Factors Affecting Customer Retention in the Banking Sector (Study on BRI Customer in East Nusa Tenggara, Indonesia)

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Abstract
The purpose of this study is to analyze and explain relationship among service quality, customer satisfaction, corporate image, trust, loyalty, and customer retention. Survey method by questionare is used to gain data from 204 customers of BRI who came from 4 Local Office of bank BRI in East Nusa Tenggara Province, Indonesia. Statistic descriptif and General Structured Component Analysis (GSCA) was used to analyze data. The results provide that service quality has a significant and positive effect on customer satisfaction, and corporate image, but it has an insignificant effect on customer retention. Customer satisfaction has a significant and positive effect on trust and customer retention. Corporate image has a significant and positive effect on loyalty and customer retention. Trust has a significant and positive effect on customer retention. Loyalty has a significant and positive effect on customer retention. The limitations of this study are using cross sectional data, and the limited number of samples comes only from one bank that is BRI. The results contribute to developing of science, especially in marketing science and practical contribute to the manager of bank service in relation with efforts to promote customer retention, because customer retention is more advantageous than looking for new customer.
Keywords: Service Quality, Satisfaction, Image, Trust, Loyalty, Retention.

1. Introduction

Faced with increasingly fierce competition conditions lately has been to encourage companies to implement the concept of relationship marketing in business. Relationship marketing is a marketing concept to establish, maintain and improve relationships with consumers and other groups so that the objectives of the groups involved can be met at a favorable rate (Grönroos, 1984). The aim of relationship marketing is to increase long-term profitability through the change of marketing based transactions, with an emphasis on finding new customers into customer retention through effective customer relationship management. Customer relationship management is a continuous process in establishing activities and cooperative and collaborative programs with customers in creating or enhancing mutually beneficial economic value (Kotler and Keller, 2006).

Bank Rakyat Indonesia (BRI) as one of the state-owned commercial banks is also faced with problems, how to increase customer retention. As a company engaged in the field of banking services, customer retention is the key to business success, because the level of high customer lretention can spur an increase in a range of performance, not only the performance of the field of marketing, but also the performance of the financial sector, such as improved years profit.

To realize the above objectives, BRI formulates a number of strategic steps in the field of marketing with the theme: "Meet the needs of financial transactions and improve customer loyalty through the implementation of integrated marketing programs, supported by product recognition programs, increased accessibility, and improved service quality customers. To that end, a number of programs have been formulated to be applied in an integrated and comprehensive manner by all work units, which include; awareness building programs, the program improved access to services, program development product features and Human Resource competency enhancement program (BRI Annual Report, 2016).

In order to retain and attract new customers, many companies are working to improve and improve product quality and service quality. According to Parasuraman *et al.* (1994), to build customer satisfaction, product quality is as important as the quality of service. Product quality is a customer's assessment of the superiority of a product. Quality is an important consideration for customers, especially for long term relationship ties with the product. In addition to the effect on satisfaction and loyalty, service quality can also affect corporate image. Quality services will give a positive impression in the minds of customers about the company concerned. This positive impression that will further shape the perception and image of the company for customers (Grönroos, 1984). The results of research show that service quality affects the company's image is Alireza *et al.* (2011) and Wang *et al.* (2003). In addition, the quality of service also affects customer satisfaction. This relationship has been extensively researched, especially in relation to loyalty. The results of studies that prove the influence of service quality on customer satisfaction is Kassim and Abdullah (2010), Chen *et al.* (2012). Quality of service also affects trust. Service Quality leads to customer trust in the service provider. This is proved by the results of research Grönroos (2007), and Shpetim (2012).

In the context of *relationship marketing* customer satisfaction be one way to retain customers in the long term, as customers are less satisfied has a very high level for the move. According to Oliver (1997), customer satisfaction affects customer loyalty.If the quality of the product or service can meet the needs and demands of customers, customers will be satisfied and will be converted into loyal customers. This loyal customer will further increase the customer's equity for the company. The company's profitability is not only seen on the balance sheet, but also scalable from Customer base and lifetime value for the customer associated with the company.

Oliver (1999) states that customer satisfaction is the core philosophy of marketing strategy for every organization, and plays a key role in organizational success. This is in line with the concept of Customer Relationship Management (CRM) that puts customer satisfaction as a basic principle to attract and retain customers. According to Gronroos (1984), customer satisfaction is a concept that has a broad meaning that is influenced by many factors, and service quality is one of the determinant factors that affect customer satisfaction.

