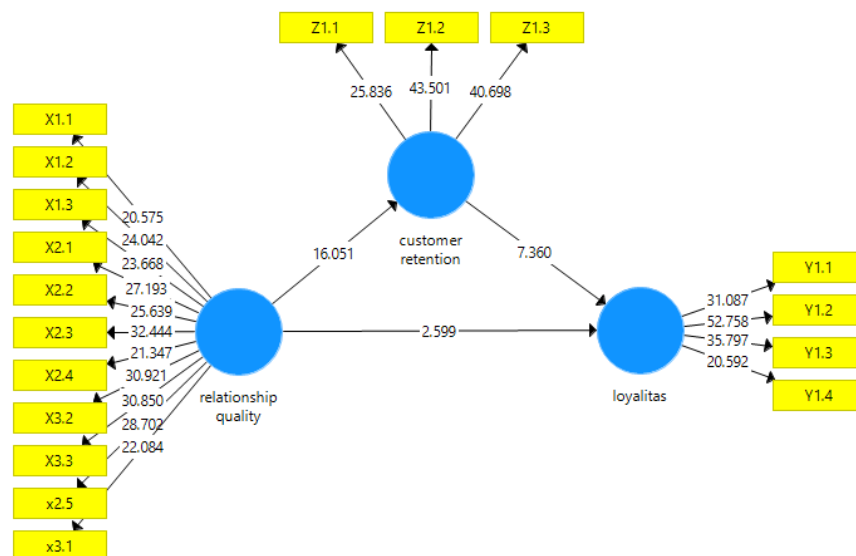
$$(Q^2) = 1 - (0.12457)$$

$$(Q^2) = 0.87543$$

$$(Q^2) = 87\%$$

The calculation results show a predicate relevance value of 87% so that the model in this study is feasible to have a relevant value. While the remaining 13% is explained in other variables that are not included in the model.

Figure 3. Bootstrapping



Source: Smart PLS Output, Primary data processed, 2023

Based on Figure 3, these three variables have a direct influence, namely the variable relationship quality, loyalty and customer retention, so that there is an influence of the variable relationship quality on loyalty through customer retention. There is the influence of variables that can mediate the two variables, namely the variable customer retention. The model above is called the path coefficient, which shows the magnitude of the direct influence of the variables that affect these variables, or it can be said from exogenous variables to endogenous variables. The path coefficient is the standard regression coefficient (standard z) which gives the effect of exogenous variables on endogenous variables arranged in a path diagram.

Hypothesis test

Testing the structural relationship model serves to explain between the variables in the study. Structural model testing is done through the t test, in testing the hypothesis it is done directly or indirectly. While the basis for using the hypothesis directly is the image output and the values contained in the path coefficient and indirect effect. The test results are described in table 11 below:

Table 12. Direct Relationship Test Results

Model	original sample	sample mean	Standard deviation	T staristic	p-Values
Relationship quality → customer retention	0.737	0.738	0.093	15,591	0.000
Customer retention → Loyalty	0.653	0.653	0.093	7,042	0.000
Relationship quality → loyalty	0.250	0.252	0.095	2,624	0.009

Source: Smart PLS Output, Primary data processed, 2023

In PLS statistical testing of each hypothesized relationship is carried out using simulations in PLS. In this case, the boothstrapping method was carried out on the samples being tested.

H1= Relationships quality influential to customers retention customers savings PT.Bank BTN Branch Sharia Poor.

The results of testing the first hypothesis show that the influence of the relationship quality variable on customer retention has a p-value of 0.000 <0.05 which means that an increase in the value of the relationship quality variable affects customer retention. The results of this study have a significant direct effect on customer retention. Hypothesis 1 is accepted.

H2=Customers retention influential towards loyalty customers savings PT.Bank BTN Branch Sharia Poor

The results of testing the second hypothesis show that the effect of the variable customer retention on loyalty has a p-value of 0.000 <0.05, which means that the higher the loyalty, the more customer retention forms for savings customers. The result of this study is that customer retention has an effect on loyalty. Hypothesis 2 is accepted.

H3 = Relationships quality influential to loyalty customers savings PT. Bank BTN Branch Sharia Poor

The results of testing the second hypothesis show that the effect of the relationship quality variable on loyalty has a p-value of 0.009 <0.05 which can be interpreted that the higher the quality of the influence (relationship quality), the more customer loyalty is formed in savings. The result of this study is that relationship quality has an influence on loyalty. Hypothesis 3 is accepted.

