The Effect of Customer Relationship Marketing (CRM) and Service Quality to Corporate Image, Value, Customer Satisfaction, and Customer Loyalty

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Abstract

This study aims at analyzing and explaining the effect of CRM and Service Quality toward Corporate Image, Value, Satisfaction, and Loyalty on Customers of Sharia Banks in East Java at the branches of Bank Muamalat and Bank Syariah Mandiri (BSM) Surabaya, Malang, Kediri, and Jember involving 278 respondents. The study uses Generalized Structured Component Analysis (GSCA). The results show 14 (fourteen) direct relationships and indirect relationships (1) CRM has a significant effect on corporate image; (2) service quality has a significant effect on corporate image; (3) CRM has a significant effect on customer values; (4) service quality has a significant effect on customer value; (5) CRM has a significant effect on customer values; (6) service quality has a significant effect on customer satisfaction; (7) CRM has a significant effect on customer loyalty; (9) corporate image has a significant effect on customer values; (10) corporate image has a non-significant effect on customer satisfaction; (12) customer value has a significant effect on customer loyalty; (13) customer value has a non-significant effect on customer loyalty; and (14) customer satisfaction has a non-significant value on customer loyalty. The strongest CRM indicator is communication, the strongest service quality indicator is assurance, the strongest corporate image indicator is product features, the strongest value indicator is benefit, the strongest satisfaction indicator is satisfaction on overall service, the strongest customer loyalty indicator is customers supporting products or loyal.

Keywords: CRM, Service Quality, Corporate Image, Customer Value, Customer Satisfaction, Customer Loyalty, and Sharia Banking

1. Introduction

Sharia banking has a very good prospect, as its assets reached 8.9% in 2010 with an increase in the total assets of 900 billion dollars (Sharia Banking Statistics Indonesia, 2012). Global Islamic Financial Report (GIFR) in 2011 considered that Indonesia ranks fourth in term of the chance for the development of sharia finance industry among the following countries (1) Iran, (2) Malaysia, and (3) Saudi Arabia as well as (4) Indonesia (Alamsyah, 2012). It has been known that Indonesian has been familiar with Sharia Banking System in the early 1990s, yet as a new concept it was not taken much into account (Zyanul, 2012). The statement is supported by the results of research by Aiyub (2007), showing that the majority of people do not understand issues related to sharia banking, including the contract or product it offers. Maski's research results (2010) indicate several things as follows: (1) the need to improve sharia banking services to the community; and (2) the need for sharia banking to deliver complete and right information about the concept, contract-agreement or product it offers. Furthermore, according to Bratadharma (2012), from the academic perspective, there is still few research that examines the issue of sharia banking in Indonesia. More studies will contribute to the sharia banking in Indonesia, with a hope of gaining customer loyalty.

In the last 5 years, sharia banks in Indonesia have been experiencing difficulties in maintaining and improving customer loyalty. Customer loyalty assures good relationship between banks and customers, and then it would be mutually beneficial for both customers as service users and bank as a service provider wanting increasing profits from its customers (Info Bank, 2012). Issues related to sharia banking are: (1) decreasing customer loyalty, as the results of the analysis of Indonesian Bank Loyalty Index (IBLI) in 2012 show that the overall average customer loyalty index of sharia banks in 2012 decrease as compared to 2011; and (2) maintaining the relationship and partnership to build customer loyalty to sharia banks.

This is in line with the development of sharia banking based on relationship and specificity of the needs of the community as well as the sustainability of socialization and education programs to the community. In connection with the development of sharia banking, customer relationship marketing (CRM) and quality of service is appropriate to implement, because customer relationship marketing (CRM) and quality of service is now a form of intense global competition able to formulate different strategies in order to increase competitiveness.

The sharia banking system does not apply the interest system, but profit sharing system from real

transaction and services, and on its organizational structure, there is necessity to have a Sharia Supervisory Board (DPS). DPS is responsible for overseeing the bank's operations and products to match the principles of sharia (Muhamad, 2002). Based on the description associated with loyalty, then we examine and analyze the effect of (1) CRM to corporate image, (2) quality of service to corporate image, (3) CRM to customer value, (4) quality of service to customer value, (5) CRM to customer satisfaction, (6) quality of service to customer satisfaction, (7) CRM to Customer Loyalty, (8) quality of service to customer loyalty, (9) corporate image to customer value, (10) corporate image to customers satisfaction, (11) corporate image to customer loyalty, (12) customer value to customer satisfaction, (13) customer value to customer loyalty and (14) customer satisfaction to customer loyalty.