Corporate image also affects customer retention.There is a positive relationship between corporate image and retention, which is the image of the company is a result of customer evaluation of the perceived quality and quality obtained from the company. The findings of studies that support the relationship corporate image and retention is Nguyen and Lee Blanc (2001).

Furthermore, corporate image also affects the trust. This is due to the experience and the positive impression gained a customer for interacting with the service provider can reliably generate confidence in the service provider organization (Flavian, *et al.,* 2005). A corporate image is an intangible asset that is highly guarded by many leaders of the company, because once a customer has a bad impression and image of the company, will take time and energy to fix it.The finding of studies supporting the relationship between corporate image and confidence is Ba, (2001); and HOQ, *et al.* (2010).

Trust is a key factor in building relationships between banks and customers. The trust is also recognized in the theory of marketing as a strategy to develop and maintain long-term relationships (Crosby *et al.* 1990; Doney and Canon, 1997). Trust has a different meaning depending on the perspective of each discipline; such as psychology, economics, marketing, and religion. Trust has been learned from various disciplines, where each discipline has its own concepts and definitions. Therefore, there is no similar agreement on the definition of trust (Lewis and Weigert, 1985). As a rule, Morgan and Hunt (1994) argue that trust exists when a group feels confident to participate in an honest and credible relationship with another group. According to Aydin *et al.* (2005) in order to gain the trust of the group must believe that other groups will perform actions that result in a positive outcome for him. Therefore, in building customer trust not only needs to have a positive perception of results but also believe that positive results will continue in the future. The findings of studies that prove that trust has a significant effect on loyalty, among others by; Caceres and Paparoidamis, (2007); HOQ *et al.* (2010); Kassim and Abdullah, (2010).

Creating and improving customer loyalty has become a popular topic among managers, consultants, and academics these days. Customer loyalty is said to have a major impact on customer retention rates, a large commitment to the company's spending portion, and is willing to be a recommender for others to become corporate customers (Reichheld and Sasser, 1990). Loyal customers are not easy to switch to competitor companies, will continue to increase the frequency of relationships and value of transactions with the company, and will be a positive news carrier about the company to other parties.

Customer loyalty has been recognized as the dominant factor in the success of business organizations. Lam and Burton (2006) found that loyal customers were more likely to buy back from suppliers or increase their share of purchases. They can also give recommendations about the bank's business organizers or invited through word of mouth promotion. Customer loyalty can also reduce costs and increase profits. As stated by Reichheld and Sasser (1990), the cost to recruit new customers is five times greater than the cost of maintaining existing customers.

Research on loyalty is not enough to stop there, because customer loyalty becomes meaningless if it does not bring value and profitability for the company. Therefore, customer loyalty also has a positive correlation to customer retention. Loyal customers will be longer with the company, do not want to switch to another company, and spend more money on the company. Therefore, customers who survive and do not want to move to another company is a valuable customer for the company.

This research based from previous theories and research results where there is a research gap from some previous research that has not discussed the direct relationship between corporate image and customer retention.. Theoretically the relationships are possible because customers who have a positive image tend to survive as loyal customers.

2. Literature Review, Hypothesis, and Research Model

2.1. Literature Review and Hypothesis

2.1.1. The concept of customer retention and factors that influence it

Customer retention is an action performed by the company to retain existing customers in order not to move to a competitor company. In some previous studies customer retention is also defined as the behavior of customers who are reluctant to move to another company by showing some indications. According to Morgan and Hunt (1994), customer retention is the tendency of a customer to stay in touch with the service provider. Customer retention has a different meaning to customer loyalty (Buttle, 2004). Customer loyalty is an attitude construct, while customer retention is a behavioral construct. therefore, the measurements of the two constructs are different.

Customer retention has become the center of the attention of today's business organizations, as customer retention is more profitable than the huge cost to acquire new customers (Reichheld and Sasser, 1990). This is due to customer retention enabling companies to press various types of costs such as advertising costs, and the cost of hiring new customers. In addition, customer retention also leads to increased market share, Word of Mouth (WOM) positive, and decreased price sensitivity (Reichheld & Sasser, 1990). customer retention is influenced by many factors. In this research, we tested five factors that theoretically influence customer retention, namely service quality, customer satisfaction, corporate image, customer trust, and customer loyalty.

