

The Effect of Relationship Marketing and Community Toward Switching Barrier and Its Impact on Customer Retention

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Abstract—The purpose of this quantitative research is to examine and analyze the effect of relationship marketing and community on switching barriers and customer retention. This research was conducted on 100 authorized Toyota car dealership customers in Malang. Sampling is done by accidental convenience sampling technique. Data collection in this study was carried out with a research instrument using a questionnaire. Next to test the model is done by using SEM analysis with the GSCA approach. The results showed that there was a significant influence between relationship marketing and community on switching barriers. Switching barrier has a significant effect on customer retention. Partially known that relationship marketing variables are variables that have a dominant influence on customer retention.

Keywords: *relationship marketing, community, switching barrier, customer retention*

I. INTRODUCTION

This research found that the profitability of the business depends on customers who make repeat purchases (repeat customers) [1]. In a situation of high competition, Toyota tries to get new customers by attracting them from competitors usually requires higher costs than holding customers with existing ones by meeting their needs. Customers who are satisfied will make financial transactions with Toyota repeatedly.

Starting from an effort to satisfy customers, Toyota will get closer to its customers. Toyota formulates its strategy based on the perspective of outward looking rather than inward looking. Marketing orientation also shifts from market orientation which tends to focus on transactions to market orientation which tends to focus on relational. The shift from the transaction marketing era to Relational Marketing is a major concern in the context of gaining and retaining customers. In Relational Marketing there is the meaning of ongoing transactions in other words building long-term partnerships with customers that can ultimately infer customer loyalty. This long-term relationship will be more memorable for customers when Toyota also considers the customer satisfaction factor.

When Toyota is able to create good relationships and deliver products satisfactorily, customer confidence in Toyota will increase. This situation will ultimately become a strong protection for the Toyota market. This means that Toyota is able to create restrictions or obstacles so that customers are reluctant to move to another Toyota. The end result of Toyota's efforts is the creation of high customer retention so that Toyota becomes irreplaceable and becomes part of the customer's effort to meet their needs and expectations.

The concept of Relational Marketing focuses on creating value by involving customer interactions to obtain information related to expectations and levels of customer satisfaction on an ongoing basis. In implementing the Relational Marketing strategy, Toyota needs to pay attention to several key factors which include loyalty and satisfaction, profitability, and customer retention.

The profitability of a business is very dependent on the customer making a repeat purchase. Customers who repurchase the products or services offered by Toyota will positively support the services and products offered. In addition, the customer will create a source word of mouth so that it can reduce marketing costs for Toyota, which in turn will increase the level of profits obtained. Another thing that Toyota needs to consider in developing Relational Marketing is customer retention because if Toyota is able to provide quality customer service it will provide value to the customer.

In the era of Relational Marketing there was a change in the conventional outlook from product-oriented to market-oriented by building long-term mutually beneficial relationships between Toyota and customers. In the era of Relational Marketing customers became the center of attention so Toyota focused its strategy one of them on relationship creation rather than on sales but its attention to customers after sales.

Relational Marketing is a form of marketing strategy that emphasizes good relations and mutual benefits between the interests of both parties, namely Toyota and customers. The mutually beneficial relationship between Toyota and the customer will have an impact on the efficiency of marketing costs because satisfied customers, related to the products and

services offered by Toyota, will likely repurchase and recommend it to others.

Based on these thoughts, the researcher formulated the research problem how the relationship between Relational Marketing and community effects on switching barriers so as to increase customer retention. From the research problem formulation emerged the following research questions are Does Relational Marketing have a significant effect on Switching Barriers, Does Relational Marketing have a significant effect on Switching Barriers, Does Relational Marketing have a significant effect on customer retention, Does the Community have a significant effect on customer retention, Does Switching Barrier have a significant effect on Customer Retention.

Another novelty in this dissertation methodologically is that it combines several relationship marketing, community, switching barrier and customer retention variables.

