

Conference Proceeding

The 1st International Conference and Call for Papers on
Insuring Sustainable Business Strategy (ISBS)

**Managing Risk for Anticipating the Era of Volatility,
Uncertainty, Complexity, and Ambiguity (MUCA)**

Semarang, Indonesia, 15th November 2018

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PROCEEDING

THE FIRST INSURING SUSTAINABLE BUSINESS STRATEGY (ISBS) 2018

Managing Risk for Anticipating The Era of Volatility, Uncertainty, Complexity and Ambiguity (VUCA)

Semarang, Indonesia

15 - 16 Nopember 2018

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Speech from the Dean Faculty of Economics and Business, Dian Nuswantoro University

Prof. Vincent Didiek Wiet Aryanto, Ph.D
Dean Faculty of Economics and Business
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Indonesia

Foreword

On behalf of the committee of ISBS 2018 (Insuring Sustainable Business Strategy) international conference at Dian Nuswantoro University in Semarang Indonesia, we would like to express our sincere gratitude to all distinguish Rector of Dian Nuswantoro University, AAMAI president, keynote speakers, all participants and presenters, committee for the contribution to succeed the conference. The first international conference of ISBS 2018 is followed by 350 participants from academicians and professionals from Indonesia, Thailand and Taiwan. This conference is in relation with eight reputable international journals from Scopus Q1 to Q3, four national accredited journals and five SINTA (Indonesian Science and Technology Index) journals. We have been notified that some conference articles have been pre-admitted on the journals.

The sustainability issue has a broad landscape and solutions are required in a variety of areas and mechanism to attain and manage it. The domains scope from environmental sustainability over organizational and business sustainability toward social sustainability. Pertaining the tools of sustainability, the scope from traditional engineering and management methodologies toward mechanism such as knowledge, learning, and creativity. The articles in this proceeding book addresses the entire sustainability problems space in a lesser and greater extent. However, though the dynamic properties come from management, technology, learning, individuals, organizations, community and society, everything is at simultaneously getting effect and cause. We put emphasis on business with the purpose to address primarily the companies and their businesses. Therefore, we entitle this international conference as “insuring sustainable business and strategy”.

Finally, we would like to deeply thank to all parties involved in this international conference such as sponsors, media, etc.

Semarang, November 8, 2018.

Prof. Vincent Didiek Wiet Aryanto, Ph.D
Dean Faculty of Economics and Business Dian Nuswantoro University Semarang Indonesia

CONFERENCE PROGRAM

Venue: International Conference and Call for Paper at. Gumaya Tower Hotel, Semarang, Indonesia

Workshop on International Publication at. Building H Floor 1st, Universitas Dian Nuswantoro Semarang, Indonesia

Day 1, 15 November 2018	
Time	Session
07.30 -08.30	Registration and Morning Coffee Break (E-Gamelan Performance)
08.30 - 09.00	Welcoming Performance of Traditional dance, National Anthem of Indonesia
09.00 – 09.20	Welcome Greetings and Opening Remark: <ul style="list-style-type: none"> • Dr. Nila Tristiarini, CSRA. (Chairman of Organizing Committee) • Dr. Hendrisman Rahim, MA, FSAI, AAIJ, AMRP, CPIE, QIP (Chairman of The Indonesian Insurance Institute -AAMAI) • Prof. Dr. Ir. Edi Noersasongko (Rector of Universitas Dian Nuswantoro)
09.20 - 09.40	Keynote Speech: Ahmad Nasrullah, S.E., MPacc (Director Of Insurance and Social Insurance Administration Organization of Health (BPJS Kesehatan) Supervisory II – Financial Services Authority (OJK)) Token of Appreciation for Keynote Speaker
09.40 – 10.00	Gita Dian Nuswa Choir Performance
10.00 - 12.00	Conference: Session 1 (Moderator: Setyo Prasiyanto Cahyono, SS., M.Pd) <ol style="list-style-type: none"> 1. Prof. Yahn-Shir Chen, Ph.D (National Yunllin University of Science & Technology Taiwan) 2. Dr. Hendrisman Rahim, MA, FSAI, AAIJ, AMRP, CPIE, QIP (Chairman of The Indonesian Insurance Institute -AAMAI) 3. I Wayan Wijana (Deputy Director of Insurance Supervision I – Financial Services Authority (OJK)) Session 2 (Moderator: Juli Ratnawati, S.E., M.Si) <ol style="list-style-type: none"> 1. Evan Lau, Ph.D (University Malaysia Serawak, Malaysia) 2. Prof. Hasan Fauzi, Ph.D, CA., CSRA. (Universitas Sebelas Maret Surakarta, Indonesia) 3. Dr. Nilmanee Sriboon (Thammasat University, Thailand)
12.00 – 12.15	Token of Appreciation for Speakers
12.15 - 13.30	Photo Session & Lunch Break
13.30 – 15.30 15.30 – 16.00 16.00 – 18.00	Academia: (Meeting Room on the 6th floor) Parallel Session 1 Afternoon Coffee Break Parallel Session 2