Table 13. Indirect Relationship Test Results

Model	original sample	sample mean	Standard deviation	T staristic	p-Values
Relationship quality → loyalty → customer retention	0.0481	0.482	0.080	6,011	0.000

Source: Smart PLS Output, Primary data processed, 2023

Based on table 13 obtained shows the results that customer retention can mediate between relationship quality variables on customer loyalty, this is evidenced by the results of relationship quality research on loyalty mediated by customer retention having a p-value of 0.000 <0.05 which means that customer retention is able to partially mediate the effect of relationship quality on customer loyalty.

Conclusion (Times New Roman 10pt)

In the discussion section will be shown to answer the problems that have been formulated. Next, the acceptance of the research hypothesis will be discussed along with the support of facts or rejection of the research hypothesis along with the necessary explanation using the PLS method whose calculations are assisted by the SmartPLS 3 software program and the results of the path coefficient test and the significance level. Overall testing the relationship quality relationship to loyalty through customer retention can be explained as follows:

Effect of Relationship Quality on Customer Retention

Based on the results of the study, it shows that relationship quality has a significant effect on customer retention. This is evidenced by the results of the parameter coefficient of 0.737, the t-statistic value of 15.591 or > 1.96, and the p-value of 0.000 or <0.05. This means that if the relationship quality between employees of PT. BTN Syariah Branches with customers influence the act of retaining customers (customer retention). The results of the descriptive statistical test show that the average respondent's answer is 3.997. This indicates that most respondents agree that a good quality relationship can make consumers become regular customers and make repeated purchases at PT. Bank BTN Malang Sharia Branch.

This research is in line with that conducted by Palmatier et al., (2007) who said that to implement good relationship quality, companies should pay attention to factors such as commitment, trust, and relationship satisfaction. This means that the customers of PT. Bank BTN Malang Sharia Branch is caused by these three factors. Commitment is a bank's desire to continue to maintain good relations with its customers, trust is both parties, namely the bank and its customers trust and trust each other, and relationship satisfaction is that both parties (the bank and its customers) are satisfied with the relationship that has existed so far . With the commitment from all levels, starting from the board of directors and all bank employees which is

realized in the form of fostering mutual trust between the bank and its customers, and always maintaining good relations so far, customers will feel at home to stay with this bank and not move to another place. other banks. Thus, this kind of condition should be maintained and continuously improved by PT. Bank BTN Malang Sharia Branch by always reminding all employees so that they remain committed, foster trust and try to build good relationships with their customers this kind of condition should be maintained and continuously improved by PT. Bank BTN Malang Sharia Branch by always reminding all employees so that they remain committed, foster trust and try to build good relationships with their customers this kind of condition should be maintained and continuously improved by PT. Bank BTN Malang Sharia Branch by always reminding all employees so that they remain committed, foster trust and try to build good relationships with their customers

Not lying, not cheating and not making up facts, not betraying and never breaking promises are forms of action recommended by Islam to build other people's trust in us. Rasulullah SAW always reminds traders not to break promises or promote excessively which tend to make things up solely so that the goods being traded sell well.

The words of Rasulullah SAW: "the best place is a mosque, and the worst place is a market" (HR. Thabrani). With regard to relationship quality, Allah explains in the Al-Quran Surah Ali Imran verse 159:

فَبِمَا رَحْمَةٍ مِنَ اللَّهِ لِنْتَ لَهُمْ وَلَوْ كُنْتَ فَظًّا غَلِيظَ الْقَلْبِ لَانْفَضُّوا مِنْ حَوْلِكَ فَاعْفُ عَنْهُمْ وَاسْتَغْفِرْ لَهُمْ وَشَاوِرْهُمْ فِي الْأَمْرِ فَإِذَا عَزَمْتَ فَتَوَكَّلْ عَلَى اللَّهِ إِنَّ اللَّهَ يُحِبُّ الْمُتَوَكِّلِينَ

"So thanks to the grace of Allah you (Muhammad) treat them gently. If you had been hard and rough-hearted, they would have distanced themselves from around you. Therefore, forgive them and ask forgiveness for them, and consult with them in this matter. Then, if you have made up your mind, then put your trust in Allah. Indeed, Allah loves those who put their trust in."

In the verse above it is explained that we must be gentle and not rude to other people, which we as employees must be kind to customers, treat them politely and not be rude as God recommends that. That way, customers will be comfortable and will come back again. Then by maintaining this good relationship quality, customers remain loyal to become customers at PT. Bank BTN Sharia Branch.