2.1.2. Service Quality

Service quality reflects the comparison between the level of service delivered by the company compared to the customer's expectations. Quality of service is realized through the fulfillment of customer needs and desires as well as the accuracy of delivery in offset or exceed customer expectations. Thus, the high quality of service is determined by how much customer expectations can be met through the services provided (Tjiptono and Chandra, 2012). Another opinion states that service quality is an output of evaluation process where consumer expectations compared to the perceived service or have been received (Grönroos, 1984).

Theoretically Service quality is closely related to customer satisfaction. The relationship between service quality and customer satisfaction can be traced through the following research results. Hurley and Estelami (1998) places the level of customer satisfaction within the organization or service provider by evaluating the quality of service along with other factors. Murray and Howat (2002) states that the quality of service and satisfaction as two related constructs. Satisfaction can serve as antecedent or *outcome* of the service quality. Dabholkar *et al.* (2000) and Santouridis and Reklitis (2009) found that the quality of service has been established as a predictor of customer satisfaction. Arasli *et al.* (2005) and Al-Hawari *et al.* (2009) stated that the quality of service has become an important point of research this time, the parameter that affects the level of customer satisfaction in the context of financial services. The relationship between service quality and customer satisfaction has been widely explored by researchers earlier and found that the service quality is one of the determinant variables of customer satisfaction (Butt and Aftab, 2012; Yap, *et al.,* 2012)

Service Quality also affects Corporate Image. Good Quality of Service will leave a positive impression for customers on Service Provider. The results of studies that prove the influence of the quality of service to corporate image presented by Alireza *et al.* (2011) stating that service quality significantly affects corporate image in the context of telecommunication service customers in Iran. Likewise with the other results in China shows that the service quality significantly influence the bank's reputation (Wang, *et al.,* 2003).

Quality of service is also positively related to market share, company reputation and ability to set a premium price. In addition, the service quality can improve the organization's ability to retain customers that in turn affects profitability through cost efficiencies, increased sales, premiums, and WOM (Heskett, *et al.,* 1997). Therefore, the following hypothesis was proposed:

H1: Service Quality affects Customer Satisfaction
H2: Service Quality affects Corporate Image
H3: Service Quality affects Customer Retention.

2.1.3. Customer Satisfaction

Customer satisfaction is a response to the fulfillment of consumer needs, in the form of an assessment of the features of the product or service, or the product or service itself that provides a level of pleasure in consuming, including the level of fulfillment that is below expectations or exceeds consumer expectations (Oliver, 1997). According to Johnson (2001), there are two main concepts about customer satisfaction. The first category of the concept is as suggested by Oliver stating that the measurement of satisfaction should be based on a product or service specificity transaction that can be defined as a post-selection assessment related to a particular purchase decision. Other concepts are set by researchers such as; Anderson *et al.* (1994), Garbarino and Johnson (1999), which expresses perceived satisfaction as a term for the overall accumulation of consumer experience of a company, product or service.

To defend the right buyer seller relationship in the long run satisfaction factor was one factor to consider (Bolton, 1998; Crosby *et al.,* 1990). Satisfaction is defined as a customer's emotional state resulting from the experience of consuming (Oliver, 1997). The customer will be satisfied if the performance of the product or service exceeds the expected or required quality level. Being satisfied with the performance of a product or service creates trust in the hearts of customers. This is reinforced by the results of research Caceres and Paparoidamis (2007), which shows that satisfaction has a strong and significant influence on the confidence of commitment and loyalty. Kassim and Abdullah (2010) also found that customer satisfaction has a significant influence on customer trust. The results of other studies referenced in this research also shows that customer satisfaction significantly influence trust (Spethim, 2012; Butt and Aftab, 2012)

Some researchers such as Ganesan (1994), and Mittal and Kamakura (2001) have described the customer satisfaction as factors related to long-term orientation of a relation. Geykens *et al.* (1999) states that customer satisfaction is an essential factor affecting long-term relationships between sellers and buyers. The effect of the satisfaction component can stimulate the customer to subscribe to the service provider.

Customer satisfaction as well has an effect on long-time customer relationships. Fornell (1992), stating that a satisfied customer tends to stay in touch with the company as one of the indications of customer retention. Hallowell (1996); Bolton (1998), states that there is a positive correlation between customer satisfaction and the duration of relationships in the retail and mobile banking sector.

Yeung and Ennew (2001) found that the strength of the effect of customer satisfaction in the two terms of the relation of customer satisfaction customer revenue, and customer satisfaction and relationship duration or longer relate different among industries. For example a strong relationship takes place in the financial field, but is weak for the field of technology and communication. This shows that the characteristics of the industrial sector may moderate the relationship.