II. METHODS

Based on the type of this study uses a survey type. According to Sugiyono survey research is research conducted on large and small populations [2]. This survey research was conducted for explanatory (explanatory) purposes. This research was conducted at the official Toyota car dealership workshop in Malang. Based on calculations using the Machin and Campbell formula, we obtain n (minimum) = 100, so the samples to be used in this study are 100 customers at the authorized Toyota car dealership shop in Malang.

III. RESULTS AND DISCUSSION

Relational marketing (Relational Marketing) is long-term oriented which aims to provide long-term value to customers with the measure of success is long-term customer satisfaction. Strong customer ties can be built by providing financial benefits, social benefits and structural ties.

Nowadays relationships have an important role in business activities. From a financial perspective, almost all companies have long-term and sustainable profit goals. From a marketing standpoint, customer satisfaction and customer retention (not just passively loyal customers) is the goal of every business. Building trust and superior service to consumers is a long-term effort to achieve customer retention. Changes or dynamics in the business environment, increasingly competitive competition, technological developments, as well as changes in market needs and desires, increasingly motivate companies to redefine the company's perspective from a product-oriented perspective to a market-oriented perspective.

In the application of Relational Marketing, there are several dimensions that must be considered so that the marketing strategy by means of Relational Marketing can be said to be successful and achieve goals. Relational Marketing into 6 dimensions of relationship quality consisting of trust, bonding, communication, share value, empathy/caring and reciprocity.

The commitment meant in this case is the mutual need bond that occurs between Toyota and the customer. With commitment there can be an engagement and sincerity from each party to maintain a sustainable good relationship. The

function of communication here is to create an atmosphere of mutual understanding between Toyota and its customers, so as to minimize/avoid misunderstandings between Toyota and its customers. Conflict handling is the company's ability to avoid potential conflicts, solve conflict causes before they become a problem, and openly discuss solutions or solutions when a problem arises.

One of the customer satisfaction innovation programs for Toyota's authorized garage service is Express Maintenance (EM). This type of service is for large-scale service work that is able to be completed by the authorized workshop within a short period of only one hour. This program applies periodic service work which includes checking and replacing components such as spark plugs, platinum, brake linings, air filters, oil filters and fuel filters.

Periodic Service Time with EM 3-4 times shorter. This is because the process with the EM method is carried out by 3 technicians at once, supported by the latest equipment with very efficient work procedures. Although the regular service process with EM is much faster, the quality of the work can be ensured to be the same as the regular service process with the Regular method. This is achieved because there is a principle of "Built in Quality in each process" in the EM process, that is, during the process there is a "Quality Inspector" that always ensures the quality of each work process. That is an advantage offered by Toyota's official workshop.

If a customer wants quick periodic service with EM, the customer must first make a booking. At present EM is valid for all running models of vehicles such as Vios, Innova, Avanza, Yaris, Rush, and Altis with a periodic service category at kilometers 10,000, 20,000, 40,000 and multiples thereof. The advantage, this EM program does not differentiate service costs from regular periodic service. Now this periodic service is more convenient and profitable at 159 authorized Toyota workshops throughout Indonesia.

This research was conducted by distributing questionnaires to service customers in the official Toyota Malang workshop. This discussion is carried out to describe and explain the overall characteristics of respondents based on age, gender, status, income and frequency of arrivals at Toyota authorized workshops.

The age factor of respondents in this study shows the diversity of Toyota authorized service shop customers in Malang. From ages that can be said to be young to old, the respondents agreed to use the services of this official workshop. Descriptions of respondents by age indicate that the majority of customers of these service shops are respondents aged between 37 to 41 years, this is due to the customer's awareness that regular service can make a vehicle safe to use.

Respondents aged between 21-26 years amounted to 14 people or 13.7% of the total respondents. Next respondents aged 27-31 years as many as 12 people or 11.8%. 32-36 years old respondents were 16 people or 15.7%. Respondents aged 37-41 years were 20 people or 19.6%. Respondents aged between 42-46 years were 15 or 14.7%. Respondents aged between 47-51 years were 11 people or 10.8%. Respondents

aged between 52-56 years were 13 people or 12.7%. and respondents aged between 57-61 were 1 person or 1.0%.

