

The Impact of Integrated Marketing Communication on Corporate Image and Its Implication to Customers Loyalty – Case Analysis at Islamic Bank in Indonesia

Resanti Lestari¹ Dwi Kartini² Yevis Marthy Oesman² Dian Masyita²

1. PhD student in Management Science at Padjadjaran University Bandung,

Lecturer of Piksi Ganesha Polytechnic Bandung, Tanjung sari Asri West Street, Bandung 40291, Indonesia

2. Lecturer at Faculty of Economic and Business, Padjadjaran University Bandung

Abstract

This study was conducted to determine the influence of integrated marketing communications to the corporate image and its implications for customer loyalty in Islamic banks in Indonesia. For pilot project this study conducted in Bandung city and using Quantitative research design. This study is a pre-test to know the perception of respondents towards their loyalty to Islamic banking. this study were obtained by distributing survey questionnaire to a sample of 40 Owner Business Enterprise in Bandung. Study assigned with purposive sampling which is particular individuals are chosen with the characteristic relevant to the study who are thought will be most informative. The participant chosen based on time horison using Musharaka and Mudharaba services, business owner with the medium scale enterprise. The data collected by using Questionnaire. Data analysis has been used Partial Least Square. Based on empirical evidence, The performance of integrated marketing communications give 26.7% influence on the image of the company. Then the image of the company amounted to 22.6% impact on customer loyalty. While the indirect effect between the performance of integrated marketing communications and customer loyalty Islamic banks amounted to 24.6%.

Keywords: Islamic banking, Customer Loyalty, Integrated Marketing Communication, Corporate *Image*

1. Introduction

One of Indonesia Potential is having a positive demographic trends. Based on data from the Central Statistics Agency (BPS), the ratio of productive age group will continue to increase from 67.4% in 2010 (total population of 237.6 million) to 69.7% in 2025. This fact may give us an idea as well as the projection period in the form of gold in the economy is called demographic dividend, which period may encourage the Indonesian economy .

Indonesia's economic growth relative sectors driven by domestic-based economy, such as mining, trade, services, construction and agriculture. In this case, the banking industry is one of the industries that have high growth potential.

Based on its function as an intermediary financial system, banks are faced with two responsibilities is to create superior value for customers and on the other there is also a demand for the benefit of its shareholders. Public as users of banking services now more selective and more clever in choosing services for financial needs, it is possible someone has more than one banking services to support their financial needs.

Based on various studies from marketing research agency such as Capgemini, Ernst & Young, Bain & Company, Inc. Show that the behavior of customers in banking industries have a tendency to have low loyalty.

Based on this phenomenon, the authors are interested to build a model of customer loyalty in Islamic banking at Indonesia, with the rationale thinking that the Islamic banking industry is an industry that has a high potential market besides that based on its segments, as we call spiritual customers then ideally this industry has a high level of loyalty, but in fact it Islamic banking industry still has a low level of loyalty than conventional banking in general.

This study is purposes to build the role model of customer loyalty in Musharaka and Mudharaba Service at Sharia Banks in Indonesia. This paper will be focused into Three large portions: the first part is about the study of secondaries data about loyalty condition in banking industries and which is formed from various research studies, and the second part is building the role model of customer loyalty from various perspectives of marketing experts, and the third is empirical result The third study is a result of testing the model using empirical data.

2. Theoretical and methodological framework of Customer Loyalty in Islamic Banks at Indonesia

Sharia Banks has the potential for attracting new customers and consequently enhancing a bank's market share. This phenomenon may explain the increase in the branches of some Sharia banks, On the negative side, however, this high potential for expansion would motivate new entrants to the industry, and, as a result, provoke stiff competition. This condition motivated marketers to build some new creative measures of marketing effectiveness to provide critical feedback about business activities. Marketers also need to monitor causal factors which lead to customer satisfaction, loyalty, retention and good financial performance.