Although a positive relationship between customer satisfaction and customer retention has been widely recognized, empirical data indicates that many surviving customers claim that they are very satisfied with the service provider. Previous studies indicate that in the context of intense competition, low-satisfaction consumers can cross and move to competing companies offering more satisfaction alternatives (Reichheld and Aspinall, 1994). Thus, the following hypothesis was proposed:

H4: Customer Satisfaction affects Customer Trust
H5: Customer Satisfaction affects Customer Retention

2.1.4. Corporate Image

The corporate image is defined as the net result of the overall interaction of people's experiences, impressions, beliefs, feelings and knowledge about the company (Worcester, 1997). The company image also illustrates the overall public impression of the company (Barich and Kotler, 1991). The experiences and positive impressions customers get during interacting with a trusted service provider can generate trust in the organization of the service provider. This is in line with the results of the Flavian *et al.* (2005) that examines the relationship between corporate image and trust in conventional banks and online banks. The results show that corporate image plays an important role in establishing customer trust for both bank segments both traditional and online. Therefore, corporate image is an important factor of confidence (Mukherjee and Nath, 2003).

According to Ball *et al.* (2004) the role of corporate image in the banking industry is very important, but the results of their studies show that the influence of corporate image on customer loyalty is significant through satisfaction and trust. Results of other studies that prove that the image of the company significantly influence loyalty are; Rai and Medha (2013) in the context of life insurance, Alireza *et al.* (2011) in the context of telephone subscribers.

A strong and positive corporate image not only helps companies gain competitive advantage, but also encourages buybacks by customers (Porter and Claycomb, 1997). Thus, a good corporate image in the eyes of customers brings value and profit to the company. Therefore the corporate image becomes an important tool for banks to strengthen the position, retain customers and maximize profits (Bloemer, *et al.,* 1998). Therefore, the following hypothesis was proposed:

H6 : Corporate Image affects Customer Loyalty
H7 : Corporate Image affects Customer Retention.

2.1.5. Customer Trust

In the world of banking, trust is an important factor that needs to be developed, because without trust, customer will not want to put his money in the bank. Building trust is critical to maintaining a long-term relationship between the company and its customers. For customers who have strong confidence in the company tend to persist in relation with the company. Therefore, trust can encourage long-term loyalty and strengthen buyer and seller relationships In the business world, trust is seen as a major factor that precedes stable and collaborative relationships. Confidence arises when one party feels confident about the reliability and integrity of the exchange partner (Morgan and Hunt, 1994). The nature of trust in organizational relationships is the knowledge that the seller will not act in a risky way that is perceived as a threat by the buyer. Consumers who trust a company means that they have a high confidence in the company that will ultimately affect the commitment and loyalty.

The belief that partners in relationships have reliability, integrity, goodwill and respect for others encourages other partners to stay in the relationship. In commitment-trust theory (Morgan and Hunt, 1994) of mutual trust is

an important mediator of commitment to the success of the relationship. Trust is an important mediator before and after the purchase of the product. Trust can encourage long-term loyalty and strengthen the relationship between the two parties. Associated with loyalty, trust is a psychological state that only appears in a particular relationship situation. Customers who trust in providers tend to be more loyal to the provider. (Garbarino and Johnson, 1999). Previous studies indicate that the effect of trust on loyalty (Caceres and Paparoidamis 2007; HOQ *et al.,* 2010; Kassim and Abdullah, 2010; Spethim, 2012). In relation to customer retention, it can be explained that trust and commitment are part of the customer's positive behavior which is reflected in the continuing good relationship with the company (Morgan and Hunt, 1994). Therefore, the following hypothesis was proposed:
H8: Customer Trust affects Customer Retention.

2.1.6. Customer Loyalty

In the world of marketing, loyalty is an important factor that needs to be pursued and developed. A marketer always hopes to keep his customers in the long run, or even if necessary for good. A loyal customer will be a very valuable asset for the company, because a loyal customer will make a persistent purchase of a company's product, not price sensitive, and will be a funnel or a positive news carrier about the company's products, and advise people others to purchase the products of the companies concerned (Bowen and Chen, 2001).

Bourdeau (2005) states that customer loyalty has a direct and positive influence on customer's exclusive considerations, the power of preference, and the share of wallet. This will further increase cross sales and sales. Reichheld and Teal (1996) systematically analyze the value of loyalty and believe that loyal customers have a longer duration of relationships. While Tsao *et al.* (2009) found that the effect of positive loyalty on customer retention rates that allows customers to survive.