Customers Retention Influential to Loyalty

Based on the results of the study, it shows that customer retention has a significant effect on loyalty. This is evidenced by the results of the parameter coefficient of 0.653, the t-statistic value of 7.042 or > 1.96 , and the p-value of 0.000 or < 0.05 . This means that when the employees of PT. Bank BTN Malang Syariah Branch takes actions/methods to retain customers, so the possibility of a customer's decision to become a savings customer increases. The results of the descriptive statistical tests show that the average respondent's answer is 3.816. This indicates that the majority of respondents agree that a good quality relationship makes customers loyal to one bank for their financial activities.

This research is in line with that conducted by Nurjanah & Pasundan, (2020) showing that the results of the customer retention variable are influential but low, namely 5.6%. Understanding of behavior and establishing good relationships with customers, providing good service, will create customer loyalty (Singh & Khan, 2012). Research (Zulkifli, 2012) shows that customer retention has a positive and significant effect on customer loyalty, and customer

retention is due to trust in the company. Research (Martey, 2014) shows that the relationship between customer retention and customer loyalty is positive and significant.

The concept of Islam teaches that in providing services from businesses that are carried out, whether in the form of goods or services, do not provide bad or low quality to other people. It is in Qs. Al-Baqarah verse 283.

﴿ وَإِنْ كُنْتُمْ عَلَى سَفَرٍ وَلَمْ تَجِدُوا كَاتِبًا فَرِهٌ مَّقْبُوضَةٌ فَإِنْ أَمِنَ بَعْضُكُم بَعْضًا فَلْيُؤَدِّ الَّذِي اؤْتُمِنَ أَمَانَتَهُ وَلْيَتَّقِ اللَّهَ رَبَّهُ وَلَا تَكْفُرُوا الشَّهَادَةَ وَمَنْ يَكْفُرْهَا فَإِنَّهُ أَلِيمٌ قَلْبُهُ وَاللَّهُ بِمَا تَعْمَلُونَ عَلِيمٌ ﴾

"And if you are on a journey and you do not find a writer, then there should be collateral held. However, if some of you trust some of the others, let that trusted person fulfill his trust (his debt) and let him fear Allah, his Lord. And do not hide testimony, because whoever hides it, verily, his heart is dirty (sinful). Allah is All-Knowing of what you do."

The verse above explains that when providing services to customers, it should be done wholeheartedly to help customers meet their needs, without coercion. Honesty and good service, friendly, polite and making them feel comfortable will make customers happy and get satisfying service. With the desire to help customers serve their needs, it is hoped that employees can serve by prioritizing the interests of customers, which is also called customer retention.

Relationships Quality Affects Loyalty

Based on the results of the study, it shows that relationship quality has a significant effect on loyalty. This is evidenced by the results of the parameter coefficient of 0.250, the t-statistic value of 2.624 or > 1.96 , and the p-value of 0.009 or < 0.05 . This means that the stronger the quality of employee relations at PT. Bank BTN Malang Sharia Branch with customers, customers become more loyal. And basically, the main factor influencing customer loyalty is the quality of the relationship (relationship quality) where the correlation between the two is positive, namely the higher the quality of the relationship (relationship quality), the higher the customer loyalty. The results of the descriptive statistical test show that the average respondent's answer is 3,

This research is in line with what was revealed by Fandy Tjiptono (2005), the quality of the relationship has an impact on customer loyalty regarding the effectiveness of marketing relationships which can measure the extent to which trust, satisfaction and commitment between customers can be explained as expected. all hypotheses support the important role played by relationship quality as a generator of customer satisfaction variables which in turn affect customer loyalty. among the main determinants, the means have determined the positive and significant effect of relationship quality on customer loyalty. According to Griffin (in Alma, 2007: 277) companies must prioritize satisfying service to customers, so that true loyalty is formed. When customers stay because they are comfortable with the value and service they get, they will be more likely to become loyal customers (Barnes, 2003:41). Customers who are very satisfied with the quality of service will become loyal customers, make repeat purchases, speak well of the company's products, pay less attention to competing companies, and offer products to others (Sumadi & Soliha, 2015: 124). Good relationship quality is the main thing that must be prioritized by banking institution services, so that customers will feel satisfied and ultimately customers will use the product repeatedly. giving less attention to competing companies, as well as offering products to others (Sumadi & Soliha, 2015: 124). Good relationship quality is the main thing that must be prioritized by banking institution services, so that customers will feel satisfied and ultimately customers will use the product repeatedly. giving less attention to

competing companies, as well as offering products to others (Sumadi & Soliha, 2015: 124). Good relationship quality is the main thing that must be prioritized by banking institution services, so that customers will feel satisfied and ultimately customers will use the product repeatedly.