2. Literature Review and Hypothesis

Islam regulates human relations in various social aspects / *muamalah* (trading, leasing, debts, etc.). Sharia encapsulates all aspects of life, both ritual and social. Therefore, social communication skills and argumentation in conveying information about the existence, function, and role of Islam in governing human relations in life is a joint responsibility of each Muslim individual according to their economic and social ability and expertise (Hasan, 2014). Economy and social order also exist in the Islamic financial institutions in economic transactions under the concept of trust / confidence (QS. Al Baqarah: 283; Muhamad, 2002). Marketing relationship involves activities that aim to develop long-term relationships between organizations and customers for mutual benefit (Lovelock and Wright, 2002). The concept of marketing interactions explains that businesses can build relationships with one or several types of bonding, namely financial bonding, social bonding, and structural bonding (Zeithaml, 2013). Corporate image is an overall impression of the community, including the interaction between the physical and non-physical elements (Josee and Gaby, 2002). Based on the afore-mentioned theory, the following hypothesis is proposed:

Hypothesis 1: CRM significantly affects corporate image

The hypothesis is the novelty of the current study

Total service quality consists of three main components, namely: (1) technical quality associated with output service quality perceived by customers, (2) functional quality related to quality of service delivery, and (3) corporate image representing a common image, profile, reputation, and special and distinctive attracting factors of a company (Utami, 2008). Research related to the influence of service quality toward corporate image conducted by Shih-I (2011) to department store customers indicates that the quality of service significantly influences corporate image and reveals that companies with good service quality then comes to have a strong corporate image. Based on the theory and research results, the following hypothesis is proposed:

Hypothesis 2: Service quality significantly affects corporate image

CRM refers to how to improve customer value by using a marketing tool in the form of communication, trust, commitment, and empathy as to make customers to feel more secure (Gronroos, 2007). Research related to the influence of CRM toward customer value conducted by Hashem (2012) at five-star hotel customers and by Ismail and Alsadi (2010) on university students show that CRM has a significant influence on customers value. Based on the theory and research results, the following hypothesis is proposed:

Hypothesis 3: CRM significantly affects customer value

Value increases in line with an increase in quality of service, and conversely, it decreases with a decrease in prices, although other factors may also play an important role in the perception of value (Kotler and Keller, 2009). Research related to the influence of quality of service toward value carried out by Maiyaki (2012) on bank customers indicates that the quality of service significantly influences values. Based on the theory and research results, the following hypothesis is proposed:

Hypothesis 4: Service quality significantly affects customer value

Promises to communicate company's products and services are expected by the customers and the main goal is to maintain marketing relationship on the basis of commitment, trust or confidence given by the company to reduce anxiety and raise the comfort that will benefit the company and the customers (Zeihmal, V *et al.*, 2013). Based on the theory and research results, the following hypothesis is proposed:

Hypothesis 5: CRM significantly affects customer satisfaction

Hypothesis 5 is another novelty in this study. Several previous studies examined the effect of CRM to satisfaction, but the indicators used in previous research are indicators of customization, gratitude, and personalization and so there is a difference in the use of indicators between the present study and previous studies.

Muhammad (2002) states that the function of institutions or organizations is not only physical function but also ethics / morals. Sharia banks possess such Islamic work environment that covers: trust and *siddiq*, skillful and professional (*fathanah*), ability to perform teamwork and evenly distributed information throughout the organization (*tabligh*) (Hasan, 2014). Quality of service is the level of benefits provided by the service providers with these attributes: tangibles, reliability, responsiveness, assurance, and empathy with the aim to

meet customer expectations (Parasuraman *et al.* (1996) in Tjiptono (2001). Research related to the influence of service quality toward customer satisfaction conducted by Rehman (2012) and Siddiqi (2011) on Islamic bank customers indicates that the quality of service has a significant effect on satisfaction. Based on the theory and research results, the following hypothesis is proposed:

Hypothesis 6: Service quality significantly affects customer satisfaction

CRM implementation often leads to increased satisfaction, customer loyalty, and business performance as customers' potential that is maximum profit. Over the years, marketing has become an important part in building customer centric (Mithas, Krishnan, & Fornell, 2005). Research related to the effect of CRM toward loyalty conducted by Jumaev (2012) on bank customers, and by Hassan and Anwar (2012) on Islamic bank customers indicates that CRM significantly affects loyalty. Based on the theory and research results, the following hypothesis is proposed:

Hypothesis 7: CRM significantly affects loyalty

Quality of service is the level of benefits provided by service providers with these attributes: tangibles, reliability, responsiveness, assurance, and empathy with the aim to meet customer expectations (Parasuraman *et al*. (1996) in Tjiptono (2001). If the after-purchase evaluation results go beyond customer expectations, customers will be satisfied and will easily select and buy the products back in the future resulting in loyal customers (Kotler and Keller, 2009). Research related to the effect of service quality on loyalty conducted by Ishtiaq Ishaq (2012) in telecommunication enterprise customers indicates that CRM has a significant effect on loyalty. Based on the theory and research results, the following hypothesis is proposed:

Hypothesis 8: Service quality significantly affects loyalty

Corporate image refers to assets of companies difficult to imitate, and emphasizing the importance of values, features, and unique aspects of its products (Kotler and Keller, 2009). Thus, corporate image contains values, features in, as well as unique aspects of product—when costumers buy a product from a company, they are not just buying a product, but they also receive a set of corporate values containing the features and unique aspects of the product. Islam in social life (*muamalah*), in the economic sector, prohibits us from taking interest or usury; it is run through the profit sharing system, *Zakat*, *Infaq*, *Sadaqah* (ZIS) and others (Hasan, 2014). This is a unique aspect of a product different from conventional banks. Research related to the influence of corporate image and values carried by Maiyaki (2012) on bank customers indicates that corporate image has a significant effect on values. Based on the theory and research results, the following hypothesis is proposed:

Hypothesis 9: Corporate image significantly affects value

Corporate image refers to assets of companies difficult to imitate, and emphasizing the importance of values, features, and unique aspects of its products (Kotler and Keller, 2009). Corporate image relates to information of potential buyers and can affect customer satisfaction and loyalty (Gronroos, 2007). Research related to the influence of corporate image on satisfaction conducted by Gautam (2011) on airline customers indicates that corporate image has a significant effect on satisfaction. Based on the theory and research results, the following hypothesis is proposed:

Hypothesis 10: Corporate image significantly affects customer satisfaction

Corporate image relates to information of potential buyers and can affect customer satisfaction and loyalty (Gronroos, 2007). Corporate image marks certain quality level, and satisfied customers will easily select and buy the products back in the future resulting in loyal customers (Kotler and Keller, 2009). Research related to the influence of corporate image on loyalty conducted by Farida (2010) on bank customers indicates that corporate image has a significant effect on loyalty. Based on the theory and research results, the following hypothesis is proposed:

Hypothesis 11: Corporate image significantly affects loyalty

Wrong perspectives need correction, and *da'wah* is the solution. *Da'wah* is essentially to make changes and to improve human life comprehensively (Hasan, 2014). *Da'wah* is one of the means of delivery of everything about Islam (Dunia Syiar Islam, 2014). "That [is so]. And whoever honors the symbols of Allah - indeed, it is from the piety of hearts." (QS. Al-Hajj [22]: 32). In business, when you sell, you should be able to create as much as the value for other businesses by increasing customer demand (Hollensen, 2010). Research related to the influence of value on satisfaction conducted by Farida (2010) on government bank customers indicates that customer value has a significant effect on satisfaction. Based on the theory and research results, the following hypothesis is proposed:

Hypothesis 12: Customer value significantly affects satisfaction

The value of time refers to how someone used the time. Muhammad (2002) explains the more effective and efficient one uses their time, the higher the value of time will be for that particular one. In business, when you sell, you should be able to create value as much as the value of other businesses by increasing any requests or desires the customers have (Hollensen, 2010). Customers who purchase products or servinrossces repeatedly and customers who positively rate goods and services are then said as loyal customers (Liu, 2007). Research

related to the effect of value on satisfaction conducted by Kishada and Wahab (2013) on sharia bank customers indicates that value has a significant effect on loyalty. Based on the theory and research results, the following hypothesis is proposed:

Hypothesis 13: Customer value significantly affects loyalty

Customer loyalty is the commitment of customers to buy the product continuously in the future (Liu, 2007). Corporate image indicates a certain level of quality that satisfied customers can easily choose and buy the products again in the future, and become loyal customers (Kotler and Keller, 2009). Research related to the effect of satisfaction on loyalty conducted Siddiqi (2011) on bank customers and Kishada and Wahab (2013) on sharia bank customers indicates that satisfaction has a significant effect on loyalty. Based on the theory and research results, the following hypothesis is proposed:

Hypothesis 14: Customer satisfaction significantly affects loyalty

Based on the review of relevant literature, the research model can be illustrated as follows:
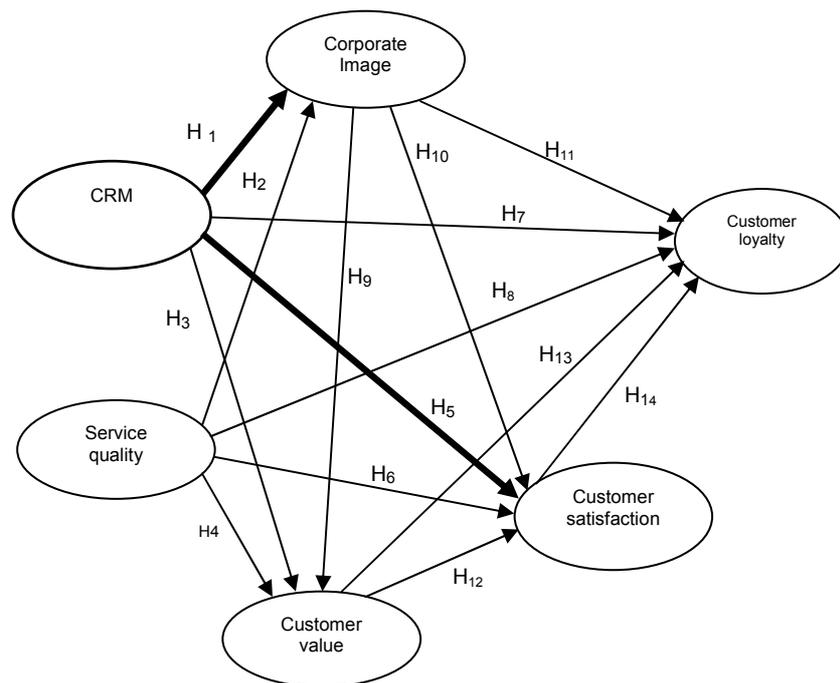
3. Research Method