The role of loyalty is more pronounced in the service industry compared to other industries (Berry, 1995; Gwinner *et al.,* 1998). Therefore many service companies use loyalty as a measure to design marketing strategy. On the other hand Dowling and Uncles (1997) state that loyal customers spend more with their companies. Thus, the following hypothesis was proposed:
H9:Customer Loyalty affects Customer Retention.

2.2. Research Model

Based on the theories and empirical studies that have been conducted, the following researh model was proposed in figure 1:

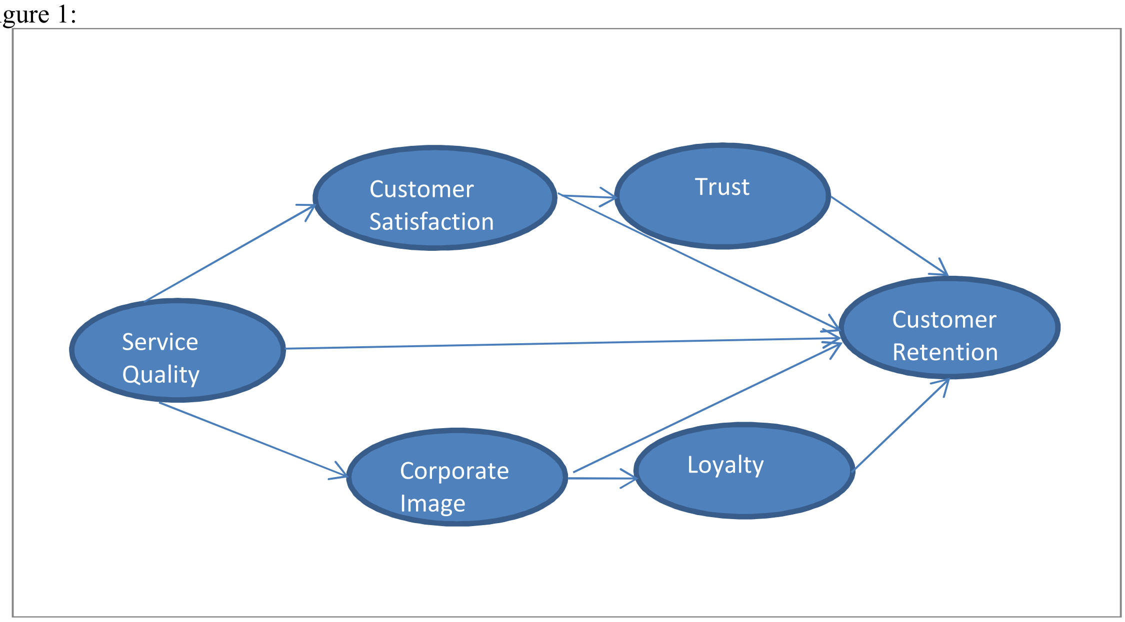

Figure 1. Research Model

3. Methodology

3.1. Research Objective

The purpose of this study is to examine and explain (1) the effect of service quality on customer satisfaction, corporate image and customer retention (2) the effect of customer satisfaction on customer trust and customer retention (3) the effect of corporate image on customer loyalty and customer retention (4) the effect of customerr trust on customer retention and (5) the effect of customer loyalty on customer retention.

3.2. Population and Sample

The population of this study includes all BRI bank savings accounts in 4 selected branch offices in East Nusa

Tenggara province Indonesia, namely BRI branch of Kupang, Kefamenanu, Atambua and Larantuka. The total population is 96,560 people (BRI's annual report, 2015). Determination of sample size is done by using SLOVIN formula with degree of error at 7% then obtained sample of 204 respondents. Determination of respondents is done by accidentally by meeting customers in each branch of BRI bank branch at the time concerned will conduct transactions with bank BRI.

3.3. Instrument and Variable measurement

The questionnaire was prepared using a 5 point Likert scale from 1 to strongly disagree, 2 for disagree, 3 for uncertain, 4 for agree and 5 for strongly agree. The definition of variables and measurements as follows: Service Quality is the suitability and degree of ability of the overall service characteristics provided by BRI bank to meet customer's desired expectations. Indicator measurement are: physical evidence, reliability, responsiveness, assurance, and empathy. (1) Tangibility is the overall facility that can be seen and touched, which is provided by the BRI bank to provide banking services to its customers. Tangibility includes buildings, facilities and equipment supporting services, and the appearance of employees bank. (2) Reliability is the ability of BRI bank provide the services promised with immediate, accurate and satisfactory. (3) Responsiveness is the willingness and desire of employees BRI bank to help provide services to customers of the response. (4) Security is the overall knowledge, competence, friendliness and trustworthiness are owned by employees of BRI bank in providing banking services to its customers. (5) Empathy is the ability of the employee of BRI bank in relationships, effective communication, personal attention, and understanding the needs of individual customers. Measurement of this variable is adapted from the study of Wang *et al.* (2003); Siddiqi (2011); Alireza, *et al.* , (2011);

