

ABSTRACT

The banking industry as an intermediary institution has a very important role in boosting the national economy. Fluctuation in the bank's marketing performance through lending activities, allegedly caused by unstable customer growth both in terms of quantity and quality of customers. The quality of customers dominantly affect the creation of profits for the banking institutions through the creation of customer share, which is part of profits created from every single loan's customer to total revenue of a bank. The problem studied in this research involves value creation and development of distinctive capabilities possessed by banks and its influences to customer value that has implications to customer loyalty and customer share. Customer share is a measurement that can be obtained from superior customer value. Loyal customers are expected to give a higher share to the bank of their choice that gives the best value for them. Customers with higher share of credit are expected to be loyal customers for banks.

This study intended to explore and disclose data and information relating to the implementation of value creation and development of distinctive capabilities in shaping the customer value and their implications for customer loyalty and customer share, through disclosure of the influence of each variable. The sample are 250 loan customers in Bandung and the research method used are descriptive and verificative in which the descriptive research aims to obtain a description of each variable of loan's customer in term of value creation, distinctive capabilities, customer value, customer loyalty and customer share. Investigation methods used in this research are the type of causality method that tested the correlation or influence between independent variables and the dependent variable and the modeling approach and solution technique to be used as a tool of analysis in this dissertation is the method of structural equation modeling (SEM).

Results of the study revealed that the Value Creation has a greater impact on Customer Share variables compared with Distinctive Capabilities. Customer Value has a substantial influence on the creation of Customer Share. Customer Loyalty has a negative influence to the creation of Customer Share. Customer Share is able to create high customer loyalty, so the share of customers that are created by utilizing credit services through the addition of credit ceiling is an important aspect of the formation of customer loyalty, especially to loan customers.

Key words: *Value creation, distinctive capabilities, customer value, customer loyalty, customer share.*