

Digital Marketing Implementation to Increase Customer Satisfaction and its Impact on Image in State Banking Industries

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This study uses a management science approach with a focus on Digital Marketing, Customer Satisfaction and Image. Observations were made on state banks which market digital products. The research was descriptive and verification. This research is a survey research using a sample of 200 people consisting of digital user customers in banking. Data collection using a questionnaire that is equipped with interviews and observations. Field data is collected and obtained using SEM (Structural Equation Modeling). Results showed that Digital Marketing consisting of sub-variables Website Engagement, Social Engagement, Click Through Rate, Conversion Rate, and Duration on Customer Satisfaction and its impact on the Banking Image on Simultaneous Government Bank was meaningful. The magnitude of the effect of variable Digital Marketing, and Customer Satisfaction to the image of the Banking amounted to 74.3 %, while the remaining 25, 7 % is influenced by other factors beyond the variables. Implementation of Digital Marketing at Government Banks is included in the assessment with a fairly good classification with an accurate total research score of 6,624 (57.8%).

Keywords: *Digital Marketing, Customer Satisfaction and Image*

Introduction

Globalisation Era causes every country to experience various changes. These changes occur not only in one area, but also cover all fields such as politics, economics, education, socio-culture, and technology. Globalisation has both positive and negative influences. The banking world has entered a revolutionary new era. A new method in the banking world is experiencing

significant developments. The new method is known as "*Digital Marketing*" which combines psychological, humanist, anthropological, and technological factors through multimedia with large and interactive capacities. Globalisation Era causes every country to experience various changes (Shamsudin et al., 2018).

The image is a representation of the evaluations of consumers, both potential consumers and disappointed consumers, including other groups related to the company such as suppliers, agents and investors (Gronroos, 1990).

Falla Ilhami Saputra (2013) shows service quality has no significant effect on loyalty. BNI 46 Surabaya bank management to improve service quality, must prioritise what is needed by customers is fast and appropriate service, which has an impact on customer loyalty and corporate image.

Digital Marketing is a marketing activity, including *branding* that uses various web-based media such as *blogs*, *websites*, *e-mails*, *AdWords*, or social networking. Digital marketing is not just talking about internet marketing (Ridwan Sanjaya & Josua Tarigan, 2009, p.47).

Daniel Laksana and Diah Dharmayanti (2006) point out: *Digital Marketing* from a 4-star hotel in East Java has a positive influence on *Marketing Capability*. These results prove that the Digital Marketing has a significant impact on the ability of the company to enhance the impression of quality in the eyes of consumers.

Key Performance Indicator, according to Smith and Chaffey (2013, p.593) are the key steps are collected to assess whether the purpose of the organisation is achieved.

Key Performance Indicators of the Digital Marketing of the studied Government Bank include five indicators because they are sufficient to represent this research and it is alleged that the Government Bank has not applied them (Silva et al., 2005):

1. **Duration (Duration)**: the average period of time that visitors spend on the site looks at *Avg. Visit Duration* Bank Mandiri: 00:05:46, BRI: 00:07:07, BNI: 00:08:35 and BTN: 00:05:31.
2. **Website Engagement** how many people sign up when visiting a website. Judging from the *website engagement*, the Government Bank only positions 1, 2 and 3.
3. **CTR (Click-through-rate)**, to know how many people click on ads Government Bank through *Twitter and Youtube*.
4. **Conversion Rate/conversion rate** is the interest of visitors to interact with the website.
5. **Social Engagement** by seeing how many *comments* and *shares* on social media. State Bank only occupy positions 2 and 5.

Consumer satisfaction is the level of feeling in which someone expresses the results of the comparison between the work of the product/service received (*perceived*) with what is expected (*expected*) (Kotler, 2012).

Kazi Omar Siddiqi (2011) shows that there is a positive correlation between *tangibility* and customer satisfaction. *Reliability* and customer satisfaction have a positive correlation, there is a moderate positive correlation between *responsiveness* and customer satisfaction, and there is a positive correlation between guarantee and customer satisfaction

Methods

Data collected in this study were analysed using descriptive analysis and verification analysis techniques. Descriptive analysis is used for qualitative variables by grouping, tabulating, and describing data obtained from the field. With the frequency distribution can be analysed the behaviour of each of the causal factors involved in this study. Verification analysis based on Structural Equation Modeling (*SEM*) is used in this study to analyse the effect of *Digital Marketing* variables which include dimensions of *Website Engagement*, *Social Engagement*, *Click through Rate*.