Customer satisfaction is the evaluation of customers as BRI bank customers where the choice of bank BRI at least match or exceed customer expectations. Indicators include: (1) Satisfaction with the process and (2) Total satisfaction. Measurement of customer satisfaction adapted from Kassim and Abdullah, (2010); Levesque and McDougall (1996). Corporate image is the overall impression that there is in customer's mind about bank BRI. This impression is obtained by customers as a result of customer interaction with bank BRI. The indicators are; Attributes, Functional, Psycholigis and Holistic. (1) Attributes relate to the impression customers get about objects, such as the appearance of office buildings and office locations. (2) Functional related to the completeness of service supporting facilities and customer security guarantee. (3) Psychological indicators are associated with an impression of a comfortable and pleasant atmosphere. For example hospitality, politeness, good relationships, and feel appreciated. (4) Holistic indicators related to the overall impression that the customer receives include reputation and trust. Measurement variables corporate image adapted from Lai, *et al.* (2009); HOQ *et al.,* (2010); and Nguyen and LeBlanc (2001).

Trust is the customer's judgment that bank BRI can be trusted. This assessment covers the quality and reliability of services offered by BRI banks. Trust indicators include; Credibility and Benevolence. (1) Credibility relates to the customer's trust to the service provider because of its ability to deliver services as promised. (2) Benevolence relates to customer trust because the service provider provides the best service according to the customer's interest and will not harm the customer. Measurement of trust was adapted from Ganesan, (1994); McKnight and Chervany (2002).

Loyalty is a strong emotional bond within the customer's always associated with BRI, using the products or services of BRI, and communicating the positive things about BRI and recommend products or services BRI bank to others. The indicators are; has a positive attitude toward BRI bank, and has an emotional bond with BRI bank. (1) Having a positive attitude means that customers place BRI bank as the top priority, tell positive things about BRI bank, and recommend BRI bank to other party. (2) Having an emotional bond with BRI bank is shown through loyalty to BRI bank, and strong emotional bond with BRI bank. Measurement of loyalty adapted from Oliver, (1997); Beerli, *et al.* (2004).

Customer retention is the behavior of BRI's savings bank customers to continue to be BRI's bank customers, unwilling to move to other banks, increase transactions with BRI banks, and purchase of BRI's bank products. Customer retention is measured using two indicators namely; continuation of relationship between customer and bank BRI, and repurchase. (1) The continuation of the relationship is characterized by the existence of customer behavior that persists to BRI bank customers, and behavior is immune or unaffected by the persuasion of others. (2) Buyback behavior for banking customers is known as the intensity of transactions (both frequency and nominal value), and purchasing behavior against other products offered by BRI banks. Measurement of customer retention adapted from Trasorras (2009).

3.4. Data Analysis

This study uses analysis tools General Structured Component Analysis (GSCA). According Ghozali (2008), a component-based approach with GSCA is predictive, this tool can also be used to confirm a theory or empirical models with the data. Use of GSCA in this study is based on several reasons, namely: (1) GSCA able to confirm unidimensionalitas of various indicators for a construct. (2) GSCA able to test the accuracy of a model based on the empirical data tested. (3) GSCA able to test the suitability of the model as well causality relationship between factors built into the model. (4) GSCA is a program or software which has the ability to analyze both recursive and non recursive research models. (5) GSCA can be used to analyze the data with sample sizes large and small. Compared with covarians analysis tools based else that requires a relatively large sample size, it is more suitable GSCA selected as an analytical tool for this research.

4. Result and Discussion

4.1. Validity and Reliability Test of Construct

Validity test consists of convergent validity and discriminant validity. Measurement of convergent validity using loading factor as its parameter. An item is said to be valid when it has loading factor ≥ 0.60. The test results showed that all of the items from latent variable has a value loading factor greater than 0.60. Meanwhile, discriminant validity is measured by the value of average variance extracted (AVE). An item is said to be valid if it has an AVE value of ≥ 0.50. The test results show that all items have an AVE value greater than 0.50. The measurement of reliability in GSCA is done by looking at the value of Cronbach's Alpha. A construct is said to be reliable if it has a Cronbach's Alpha value of ≥ 0.50. The test results show that the indicator has a value of Cronbach's Alpha greater than 0:50. Thus it can be concluded that all items and indicators meet the requirements of validity and reliability.