13.30 - 17.00	Insurance Industry: (Ballroom) Parallel Session <ol style="list-style-type: none"> Joel Richard Hogart (Reliance Capital Management) Stephen Francis Bowey (Leapfrog Investment) Dr. Robby Loho, APAI, CIIB, AAIK, QIP, ICBU, ICPU, CPIE, AMRP, FMII, ANZIIF (SNR.ASSOC), CIP (Vice Chairman of The Indonesian Insurance Institute-AAMAI) Kevin Tan (The Malaysian Insurance Institute - AMII) Moderator: Drs. Arizal E.R, AAINZ, QPI, AAIK, QIP
17.00 – 18.00	Afternoon Coffee Break & Distributing Certificate
19.00 – 22.00	Gala Dinner

Gala Dinner, 15 November 2018	
19.00 - 19.30	Registration
19.00 - 19.30	Band Performance
19.30 - 19.40	Welcome greeting: Prof. Vincent Didiek Wiet Aryanto, Ph.D, MBA (Dean of Faculty of Economic and Business, Universitas Dian Nuswantoro)
19.40 – 20.00	Speech: Dr. Robby Loho, APAI, CIIB, AAIK, QIP, ICBU, ICPU, CPIE, AMRP, FMII, ANZIIF (SNR.ASSOC), CIP (Vice Chairman of The Indonesian Insurance Institute – AAMAI)
20.00 – 20.15	E-Gamelan & Traditional Dance
20.15 - 20.30	Best Paper Award Announcement (3 best papers)
20.30 - 22.00	Performance/ Entertainment
22.00	Closing

Workshop on International Publication & City Tour

Building H, 1st Floor

Day 2, 16 November 2018	
Time	Session
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08.30 - 11.30	Workshop: How to Get Published in a Reputable Journal: Top Tips From Editors in Chief (Evan Lau, Ph.D, University Malaysia Serawak, Malaysia)
11.30 - 13.30	Lunch Break
13.30 - 15.00	City Tour : Semarang's batik (Javanese handwritten cloth) heritage (Kampung Batik Semarang)
15.00 - 16.00	Sam Po Kong Temple
16.00 - 17.00	Semarang food Shopping Centre (Bandeng Juwana) at Pamularsih Street
17.00 - 17.30	Lawang Sewu

PARALLEL SESSION 1

Session: Marketing Management and Behavior and E- Business

Date: 15 November 2018

Time: 13.30 – 14.10

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Chair: Dr. Yohan Wismantoro, MM (Universitas Dian Nuswantoro)

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Date: 15 November 2018

Time: 14.20 – 15.10

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Chair: Dr. Yohan Wismantoro, MM (Universitas Dian Nuswantoro)

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Time: 13.30 – 14.20

Room: Ruby 2

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Time: 14.30 – 15.20

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Date: 15 November 2018

Time: 16.00 –16.50

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Chair: Dr. Amron (Universitas Dian Nuswantoro)

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Session: Risk Management and Insurance

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Time: 16.00 – 16.50

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Chair: Dr. Sih Darmi (Universitas Dian Nuswantoro)

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	Sih Darmi Astuti, Dian Nuswantoro University, Indonesia	

Session: Human Behavior and Organization

Date: 15 November 2018

Time: 17.10 – 18.00

Room: Sapphire

Chair: Dr. Sih Darmi (Universitas Dian Nuswantoro)

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Relationship Marketing Model on BTPN Wow Product Marketing and Its Effect towards Customer Satisfaction and Loyalty