Conversion Rate and *Duration* affect Digital Customer Satisfaction and have implications for Banking Image at Government Banks in Indonesia. In this study, the size of all the minimum samples needed to reduce bias in all types of SEM estimates is 200 (Lochlin, 1998; Saurykova et al., 2018).

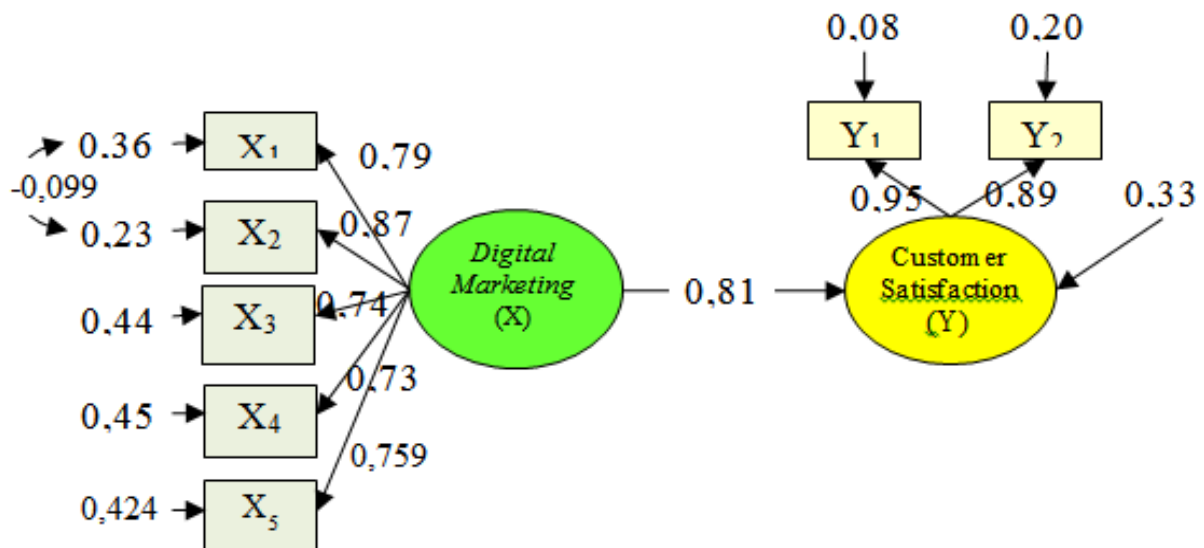
Results and Discussion

In this study, one of the variables tested for its relationship with other variables is the *Digital Marketing* variable consisting of sub-variables *Website Engagement*, *Social Engagement*, *Click Through Rate*, *Conversion Rate*, and *Duration* of Customer Satisfaction consisting of *Expectation* and *Perception* at Bank variables The government. The hypothesis to be tested is as follows:

$H_{0,4} : \gamma_1 = 0$:	There is no influence of <i>Digital Marketing</i> covering the dimensions of <i>Website Engagement</i> , <i>Social Engagement</i> , <i>Click Through Rate</i> , <i>Conversion Rate</i> , and <i>Duration</i> on Customer Satisfaction at Government Banks
$H_{1,4} : \gamma_1 \neq 0$:	There is the influence of <i>Digital Marketing</i> which includes dimensions of <i>Website Engagement</i> , <i>Social Engagement</i> , <i>Click Through Rate</i> , <i>Conversion Rate</i> , and <i>Duration</i> on Customer Satisfaction at Government Banks

The equation of the structured model of *Digital Marketing* which includes Dimensions of *Website Engagement*, *Social Engagement*, *Click Through Rate*, *Conversion Rate*, and *Duration* of Customer Satisfaction at Government Banks is stated as Figure 1:

Figure 1: The Influence of *Digital Marketing* Which Includes Dimensions of *Website Engagement*, *Social Engagement*, *Click Through Rate*, *Conversion Rate*, and *Duration* on Customer Satisfaction with the Government



$$\text{Customer Satisfaction (Y)} = 0,814 \text{ Digital Marketing (X)} + 0,338$$

Table 1 is a test of the influence of *Digital Marketing* (X) which consists of sub-variables *Website Engagement*, *Social Engagement*, *Click Through Rate*, *Conversion Rate*, and *Duration* on Customer Satisfaction (Y) of Government Banks.