4.2. Fitness Test of the Model

Goodness of fit structural model is evaluated based on FIT and AFIT values. The result of analysis in table 1 shows that the structural model used in this research is quite good because it can explain 69,9% data variation. Overall Goodness of fitdievaluasi based on the value of GFI and SRMR. The results of the analysis in Table 1. show that the overall model has a high fit and suitability.

Table 1. Fitness Test of the Model

Index	Value
FIT	0.699
AFIT	0.695
GFI	0.994
SRMR	0.080

4.3. Hypothesis Testing

The results of hypothesis testing are presented in table 2, as follows:

Table 2. Hypothesis testing results

H	Relationship	Estimate	SE	CR	Results
H1	Service Quality → Customer Satisfaction	0.701	0.049	14:31 *	Significant
H2	Service Quality → Corporate Image	0.820	0.065	12.62 *	Significant
H3	Service Quality → Customer Retention	0.184	0.106	1.74	Insignificant
H4	Customer Satisfaction → Customer Trust	0.224	0.052	4:31 *	Significant
H5	Customer Satisfaction → Customer Retention	0.219	0.073	3:00 *	Significant
H6	Corporate Image → Customer Loyalty	0.238	0.082	2.90 *	Significant
H7	Corporate Image → Customer Retention	0.275	0.099	2. 78 *	Significant
H8	Customer Trust → Customer Retention	0.280	0.102	2.75 *	Significant
H9	Customer Loyalty → Customer Retention	0.403	0.085	4.74 *	Significant

4.3.1. The Effect of Service Quality on Customer Satisfaction

The Results showed that service quality has a significant positive effect on customer satisfaction (Path Coefficient of 0.701 and CR of 14:31 *). The results of this study are in line with the theory that Service Quality is the result of an evaluation process where customer expectations are compared with perceived or received services. Furthermore, the result of the process of comparing the expectations and services obtained determines the level of customer satisfaction. Customer Satisfaction is a concept that has a very broad meaning that is influenced by many factors, and Service Quality is one of determinant factors that affect Customer Satisfaction (Gronroos, 1984). The results also support the notion Parasuraman *et al.* (1988) which utilizes the model SERVQUAL to measure customer perceptions and expectations, which is the measurement result determines the level of customer satisfaction (Parasuraman, *et al.,* 1988).

4.3.2. The Effect of Service Quality on Corporate Image

The result of analysis shows that Service Quality has positive and significant effect to Corporate Image (Path Coefficient of 0.820 and CR of 12.62 *). The results of this study support the opinion that quality services will leave a positive impression stored in the minds of customers. This positive impression will further shape the customer's perception of the company's image. Corporate image is a perception of an organization that is stored in the minds of customers (Gronroos, 1984). This study supports the attitude theory that evaluation of service quality is the main cause of corporate image (Fazio and Zanna, 1978). Customer attitude to service quality is a function of the initial activity when buying and getting satisfaction when consuming it. This means that customers will have a positive attitude or a good image of the service provider if it has obtained the satisfactory services before. Corporate Image departing from the overall experience of consuming, and Service Quality is a representation of the consumption experience (Aydin, *et al.,* 2005).

4.3.3. The Effect of Service Quality on Customer Retention

The result of analysis shows that Service Quality has not significant effect to Customer Retention (Path Coefficient 0,184 and CR 1.74). The results of this study is different from the theory that good service quality not only make customers loyal, but also make customers become reluctant to move. Therefore, Service Quality effect on Customer Retention (Grönroos, 1984; Parasuraman, *et al,* 1994; Oliver, 1997). This case occurs because customers do not want to move although the quality of services obtained is still considered less than the maximum.

4.3.4. The Effect of Customer Satisfaction on Customer Trust

The result of analysis shows that Customer Satisfaction has positive and significant effect to Trust (Path Coefisien of 0,224 and CR of 4.31*). The results of this study support the theory that the Customer Satisfaction Affect Customer Trust, because for customers who are satisfied with the services provided by service providers will lead to a sense of confidence in the customer against the service provider. So trust comes after the customer evaluates the service performance and feels satisfied (Oliver, 1997; Caceres and Paparoidamis, 2007). The results also support the notion Aydin *et al.* (2005), which states in order to gain the trust of the group must believe that other groups will perform actions that result in a positive outcome for him. Therefore, in building customer trust not only needs to have a positive perception of results but also believe that positive results will continue in the future.