This study takes a quantitative approach. Data collection is done through a survey. Data collection instrument is questionnaire processed using descriptive analysis techniques and inferential analysis of GSCA (Generalized Structured Component Analysis). The population in this study is customers of Bank Muamalat and Bank Syariah Mandiri (BSM) in East Java in four cities, namely Surabaya, Malang, Kediri, and Jember. Sample size is determined using Slovin formula of a population of 383,651 people to 278 respondents. Description of the data is shown in the following table:

Aspects	Categories	Frequency	Percentage (%)
Sex	Male	140	50.36
	Female	138	49.64
Age	16- 26	62	23.3
	27- 36	96	34.53
	37- 46	63	22.66
	47- 56	33	11.87
	57- 66	12	4.32
	> 66	12	4.32
Education	Elementary	3	1.08
	Junior High	6	2.16
	Senior High	79	28.42
	Bachelor	31	11.15
	S1	143	51.44
	S2	15	5.40
	S3	1	0.36
Occupation	Civil servants	37	10.66
	Private employees	104	29.97
	Soldiers / Police officers	2	0.58
	Entrepreneurs	66	19.02
	State-owned enterprise employees	6	1.73
	Housewives	26	7.49
	Students	30	8.65
	Retired	7	2.02
The length of becoming a customer	1-3	161	57.91
	4-6	76	27.34
	7-9	21	7.55
	$\geq$ 10	20	7.19
The reasons of becoming a customer	Trust. safety	65	23.38
	Ease of service. good service	47	16.91
	Under the principle of sharia believed by Muslim community	157	56.47
	Others	9	3.24

4. Research Finding

Based on GSCA analysis on the feasibility of the construct, the Fit model (Appendix: Table of Fit Model) has a global index optimalization GFI > 0.9; thus the construct, based on the criteria previously set, is very good. The value of the goodness of fit of the structural model was 0.554. This means that the contribution of overall CRM, quality of service, corporate image, customer value, and customer satisfaction on customer loyalty is 55.4%, while the remaining 44.6% is contributed by other variables not addressed in this study.

The results of Measurement Model (Appendix: Measurement Model) analysis with CR at the 0.05 level shows that:

The four (4) indicators of CRM (X_1) are significant consisting of:

$X_{1.1}$: communication – information: giving the right information to customers based on sharia principles

$X_{1.2}$: communication – relationship: building good relationship with customers (*uswah / hasanah*)

$X_{1.3}$: trust: providing guarantee to customers over fund they keep

$X_{1.4}$: commitment: committed to customers, ensuring customers that profit sharing does not violate the principle of fairness

The six (6) indicators of service quality (X_2) are significant consisting of:

$X_{2.1}$: tangibles: good building

$X_{2.2}$: reliability: employees understand products offered to customers

$X_{2.3}$: responsiveness to customers: employees understand customers' need and can help customers to do transactions

$X_{2.4}$: responsiveness to time: punctuality in serving customers

$X_{2.5}$: assurance: customers feel safe on doing transactions

$X_{2.6}$: emphaty: can provide ease of transactions through ATM

The six (6) indicators of corporate image (Y_1) are significant consisting of:

$Y_{1.1}$: assessment of corporate identity: the identity of the bank is clear, the name of the bank is well known by customers

$Y_{1.2}$: reputation: having good reputation

$Y_{1.3}$: features of *akad* products: having sharia or *akad wadiah akad mudharabah* savings products

$Y_{1.4}$: features of product types: umrah or hajj savings products

$Y_{1.5}$: unique aspect of sharia products: having profit sharing system different from interests system

$Y_{1.6}$: unique aspect of programs: having programs to help delivering Zakat, Infaq and Shadaqah (ZIS)

The three (3) indicators of customer value (Y_2) are significant consisting of:

$Y_{2.1}$: social value - impression: sharia banks have good impression in the community

$Y_{2.2}$: social value - *syiar*: sharia banks enlarge sharia applications in the community

$Y_{2.3}$: time efficiency: sharia banks provide time efficacy

The three (3) indicators of customer satisfaction (Y_3) are significant consisting of:

$Y_{3.1}$: satisfaction over the products or service offered by sharia banks

$Y_{3.2}$: overall satisfaction on sharia banks

$Y_{3.3}$: satisfaction and trust over the products or service and promises offered by sharia banks

The four (4) indicators of customer satisfaction (Y_4) are significant consisting of:

$Y_{4.1}$: customers are actively doing transactions

$Y_{4.2}$: customers support or recommend products or showing loyalty

$Y_{4.3}$: customers keep supporting or showing loyalty or adopting

$Y_{4.4}$: customers are more loyal (keep using the products or services offered despite emerging competitors)

The results of Structural Model (Appendix: Structural Model) on Significant Path Coefficient (CR at 0.05 level) show that of the 14 hypotheses proposed, 11 show a significant influence (H1, H2, H3, H4, H5, H6, H7, H8, H9, H12 and H13), while the rest 3 hypotheses (H10, H11 and H14) have a non-significant effect.