According to the results of research that has been done, of the 102 respondents there were 69 people (67.6%) who were male and 33 people (32.4%) who were female. From the research results it can be seen that the majority of respondents are male, because men tend to pay more attention to vehicle maintenance and comfort in driving.

The highest percentage of data presentation can be seen in the types of jobs of private employees and entrepreneurs, respectively 27 respondents (26.5%) out of 102 respondents. This is due to the awareness to take care of vehicles that are supported by financial capability for regular service at Toyota authorized workshops. In addition, time allocation for private employees and entrepreneurs is more flexible in determining the schedule for service.

Shows that respondents who work as private employees are 27 people (26.5%), respondents who work as entrepreneurs are 27 people (26.5%), respondents who work as Teachers / Lecturers are 18 people (17.6%), respondents 15 people (14.7%) worked as civil servants, 8 students (7.8%) were respondents, and 7 others (6.9%) were employed by other employees. We can be known the level of income of respondents Toyota official service shop customers, with the majority of respondents earning 3-5 million as many as 43 people or 42.2% of the total 102 respondents.

The amount of R square in this relationship is 0.264 or 26.4%. The figure shows the influence of Relational Marketing and Community on Switching Barriers simultaneously is 26.4%, while the remaining 73.6% is influenced by other factors. Then to determine the feasibility of the regression model using a comparison between the significance level (F-calculated probability) of research with a significance level of 0.1. Based on the calculation results of the significance of the study of 0,000 ,000 0.1, H0 is rejected and H1 is accepted. This means that there is a simultaneous linear relationship between Relational Marketing and the Community of Switching Barriers.

Respondents with 1-3 million incomes were 32 people (31.4%), respondents who had 5-7 million income were 20 people (19.6%), respondents with income > 7 million were 4 people (3.9%) and respondents with an income of <1 million as many as 3 people (2.9%). Toyota authorized service shop customers are dominated by respondents with an income of 3-5 million. This can be caused by the availability of funds allocated for periodic servicing at Toyota authorized workshops. We know that the total number of 102 respondents the composition of service arrivals of respondents 3-5 times was 48 people (47.1%), respondents with 6-8 times as many as 32 people (31.4%), respondents with 9-11 times as many as 18 people (17.6%) and respondents with arrivals 12-14 times as many as 4 people (3.95%).

Periodic service customers at Toyota authorized workshops are dominated by respondents with arrivals of 3-5 times, in general the respondent is a vehicle owner with a fairly high level of mobility, besides that the year of purchase also affects

respondents to do regular service due to price discounts from party's company for vehicles with a certain year of purchase.

The amount of R square in this relationship is 0.306 or 35.4%. This figure shows the influence of relational marketing, community and switching barrier on customer retention simultaneously is 35.4%, while the remaining 64.6% is influenced by other factors. In other words, customer retention variability that can be explained by using the relational marketing, community, switching barrier and customer retention variables of 35.4%, while the effect of 64.6% is caused by other variables outside this model. Then to determine the feasibility of the regression model using a comparison between the significance level (F-calculated probability) of research with a significance level of 0.1. Based on the calculation results of the significance of the study of 0,000 ,000 0.1, H0 is rejected and H1 is accepted. This means that there is a simultaneous linear relationship between relational marketing (X1), community (X2), switching barrier (Y1) and customer retention (Y2).

The shift in marketing perspective from internal orientation (inward looking) to external orientation (outward-looking) has provided inspiration for this dissertation to conduct a deeper study of the concept of relational marketing. The concept of relationship marketing is currently increasingly widely studied in the field of service marketing and industry because of its very strategic role. Thus this research study concerning relational marketing is still urgent to be carried out in order to reconfirm the results of previous relevant research in the field of marketing.