4.3.5. The Effect of Customer Satisfaction on Customer Retention

The result of analysis shows that Customer Satisfaction has positive and significant effect to Customer Retention (Path Coefficient 0,219 and CR of 3.00*). The results of this study support the opinion of Reichheld and Sasser, (1990) which states that satisfied customers will continue to establish relationships with its customers and do not want to move to another company. The decision to switch to another company incurs costs to the customer (switching costs), and does not guarantee the same satisfaction with the previous service provider. The same opinion holds that the behavior of customers to stay in contact with service providers is influenced by how much satisfaction levels are found in those relationships (Oliver, 1997).

4.3.6. The Effect of Corporate Image on Loyalty

The analysis showed that the Corporate Image positive and significant impact on Customer Loyalty (Path Coefficient 0.238 and CR 2.90*). The results of this study support the theory that the Corporate image is a good impression of customers to service providers. Customers who have a positive image of the company tend to be loyal to its service providers (Nguyen and LeBlanc, 2001).

4.3.7. The Effect of Corporate Image on Customer Retention

The analysis showed that the Corporate Image has a positive and significant impact on customer retention (Path Coefficient 0.275 and CR 2.78*). The results support the theory that retain existing customers is more profitable than working to recruit new customers. This is because recruiting new customers requires substantial expenditure. One of the factors causing customers to be reluctant to move is because they feel comfortable as a customer or part of a community of service providers. This comfortable feeling arises as a result of the reputation or a positive corporate image in the minds of customers (Reichheld and Sasser, 1990).

4.3.8. The Effect of Customer Trust on Customer Retention

The results of the analysis show that Trust has a positive and significant effect on Customer Retention (Path Coefficient of 0.280 and CR of 2.75*). The results of this study support the theory that trust and commitments are the determinants of the success of building relationships with customers, including building loyalty. Customers who have a high degree of trust in service providers not only become more loyal, but also will continue to survive as a loyal customer and do not want to move to another company (Morgan and Hunt, 1994).

4.3.9. The Effect of customer Loyalty on Customer Retention

The result of analysis shows that Loyalty has positive and significant effect to Customer Retention (Path Coefficient 0,403 and CR 4.74*). The results of this study support the theory that loyal customers are customers who remain as a loyal customer of the company. That is the attitude of customers who have shown loyalty to the company through a continued relationship with the company's behavior or still survive as a customer (Reichheld and Teal, 1994).

5. Theoretical and Managerial Implications

The theoretical implications of this research are to develop theories related to service quality, customer satisfaction, corporate image, trust, loyalty and customer retention. Theoretically it is known that the variables have influence relationship, but the result of the research found that service quality have an insignificant effect to customer retention.

This research provides input to banking management, especially BRI bank management to develop customer retention programs with attention to the factors that cause customers are reluctant to move. The rapidly growing condition of inter-bank competition has prompted management to apply relational marketing concepts as a business strategy. The main goal of relational marketing is to gain customer loyalty, by building long-term relationships between companies and their customers. Several previous studies have concluded that it is more profitable to retain existing customers than to seek new customers (Reichheld and Sasser, 1990). Therefore, management needs to develop customer retention programs by fostering good relationships with their own customers.

6. Conclusion, Limitation, and Future Research

Service quality significantly affects customer satisfaction, company image, trust, and loyalty. Service quality has no significant effect on customer retention. Customer Satisfaction significantly affects corporate image, trust, loyalty, and customer retention. Corporate image has a significant effect on customer trust, loyalty and retention. Trust has a significant effect on customer loyalty and retention. Loyalty has a significant effect on customer retention.

This research is cross sectional so it can not describe the process of change from time to time to the variables studied. Therefore, for future research it is suggested to do longitudinal research so as to obtain a more comprehensive picture of the dynamics of changes in the variables studied.

This research model can still be expanded by including several variables that theoretically relate to customer retention. Future research is suggested to include the commitment variable (Morgan and Hunt, 1994) which together with the trust variable also play a role in building long-term relationships between customers and service providers. In addition, the switching cost (Tamuliene and Gabryte, 2014) as one of the variables that also affect customer retention. In some cases, switching costs can serve as a barrier for a customer to move.

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