Table 1: Digital Marketing Influence Test (X) Towards Customer Satisfaction (Y)

Endogenous Latent Variable	to	Exogen Latent Variable	Regression Coef.	Standardised Estimate	Standard error	t
Y	←	X	0,889	0,814	0,0673	13,202 *

* significant at the 0.05 level

Source: Results of Data Analysis, 2019

Test Statistics:

$$t = \frac{\gamma_1}{se(\gamma_1)} = \frac{0,889}{0,0673} = 13,202$$

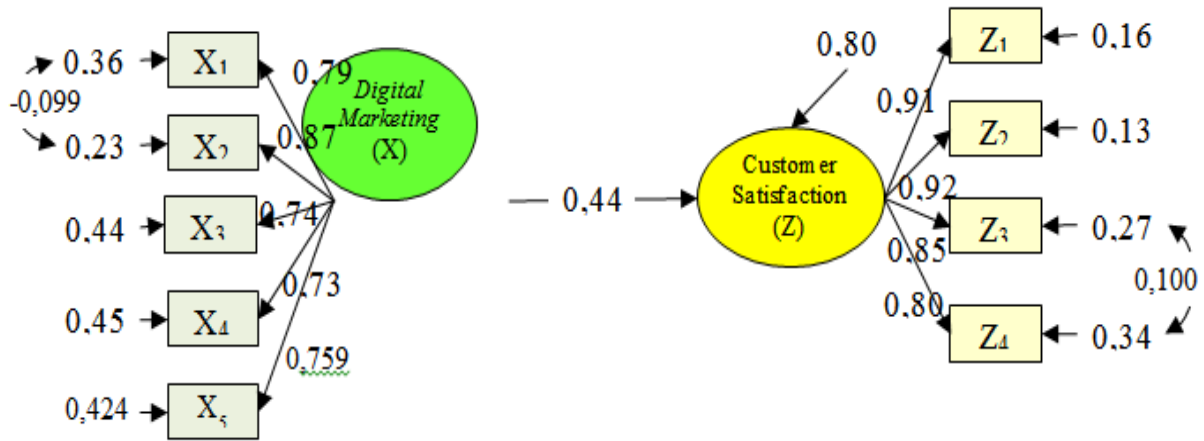
For the two-party test, at a 95% confidence level, the critical value of the standard z-normal distribution is 1.96. If we compare the calculated t value with the essential value of the table, then $t = 13.202 > 1.96$ so that the null hypothesis is rejected. This means that *Digital Marketing* which consists of sub-variables *Website Engagement*, *Social Engagement*, *Click Through Rate*, *Conversion Rate*, and *Duration* has a **large** influence (**66.2%**) on the Satisfaction of Government Bank Customers.

Furthermore, the variables tested for their relationship with other variables are *Digital Marketing* variables which include *Website Engagement*, *Social Engagement*, *Click Through Rate*, *Conversion Rate*, and *Duration* to Banking Image, which consist of *Reputation*, *Recognition*, *Affinity*, and *Brand Loyalty* variables in Government Banks. The hypothesis to be tested is as follows:

$H_{0,5} : \gamma_2 = 0$:	There is no influence of <i>Digital Marketing</i> that includes the dimensions of <i>Website Engagement</i> , <i>Social Engagement</i> , <i>Click Through Rate</i> , <i>Conversion Rate</i> , and <i>Duration</i> on the Image of Banking in Government Banks
$D_{1,5} : \gamma_2 \neq 0$:	There is the influence of <i>Digital Marketing</i> which includes the dimensions of <i>Website Engagement</i> , <i>Social Engagement</i> , <i>Click Through Rate</i> , <i>Conversion Rate</i> , and <i>Duration</i> of the Image of Banking in Government Banks

The equation of the structured model of *Digital Marketing* which includes the dimensions of *Website Engagement*, *Social Engagement*, *Click Through Rate*, *Conversion Rate*, and *Duration* of the Image of Banking in Government Banks is stated as Figure 2.

Figure 2: The Influence of Digital Marketing Which Includes Dimensions of Website Engagement, Social Engagement, Click Through Rate, Conversion Rate, and Duration on Banking Images in Government Banks



$$\text{Image Banking (Z)} = 0,445 \text{ Digital Marketing (X)} + 0,802$$

Table 2 is a test of the influence of *Digital Marketing (X)* which consists of sub-variables *Website Engagement, Social Engagement, Click Through Rate, Conversion Rate, and Duration* on Banking Image in Government Banks.