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Abstract

The current relationship marketing model has begun to be accepted as one of the tools to assess the systematic marketing process of a company. This research was conducted to see the relationship marketing model implementation of Evans and Laskin on BTPN WoW Product Marketing which is the latest digital banking product from BTPN Bank. The research method used is mix method which is qualitative and quantitative. The qualitative method is used to determine the implementation of Evans and Laskin's relationship marketing model on BTPN WoW marketing products which consists of relationship marketing input. While the quantitative method is used to determine relationship marketing outcomes by looking at the influence of relationship marketing and service to customer satisfaction and loyalty using multiple regression by SPSS. The results show that BTPN WoW products are products that meet market needs, especially for business people who want to further develop their businesses and individual customers who want to start entrepreneurship (understanding customer expectation), agency system (building service partnership), providing added value to customers (Total Quality Management), BTPN WoW Marketers routinely visit agents (empowering employees). Relationship marketing outcome from BTPN WoW product marketing shows that relationship marketing and service quality have positive significant effect on customer satisfaction. The relationship marketing and customer satisfaction have positive significant effect on customer loyalty but the quality service has negative significant effect towards customer loyalty.

Keywords: *Relationship Marketing; Customer Satisfaction; Customer Loyalty, Banking*

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Keywords: Relationship Marketing; Customer Satisfaction; Customer Loyalty, Banking

I. INTRODUCTION

The trend of economic digitalization is happening in the world. The development of information technology has changed consumer behavior and also how to do business. Inevitable symptoms have occurred in every economic line. Regarding business activities, the application of digital technology has at least occurred in the transportation, retail, and banking sectors. Indonesia has great potential to develop a digital economy. This can be seen from the digital activity of the Indonesian population which is quite high, especially in online shopping. Smartphones have a fundamental role in the daily life of the Indonesian population. An average of four hours per day of time spent surfing the internet via mobile, especially connected with social media. They are mostly young people. The banking sector did not escape the digital transformation that began to occur. As stated in the McKinsey Global Banking 2017 report, the

digital movement taking place in various fields creates opportunities and challenges for the banking industry. Banks must follow the movement of digital and data driven world economic ecosystems.

The development of fintech, to changes in trends in market demand and regulation makes conventional banks have to choose between adapting or losing market share. Adaptation is especially needed in the application of digital technology-based smart technology. Answering this, conventional banks are required to modify the business model by promoting the application of digital technology. This is certainly the result of collaboration with fintech's business models that tend to be agile and innovative One of them is the BTPN Bank which has now launched a digital banking product which also functions as a mini bank, BTPN Wow.

BTPN as a commercial bank with extensive infrastructure has been chosen by the government to become one of the service providers of Laku Pandai (Officeless Financial Services in Inclusive Financial Framework), which is a program of the Financial Services Authority (OJK) which aims to open access to financial services for people who banking industry. BTPN Wow! is a practical and affordable banking service, utilizing mobile phone technology and is supported by the services of the Laku Pandai Agent who acts as an extension of BTPN, the BTPN Wow agent. With BTPN Wow !, now banking transactions are easier and simpler, because opening an account, deposit and cash withdrawal only requires a simple mobile phone and can be done at the BTPN Laku Pandai Agent, the BTPN Wow! Agent. Transactions are carried out through a fast cellular network with an easy, inexpensive and safe process