The results of hypothesis testing on H1 show that CRM has a significant effect on corporate image. The results are consistent with the research results by Hasan (2014) which says that sharia encapsulates all aspects of life, both ritual and social. Therefore, social communication skills and argumentation in conveying information about the existence, function, and role of Islam in governing human relations in life is a joint responsibility of each Muslim individual according to their economic and social ability and expertise. The results are also in line with the theory of Gronroos (2007), which states that CRM (Customer Relationship Marketing) is how to increase customer value by using a marketing tool in the form of communication, trust, commitment, and empathy as to make customers feel more secure, to achieve profitability of the company, and to improve corporate image. The factors affecting corporate image are (1) communication as to provide information to customers about sharia savings and to provide understanding on the intention of partnership that is to build customer confidence, (2) a good relationship between Bank Muamalat and BSM with customers as to provide role models / *uswah hasanah* so that customers have confidence and trust on funds deposited, and (3) the commitment of Bank Muamalat and BSM that profit sharing does not violate the principle of fairness so there is hope and opportunity to build relationships with customers in order to maintain good corporate image.

The results of hypothesis testing on H2 show that service quality has a significant effect on corporate image. The results are consistent with the theory by Gronroos (2007) and by Utami (2008) stating that service quality can affect corporate image since corporate image represents a common image, profile, reputation, and special and distinctive attracting factors of a company. The better the service quality, the more positive corporate image will be. The results support the research results by Shih-I (2011) that the quality of service significantly influences corporate image and reveals that companies with good service quality then come to have a strong corporate image, and leads to loyalty. Based on the explanation, quality of service is very important, because it is necessary for each company to provide a positive perception on the customers' mind. This is supported by the answers given by the respondents to the overall indicators of service quality of Bank Muamalat and BSM: good

office buildings and facilities, bank employees understand products offered to customers, bank employees understand customers' need and can help customers to do transactions, bank employees are punctual in serving customers, bank employees can provide ease of transactions through ATM, and bank employees make customers feel safe on doing transactions.

The results of hypothesis testing on H3 show that CRM has a significant effect on customer value. The results are consistent with the theory by Gronroos (2009) and by Payne (2009) that CRM is a way to improve customer value with the aim of maximizing customer value itself. The results of this study also support the research by Velnampy *et al.* (2012) which states that CRM has a significant influence on customer value. The company should be able to improve CRM programs. According to Kotler and Keller (2002), there are two values—social value and use value which include feelings, impressions, and time efficiency; thus, the company should meet its obligations to customers in order to create maximum customer value as to reflect favor on the implementation of CRM that can provide good image and impression in the community. In this study, it can be said that the implementation of CRM in Bank Muamalat and BSM has been able to raise public confidence by maintaining good relations with customers to create customer value.

The results of hypothesis testing on H4 show that service quality has a significant effect on customer value. The findings support the theory by Kotler and Keller (2009) which states that customer value increases due to increase in quality of service; it is an important part in the perception of value, namely quality or excellence and service. The results of this study also supports the research by Ali and Aram (2011) confirming that deregulation in Iran leads to a more open and freer market system, and research has shown that the quality of services directly affects customer value because value represents the core of what is perceived by consumers which is a subjective value of service providers' activities. In line with theory and previous research, the quality of service that affects value is assurance that Bank Muamalat and BSM can provide a sense of security to customers, thus significantly influence customer value. This is supported by the loading factor for assurance of quality of service of 0.851.

The results of hypothesis testing on H5 prove that customer satisfaction increases because it is influenced by CRM. These findings are in line with the theory of Payne (2008), emphasizing on customer retention to maximize lifetime value of customer as to create satisfaction and loyalty as the fundamental purpose of marketing relationship because customer satisfaction and loyalty is a tangible asset with added values. Based on theory and previous research, there are several things that affect how Bank Muamalat and BSM maintain customer satisfaction, namely (1) the banks always inform customers on a new product and ask if customers have an problems related to the products they use; and (2) the banks contact non-active customers as to obtain information on causes their being inactive. This is consistent with the goal of CRM that is to maintain relationships with customers on the basis of commitment, trust or confidence to reduce anxiety and to lead to comfort and satisfaction that will benefit the customers and the bank itself.

The results of hypothesis testing on H6 prove that customer satisfaction increases in line with service quality. These findings are in line with the research results by Muhammad (2002) stating that the function of institutions or organizations is not only physical function but also ethics / morals. Sharia banks possess such Islamic work environment that covers trust and *siddiq*, skillful and professional (*fathanah*), ability to perform teamwork and evenly distributed information throughout the organization (*tabligh*) (Hasan, 2014). These finding also support the theory by Parasuraman *et al.* (1996) in Tjiptono (2001) confirming that quality of service is the level of benefits provided by the service providers with these attributes: tangibles, reliability, responsiveness, assurance, and empathy with the aim to meet customer expectations. Based on the findings and the explanation, there are several factors in Bank Muamalat and BSM in East Java that leads to an increase in customer satisfaction increases to avoid gaps, including (1) the listening gap by (a) establishing good relationship by visiting customers, and (b) listening to customer complaints; (2) te services of design and standards gap by (a) providing suitable tangible and intangible services, and (b) providing maintenance to tangible and intangible services; (3) the services performance gap by (a) providing user-friendly service to customers, (b) giving attention to customer expectation; and (4) the communication gap by (a) conducting effective marketing communication, and (b) conducting interactive marketing communications programs.