In theory, loyalty has several influencing factors, including relationship quality, service quality, and satisfaction. Relationship quality theory states that customer-focused relationship quality will create satisfaction, and satisfied customers usually remain loyal to buy again even for a long period of time as customer loyalty. Applying good relationship quality through the satisfaction dimension will have an impact on loyalty, so that customers will use products or services repeatedly and will provide information to others to use products or make transactions in companies that according to them have good service quality. By repurchasing providing good information for other customers to use the services of a company that is considered good and satisfied, all of this is evidence of customer loyalty. Customer satisfaction is the main indicator of loyalty. Customers who are satisfied with the services provided by the company or bank will transform what they feel satisfied into a loyalty by showing consistent repeat purchases and will suggest to others to use the products and services of the company. Satisfied customers can be sure to be loyal for a long time. Satisfaction and loyalty are concepts closely related to post-purchase/use behavior. Satisfaction or dissatisfaction with a product is the result of a post-use evaluation of an item or service.

In accordance with the word of Allah SWT. relating to relationship quality is conveyed in the Al-Quran Surah An-Nisa 36:

﴿وَاعْبُدُوا اللَّهَ وَلَا تُشْرِكُوا بِهِ شَيْئًا وَبِالْوَالِدَيْنِ إِحْسَانًا وَبِذِي الْقُرْبَىٰ وَالْيَتَامَىٰ وَالْمَسْكِينِ وَالْجَارِ ذِي الْقُرْبَىٰ وَالْجَارِ الْجُنُبِ وَالصَّاحِبِ بِالْجَنبِ وَابْنِ السَّبِيلِ وَمَا مَلَكَتْ أَيْمَانُكُمْ إِنَّ اللَّهَ لَا يُحِبُّ مَنْ كَانَ مُخْتَالًا فَخُورًا

“And worship Allah and do not associate anything with Him. And do good to your parents, close relatives, orphans, the poor, close neighbors and distant neighbors, colleagues, Ibn Sabil and the slaves you have. Indeed, Allah does not like those who are arrogant and proud of themselves.

In the verse above, it explains how important it is to establish and maintain friendship. In this verse, there is also an order for friendship side by side with an order to prostrate to Allah SWT. This further emphasizes that maintaining friendly relations is very important for Muslims.

The Effect of Relationship Quality on Loyalty Through Customer Retention as an Intervening Variable

Based on the results of the study, it shows that customer retention is able to partially mediate the effect of relationship quality on customer loyalty. This is because in direct testing there is an influence between relationship quality on customer customer retention. This is evidenced by the results of the parameter coefficient of 0.481, the t-statistic value is 6.011 or > 1.96, and the p-value is 0.000 or <0.05. This means that if the relationship quality increases or gets better, it is likely to make customers more loyal. It can be concluded that customer retention is able to mediate relationship quality to loyalty. Customers who are satisfied with the product or brand consumed or used will repurchase the product.

CONCLUSION

Research conducted at PT. Bank BTN Malang Sharia Branch gives the result that a well-managed relationship quality with customers will have implications in the form of direct loyalty and also provide encouragement for the bank's customer retention. This situation can be seen in

the average response of respondents who agreed that relationship quality has a significant effect on customer retention. Therefore, if an Islamic bank wants to increase customer loyalty and create high customer satisfaction conditions, what must be done is an increase in relationship quality. Customer retention has a significant effect on loyalty. This shows that customer retention employees of PT. Bank BTN Malang Sharia Branch towards customers increases customers in remaining loyal/loyal to become customers of PT. Bank BTN Malang Sharia Branch. Then relationship quality has a significant effect on loyalty. This shows that the quality of the relationship that is owned by employees of PT. Bank BTN Malang Syariah Branch is increasing or getting better towards customers influencing customers to remain loyal/loyal to become customers of PT. Bank BTN Malang Syariah Branch. On the other hand, customer retention mediates relationship quality to customer loyalty. This shows that if the high customer retention between employees of PT. Bank BTN Malang Syariah Branch and customers is coupled with the level of relationship quality that employees have with customers, then customers will remain loyal to become savings customers at PT.

Results study PT. Bank BTN Branch Sharia Poor prove that relationship quality, loyalty and customer retention is aspect important For support existence banking sharia, Where customers is asset most important bank.

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