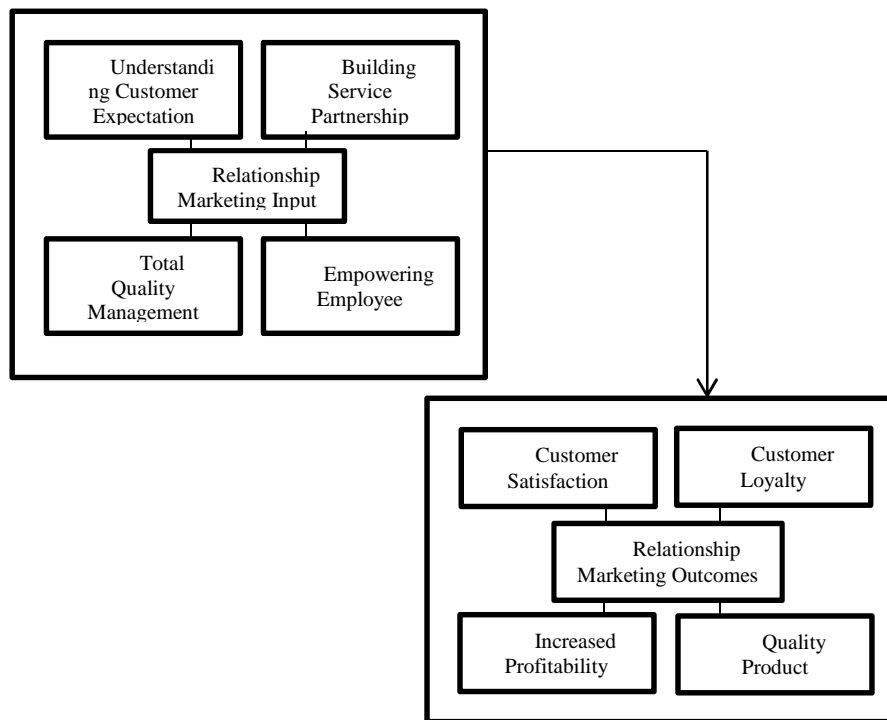
II. LITERATURE REVIEW

2.1 Relationship Marketing

Chan (2003) defines relationship marketing as the introduction of each customer more closely and satisfies by creating two-way communication by managing a mutually beneficial relationship between customers and companies. It can be concluded that relationship marketing is an effort made by a company to establish a long-term relationship, where from the relationship will be obtained benefits for both parties. Tjiptono (2008) said that the purpose of a company that implements relationship marketing is so that the company can build and maintain customers who have a sense of ownership. Robinette (2003) explained that to build and develop a good Relationship Marketing and survive for a long period of time, the company should also maintain the following factors: (1) Mutual Benefit; (2) Commitment; (3) Communication; and (4) Authenticity. Zeithaml et al., (2006), defines Relationship Marketing as a philosophy in running a business orientation that focuses on improving and maintaining existing / long-standing customer service, compared to finding new customers. Efforts to find new customers will require less cost and less energy, but it also requires a relatively long time.

Evans and Laskin (1994) divide relationship marketing models into relationship marketing input and relationship marketing outcomes. Relationship marketing input consists of (1) understanding marketing expectations which are company activities to identify what is desired by consumers and market goods and services above the level they expect; (2) Building service partnership which is a collaboration between companies and customers to achieve company goals with mutual benefits based on openness and honesty; (3) empowering employees which are the company's attention and appreciation for employees so that they are able to serve customers well; and (4) total quality management which is a coordinated effort to achieve competitiveness with sustainable corporate development. While relationship marketing outcome consists of (1) customer satisfaction; (2) customer loyalty; (3) quality product; and (4) increased profitability.

Figure 1. Relationship Marketing Model



2.2 Customer Satisfaction

According to Keller (2007) customer satisfaction is a feeling of pleasure or disappointment that someone appears after comparing the expected performance (results). It can be concluded that customer satisfaction is a comparison process between customer expectations and the results obtained. If performance is below expectations, consumers will not be satisfied. If performance meets expectations, consumers will be satisfied. If performance exceeds expectations, consumers are very satisfied or happy. Satisfied consumers tend to provide good references to products or services to others. There are four methods that are widely used in measuring customer satisfaction according to Kotler and Susanto (2000), namely: 1) Complaints and Suggestions System; (2) Ghost Shopping; 3) Lost Customers Analysis; (4) Customer Satisfaction Survey.

2.3 Customer Loyalty

Oliver in Hurriyati (2005) defines customer loyalty as "customer loyalty is defined as holding commitment to repatriate a preferred product or service consistency in the future having an essential to cause switching behavior". This definition shows that loyalty is the customer's commitment to stay in depth to subscribe again or to repeat the purchase of selected products / services consistently in the future. According to Griffin in Hurriyati (2005) loyal customers have the following characteristics: 1) Make regular purchases; 2) Buying outside the product line / suit; 3) Recommend other products; 4) Demonstrate immunity from the attractiveness of similar products from competitors.

