THE ANALYSIS OF MARKETING MIX EFFECT AND SERVICE QUALITY TO CUSTOMERS’ LOYALTY USING STRUCTURAL EQUATION MODELING METHOD (Case Study: BNI TANJUNG PERAK SURABAYA BRANCH)

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ABSTRACT

In the planning of marketing program, a company has to make a decision in expenditure, allocation and marketing mix. According to Kotler (2008), marketing mix is a set of marketing tools used by a company to reach its marketing goal in the target market. A variable of marketing mix is made up of components as marketing mix (4P), namely: Product, Price, Place and Promotion. Service satisfaction is a determining factor of success in running a banking business with the target of individual customers and small/big businessmen. According to Parasuraman et.al (1997:15), dimensions of service quality are Reliability, Responsiveness, Assurance, Empathy and Tangible. A customer’s loyalty becomes the final target of marketing activity in which customers can give assessment to the product quality and service of a company. This study aims to test marketing mix effect and service quality to customers’ loyalty so that management can likely be able to make an effective marketing strategy to increase the Fund of Third Party (DPK).

In this study, the writer took an object of research at BNI Tanjung Perak Surabaya Branch by using SEM (Structural Equation Modeling) method to analyze 217 respondents. The first step carried out is to test the validity and reliability of respondents’ data. Those data have met the assumptions as they should be in SEM modeling, i.e: normality, linearity and outlier. The next step is SEM model must undergo Goodness of Fit so that it will be feasible to test the hypothesis.

The result of this study indicates that marketing variable mix and service quality have a positive and significant effect to the customers’ loyalty at BNI Tanjung Perak Surabaya Branch.

Keywords: Marketing Mix, Service Quality, Customers’ Loyalty, Structural Equation Modeling. Goodness of Fit.