The results of hypothesis testing on H7 prove that customer loyalty increases because it is influenced by CRM. These findings are in line with the theory of Payne (2008) that CRM aims at keeping customers. It can be interpreted that CRM will produce loyal customers. The results of the study support the research by Jumaev (2012) which states that marketing relationship has a significant effect on loyalty high. Based on the theory and previous research, customer loyalty on Bank Muamalat and BSM increases because it is influenced by CRM. The factors that influence this condition are (1) communication providing information that savings are in accordance with sharia principles; (2) banks are committed to consumer trust; and (3) banks are committed to profit sharing.

The results of hypothesis testing on H8 prove that customer loyalty increases in line with service quality. These findings are in line with the theory by Parasuraman *et al.* (1996) in Tjiptono (2001), confirming that

quality of service is the level of benefits provided by the service providers with these attributes: tangibles, reliability, responsiveness, assurance, and empathy with the aim to meet customer expectations. The findings also support the research results by Ishaq (2012), which confirm that the quality of service significantly affects customer loyalty and that marketing paradigm has changed because the economy is becoming more service oriented. If the quality of service is maintained properly, it will help the management of the company to develop customer-oriented strategy and to provide insights into the importance of perceived service quality in order to build loyalty. Based on the theory and previous research, it has been described that customer loyalty of Bank Muamalat and BSM increase because (1) they have good office buildings and facilities; (2) their employees understand products offered to customers; (3) their employees understand customers' need and can help customers to do transactions; (4) their employees are punctual in serving customers; (5) their employees can provide ease of transactions through ATM; and (5) their employees make customers feel safe on doing transactions.

The results of hypothesis testing on H9 prove that customer value increases as influenced by corporate image. These findings are in line with the theory by Gronroos (2007) affirming that corporate image is an important factor for service providers or companies, and is largely determined by customer value. Kotler and Keller (2009) confirm that corporate image refers to assets of companies difficult to imitate, and emphasize the importance of values, features, and unique aspects of its products. When consumers buy a product from a company, they are not just buying a product, but they also receive a set of company values in the features and unique aspects of the product they purchase. Islam in social life (*muamalah*), in the economic sector, prohibits us from taking interest or usury; it is run through the profit sharing system, *Zakat*, *Infaq*, *Sadaqah* (ZIS) and others (Hasan, 2014). This is a unique aspect of a product that is different from conventional banks.

Furthermore, the findings of this study support the research by Maiyaki (2012), revealing corporate image has a significant effect on customer value. Basically, a good image would be an asset to any company, because image creates certain perceptions on customers related to overall communication and company operations. By looking at the afore-presented results and explanation, corporate image of Bank Muamalat and BSM is an important factor to increase customer value. Bank Muamalat and BSM (1) play a role in communicating expectations by having an identity and logo well known by customers; (2) play a role in filtering perceptions of customers related to performance by forming emotional bonding with customers; (3) have good experience related to customers expectation by having based on sharia products, such as *akad wadiah* savings, *mudharabah* savings, Hajj or Umrah savings; (4) are able to give a good impact on employees, customers, and communities by providing profit sharing concept different from interests and zakat, infaq and sadaqah (ZIS) distribution program.

The results of hypothesis testing on H10 prove that corporate image has no significant effect on customer satisfaction. The results of this study is in contrast with the theory by Kotler and Keller (2009) which says Corporate image indicates a certain level of quality that satisfied customers can easily choose and buy the products again in the future, and become loyal customers. These results are not in line with the research by Te Tu *et al*. (2012), stating that corporate image significantly affects customer satisfaction and loyalty, and that companies should specifically focus on factors related to image in order to build mutually beneficial long-term relationships with customers and to create satisfaction and loyalty as a competitive advantage. Based on the contradiction between the theory and the empirical results, there are several factors leading to the contradiction, namely: (1) satisfaction is not only based on corporate image but can also be based CRM, quality of service, and value; (2) good corporate image does not always create satisfaction because each individual has different perception; and (3) sharia banking is new compared to conventional banking so corporate image of Bank Muamalat and BSM has not been so pervasive in the perception of consumers.

The results of hypothesis testing on H11 prove that corporate image has no significant effect on customer loyalty. The results of this study is in contrast with the theory by Gronroos (2007) stating that corporate image relates to information of potential buyers and can affect customer satisfaction and loyalty, and the findings by Shih-I (2011) revealing that corporate image significantly affects loyalty and satisfaction, and that companies with strong corporate image will produce more satisfaction to its customers and customers will even increase their purchase. Based on the contradiction between the theory and the empirical results, there are several factors leading to the contradiction, namely: (1) one's loyalty is not only influenced by corporate image but can also be influenced by CRM, service quality, and value; (2) the use of products is still in a relatively short time so it is possible that sharia banking products with many types of *akad* such as *mudharobah* and *wadiah* as well as profit sharing concept is not so much understood by customers which does not make loyal customers; this is shown loyal in the recapitulation of the characteristics of respondents based on the length of time they become customers of Bank Muamalat and BSM, and the highest 57.91% of respondents are short time customers (1-3 years); and (3) the necessity to do other transactions in the other banks other than Bank Muamalat and BSM making respondents are not entirely loyal.