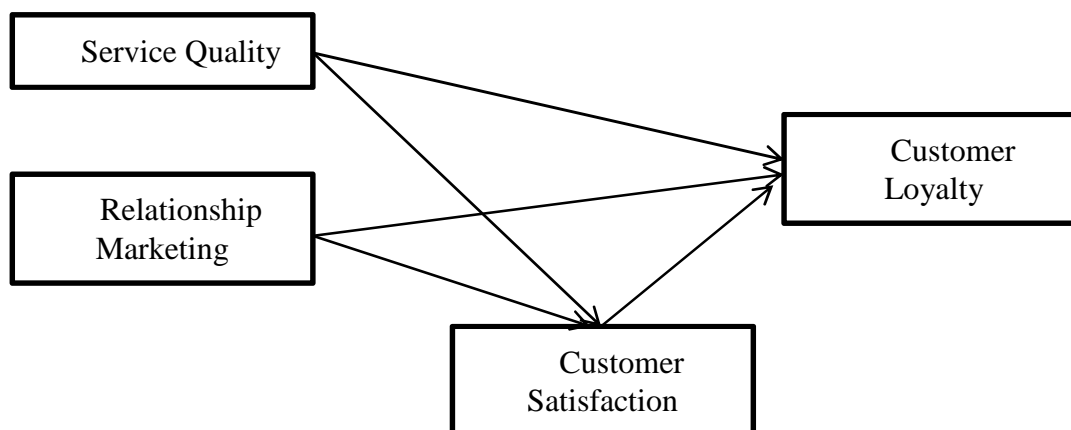
Loyal customers are the goal of all companies. Customer loyalty has an important role in a company by maintaining the survival of the company. With this reason for a company to retain customers. Oliver (in Hurriyati, 2008) defines loyalty as a deep customer commitment to re-subscribe or repeat purchases of future products or services, although the influence of the situation and marketing efforts has the potential to cause behavior change. Griffin (2003), defines loyalty based on buying behavior, loyal customers are people who: (1) make repeat purchases regularly; (2) Buying between product and service product lines; (3) Referring to

others; and (4) Demonstrate immunity to attraction from competitors. Griffin (in Hurriyati, 2008: 129) said that loyalty refers more to the form of behavior of decision-making units to make continuous purchases of goods or services of a selected company. So it can be concluded that customer loyalty is a customer who holds a strong commitment so that the company that issued the product or service can provide a very satisfying value. This value can be given to customers from products or services in the company. This value can also influence customer attitudes or behavior in the product or service in the future.

2.4 Service Quality

According to Payne (2009), service is a pleasant or unpleasant feeling by the recipient of the service when obtaining service. Payne also said that customer service implies: (1) All activities needed to receive, process, deliver and fulfill customer orders and to follow up on any activities that contain errors; (2) Timeliness and reliability of service delivery to customers in accordance with their expectations; (3) A series of activities that cover all integrated business fields to deliver these products and services in such a way that they are perceived satisfying by customers and realize the achievement of company objectives; (4) Total incoming orders and all communications with customers; (5) Submission of products to customers on time and accurately with all follow-up and accurate information responses. According to Lewis & Booms (1993) in Tjiptono and Chandra (2011) defines service quality as a measure of how well the level of service provided is in accordance with customer expectations. The success of the company in providing quality service can be determined by the service quality approach that has been developed by Parasuraman, Berry and Zenthaml (Lupiyoadi, 2014) which states that there are five main dimensions arranged according to the level of relative importance as follows: (1) Reliability; (2) Responsiveness; (3) Assurance; (4) Empathy; (5) Tangibles

Figure 2. Research Model and Hypothesis



Hypothesis :

H1 : Service Quality has a significant effect on customer satisfaction and loyalty

H2 : Relationship Marketing has a significant influence on customer satisfaction and customer loyalty

H3 : Customer Satisfaction has a significant effect on customer loyalty

III. METHODOLOGY

This study uses a mixed method of qualitative and quantitative. The qualitative method is used to identify relationship marketing from BTPN wow product marketing using Evans and

Laskin Relationship Marketing models. Data collection was carried out by observation and depth interviews both with the marketing of BTPN wow products and with customers and BTPN wow agents. Quantitative methods using multiple regression analysis with 0,05 significance level is used to determine the effect of relationship marketing and service quality on customer satisfaction and loyalty by using SPSS software. The research data was obtained from 100 BTPN wow customer respondents in Surakarta for quantitative data and 5 respondents marketing BTPN wow products for qualitative data. The interviewed respondents are marketing employee of BTPN wow product that have been spread out the product of BTPN wow in Surakarta.