Table 2: Digital Marketing Influence Test (X)
Towards Banking Image (Z)

Endogenous Latent Variable	to	Exogen Latent Variable	Regression Coef.	Standardised Estimate	Standard error	t
Z	←	X	.473	0,445	0.0955	4,946 *

* significant at the 0.05 level

Source: Results of Data Analysis, 2019

Test Statistics:

$$t = \frac{\gamma_2}{se(\gamma_2)} = \frac{0,473}{0,0955} = 4,946$$

For the two-party test, at a 95% confidence level, the critical value of the standard z-normal distribution is 1.96. If we compare the calculated t value with the essential value of the table, then $t = 4.946 > 1.96$ so that the null hypothesis is rejected, that is *Digital Marketing* which includes the dimensions of *Website Engagement, Social Engagement, Click*

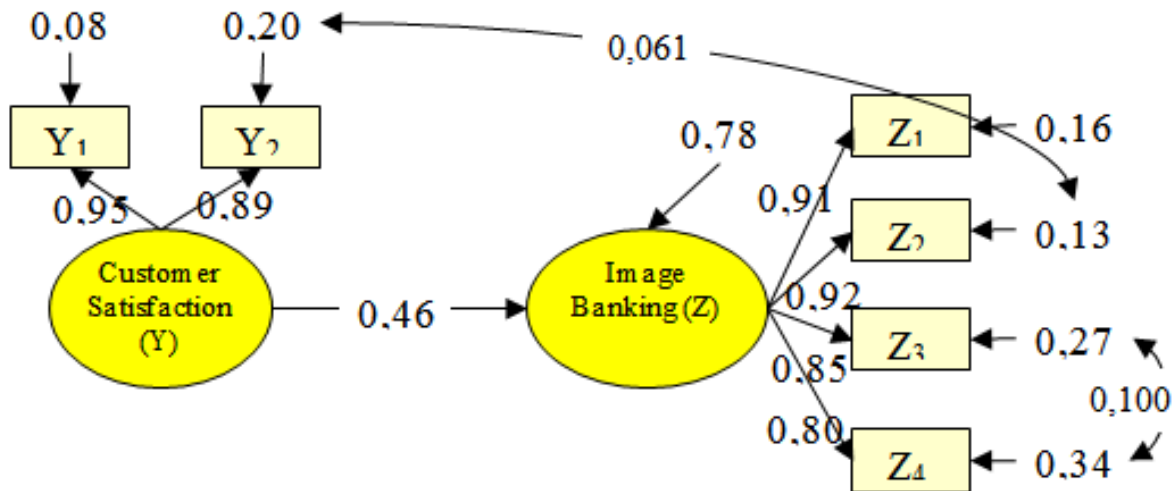
Through Rate, Conversion Rate, and Duration have influence significantly to the image of banking at State Bank with an influence value are less bulky (19.8%).

The variables tested for their relationship with other variables are the Customer Satisfaction variables consisting of the Expectation sub-variable and the Perception of the Customer Image of the Banking Image which includes of Reputation, Recognition, Affinity, and Brand Loyalty sub-variables at the Bank Government. The hypothesis to be tested is as follows:

$H_{0,6}: \beta = 0$:	There is no influence of Customer Satisfaction on Banking Image in Government Banks
$D_{1,6}: \beta \neq 0$:	There is an influence of Customer Satisfaction on Banking Image in Government Banks

The equation of the structured model of Customer Satisfaction with the Image of Banking in Government Banks is stated as:

Figure 3: Influence of Customer Satisfaction on Banking Image



$$\text{Banking Image (Z)} = 0,460 \text{ Customer Satisfaction (Y)} + 0,788$$

Table 3 is a test for the effect of Customer Satisfaction (Y) which is comprised of sub-variables Satisfaction in expecting the Customer (*Expectation*), and satisfaction that is felt Customer (*Perception*) against Citra Banking (Z) at the State Bank.

Table 3: Influence Test of Customer Satisfaction (Y)
Towards Banking Image (Z)

Endogenous Latent Variable	to	Endogen Latent Variable	Regression Coef.	Standardised Estimate	Standard error	t
Z	←	Y	.447	0,460	0.0869	5,148 *