The results of hypothesis testing on H12 prove that customer satisfaction is affected by customer value.

These findings are in line with the theory by Hollensen (2010) which says that the customer wants maximum value, yet limited by cost of search and knowledge, mobility and income. In fact, if an offer is meeting the expectations on value, it will affect satisfaction and the likelihood to repurchase. Based on the description, it appears that customer value can affect satisfaction. In line with the existing theory, the factors that support the influence of customer value on customer satisfaction are (1) Bank Muamalat and BSM can provide social value giving good impression on people which can expand the application of sharia in people's lives, as value is what customers receive as a balanced exchange between what they spend and what they get; and (2) Bank Muamalat and BSM can provide benefit through time efficiency—time is essential in doing daily activities. For Muslim, the more effective and efficient time is used, then the higher the value of time, and according to *sunatullah*, those exercising it will gain both in the world and afterlife benefits, as taught in Islam (QS. Al-Qasas [28]: 77) (Mohammed, 2002).

The results of hypothesis testing on H13 prove that customer loyalty is affected by customer value. These findings are in line with the theory by Hollensen (2010) stating that in business, when you sell, you should be able to create as much as the value for other businesses by increasing customer demand. The findings are also in line with the research by Liu (2007) stating that when customers purchase and repurchase products, and they feel positive or satisfied with the goods and services, it is said that they are loyal customers because customer loyalty refers to commitment to buy a product in a continuous manner. Furthermore, the findings of this study are consistent with the results of research by Mohammad (2012) that value significantly affects customer loyalty; in other words, perceived value significantly increases loyalty. Based on theory and previous research, the factors affecting are as follows: (1) Bank Muamalat and BSM can provide social value in the form of services having good impression in the community and can extend the application of sharia in public life; this is supported by the characteristics of the respondents in which 157 people or 56.47% of respondents chose to be customers as the concept is according to sharia required by the Muslim community; and (2) Bank Muamalat and BSM can provide benefits in the form of services with time efficiency.

The results of hypothesis testing on H14 prove that customer satisfaction has no significant effect on customer loyalty. The results of this study is in contrast with the theory by Kotler and Keller (2009) stating that if the after-purchase evaluation results go beyond customer expectations, customers will be satisfied and will easily select and buy the products back in the future resulting in loyal customers. The findings are also in contrast with the research findings by Liu (2007) stating that when customers purchase and repurchase products, and they feel positive or satisfied with the goods and services, it is said that they are loyal customers because customer loyalty refers to commitment to buy a product in a continuous manner. Based on the contradiction between the theory and the empirical results, there are several factors leading to the contradiction, namely: (1) the possibility that customers of Bank Muamalat and BSM do not make any claims when they are satisfied with the services and products; they do not recommend to others that sharia banking uses sharia principles in terms of contract that is *mudharobah*, *wadiah*, ZIS programs, and profit sharing; (2) customers have an account in another bank; and (3) customers are not interested in other savings products offered by Bank Muamalat and BSM in addition to the savings products they have this time, as many customers do not understand about other savings products, such as gold investment.

5. Conclusion and Managerial Implication

Based on the findings in this study, it can be concluded that CRM and service quality can directly improve corporate image, value, customer satisfaction, and loyalty; while corporate image does not directly affect customer satisfaction and loyalty, but it increases customer satisfaction and loyalty through value.

In terms of managerial implication, bank managers are expected to devise a more precise strategy and to allocate resources efficiently and effectively to the implementation of CRM in the form of intimacy and excellent to maintain sharia service champion so that it will be beneficial to both the customer and the bank. In addition to CRM and service quality, managers of the sharia banks must maintain (1) social value impression, (2) social value *syiar*, and (3) social value benefit (Kotler and Keller, 2009; Kishada and Wahab, 2013; Hasan, 2014; and Mohammad, 2002). *Syiar* is a solution to the problems of human life by expanding the application of sharia in the community. In Quran, it is explained, "That [is so]. And whoever honors the symbols of Allah - indeed, it is from the piety of hearts." (QS. Al-Hajj [22]: 32) (Dunia Syiar Islam, 2014). Value of benefits: Islamic banks provide time efficiency. The timing was fektif and efficient will be profitable in the world for anyone who carry it out. Therefore, whoever the perpetrators regardless of race, religion, and race, in sunatullah, it will benefit the world. In Islam not only gain the advantage in the world, but you are looking for is an advantage in the world and akirat (QS. Al-Qasas [28]: 77) (Mohammed, 2002)

6. Limitations and Further Research

There are limitations of this study. First, respondents are mostly young. Second, respondents are recently becoming customers of sharia banks. Third, many of the customers have savings account at another bank. Fourth,

the unit of analysis uses is to see respondents as homogeneous and is not according to market segments, namely sharia loyalists (floating mass) and conventional loyalist as to get more specific results.

In the selection of respondents, further studies are expected to (1) pay more attention to age, since emotional maturity is also a determining factor; (2) pay more attention to length of time of one becoming a customer in the sharia bank as to gain comprehensive perspective from the customer related to sharia banking; and (3) distinguish respondents by market segment / define qualification leveles and segments, namely sharia loyalists (floating mass) and conventional loyalist as to get more specific results and to help identify potential customers market size.