IV. RESULT AND DISCUSSION

Based on data from observations and interviews, relationship marketing from marketing BTPN wow products is as follows:

Relationship Marketing Input	Questions Topic	Reality in BTPN Wow
Understanding Customer	Bank understand customer expectation The Bank actively responds to customer opinions	BTPN Wow products are products that understand the needs of today's society. Using an cellphone number as an account number makes it easy for people who find it difficult to remember account numbers. Banking activities that can be done with mobile phones make it easier for customers who have difficulty processing transactions at the bank
Building Service Partnership	The Bank treats customers as business partners The Bank offers extra services without being asked by the customer	BTPN Wow products with agency and downline systems provide benefits for both banks and customers
Empowering Employee	Bank marketing and customers regularly meet to meet customer needs	BTPN Bank routinely provides rewards to its employees so that the marketing of BTPN wow products makes every effort to serve customers. BTPN wow product marketing routinely visits agents and customers to ask about the obstacles faced and check the development of the BTPN network, both directly and through SMS or social media (Whatsapp)
Total Quality Management	Banks do not need to make product development on a large scale	BTPN wow products are in line with the expectations of the community both system and usage, especially for the middle to lower class society so that it is very easy to use and does not require large development.

Relationship Marketing Outcome

Relationship Marketing Outcomes	Reality in BTPN Wow
Customer Satisfaction	BTPN Bank customers especially for BTPN Wow products are satisfied with BTPN wow products that can facilitate the transaction process such as cash withdrawals and can provide added value because they can also serve the purchase of various needs such as credit and

	electricity. BTPN wow customers especially those who are merchants are satisfied with BTPN Bank's marketing services because they routinely check and visit agents
Customer Loyalty	BTPN wow product customers do not move to other products because until now there are no other banking products that resemble BTPN wow products. BTPN wow agents who also act as active marketing in finding downlines or BTPN wow customers who are under agents to open accounts and transactions.
Increased Profitability	The more BTPN wow customers, both as agents and ordinary customers, will increase profitability for the BTPN Bank
Quality Product	BTPN wow products are growing and customers' input also makes BTPN's bank always strive to improve quality and service

Based on the results of data processing, the following results can be submitted

Model	B	t	Sig
(Constant)	6,794	3,434	0,001
Service Quality	3,999	4,497	0,000
Relationship Marketing	0,717	6,964	0,000

Dependent : Customer Satisfaction

Model	B	t	Sig
(Constant)	2,223	1,564	0,121
Service Quality	-0,146	2,204	0,030
Relationship Marketing	0,391	4,572	0,000
Customer Satisfaction	0,459	6,666	0,000

Dependent : Customer Loyalty

Variable	Influence towards Customer Satisfaction	Influence towards Customer Loyalty
Service Quality	Positive and significant	Negative and significant
Relationship Marketing	Positive and significant	Positive and significant
Customer Satisfaction	-	Positive and significant

Then, the result of hypothesis are: (1) hypothesis 1 is rejected because the service quality has negative impact (B= - 0,146) and significant towards customer loyalty; (2) hypothesis 2 is accepted because relationship marketing (B= 0,391) has positive impact and significant towards customer satisfaction and customer loyalty; (3) hypothesis 3 is accepted because customer satisfaction has positive impact (B=0,459) and significant towards customer loyalty.

The result shows that The service quality has positive impact towards customer satisfaction and negative impact towards customer loyalty. The result different with the relationship marketing that both has positive impact towards customer satisfaction and customer loyalty. Based on the result of interviewed data, the customer has been satisfied by the marketing service. The negative value towards customer loyalty can be from the other factor such as the marketing's service quality of the product's competitor.

V. CONCLUSION

The conclusion of the findings on the result and discussion are : (1) relationship marketing has an important role in market the BTPN wow product; (2) the service quality has a negative effect means that the marketers' service towards the customer is still under expectation; (3) the customer satisfaction of BTPN wow product leads to the customer loyalty.

This study is limited to the banking product. Hopefully, the next research will be enrich this study by implement the multi methods in the other filed such as retail market or food industry.

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CERTIFICATE

This certification is proudly presented to

Siti Fatonah

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Presenter

at

**The 1st International Conference and Call for Papers
“ Insuring Sustainable Business Strategy (ISBS) ”**

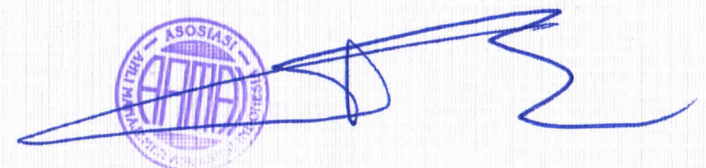
**Managing Risk for Anticipating the Era of Volatility, Uncertainty,
Complexity, and Ambiguity (VUCA)**

Semarang, November 15th 2018



Prof. Vincent Didiek Wiet Aryanto, Ph.D, MBA

Dean of Faculty Economics and Business
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