* significant at the 0.05 level

Source: Results of Data Analysis, 2019

Test Statistics:

$$t = \frac{\beta}{se(\beta)} = \frac{0,447}{0,0869} = 5,148$$

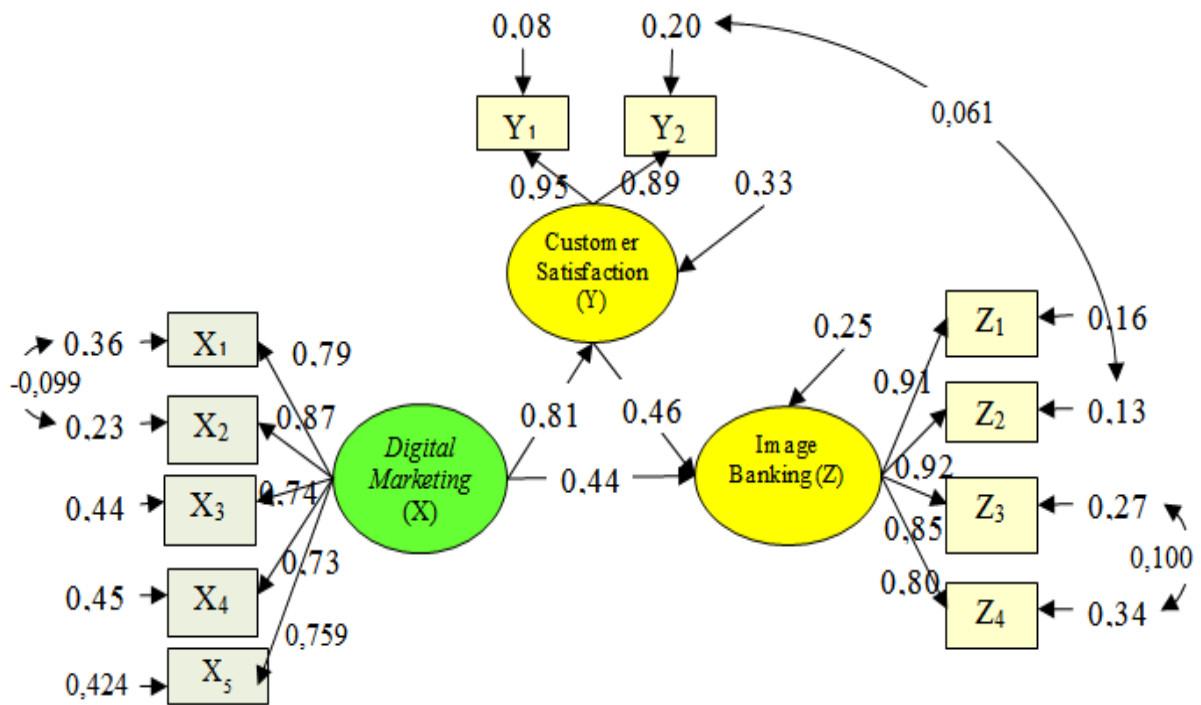
For the two-party test, at a 95% confidence level, the critical value of the standard z-normal distribution is 1.96. If we compare the calculated t value with the essential value of the table, then $t = 5.148 > 1.96$ so that the null hypothesis is rejected. This means that Customer Satisfaction consisting of the sub-variable Expectation (Satisfaction expected by the Customer), and Perception (Satisfaction felt by the Customer) has significant influence (21.2%) on the Image of Banking in Government Banks.

Digital Marketing which includes dimensions of *Website Engagement*, *Social Engagement*, *Click Through Rate*, *Conversion Rate*, and *Duration* partially influences the Banking Image, and Customer Satisfaction partially affects the Image of the Banking. The research hypothesis to determine the effect of *Digital Marketing* which includes dimensions of *Website Engagement*, *Social Engagement*, *Click Through Rate*, *Conversion Rate*, and *Duration* on Customer Satisfaction, and their impact on the Banking Image on Government Banks simultaneously are as follows Figure 2.

$H_{0,7} : \gamma_1 = \gamma_2 = \beta = 0$:	There is no influence of <i>Digital Marketing</i> that includes the dimensions of <i>Website Engagement</i> , <i>Social Engagement</i> , <i>Click Through Rate</i> , <i>Conversion Rate</i> , and <i>Duration</i> on Customer Satisfaction and its impact on Banking Image on Government Banks simultaneously
$H_{1,7} : \gamma_1 \neq \gamma_2 \neq \beta \neq 0$:	There is the influence of <i>Digital Marketing</i> which includes the dimensions of <i>Website Engagement</i> , <i>Social Engagement</i> , <i>Click Through Rate</i> , <i>Conversion Rate</i> , and <i>Duration</i> on Customer Satisfaction and their impact on Banking Image on Government Banks simultaneously

The equation of the structured model of *Digital Marketing* which includes the dimensions of *Website Engagement*, *Social Engagement*, *Click Through Rate*, *Conversion Rate*, and *Duration* on *Customer Satisfaction* and their impact on *Banking Image* in Government Banks are simultaneously stated as:

Figure 4. The Influence of *Digital Marketing* Which Includes Dimensions of *Website Engagement*, *Social Engagement*, *Click Through Rate*, *Conversion Rate*, and *Duration* on *Customer Satisfaction* and Its Impact on *Banking Image* in State-Owned Business Banks



$$\text{Customer Satisfaction (Y)} = 0.814 \text{ Digital Marketing (X)} + 0.338$$

$$\text{Banking Image (Z)} = 0.445 \text{ Digital Marketing (X)} + 0.460 \text{ Customer Satisfaction (Y)} + 0.257$$

Test Statistics:

$$F = \frac{(n - p - 1)R_{\eta_2}^2}{p(1 - R_{\eta_2}^2)} \sim F_{[\alpha; (p, n-p-1)]}$$

$$F = \frac{(140 - 3 - 1)(0,743)}{3(1 - 0,743)} = 131,061$$

$$F_{\text{tabel}} = F_{[0.05; (3, 140-3-1)]} = 2,671$$

Test criteria: Reject H_0 if $F > F_{\text{table}}$

Because $F_{\text{arithmetic}} = 131.061 > F_{\text{table}} = 2.671$ then H_0 is rejected, meaning that there is the influence of *Digital Marketing* consisting of sub-variables *Website Engagement*, *Social Engagement*, *Click Through Rate*, *Conversion Rate*, and *Duration* on Customer Satisfaction and its impact on the Banking Image on Simultaneous Government Bank. The magnitude of the effect of variable *Digital Marketing*, and Customer Satisfaction to the image of the Banking amounted to 74.3 %, while the remaining 25, 7 % is influenced by other factors beyond the variables.

Implementation of *Digital Marketing* at Government Banks is included in the assessment with a **fairly good** classification with an accurate total research score of **6,624 (57.8%)**. According to the explanation above, the research results are:

- 1) Customer Satisfaction at Government Banks is included in the assessment with **Satisfaction** classification with a total actual research score of **6,868 (60.9%)** ;
- 2) The image of Banking in Government Banks is included in the assessment with **Good** classification with a total actual research score of **13,968 (62.30%)**;
- 3) *Digital Marketing* which includes dimensions of *Website Engagement*, *Social Engagement*, *Click Through Rate*, *Conversion Rate*, *Duration* has significant influence (**66.2%**) on the Satisfaction of Government Banks Customers;
- 4) *Digital Marketing*, which includes the dimensions of *Website Engagement*, *Social Engagement*, *Click Through Rate*, *Conversion Rate*, and *Duration*, has a significant influence on the Banking Image of Government Banks with a less substantial influence value (**19.8%**);
- 5) Customer Satisfaction which includes *Expectation* (Satisfaction expected by the Customer), and *Perception* (Satisfaction felt by the Customer) has significant influence (**21.2%**) on the Image of Banking in Government Banks;and
- 6) *Digital Marketing* which includes the dimensions of *Website Engagement*, *Social Engagement*, *Click Through Rate*, *Conversion Rate*, & *Duration*, and Customer Satisfaction affect the Banking Image of the Government Bank by **74.3%**, **the remaining 25.7% is** influenced by other factors outside the research variable.

This research discusses customer satisfaction and brand image, the research is in line with previous researches, including: 1) Ali (2016); 2) Agussalim (2017); 3) Limakrisna (2016).

Conclusion

With the increasing development of science and technology, due to the expansion of the world of communication, all organizations, especially banks, seek to provide more and better services to their customers so that while respecting the principle of customer rights, they can use the technologies they have built. It is the human hand to enable their



customers to trade in the economic arena safely and in the shortest time and without physical presence in a particular place. Also, using known technologies, it is possible for managers and planners of a system to achieve the maximum desired result at a lower cost. This study found that there is an influence of Digital Marketing which includes dimensions of Website Engagement, Social Engagement, Click Through Rate, Conversion Rate, and Duration on Customer Satisfaction of Government Banks, there is an influence of Digital Marketing which includes dimensions of Website Engagement, Social Engagement, Click Through Rate, Conversion Rate, and Duration of the Banking Image in Government Banks, have the influence of Customer Satisfaction that includes Expectation (Satisfaction expected by the Customer), and Perception (Satisfaction perceived by the Customer) to the Image of Banking in Government Banks and there is the influence of Digital Marketing which includes dimensions of Website Engagement, Social Engagement, Click Through Rate, Conversion Rate, & Duration and Customer Satisfaction influences the Image of the Banking.

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