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APPENDICES
Appendix: GSCA Results

Model Fit	
FIT	0.554
AFIT	0.550
GFI	0.974
SRMR	0.132
NPAR	66

Measurement Model

Variable	Loading			Weight			SMC		
	Estimate	SE	CR	Estimate	SE	CR	Estimate	SE	CR
CRM	AVE = 0.616, Alpha =0.790								
$X_{1.1}$	0.753	0.039	19.14*	0.303	0.017	17.35*	0.568	0.059	9.56*
$X_{1.2}$	0.836	0.019	42.98*	0.350	0.019	18.78*	0.699	0.033	21.46*
$X_{1.3}$	0.797	0.034	23.58*	0.322	0.027	12.1*	0.635	0.053	11.87*
$X_{1.4}$	0.751	0.045	16.66*	0.297	0.022	13.67*	0.564	0.067	8.43*
Service Quality	AVE = 0.607, Alpha =0.864								
$X_{2.1}$	0.762	0.035	21.97*	0.219	0.014	16.23*	0.581	0.052	11.18*
$X_{2.2}$	0.817	0.025	32.09*	0.229	0.012	18.64*	0.668	0.041	16.21*
$X_{2.3}$	0.850	0.023	36.77*	0.232	0.012	18.66*	0.722	0.039	18.49*
$X_{2.4}$	0.806	0.029	27.81*	0.205	0.015	14.08*	0.650	0.046	14.04*
$X_{2.5}$	0.851	0.023	37.49*	0.230	0.013	17.16*	0.724	0.038	18.98*
$X_{2.6}$	0.548	0.083	6.58*	0.160	0.021	7.66*	0.300	0.089	3.36*
Corporate Image	AVE = 0.517, Alpha =0.812								
$y_{1.1}$	0.627	0.053	11.93*	0.200	0.018	10.93*	0.393	0.066	5.97*
$y_{1.2}$	0.708	0.034	20.82*	0.249	0.016	15.59*	0.502	0.048	10.41*
$y_{1.3}$	0.783	0.022	36.01*	0.250	0.017	14.7*	0.614	0.034	18.08*
$y_{1.4}$	0.755	0.034	22.28*	0.237	0.015	15.68*	0.570	0.051	11.26*
$y_{1.5}$	0.736	0.031	23.85*	0.246	0.017	14.57*	0.541	0.045	12.03*
$y_{1.6}$	0.696	0.053	13.16*	0.206	0.016	13.04*	0.485	0.071	6.79*

Customer Value	AVE = 0.643, Alpha =0.718								
$y_{2.1}$	0.821	0.028	29.02*	0.433	0.022	20.0*	0.674	0.046	14.59*
$y_{2.2}$	0.754	0.030	25.36*	0.363	0.028	12.87*	0.569	0.045	12.66*
$y_{2.3}$	0.829	0.024	35.01*	0.447	0.027	16.45*	0.687	0.039	17.47*
Customer Satisfaction	AVE = 0.745, Alpha =0.828								
$y_{3.1}$	0.825	0.030	27.44*	0.360	0.018	19.9*	0.681	0.050	13.74*
$y_{3.2}$	0.899	0.017	53.1*	0.407	0.021	19.58*	0.808	0.030	26.64*
$y_{3.3}$	0.863	0.022	40.03*	0.390	0.018	21.17*	0.745	0.037	20.07*
Customer Loyalty	AVE = 0.575, Alpha =0.753								
$y_{4.1}$	0.666	0.051	12.98*	0.299	0.027	11.28*	0.444	0.068	6.5*
$y_{4.2}$	0.806	0.027	30.08*	0.357	0.021	17.05*	0.650	0.043	15.21*
$y_{4.3}$	0.800	0.028	28.76*	0.370	0.021	17.67*	0.640	0.045	14.34*
$y_{4.4}$	0.753	0.038	20.06*	0.288	0.020	14.15*	0.567	0.056	10.13*

CR* = significant at .05 level

Structural Model

Path Coefficients			
	Estimate	**SE**	**CR**
CRM -> Corporate Image	0.488	0.055	8.89*
CRM -> Customer value	0.314	0.074	4.27*
CRM -> Customer satisfaction	0.196	0.097	2.02*
CRM -> Customer loyalty	0.161	0.079	2.04*
Service quality -> Corporate Image	0.321	0.052	6.23*
Service quality -> Customer value	0.295	0.077	3.85*
Service quality -> Customer satisfaction	0.200	0.070	2.85*
Service quality -> Customer loyalty	0.178	0.072	2.47*
Corporate Image -> Customer value	0.215	0.071	3.02*
Corporate Image -> Customer satisfaction	0.030	0.088	0.34
Corporate Image -> Customer loyalty	0.136	0.087	1.57
Customer value -> Customer satisfaction	0.430	0.058	7.38*
Customer value -> Customer loyalty	0.286	0.066	4.3*
Customer satisfaction -> Customer loyalty	0.033	0.084	0.39

CR* = significant at .05 level

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