TABLE I. SIGNIFICANCY RELATIONSHIP BETWEEN VARIABLES

Relationship between Variables	Relationship		Sig	Conclusion
	Direct	In direct		
Relational Marketing Against Switching Barrier	0,209	-	0.046	Significant
Community Against Switching Barriers	0,367	-	0.001	Significant
Relational Marketing Against Customer Retention	0,078	0,047	0.463	Not Significant
Community Against Customer Retention	0,210	0,082	0.059	Significant
Barrier Switching Against Customer Retention	0,224	-	0.057	Significant

A. Discussion

This research has the thought that the best marketing is to retain existing customers rather than getting new customers. This thought finally brought inspiration for researchers to study relational marketing. The basic idea of relational marketing is a paradigm shift from a transactional marketing perspective towards long-term relationships with customers.

Some of the previous studies that have been used as references for this research are Dwayne Ball; Ranaweera; Edward Manoj; Vatanasombut and Chung-Tzer Liu. et al have confirmed that customer satisfaction is an important variable in building customer loyalty and retention [3,4]. This dissertation provides an expansion of the study by adding relational

marketing as an antecedent variable that affects customer satisfaction and customer retention.

Several decades ago many marketing researchers have conducted a study of the strategic value of service quality as the main variable that contributes to the creation of corporate profits. This dissertation actually has another perspective, that what the company needs in protecting its long-term profits lies precisely in the company's ability to create good relationships with customers. Therefore, this dissertation positions relationship marketing as the main exogenous variable that will be examined in relation to other important variables such as switching barrier variables, customer satisfaction, customer trust and customer retention.

The novelty in this study is to examine the switching barrier as an important factor in building customer retention. The study of switching barriers as a company's strategy in protecting its market, especially in the service sector, is very important in a situation of hypercompetitive business competition. Providing quality services is not enough. In some features, service quality can be duplicated by competitors. Therefore, it is very important to make barriers to switching to customers as a new strategy to maintain customers in a product differentiation situation that is very difficult to do. To the best of researchers' knowledge, switching barrier variables are also rarely included in the research model. Researchers experience limitations in finding reference sources that are relevant to the switching barrier concept. Thus the model in this dissertation that examines the switching barrier can be considered as an effort to make a new confirmation related to the role of the strategy of creating a switching barrier in building company competitiveness.

This research theoretically contributes to the development of the rational concept of marketing initiated by Payne, Gummesson and Berry who provide insight that relational marketing is not just a corporate strategy but a business philosophy that should be part of the company's vision as a whole continuous [5,6].

This research also contributes to the progress of the concept of switching barrier which is still not widely studied by researchers. The switching barrier study that is part of this dissertation can add insight that switching barrier is an antecedent for customer loyalty which has so far been rarely tested. This research model generally provides an understanding that customer retention is seen as more important than just building customer loyalty. Loyal customers cannot add value to the company when the loyal behavior is not followed by customer retention behavior in the form of cross selling which will increase transaction volume.

The results of the study have confirmed that switching barrier is an intermediate variable that links relational marketing to exogenous variables that affect customer retention. Thus switching barriers should be a priority for Toyota specifically in serving customers. All work units, especially service departments, must always provide satisfactory services and can provide post-service guarantees at Toyota authorized workshops so that customers feel comfortable and reluctant to switch from Toyota authorized workshops.

In general, the performance of Toyota's authorized workshops in terms of marketing variables, community, switching barrier, and customer retention have shown good performance. However, there are some indicators that still need to be improved.

IV. CONCLUSION

This study has limitations in terms of the number of times customers arrive at Toyota authorized service shops. some indicators that need to be improved in building a good relationship with the best give better attention to customers by giving their best and increasing the level of cooperation with customers. efforts to make the transition need to be done by paying attention to the personal form by positioning the customer as an individual who gets different services from other workshops. service must be a top priority for all work units because service is a major contributor in the customer satisfaction program. emotional closeness must be built for customers through relationships with good relationships, increasing trust and providing services in accordance with the orientation for customer satisfaction.

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